

# ANNUAL REPORT 2016

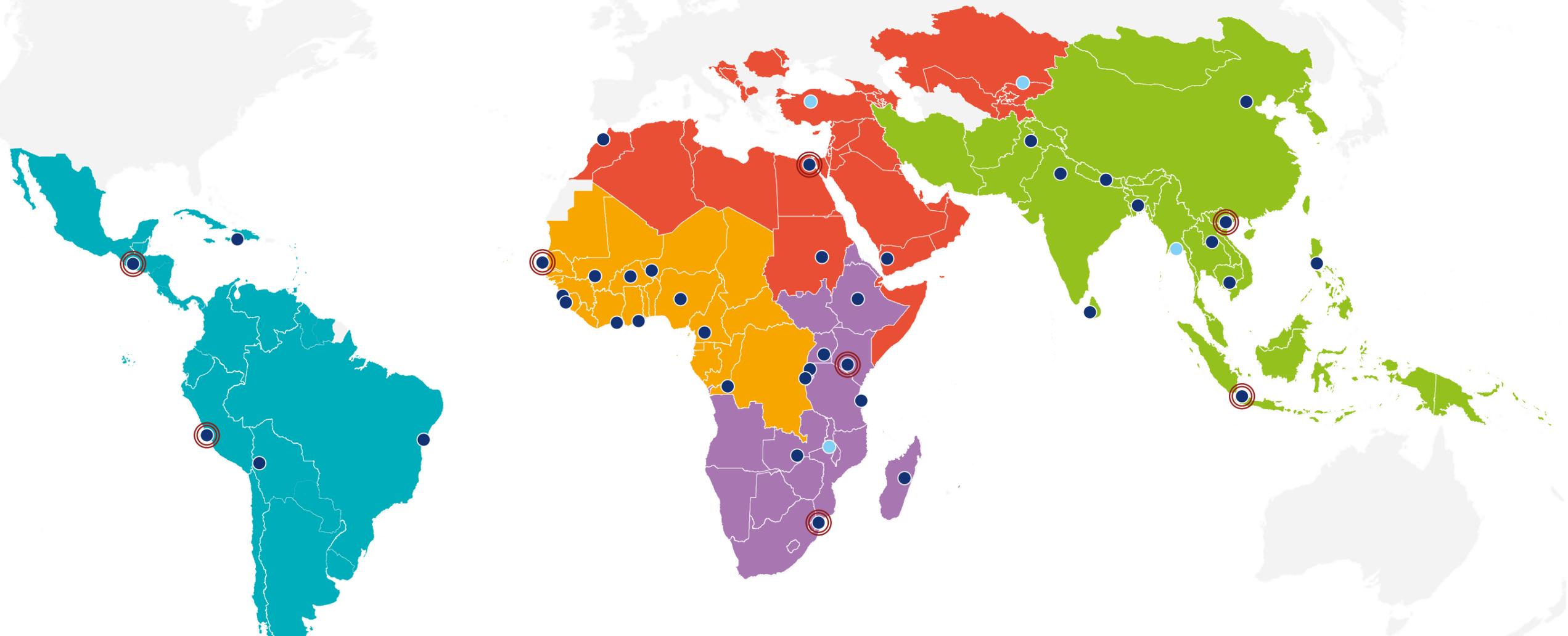


Investing in rural people

IFAD invests in rural people, empowering them to reduce poverty, increase food security, improve nutrition and strengthen resilience. Since 1978, we have provided US\$18.5 billion in grants and low-interest loans to projects that have reached about 464 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 2017

**Ongoing IFAD investment programmes and projects at end 2016,  
and IFAD country offices**



**Latin America and the Caribbean**  
31 programmes and projects

- Argentina 1
- Bolivia (Plurinational State of) 2
- Brazil 6
- Colombia 1
- Cuba 1
- Dominican Republic 1
- Ecuador 2
- El Salvador 1
- Grenada 1
- Guatemala 2
- Haiti 1
- Honduras 3
- Mexico 2
- Nicaragua 2
- Paraguay 1
- Peru 2
- Uruguay 1
- Venezuela (Bolivarian Republic of) 1

**West and Central Africa**  
41 programmes and projects

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

**East and Southern Africa**  
44 programmes and projects

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

**Near East, North Africa and Europe**  
34 programmes and projects

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

**Asia and the Pacific**  
61 programmes and projects

- Afghanistan 2
- Bangladesh 6
- Bhutan 1
- Cambodia 3
- China 6
- Fiji 1
- India 8
- Indonesia 3
- Kiribati 1
- Lao People's Democratic Republic 3
- Maldives 2
- Mongolia 1
- Myanmar 1
- Nepal 5
- Pakistan 4
- Papua New Guinea 1
- Philippines 4
- Solomon Islands 1
- Sri Lanka 3
- Tonga 1
- Viet Nam 4

**IFAD country offices (as at 31 December 2016)**

- Operational
- Planned
- Proposed subregional hub

# Table of contents

President's foreword .....	2
Programme of work 2016 .....	6
Major initiatives and new programmes .....	30
Measuring and improving results .....	39
Financing data and resource mobilization .....	47
Awards .....	62

Annual Report 2016 USB memory stick

# President's foreword



2016 was the last full year of my eight-year tenure as leader of IFAD. It was also the first year of IFAD's Tenth Replenishment Period (2016-2018), during which decentralization, reform and innovation are driving the organization's agenda.

In the wider world, 2016 was a year marked by conflict, mass migration, growing inequality, undeniable climate change and political upheaval. As 2017 dawned, the threat of famine hung over four countries. In February, famine was officially declared in South Sudan – with 40 per cent of the population of the world's youngest country at risk. As we all know too well, a formal famine declaration means that children, women and men are already dying of hunger.

The scope of the challenges facing the world – and particularly the poorest and most vulnerable people – is humbling. It is unacceptable that famine and starvation still continue to plague humanity. IFAD was founded following the Rome Conference in 1974 that grew out of global concern over devastating famines. And for many years we were nearly alone in championing the cause of smallholder agriculture and rural development.

Today, that picture has changed, with strong appreciation of the role of smallholders and other rural people in the 2030 Agenda for Sustainable Development. And yet, three quarters of the world's poorest and hungry people live in rural areas. We know that scaling up our support for agricultural

development and sustainable inclusive rural transformation is the best way to strengthen the resilience and food security of rural women and men and to eliminate extreme poverty and hunger.

## **Times of change for IFAD**

I was at the helm through eight years of momentous change and reform for IFAD and as a result the organization is stronger, more flexible and more focused. Under my leadership:

- IFAD's business model has been decentralized to bring us closer to the people we serve – today we have more than 100 staff deployed in 40 country and subregional offices (see map inside front cover), covering close to 80 per cent of IFAD's portfolio and serving 77 countries.
- The organization's financial architecture has been revamped, broadening our resource base with the inclusion of sovereign borrowing as a resource mobilization instrument, and strengthening our capacity to respond to an unpredictable fiscal environment.
- IFAD has been transformed into a knowledge-based institution with a culture of rigorous scientific impact assessment and dissemination of knowledge. As a result, we are building a solid evidence base for operational decisions and for our policy dialogue and advocacy in support of poor rural people.

- Human resource management and internal processes have been reorganized to ensure that IFAD is a truly twenty-first century organization – agile and fit for purpose.

### **Advocacy work and knowledge-sharing**

This report covers our achievements and impact in 2016, the first year of the implementation of the United Nations' ambitious 2030 Agenda. During the year, we stepped up our advocacy and knowledge-sharing on smallholder agriculture and rural issues, taking a leadership role in international policy processes, including climate change negotiations, the first ever World Humanitarian Summit, the G20 agricultural ministerial process and the United Nations Conference on Housing and Sustainable Urban Development (see page 30).

In September we published the first *Rural Development Report*, which analyses processes of poverty reduction and structural and rural transformation in 60 countries worldwide. The Report demonstrates that inclusive rural transformation that reduces poverty for all social groups is not an automatic outcome of economic growth; it must be made to happen through targeted pro-poor investments and policies put in place by governments and other partners. (Read the *Rural Development Report*: <https://www.ifad.org/ruraldevelopmentreport>)

### **A focus on results**

IFAD's new Strategic Framework 2016-2025 came into effect this year, outlining how the Fund will contribute to the 2030 Agenda. The Framework sets three strategic objectives: increasing rural poor people's productive capacity, increasing their benefits from market participation, and strengthening the environmental sustainability and climate resilience of their economic activities. (Read the Strategic Framework: <https://www.ifad.org/who/sf/overview>)

During the year, we also completed the landmark IFAD9 Impact Assessment Initiative (IAI). The IAI is the first attempt by a development institution to scientifically assess the impact not just of individual projects but of the institution as a whole (see page 31). Results for projects ongoing and closed during the period 2010-2015 show 139 million people being reached and seeing benefits such as increased income, increased

livestock assets and moving out of poverty. The approaches and information generated by the IAI will be a global public good, benefiting all stakeholders working to eradicate rural poverty.

Using the knowledge developed through the IAI, IFAD has created a Development Effectiveness Framework to facilitate the use of evidence in the design and implementation of projects. Under this Framework, we are strengthening tools for self-evaluation, creating a dedicated unit to expand learning and increasing staff capacity for evidence-based project management. A set of IFAD-supported projects will be selected for impact assessment.

### **Mainstreaming gender, nutrition and climate change**

For the three-year IFAD10 period (2016-2018), we are committed to mainstreaming gender, nutrition and climate change in the operations we support. IFAD is a recognized leader on rural women's empowerment and we are on track to meet all of the targets of the UN System-wide Action Plan on Gender Equality and the Empowerment of Women during 2017, performing significantly above the average of the UN system. For the first time, results reported in 2016 showed that women account for a full 50 per cent of those participating in our projects. In order to tackle the entrenched norms that perpetuate gender inequality in many areas of the world, IFAD has worked with partners to pioneer the household methodologies – a set of innovative approaches that drive change from within the family (see page 33).

In Africa, estimates suggest that undernutrition has led to economic losses as high as 16.5 per cent of GDP. All the evidence confirms that food and nutrition security are essential to sustainable poverty reduction. Too often, malnutrition is handed down from mother to child, preventing children from fulfilling their potential and keeping generations locked in poverty. Mainstreaming nutrition means ensuring that the projects we support do not focus solely on increasing farmers' incomes or the cultivation of crops for export – but that the production and availability of nutritious foods are also prioritized. Education plays a pivotal role in improving nutritional status. Read the story from the field from Laos on the soap opera made to raise awareness about good nutrition for children (see page 18).

IFAD is a leader in climate mainstreaming in the UN system. Our Adaptation for Smallholder Agriculture Programme (ASAP) is the world's largest fund focused on helping small farmers adapt to changing conditions. By the end of 2016, over US\$300 million has been committed in rural areas through ASAP.

I would like to close by inviting you to read more of the 2016 IFAD Annual Report. It includes key financial data on our investments and detailed sections on the portfolio by region. It summarizes our major initiatives undertaken during the year. But it also gives voice to the people we work with through a series of stories from the field – because ultimately IFAD is about investing in people. For example, in Nigeria, we are partnering with the private sector to support young farmers like Peter Okonkwo, who is doubling his rice production and income. In Madagascar, we've been enabling people to register their landholdings – giving them security and assets. In Brazil, our funding has helped a cooperative led by determined women to build a profitable business based on wild and local fruits. And in the West Bank, family farmers are growing high-value crops like almonds and apricots on once-barren terrain. As all these stories show, with the right support rural people can transform not just their own lives, but those of their communities as well.

### **A new President is appointed**

In early 2017, Member States appointed Gilbert F. Houngbo of Togo as the sixth President of IFAD and he took office on 1 April. Like me, the new President is wholly committed to the people IFAD has always invested in – the women and men whose labour puts food on the table for the families of the developing world. I am happy to pass the baton to him and I wish him fortitude and determination in his new position. I am confident that under Houngbo's direction IFAD will continue to grow and to play a leading role in the transformation of rural areas, leaving no one behind.



**KANAYO F. NWANZE**  
President of IFAD



# Programme of work 2016

## 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

Economic growth has been slow in West and Central Africa over the past few years. GDP grew by an average of only 1.6 per cent in the region's 24 countries in 2015. The economic situation is complicated by declining exchange rates and falling oil prices, which effectively cancel each other out in terms of their effect on consumers. Oil prices are not expected to recover in the foreseeable future. This has especially affected the petroleum-exporting countries – Nigeria, the region's biggest economy, slipped into recession in August 2016.

Foreign direct investment has also steadily declined in percentage terms over the past five years. Two years ago, the International Monetary

Fund recommended that exporting countries revisit their trade policies and budgets, but so far they have not done so.

Ten of the nations in West and Central Africa are on the World Bank's list of countries in fragile situations. Five others have experienced violent conflict in the past year. In addition to the loss of life and human suffering caused, such insurgencies hamper regional trade, which also affects the small farmers and value chain actors IFAD works to empower.

The 2014-2016 Ebola outbreak, which took the lives of more than 11,000 people in five countries, effectively shut down markets and commerce in Guinea, Liberia and Sierra Leone. This stifled economic activity in both rural and urban areas for two full years.

One of the biggest challenges facing West and Central Africa is how to give the millions of young people opportunities to create meaningful lives and livelihoods for themselves. Three quarters of the region's population is under the age of 35, and in rural areas the young people are mostly landless, marginally employed and suffering from poor working conditions and exploitation. So far the region's economies have been unable to absorb this potential windfall of energetic and creative workers. As a result, young people are increasingly abandoning agriculture and rural areas in search of better lives in cities or abroad.

All of these challenges have made it harder for the region to address vital issues such as how to simplify access to local, regional and international markets, and deal with the growing impact of climate change. During 2016, two new grants from IFAD's Adaptation for Smallholder Agriculture Programme (ASAP) worth US\$10 million were approved, bringing the total value of ASAP financing in the region to US\$83.8 million at the end of the year. Three grants from the Global Environment Facility (GEF) worth US\$22.1 million were also fully

## Portfolio management highlights

- 41 ongoing programmes and projects in partnership with 23 recipient governments in the region at the end of 2016
- US\$1,244.4 million invested by IFAD in the region's ongoing portfolio
- US\$76.5 million in 1 new approval in 2016 for Mauritania, and additional financing for ongoing programmes and projects in Cabo Verde, Niger and Sao Tome and Principe
- 1 new results-based country strategic opportunities programme (RB-COSOP) for Nigeria

approved, bringing the total value of GEF financing in the region to US\$59.4 million. IFAD leads the GEF Integrated Approach Programme on Fostering Sustainability and Resilience for Food Security in Sub-Saharan Africa, which was approved at the GEF Council in June 2016. The approach focuses on the natural resources that underpin food and nutrition security – land, water, soils, trees and genetic resources.

**Our work and results in 2016**

In 2016, our work in West and Central Africa focused on:

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

**Inclusive value chains**

Value chains connect producers to markets and include activities such as storage, transportation and processing. Many IFAD-supported projects in the region work to make value chains inclusive and to enable small farmers and rural people to increase

production and efficiency. They also enable poor producers to move up the value chain and to take part in the steps where more money is made.

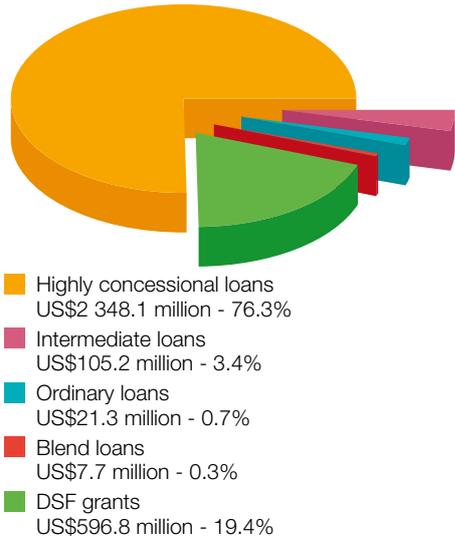
In Nigeria, an IFAD-funded project is working to improve the livelihoods of rice and cassava farmers. Strengthening supply chains and increasing access to markets enables small farmers to increase their productivity and move away from poverty. About 3,000 farmers have already signed a partnership that will secure them a productive agricultural future.

Also in Nigeria, the IFAD-supported Value Chain Development Programme has linked more than 20,000 farmers to off-takers, who provide cash up front in exchange for a share of the harvest. (Read more in the story from the field on page 9.)

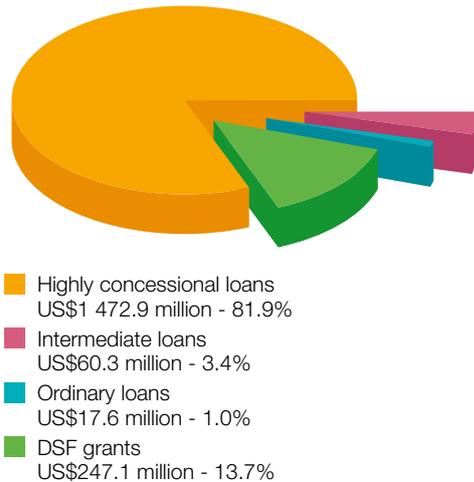
In Sao Tome and Principe, IFAD is working with partners to develop and strengthen value chains for cocoa, coffee and pepper – all important export crops. The programme helps to strengthen cooperatives of small farmers and link them to European markets. As a result, 1,100 tons of cocoa, 300 tons of coffee and 14 tons of dried pepper were produced and exported by four cooperatives in 2016.

**WEST AND CENTRAL AFRICA**

**CHART 1a**  
**IFAD loans by lending terms and DSF grants, 1978-2016<sup>a</sup>**  
 Share of total of US\$3 079.1 million



**CHART 1b**  
**Loan disbursements by lending terms and DSF disbursements, 1979-2016<sup>a</sup>**  
 Share of total of US\$1 797.9 million



<sup>a</sup> Any discrepancy in totals is the result of rounding.

<sup>a</sup> 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 The Gambia, an IFAD-supported project is working to transform the country's agricultural sector by increasing the demand for local produce grown by smallholders. The project is also investing in public infrastructure and working to effectively link all value chain operators and facilitate the profitable production and movement of produce from the farm gate to the consumer. The results are promising: 27 agribusiness plans have been approved, generating employment particularly for young people and women.

### **Rural finance**

The rural areas of West and Central Africa are severely underserved by financial institutions, putting rural people at a great disadvantage. IFAD is supporting efforts to make microfinance options and cashless credit more available to smallholders, so they can invest in their businesses and increase their productive capacity.

In Ghana, the IFAD-supported Northern Rural Growth Programme is working to develop inclusive commodity and food chains to generate surplus production for sale in markets in the south of the country and abroad. To help farmers access the inputs they need, the programme introduced a cashless credit model enabling eligible farmers to receive fertilizer, seeds and services from vendors and service providers. To date, 26 rural community banks are involved in the cashless credit system. Smallholders in over 560 farmer organizations have accessed this finance.

In Nigeria, IFAD is working in 12 states to strengthen microfinance institutions and link them to formal financial institutions. The programme aims to improve rural people's access to low-cost credit, with a focus on women, young people and people with physical disabilities. More than 12,000 savings groups have been mentored as part of the programme, and a strong savings culture and community spirit have been developed. Over 400 operators have been trained to develop rural business plans, and they have reached around 200,000 clients across 14,000 villages. Loans have been disbursed to more than 16,000 borrowers in less than six months.

### **Natural resource management and climate change**

The effects of climate change – unpredictable seasons, lack of rain and increasing soil salinity – have left many farmers in West and Central Africa with little produce and less money to afford rising food prices. In some areas, scarce rainfall and soil degradation have led farmers to consider abandoning their land. Poor smallholders urgently need support to maximize their natural resources and to implement farming practices that will enable them to adapt to climate change.

In Mali, IFAD is supporting a programme that supplies biodigesters to farmers in the Sikasso and Kayes regions. The digesters convert organic waste into biogas, a fuel that can be used to power household appliances such as stoves. This greatly decreases the domestic workload, especially for mothers and children. The biodigesters also produce organic fertilizer, which is used on farms in an important sustainable farming practice.

In Senegal, IFAD is funding a project that creates special pastoral units to enable herders to better manage scarce natural resources such as water and pasture land. To date, the project has supported or created 22 units, each covering villages within a radius of 25 kilometres. It has reduced conflict over surrounding water points and greatly improved the lives of pastoralists by supplying them with the resources they need, mainly access to water for human consumption and for livestock. It has also made available vaccinations to prevent animal diseases. Given the success of the project, the Ministry of Livestock plans to implement it in other regions.

In Mauritania, small farmers struggle with extremely harsh environmental conditions, including lack of rain and poor soils. IFAD is supporting a project in the south of the country that is enabling 4,700 women to scale up their poultry production. The participants are producing 500 tons of white meat per year, improving family nutrition and income. The project includes the construction of climate adaptive poultry houses that protect the birds from extreme heat, and training classes to teach the women how to care for their chickens correctly.

## Story from the field

### Reducing rice imports helps smallholder farmers in Nigeria

An IFAD-supported programme in Nigeria is helping to reduce dependence on imported rice and strengthening the access of smallholder farmers to local markets.

Every year, Africa spends some US\$35 billion on food imports, undermining the sustainability of its own agriculture sector. This overreliance on food imports is partly due to the inferior quality of much local produce. In Nigeria, Popular Farms & Mills Ltd, a subsidiary of Stallion Group Nigeria, and Olam International, a major player in the rice industry, typically receive paddies with more than 30 per cent impurity from local farmers. This can increase processing costs, leading to low prices for farmers.

Through the IFAD-supported Value Chain Development Programme in Taraba and Benue states in Nigeria, the Fund has helped forge alliances between key actors, including government, large firms, banks, suppliers, smallholder farmers and off-takers, such as Olam and Popular Farms & Mills Ltd – investors who provide cash up front in return for a share of the harvest.

The programme has had a positive impact along the value chain – from increasing private-sector participation in agriculture, to enhancing access

of smallholders to services and resolving farmer-buyer conflict through the introduction of standard weights and measures.

Through the alliance, off-takers place orders for rice based on farmers' capacity, consumer preferences, collection logistics and the quality of paddies. For their part, farmers identify their need for fertilizers and agrochemicals, preferred mode of delivery and planned quantities for sale. Together, the parties work out mutual obligations, including a fixed price for the rice.

As part of the agreement, Popular Farms & Mills Ltd and Olam set up collection centres not more than 25 kilometres from farmers' fields, which reduced farmers' transportation costs. Olam engaged extension workers to help farmers enhance productivity, and advisers to guide them in making sound decisions about paddy sales.

By November 2016, the programme had linked more than 20,000 farmers to off-takers. Among these was Peter Okonkwo, a young farmer from Anambra State. Four months after training in best practices, he had doubled his yield. "I have even started to crop twice a year because of the teaching," he says. "This means that I will double my income by the end of 2016."



Peter Okonkwo, who has doubled his rice yield and started to crop twice a year.  
Nigeria: Value Chain Development Programme

## Empowering young people

Over the last two years, every new IFAD investment in West and Central Africa has targeted young people. In response to the enormous challenges facing young women and men living in rural areas in the region, IFAD is supporting numerous initiatives to provide training, support entrepreneurship and boost the creation of decent jobs both on and off the farm. We are working to integrate young people into the projects we fund by involving them in project design, supervision and evaluation; building their capacities and skills; improving access to assets, inputs, services and finance; promoting youth role models to make agriculture more attractive; and facilitating networking among young people.

In Cameroon, where young people make up 78 per cent of the population, a youth entrepreneurship initiative is helping young women and men increase their incomes and improve their food security through small businesses in the agropastoral sector, including market gardening and livestock rearing. Overall, the programme aims to reach 50,000 participants and to support more than 5,000 youth-led businesses.

In Mali, we are promoting vocational training and entrepreneurship for 100,000 young people. After six months of working with facilitators, the younger participants can opt to continue their education, while the older students can apply for microcredit and professional training. Following early success, the programme is scheduled to be implemented throughout the rest of the country in three stages.

In Congo, IFAD is working with partners to stimulate fish production and increase youth employment by creating tilapia and catfish ponds. During the pilot phase, the project supplied fish farmers with fingerlings and training in fish culture and pond maintenance. The results showed that this is a highly profitable market-oriented activity; it will be scaled up in 2017.

## 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

Overall growth in East and Southern Africa has been positive, with East Africa demonstrating a stronger and steadier performance than Southern Africa. In East Africa, annual growth in GDP was projected at 6.4 per cent in 2016, slightly higher than the 6.3 per cent posted in 2015. Major investments in positive reforms and policies have made Ethiopia, Kenya, Rwanda, Uganda and Tanzania the top performers.

Southern Africa is currently the slowest-growing subregion on the continent, with average GDP growth of 1.9 per cent in 2016. This was the result of major structural shocks stemming largely from inadequate power supplies and adverse weather conditions. Growth has also tapered off in Mozambique, which a year ago was the subregion's fastest-growing economy. The country's growth rate fell from 7.2 per cent in 2014 to 6.3 per cent in 2015.

As in other regions, economic growth in East and Southern Africa does not automatically reduce poverty. This is partly due to Africa's enormous population of young people – the largest proportion in the world – many of whom are unemployed.

Continuing weak fundamentals in the agriculture sector, in areas such as secure access to land, credit and markets, notably for women and young people, have also prevented a broad-based reduction in rural poverty and inequality, leaving many small farmers trapped in poverty. El Niño-related weather conditions continue to cripple rainfed agricultural production, which accounts for the livelihoods of most rural Southern Africans. Ongoing conflicts in several countries are also impediments to progress in the region.

Against this backdrop, the region's performance on socioeconomic development has been mixed. Levels of extreme rural poverty have fallen slightly, from 59 per cent in 1990 to 52.8 per cent in

2010 – still leaving more than half the rural population living on less than US\$1.25 a day. Sub-Saharan Africa continues to suffer from serious levels of hunger, as demonstrated by its average Global Hunger Index score of 30.1, the highest in the world. Hunger has been reduced in several countries, including Angola, Ethiopia, Kenya, Malawi and Rwanda. Zambia continues to suffer from alarming rates of malnutrition, with 40 per cent of children affected by stunting.

### Our work and results in 2016

In 2016, our work in East and Southern Africa focused on:

- mainstreaming nutrition
- empowering women and young people
- developing agribusinesses
- building resilience.

#### Mainstreaming nutrition

Food and nutrition security is both an indicator and a driver of inclusive economic growth and sustainable development. Without access to adequate, affordable, nutritious food, generations remain trapped in poverty, unable to take advantage of educational and job opportunities to fulfil their potential. In Africa, estimates suggest that undernutrition has led to economic losses varying from 1.9 to 16.5 per cent of GDP. We are committed to integrating nutrition into our projects and our advocacy work.

In East and Southern Africa, we are on track to ensure that all new country strategic opportunities programmes (COSOPs) include nutrition, in line with the commitment made during the Consultation on the Tenth Replenishment of IFAD's Resources (IFAD10). We undertook a nutrition mapping exercise based on 37 projects in the region to better understand the range of nutrition-sensitive actions, and to identify gaps and opportunities for effective nutrition mainstreaming in the region. We have also established linkages with Scaling Up Nutrition (SUN) initiatives; nutrition-sensitive actions include, for example, biofortification, demonstration kitchens, training of community leaders in the importance of a healthy and balanced diet, and nutrition education through community radio.

We built staff capacity in nutrition through training and nutrition education, and carried out awareness-raising for project staff in Eritrea, Madagascar, Malawi, Mozambique and Zambia. A US\$2 million regional grant programme, Strengthening Capacity of Local Actors on Nutrition-Sensitive Agrifood Value Chains in Zambia and Malawi, was launched in June. This will foster nutrition-sensitive agrifood value chains and link them with loan programmes.

Extension workers also play a key role in mainstreaming nutrition into agricultural production. During 2016, extension workers from across Mozambique received training in nutrition-sensitive agriculture, communication skills to disseminate nutrition messages, and technologies for food processing and storage.

#### Portfolio management highlights

- 44 ongoing programmes and projects in partnership with 17 recipient governments in the region at the end of 2016
- US\$1,471.0 million invested by IFAD in the region's ongoing portfolio
- US\$232.9 million in new approvals in 2016: 5 new programmes and projects in Eritrea, Ethiopia, Rwanda, Zambia and Zimbabwe, and additional financing for 1 ongoing project in Madagascar
- 4 new results-based country strategic opportunities programmes (RB-COSOPs) for Burundi, Ethiopia, Malawi and Tanzania

#### Empowering women and young people

While many written laws no longer discriminate on the basis of gender, traditions and patriarchal norms continue to perpetuate gender inequality. This restricts women's rights, movement, autonomy and access to opportunities, especially in rural areas. In communities that rely largely on agriculture for their food and income, gender inequality translates into a large gender gap in agricultural productivity, for which countries pay a high price. Estimates suggest, for example, that this amounts to US\$105 million annually in Tanzania alone.

The household methodologies are a set of approaches – pioneered by IFAD and partners – that are showing results in changing this stubbornly persistent pattern of gender inequality from the bottom up, particularly in farming families and communities. Participants learn about the link between poverty and gender equality in the household while developing a joint vision for the family’s development. The household methodologies are currently being applied in 12 countries in the region, giving households the tools to analyse their current situation and draw up shared plans for the future.

In Uganda, a successful household methodologies project has been mainstreamed into the local government system, using the community development department to oversee implementation. In Rwanda, 6,000 families have gone through similar gender equality training as part of the government’s push to achieve equality between the sexes.

Africa is the only region in the world where the proportion of youth continues to grow. About 65 per cent of the continent’s population is under age 35, and 10 million young people – the equivalent of the population of a very large city – enter the labour

market annually. These young people represent both an opportunity and a challenge. Too often, they are marginalized and excluded from decent employment and from crucial decisions affecting their lives. IFAD-funded projects in the region have a particular focus on youth. We work to expand their livelihood options and strengthen their role in decision-making and planning.

In the Upper Tana River basin of Kenya, for example, 23 youth groups are taking part in an IFAD-supported initiative to increase sustainable food production and improve natural resource management. In Uganda, a project aimed at financial inclusion in rural areas has a target of 15 per cent youth participation under the savings and credit cooperative (SACCO) component, and in the community savings and credit groups.

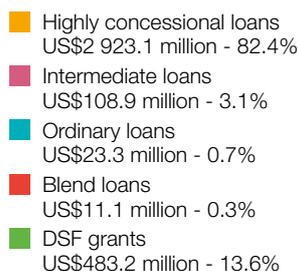
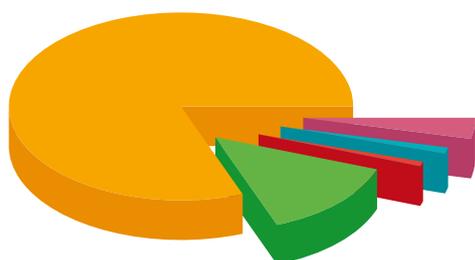
### Developing agribusinesses

Low investment in agriculture over the past 30 years has forced many countries across Africa to import foods they could produce themselves if they had the financial capital and know-how. Public-private partnerships are an important means of boosting the needed investment, and IFAD is working to include producers in these partnerships.

## EAST AND SOUTHERN AFRICA

**CHART 2a**  
IFAD loans by lending terms and DSF grants,  
1978-2016<sup>a</sup>

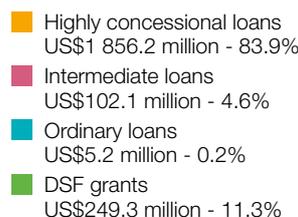
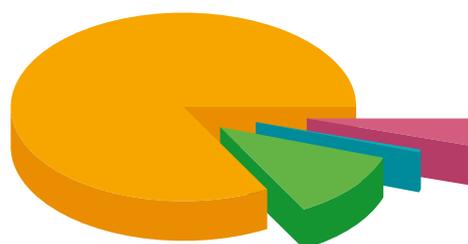
Share of total of US\$3 549.6 million



<sup>a</sup> Any discrepancy in totals is the result of rounding.

**CHART 2b**  
Loan disbursements by lending terms  
and DSF disbursements, 1979-2016<sup>a</sup>

Share of total of US\$2 212.8 million



<sup>a</sup> 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

### Rural poor people in Madagascar strengthen resilience through land tenure

In western Madagascar, IFAD-supported projects have been helping people in rural areas gain legal rights to their land – a key tactic in the fight against poverty.

When smallholder farmers own their land, they can use it as collateral to access credit. Land ownership also gives them more incentives to invest in better farming techniques and manage their land sustainably. These approaches can strengthen resilience in a country where 78 per cent of the population live on less than US\$1.90 per day.

In 2005, the Government of Madagascar introduced a national programme to help citizens formalize land ownership. However, to apply for certification, applicants must prove their legal identity, which deters many rural people. Since 2006, IFAD has supported rural communes and helped establish local land offices to ensure that services are accessible and affordable, particularly for poor rural people and women.

With IFAD support, rural communes have issued nearly 16,000 duplicate birth certificates and more than 10,000 identity cards, enabling rural people to access administrative and financial services.

And farmers are not the only ones benefiting.

Justin, a retired teacher, is one of many rural people now able to gain rights to their land easily and affordably.

“The land office here is a really good thing,” he says. “In this region, there are a lot of land tenure issues. Some people have even killed or have been killed. Land certification helped put an end to this situation.”

Justin had never thought of legally owning his land before. But as he got older, the idea became more important to him and his family. Since his children can now inherit the land, they will have a strong foundation to build prosperity.

In addition to supporting land tenure, IFAD-supported projects have introduced more environmentally friendly farming methods, better irrigation and improved seed varieties. As a result, smallholder farmers have seen substantial increases in their harvests. Average yields of many of the main agricultural crops and staple foods have more than doubled – with irrigated rice, upland rice and beans showing the strongest increases.



Women at work in a rice field.  
Madagascar: Project to Support Development in the Menabe and Melaky Regions

Enabling producers to organize their activities in cooperatives or associations is key to this process, giving farmers more bargaining power and streamlining arrangements with the private sector.

In Rwanda, our partnership with the government on the Project for Rural Income through Exports (PRICE) has strengthened producer cooperatives as fully fledged economic partners of the private sector in coffee, tea, sericulture and horticulture. To date, the project has facilitated the provision of training and advisory support to over 115,000 smallholder farmer coffee-growers, of whom 30 per cent are women. About 150 cooperatives have been formed, 180 farmers have been trained in the requirements of Fairtrade certification, and more than 56,000 farmers have adopted new technologies.

In Kenya, an IFAD-supported dairy commercialization project that started work in 2005 received US\$17 million in additional funding in 2016 to continue its successful work. The project has trained more than 500 dairy groups in marketing and over 400 groups in milk handling and value addition. Twenty-nine apex organizations have been set up, 13 of them linked with large processors. As a direct result of the project's work, the sales of value added milk products rose from 27 million litres in 2007 to 121 million litres in 2015. The number of jobs in small and medium-sized dairy enterprises rose from 128 in 2011 to over 680 in 2015.

With the end goal of driving inclusive rural transformation, IFAD is working with key partners to deepen its expertise in private-equity financing and business development services, with a specific focus on private agribusinesses and rural small and medium-sized enterprises. Through supplementary funds received from the European Union, we have established and are currently managing the Technical Assistance Facility for the African Agriculture Fund, which is a US\$250 million equity fund financed by public and private sources. We are also managing the US\$30 million Uganda Small and Medium Agribusiness Development Fund, which will be investing directly in private agribusiness companies.

## **Building resilience**

Building smallholders' resilience to climate change was an important focus of our work in 2016. Numerous projects supported by the GEF or IFAD's ASAP are already under way in more than a dozen countries in the region. Climate and environmental issues have been mainstreamed in 11 new IFAD-supported loan projects and in two COSOPs – for Ethiopia and Malawi. Climate vulnerability assessments have been undertaken in Angola, Comoros and Mozambique.

Two IFAD grants focused on building climate resilience are being implemented. One addresses farming system resilience in Uganda and Tanzania by promoting adoption of climate-smart agricultural practices such as agroforestry, crop rotation, disease control and conservation of wetlands. The other is scaling up efforts to restore degraded land in East Africa and the Sahel. Work also commenced on developing concepts for the Green Climate Fund, which encourages a shift to low-emission development approaches in developing countries. IFAD was accredited to this fund in 2016, enabling us to access additional funding to help countries reach the new climate change targets.

IFAD also leads the GEF Integrated Approach Programme on Fostering Sustainability and Resilience for Food Security in Sub-Saharan Africa, which focuses on the natural resources that underpin food and nutrition security – land, water, soils, trees and genetic resources.

During 2016, one grant from IFAD's ASAP worth US\$11 million was approved, bringing the total value of ASAP financing in the region to US\$77.7 million at the end of the year. Two grants from the GEF worth US\$14.4 million were also fully approved, bringing the total value of GEF financing in the region to US\$52.6 million.

## Asia and the Pacific

36 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, Micronesia (Federated States of), Mongolia, Myanmar, Nauru, Nepal, Niue, Pakistan, Palau, Papua New Guinea, Philippines, Republic of Korea, Samoa, Solomon Islands, Sri Lanka, Thailand, Timor-Leste, Tonga, Tuvalu, Vanuatu, Viet Nam

### Overview

IFAD's Asia and the Pacific region includes the world's fastest-growing and most dynamic countries, and is a key driver of growth in the world economy. Deep and rapid structural transformation, the presence of large emerging markets, high remittances and strong demand for exports have combined to deliver economic growth rates of between 6 and 7 per cent in 2016.

Importantly, this strong growth has led to rapid declines in poverty and has also benefited rural populations, with more people now earning higher incomes by producing higher-value products such as vegetables, livestock and fish. Extreme poverty has declined faster in East Asia Pacific than in any other subregion. In South Asia, the decline has also been dramatic.

Nevertheless, there is no room for complacency. Asia and the Pacific is still home to two thirds of the world's poor people. Disparities persist across the

region, and the remaining poverty is increasingly a rural phenomenon that is becoming more acute due to widening income and other inequalities. People in countries across the region continue to suffer from extreme forms of social exclusion.

Vulnerability to climate change, associated natural disasters and a gradual degradation of the productive resource base are growing problems. In some cases, climate change is already posing an existential threat, with a number of Pacific Islands severely threatened by rising sea levels.

Social deprivation and high rates of malnutrition and stunting are reducing the physical and mental capacity of vulnerable groups across the region, with enormous human and economic costs. Shockingly, 30 per cent of children under 5 across the region are stunted, indicating chronic malnutrition.

Much of the region lacks the basic infrastructure that is fundamental to ensuring integration with the global economy through efficient market linkages. Such integration will be vital to enable deepening of interregional and intraregional trade through emerging common markets such as the Association of Southeast Asian Nations (ASEAN).

These are all formidable challenges, which the region must overcome if it is to continue to be a powerful engine for global growth and prosperity. IFAD continues to focus on smallholder agriculture as the ideal entry point to address these urgent development challenges, and considers rural producers as primary catalysts in the process of inclusive and equitable rural transformation.

### Portfolio management highlights

- 61 ongoing programmes and projects in partnership with 21 recipient governments in the region at the end of 2016
- US\$2,052.5 million invested by IFAD in the region's ongoing portfolio
- US\$184.2 million in new approvals in 2016: 5 new programmes and projects in Cambodia, India, Lao People's Democratic Republic (2 projects) and Viet Nam, and additional financing for ongoing projects in Mongolia and the Philippines
- 3 new results-based country strategic opportunities programmes (RB-COSOPs) in China, Indonesia and Pakistan

### Our work and results in 2016

In 2016, our work in Asia and the Pacific focused on:

- developing value chains and market access
- empowering marginalized groups and women
- fostering policy dialogue and engagement
- strengthening climate change adaptation
- forging strategic alliances with ASEAN.

#### Developing value chains and market access

IFAD's attention to improving smallholders' access to markets and making value chains inclusive has increased significantly in recent years. In 2016, one third of newly approved project financing in Asia and the Pacific was invested in strengthening value chains and market access.

In Viet Nam, we are working in Dak Nong Province to improve the livelihoods of indigenous and migrant ethnic minorities, especially women. More than 6,200 people, two thirds of them ethnic minorities, have participated in farmer field schools. The project has developed over 40 new farm models, including pig- and chicken-raising and intercropping of avocados with coffee – both lucrative cash crops. It has also provided microfinance services to 2,700 families. As a result of this and other initiatives, the poverty rate in the participating communes has fallen by almost 6 per cent.

In Nepal, IFAD is working with remote mountain communities to strengthen small businesses, increase trade and build institutional capacity. The focus is on high-value crops, such as apples, ginger, turmeric and goat meat. The initiative has helped smallholders build cellars to store produce and enabled them to access market information. By storing apples until February-May, farmers are getting four times the price they would get in August-September.

Following initial delays, partly caused by political upheaval and two earthquakes, good progress was made during 2016. The project has reached more than 12,000 households, or 89 per cent of its target, and incomes have increased to 63 per cent of the target. A new road is making it easier to get to the market. The project targets vulnerable people such as low-caste Dalits, indigenous groups and women.

#### **Empowering marginalized groups and women**

IFAD-supported projects often operate in areas inhabited by marginalized ethnic communities and other disadvantaged groups, where community empowerment is a precondition for successful socioeconomic development. Social mobilization is a central theme for such projects.

In the poor southern Punjab region of Pakistan, IFAD is working in four districts to reduce poverty among households headed solely by women, landless casual labourers or smallholders. The project provides participants with goats, small plots and training. By 2016, it had distributed more than 26,000 animals, against a target of 30,000, and 1,236 plots, against a target of 1,300. The project has provided more than 10,000 participants with either vocational or enterprise training, of whom over 6,000 are women.

Indigenous groups are the focus of an IFAD-supported project in the Cordillera Administrative Region of the Philippines working to increase household incomes. The project respects indigenous farming systems, which are environmentally sustainable. It has reached about 70,000 households and over 5,000 farmers have graduated from farmer field schools. The project has encouraged the formation of more than 1,000 people's organizations and livelihood groups with 38,500 members managing livelihood assistance funds, reforestation and agroforestry projects, and irrigation and water supply schemes.

In China's Hunan Province, IFAD is helping improve rural infrastructure and supporting sustainable agricultural development and marketing. By mid-2016, the project had lined almost 600 kilometres of canals and built nearly 350 irrigation ponds. It had set up village operating groups to manage the facilities and provided training to nearly 15,000 farmers, over half of them women. The project has also built 95 drinking water supply systems, 90 per cent of its target. Most of the planned 584 kilometres of roads have been constructed.

Diversifying and boosting production is another aspect of the initiative, along with linking smallholders with markets. It is helping farmers to grow cash crops, including tea, vegetables, fruits and medicinal herbs. More than 10,000 farmers have received technical training through cooperatives.

#### **Fostering policy dialogue and engagement**

Influencing rural policies is only rarely an explicit project objective because it is a long and complex process that requires sustained efforts and is more easily achieved in countries where IFAD has a strong country presence.

In Viet Nam, the government is working to improve the rural economy. In 2010, it launched the National Target Programme on New Rural Development, but has achieved mixed results. In late 2015, IFAD joined forces with the World Bank to assess the programme. We found both successes and challenges, and recommended adjustments to the next phase, which were presented to the government in March 2016 and broadly endorsed. IFAD is working with the Ministry of Agriculture and Rural Development to implement the new approaches.

In Afghanistan, the IFAD-supported Community Livestock and Agriculture Project supported a key element of the Afghanistan National Peace and Development Framework (2017-2021) – the Comprehensive Agricultural Development Framework. In addition to this important macro policy work, the project is also engaged at the micro level, drawing the government’s attention to the high levels of taxation on dairy cooperatives, which constrain their ability to compete with smuggled imports of UHT milk from Iran and Pakistan.

### Strengthening climate change adaptation

In the face of emerging challenges in the region, IFAD is maintaining environmental protection as a priority and ensuring that climate issues are addressed more systematically across its portfolio.

An IFAD-supported project in the Mekong Delta of Viet Nam is working with agricultural communities to help them increase their capacity to cope with the effects of climate change. The project started work in 2013 and aims to reach 15,000 households in the Ben Tre and Tra Vinh provinces, where drought and salinity intrusion are major concerns. During the year, it developed climate-informed socioeconomic development planning mechanisms, rolling them out in more

than 90 communes. It also identified and assessed 150 climate change adaptation models. In Ben Tre, 10 first commune investment fund works have been completed and 20 more works are about to be implemented.

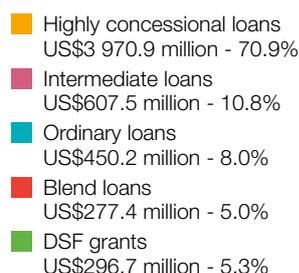
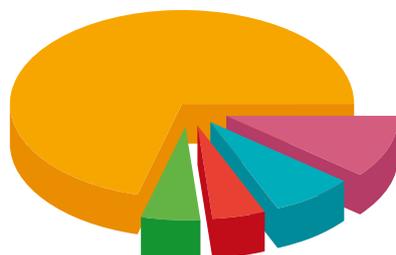
The project has organized public-private partnership workshops to encourage private-sector engagement. Fifty enterprises submitted letters of interest during the year, of which 20 passed pre-screening procedures and nine received technical assistance to develop their proposals. In Tra Vinh, the Women’s Support Fund has set up more than 380 new savings and credit groups with nearly 2,500 members, over 40 per cent from the Khmer ethnic minority group. Loans have been provided to more than 2,300 members.

During 2016, two grants from the GEF worth US\$9.3 million were fully approved, bringing the total value of GEF financing in the region to US\$31.7 million. ASAP financing in the region was worth US\$67 million at the end of the year.

## ASIA AND THE PACIFIC

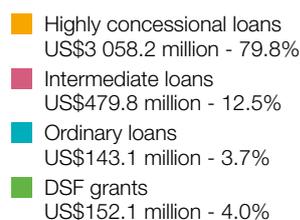
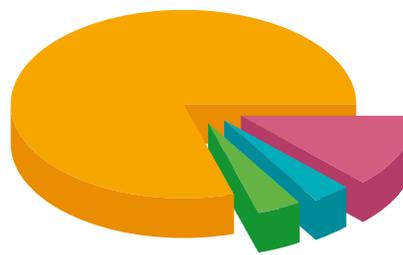
**CHART 3a**  
IFAD loans by lending terms and DSF grants,  
1978-2016<sup>a</sup>

Share of total of US\$5 602.6 million



**CHART 3b**  
Loan disbursements by lending terms  
and DSF disbursements, 1979-2016<sup>a</sup>

Share of total of US\$3 833.2 million



<sup>a</sup> Loan disbursements relate solely to Regular Programme loans. Any discrepancy in totals is the result of rounding.

<sup>a</sup> Any discrepancy in totals is the result of rounding.

## Story from the field

### Boosting nutrition one TV show at a time in Laos

In rural communities in northern Laos, an IFAD-supported programme is using a television soap opera to help tackle extreme poverty and malnutrition.

As villagers follow the fortunes of their favourite characters in *My Happy Family*, they are also learning how to choose healthy locally grown ingredients to create tasty, nutritious meals for the children and adults in their households.

Traditionally, mothers often feed their infants sticky rice from the family table. But this “adult” food is hard on a child’s digestive system. What’s more, it lacks the necessary nutrients to help a child grow, and can lead to stunting – an effect and an indicator of chronic malnutrition.

“Every second child in Laos is stunted,” says Jutta Krahn, nutrition consultant for *My Happy Family*. “That means they are short for their age, but also that their mental development is impaired.”

As children grow up, learning disabilities may affect their ability to finish their schooling and find work, keeping them trapped in poverty.

The TV series is giving young mothers like Boun Phonyahak creative new recipes to help break the cycle of malnutrition and poverty.

“Before, I didn’t know what to cook for the children,” she says. “After seeing the video, we know more, how to cook for the children and parents separately. I’ve learned about fern, Asian spinach and Chinese cabbage, and how to prepare a healthy soup from these vegetables.”

Good hygiene practices have also been woven into the story line, and some episodes have focused on dispelling food myths that deprive pregnant women of vital nutrients.

*My Happy Family* is part of a larger IFAD-supported programme that started work in 2011 and is due to close in 2017. In 225 target villages in Oudomxay and Sayabouly provinces, participants are learning how to cultivate home gardens to improve family diets, and how to breed and care for livestock. In addition, the programme is working to strengthen small producers’ links to markets, and to improve water management. To date, it has reached about 79,000 people from eight different ethnic groups living in 15,000 households.



Adults and children in the television series *My Happy Family* sit down to a meal together.  
Laos: Soum Son Seun Jai – Community-based Food Security and Economic Opportunities Programme

### Forging strategic alliances with ASEAN

IFAD has been a partner and supporter of ASEAN since 2008. Through grants and policy dialogue, we support ASEAN's work to establish a common regional market and harmonize national efforts to improve food security, as well as empower smallholders and promote sustainable agriculture in environmentally fragile areas.

ASEAN's Medium-term Cooperation Programme with Farmers' Organizations in the Asia and the Pacific region, Phase II, is strengthening the capacities of local, national and international organizations representing poor producers. It is managed at the regional level by a consortium involving La Via Campesina and the Asian Farmers' Association for Sustainable Rural Development, with the support of an IFAD grant.

This collaboration involves 20 national and 100 subnational farmer organizations representing over 13 million farmers. IFAD is also working with ASEAN to include smallholders in the rapid commercialization of agriculture across South East Asia. This involves policy studies, stakeholder consultations and policy forums supporting smallholder access to high-value chains.

Expansion of plantations in South-East Asia has an important transboundary environmental dimension, in particular due to the haze caused by deforestation and the burning of peatlands, which affects 50 million people across Brunei, Indonesia, Malaysia and Singapore. We therefore support initiatives that advance ASEAN's haze-free agenda, including capacity-building for sustainable peatland management policies and institutions.

IFAD took part in the October 2016 meeting of the ASEAN Ministers of Agriculture and Forestry, and presented its experience in supporting sustainable rural transformation. Ministers asked IFAD to continue developing regional initiatives related to cross-border value chains, integrated and environmentally sustainable agriculture, and investment in youth participation in agriculture.

### 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

Although the global economy is expected to grow by about 3.1 per cent in 2016, negative growth is anticipated in Latin America and the Caribbean for the second consecutive year: a decline of 0.6 per cent in 2016, following one of 0.03 per cent in 2015. However, the picture is mixed: the economies of Argentina, Brazil, Ecuador and Venezuela are contracting, while those of most other countries are growing moderately.

The situation is explained by both external and internal factors. External factors include the slowdown of manufacturing in China, leading to a contraction in demand for primary products and a fall in commodity prices affecting net exporters such as Latin American and Caribbean countries. Internally, market rigidities and imbalances have led to a drop in demand, amplifying the effects of external shocks. Fiscal policy has been constrained by high debt levels, lower economic growth and lower internal revenues.

### Portfolio management highlights

- 31 ongoing programmes and projects in partnership with 18 recipient governments in the region at the end of 2016
- US\$511.2 million invested by IFAD in the region's ongoing portfolio
- US\$142.1 million in new approvals in 2016: 8 new programmes and projects in Argentina, Brazil, Cuba, Ecuador, El Salvador, Guyana, Nicaragua and Peru
- 3 new results-based country strategic opportunities programmes (RB-COSOPs) for Argentina, Brazil and Colombia

Slightly over 20 per cent of the region's 633 million people live in rural areas. As of 2014, according to national poverty lines, 28.2 per cent were living in poverty and 11.8 per cent in extreme poverty. As in other regions, poverty is concentrated in rural areas, where the poverty rate jumps to 46.2 per cent.

Between 1990 and 2014, poverty was reduced by 20.2 percentage points. However, since then poverty reduction has slowed, and indeed halted, with increases in both poverty and extreme poverty expected for 2015. This is due to the impact of slowing economic growth on employment and of inflationary pressures, mainly of food prices, on poorer households.

Except for Haiti, the region is middle-income, with a regional average per capita income of US\$8,939. However, this average conceals the pressure on the most vulnerable groups resulting from high levels of inequality.

Family farming continues to be the main source of rural employment. Thus, increasing productivity, strengthening the rural non-farm economy and building resilience to climate change are crucial to promoting inclusive rural transformation. Latin American countries need to continue strengthening their macroeconomic, social and productive policy

frameworks, while at the same time boosting labour productivity and ensuring that social protection systems are robust.

The total value of ASAP financing in the region was US\$32 million at the end of the year and the total value of GEF financing was US\$21.4 million.

## Our work and results in 2016

In 2016, our work in Latin America and the Caribbean focused on:

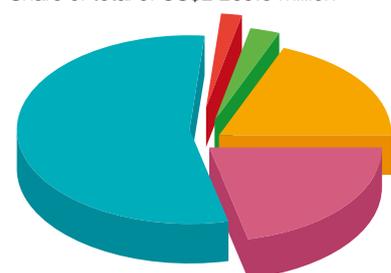
- empowering young people
- working with indigenous peoples
- boosting small farmers' access to value chains and markets
- building strategic partnerships and advocating in favour of small farmers.

### Empowering young people

In this region, as in many others, young women and men continue to be invisible in most public policy processes. This is a particular problem for young rural people, many of whom leave their homes in search of better education and work, and to escape violence and crime. Since 2013, IFAD has been fostering dialogue on how to improve opportunities for these young people.

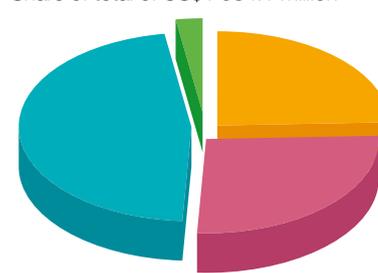
## LATIN AMERICA AND THE CARIBBEAN

**CHART 4a**  
IFAD loans by lending terms and DSF grants, 1978-2016<sup>a</sup>  
Share of total of US\$2 269.3 million



Highly concessional loans	US\$431.9 million - 19.0%
Intermediate loans	US\$488.0 million - 21.5%
Ordinary loans	US\$1 258.0 million - 55.4%
Blend loans	US\$40.1 million - 1.8%
DSF grants	US\$51.2 million - 2.3%

**CHART 4b**  
Loan disbursements by lending terms and DSF disbursements, 1979-2016<sup>a</sup>  
Share of total of US\$1 584.1 million



Highly concessional loans	US\$390.2 million - 24.6%
Intermediate loans	US\$419.7 million - 26.5%
Ordinary loans	US\$741.2 million - 46.8%
DSF grants	US\$33.0 million - 2.1%

<sup>a</sup> Loan disbursements relate solely to Regular Programme loans. Any discrepancy in totals is the result of rounding.

<sup>a</sup> Any discrepancy in totals is the result of rounding.

We supported the launch of national plans for rural youth in five countries in the region. The first plan was launched in El Salvador, and about US\$1 million was allocated across the country's three regions. Together with the Ministry of Agriculture, IFAD supported the formation of networks of rural youth to address democratic participation and economic opportunities. In 2015, more than 100 young people, including many from indigenous communities, participated in the first National Assembly of Rural Youth. Now known as AREJURES, the association is legally registered and its 3,000 members take part in IFAD training and entrepreneurship activities, and in dialogue with decision makers at local and national levels.

El Salvador hosted two international "learning routes" for young rural people in 2016, with 30 participants from Bolivia, Brazil, Colombia, Ecuador, Guatemala, Nigeria and Nepal. IFAD held two workshops in the country to exchange methodologies for working with young people. Fourteen national organizations took part.

In Argentina's Chaco Province, an IFAD-supported project integrates young rural women and men from poor families into beekeeping cooperatives. Participants begin with a one-year, part-time training course in secondary school. Graduates receive technical assistance and a starter kit, on credit, to assemble and stock their beehives. In 2015 and 2016, more than 100 young beekeepers joined six cooperatives.

### **Working with indigenous peoples**

In line with the United Nations 2030 Agenda for Sustainable Development, and particularly its pledge to leave no one behind, the new IFAD Strategic Framework 2016-2025 reaffirms our commitment to indigenous peoples' self-driven development.

The COSOPs approved for Bolivia, El Salvador and Paraguay in the 2015-2016 biennium specifically integrate indigenous peoples' issues. The new COSOP for Bolivia targets 74,000 Aymara and Quechua families. It states that free, prior and informed consent in decision-making for indigenous peoples, together with respect for cultural diversity, identity, language and forms of organization, will be key to innovation and scaling up. The new IFAD strategy in Paraguay will work directly with 3,300 indigenous families, while indirectly reaching 55,000 households.

IFAD's Indigenous Peoples and Tribal Issues Desk has supported the preparation of new COSOPs in Argentina, Colombia and Guatemala. In Brazil, indigenous peoples' issues are the focus of a planned project, and a consultant has been working with four indigenous peoples' communities to ensure that they take part in its design.

During the year, IFAD funded and took part in the Slow Food movement's Terra Madre event in Turin. We have partnered with Slow Food since 2009, working to strengthen its focus on indigenous peoples and the principles of sustainable agriculture. Forty delegates from IFAD-supported projects attended this year's event to emphasize the importance of empowering small farmers, indigenous peoples and youth. At IFAD's suggestion, Dalí Nolasco Cruz, from the Nahua indigenous community in Mexico, spoke at the opening ceremony.

### **Boosting small farmers' access to value chains and markets**

A quarter of IFAD's portfolio in the region is dedicated to strengthening value chains and supporting small businesses and microenterprises. The Inclusion of Family Farming in Value Chains Project in Paraguay is linking farmers' groups to private companies in an effort to secure reliable sales and connect producers to markets. The mid-term review of the project, carried out in 2016, found that 18 companies have contracts with 39 farmers' groups and are also providing technical assistance. Based on the project's good results, the government has requested IFAD to consider making additional financing available, and a project addendum is currently under design.

With a grant from IFAD, the Economic Commission for Latin America and the Caribbean has developed a value chains methodology that is applicable at the levels of policy and production. The programme – which started work in 2014 – has provided technical assistance to strengthen eight value chains in five countries, including vacuum-fried fruit chips in Costa Rica, dairy products in the Dominican Republic and cured pork products in Mexico. Public bodies in Central America have adopted the methodology. In El Salvador, the Ministry of Economy officially incorporated it

into the Operational Productive Transformation Plan, which runs to 2019. For further details and a toolkit summarizing the methodology see <http://repositorio.cepal.org/handle/11362/40911>.

In Nicaragua, an IFAD-supported value chain project implemented by the Ministry of Rural Economy and Family Farming has reached over 24,000 rural families, more than 11,000 of which are headed solely by a woman – a particularly vulnerable population group. As a result of the project's activities, 49 cooperatives have been set up to promote the production of grains, meat, poultry, rice, dairy, cocoa, vegetables, honey, cassava and fruit. Jobs have been created for more than 12,000 people. The project also constructed or repaired over 1,000 kilometres of rural roads connecting more than 270,000 families to markets, health services and schools. Access to drinking water and electricity was also improved.

#### **Building strategic partnerships and advocating in favour of small farmers**

Partnerships are fundamental to our efforts in Latin America and the Caribbean to further expand policies that level the playing field for small farmers through policy dialogue and South-South cooperation.

One of the most effective initiatives we support is the Agricultural Innovation Marketplace (MKTPlace), a project led by the Brazilian Agricultural Research Corporation (Embrapa). MKTPlace is a platform that promotes applied agricultural research both in Latin America and the Caribbean and in Africa. The idea is simple: to take advantage of the technological innovations developed by Embrapa in Brazil and adapt them for other developing countries. Since it started work with IFAD support in 2010, MKTPlace has funded 82 research projects, 64 in Africa and 18 in Latin America and the Caribbean.

Through grants to the Latin American Center for Rural Development (RIMISP), IFAD has helped establish rural dialogue groups in Colombia, Ecuador, El Salvador and Mexico. The groups put rural priorities on national development agendas and foster inclusive rural transformation (read more in the story on page 23).

IFAD also finances academic research that provides data that can be presented to governments to support policy shifts in favour of rural poor people. With an IFAD grant, the Central American Institute of Fiscal Studies examined Central American government expenditures to assess the extent of public resources devoted to rural development. The research project also proposed ways to augment the fiscal efforts that Central American governments are already making.

Another IFAD-funded academic activity, carried out by the Colombian branch of the University of the Andes, has investigated possible synergies between social assistance programmes – specifically, conditional cash-transfer programmes – and rural development programmes. The provisional conclusion of the research is that they could reinforce each another if coordination mechanisms between them can be established.

During 2016, IFAD paid close attention to one of the most important political developments in decades, the Colombian peace process. Both through Colombia's Rural Dialogue Group and through grants awarded to the Colombian High Commissioner for Peace and Corporación PBA, an NGO, IFAD has been actively supporting peacebuilding in rural areas. We have also provided technical assistance and guidance in the application of the peace accords – with tangible results, such as territorial planning models to ensure that rural development and rebuilding efforts will benefit the poorest and most deprived groups.

## Story from the field

### Native fruits fuel rural development in Brazil

Wild and local fruits, such as *umbu* (*Spondias tuberosa*), passionfruit and guava, are fuelling the growth of a prosperous cooperative led by women in a remote area of north-eastern Brazil.

More than a decade ago, family farmers in the heart of the semi-arid Sertão region came together to set up the Family Agribusiness Cooperative in Canudos, Uauá and Curaçá (COOPERCUC). At first, there was scepticism: the barren Sertão seemed an unlikely home for a profitable cooperative, especially one that processed *umbu*. Despite its juicy flesh, this small green or yellow fruit was seen as animal food because it grew commonly in the wild.

Today, the cooperative has about 280 members from 18 communities. Their annual sales amount to over US\$280,000. They have organic and Fair Trade certifications, and through partnerships with organizations and companies such as Slow Food and L'Occitane en Provence, their products are sold around the world.

In 2015, the IFAD-funded Rural Sustainable Development Project in the Semi-arid Region of Bahia cofinanced a new processing plant. Assisted by 18 pre-processing mini-plants near the members' communities, it has the capacity to process 500 kg of fruit every day – juicing, pulping, bottling and canning – and to prepare deliveries.

The plant also makes new products such as fruit-based ice cream and popsicles, or picolé in Portuguese, which are in high demand in the hot coastal cities of north-eastern Brazil. Because of the additional processing capacity the plant has created, 700 more farmers are expected to join the cooperative.

Today COOPERCUC is chaired by Denise dos Santos, a 26-year-old graduate whose parents were founding members of the cooperative. After completing her degree in business administration, dos Santos returned to Uauá because she wanted to give something back to her community.

“We were told that we were mad when we started using *umbu* and the other plants,” says dos Santos. “See where this madness has taken us! We are a prosperous company now. But COOPERCUC is not about profit. ... It’s about showing people that it’s possible to make a living in the Sertão. We are proving that beyond any doubt.”



At work in COOPERCUC's new plant, which has the capacity to process up to 500 kg of fruit every day. Brazil: Rural Sustainable Development Project in the Semi-arid Region of Bahia

## Near East, North Africa and Europe

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

### Overview

Fragile situations hamper development in many of the countries covered by IFAD's Near East, North Africa and Europe (NEN) Division. In Iraq, Somalia, Syria and Yemen, prolonged conflict and political turbulence are disrupting lives and livelihoods, causing massive displacement and food insecurity. Global displacement is higher today than after World War II, and around 22.4 million of the world's 65 million displaced people are in the Near East and North Africa (NENA). The crisis in Syria, in particular, is driving large-scale migration: Syrian refugees now make up as much as 25 per cent of the population of Lebanon and 20 per cent of the population of Jordan.

The number of undernourished people in NENA has doubled over the last 25 years, from 16.5 million to 33 million. This is the result of conflict, rising food prices, falling incomes and high unemployment, especially among women and young people. In Yemen, more than 14 million people are food-insecure. Food production in Syria

has dropped by 40 per cent since the conflict began, and by mid-2016 some 9.4 million people were in need of assistance.

Water scarcity and climate change are also pressing issues in NENA, which has the lowest share of the world's available freshwater. The estimated average renewable water share per capita is 430 cubic metres, well below the internationally established water poverty line of 1,000 cubic metres. Water availability is expected to decrease significantly in the coming decades, affecting agricultural productivity and rural economic growth.

Countries in Central and Eastern Europe and the Newly Independent States are struggling with sluggish growth and geopolitical tensions. The economic slowdown of the Russian Federation continues to make waves across the region, especially in the form of revenue losses from shrinking food exports. In addition, falling oil prices have left many countries vulnerable to currency devaluations. Currencies in Azerbaijan and Kazakhstan have fallen against the United States dollar by roughly one third, and remittances in Tajikistan – which originate largely from the Russian Federation – have plummeted by 65 per cent.

### Our work and results in 2016

IFAD's work in the region in 2016 focused on:

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

#### Natural resource management and climate change

Like many other countries around the world, Georgia has been dealing with uneven rainfall and unpredictable weather patterns in recent years. Following the dissolution of the Soviet bloc in the early 1990s, most of the country's irrigation systems fell into disrepair. An IFAD-funded project has helped rehabilitate irrigation schemes and repair bridges so farmers can transport agricultural goods and livestock. The irrigation investments have benefited more than 14,000 households and irrigated over 11,000 hectares of farmland.

#### Portfolio management highlights

- 34 ongoing programmes and projects in partnership with 18 recipient governments in the region at the end of 2016
- US\$754.2 million invested by IFAD in the region's ongoing portfolio
- US\$139.1 million in new approvals in 2016: 5 new programmes and projects in Djibouti, Kyrgyzstan, Morocco, Republic of Moldova and Tunisia, and additional financing for an ongoing project in Sudan
- 1 new results-based country strategic opportunities programme (RB-COSOP) for Turkey

The project has also repaired a drinking water system connected to the domestic water network in a highland area to make better use of spring water.

In Sudan's south-eastern Sennar State, severe land degradation is threatening small farmers' livelihoods. IFAD is supporting efforts to reduce pressure on natural resources by introducing conservation agriculture techniques and drought-tolerant seeds. About 20 per cent of the sampled farmers have fully adopted crop rotation, and just under half have partially done so. This has increased soil moisture and crop productivity, with average sorghum and sesame yields more than doubling.

The profit margins for farmers adopting the improved technologies were about 140 per cent higher than before for sorghum, and nearly 200 per cent higher for sesame. This relatively low-cost, high-impact intervention has reduced poverty in Sudan's rainfed belts, where the percentage of people classified as very poor has dropped from 33 per cent in 2012 to 5 per cent in 2016. Through village development committees, participants in the project are also being trained to use and maintain gas stoves safely, reducing the consumption of firewood.

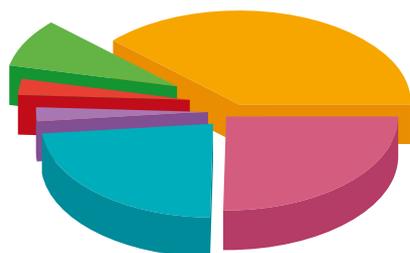
The project has reached more than 90 villages, with nearly 25,000 smallholder households, including 2,240 settled pastoralist households and 1,990 returnee woman-headed households. Nearly one third of the young people from participating households sampled have started work as a result of project activities. For example, many of the women are involved in processing, including harvesting and drying okra for sale, producing drinks and jams, or making handicrafts. Some young people are also working as integrated pest management extension agents.

In addition to core resources invested in the region in 2016, two new grants worth US\$8 million from IFAD's ASAP were approved, bringing the total value of ASAP financing in the region to US\$42.9 million at the end of the year. Combined with GEF funding, this raises the total amount of environment and climate financing to just over US\$100 million.

## NEAR EAST, NORTH AFRICA AND EUROPE

**CHART 5a**  
IFAD loans by lending terms and DSF grants,  
1978-2016<sup>a</sup>

Share of total of US\$2 605.7 million

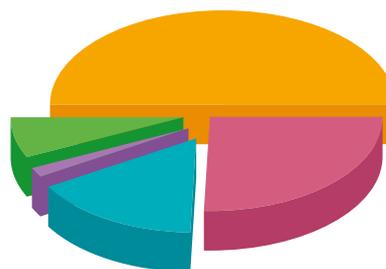


Highly concessional loans	US\$991.7 million - 38.1%
Intermediate loans	US\$665.0 million - 25.5%
Ordinary loans	US\$600.6 million - 23.0%
Hardened loans	US\$59.1 million - 2.3%
Blend loans	US\$72.2 million - 2.8%
DSF grants	US\$217.1 million - 8.3%

<sup>a</sup> Any discrepancy in totals is the result of rounding.

**CHART 5b**  
Loan disbursements by lending terms  
and DSF disbursements, 1979-2016<sup>a</sup>

Share of total of US\$1 806.2 million



Highly concessional loans	US\$906.6 million - 50.2%
Intermediate loans	US\$462.5 million - 25.6%
Ordinary loans	US\$282.1 million - 15.6%
Hardened loans	US\$30.7 million - 1.7%
DSF grants	US\$124.3 million - 6.9%

<sup>a</sup> Loan disbursements relate solely to Regular Programme loans. Any discrepancy in totals is the result of rounding.

Timely, reliable information on natural resources and the impact of climate change is essential for effective decision-making and country programme management. IFAD is therefore carrying out climate vulnerability assessments of its portfolio in the region and introducing project geo-referencing for each new investment to improve project cycle management and targeting.

#### **Agricultural productivity and food security**

In drought-prone Djibouti, IFAD has supported efforts to improve the living conditions of over 8,300 pastoral families. To increase water access for people and livestock, the project built or repaired about 50 community water tanks, creating water storage capacity of more than 630,000 cubic metres. It also regenerated degraded grazing land and planted more than 8,600 trees. About 30,000 livestock were vaccinated or treated, and 40 tons of feed were distributed together with 500 salt licks, to boost animal health and productivity.

In the West Bank, an IFAD-financed programme has helped develop almost 1,000 hectares of idle or degraded land for agricultural production, of which almost 600 hectares were reclaimed and some 400 hectares rehabilitated, and built 50 kilometres of rural roads. (Read more in the story from the field on page 27.)

#### **Rural finance and support for entrepreneurs**

Accessible financial services play a key role in inclusive rural transformation. In the Republic of Moldova, IFAD is working to make loans more readily available to rural entrepreneurs. The IFAD-supported Rural Financial Services and Agribusiness Development Project, which closed in 2015, facilitated lending through six commercial banks to over 1,800 borrowers, more than 670 of them women. It also trained young people in agricultural business development, financial management and accounting to help them start or expand their own businesses, such as table grape production, dairy farming and beekeeping. This support contributed to almost tripling the number of new jobs created in the project area.

Increasing access to financial services for small-scale producers, unemployed young people, women, landless labourers and rural entrepreneurs is the focus of an IFAD-supported project in Egypt. More than 1,200 loans totalling over US\$13 million have been disbursed for small enterprises through the Social Fund for Development, via the National Bank of Egypt, creating more than 2,600 new jobs. Likewise, US\$1.25 million in loans have been granted to agricultural enterprises through the national agricultural development programme. One recipient was a company that buys, sorts, grades and packages fruit grown by local farmers for domestic and export markets. Another is upgrading an irrigation system and providing technical, land preparation and marketing support to farmers.

#### **Market access and value chain development**

In Tunisia, an IFAD-financed project is working to boost the incomes of vulnerable livestock breeders by strengthening the resilience of agropastoral production systems and value chains, particularly for sheep, goat and camel meat and their by-products. This involves increasing the production of high-quality products with good market potential, and improving marketing capacity and infrastructure. By developing, branding and showcasing unique local goods, such as camel milk, the project aims to create new wealth among poor livestock breeders. Women and young people, in particular, are receiving support to start income-generating initiatives. Overall, it is targeting 75,200 people.

In the poor remote provinces of Ardahan, Artvin and Kars in Eastern Anatolia, Turkey, IFAD is working to increase the assets and incomes of small-scale producers and rural entrepreneurs. Farmers have received seeds, building materials for greenhouses and orchards, and agricultural and drip irrigation equipment. They have also received training in horticultural practices, agroprocessing and improved storage. The 280 producers who benefited from the greenhouses are now able to produce four harvests per year, and earn significantly more income.

## Story from the field

### Almonds and apricots flower on once-barren land

Family farmers in the West Bank are growing high-value crops such as almonds and apricots on once-barren hillsides, seeing their incomes rise by 80 per cent or more. About 36,000 people have taken part in an IFAD-funded natural resource management programme, which prioritized terracing, fencing, irrigation, rock removal and other techniques to reclaim and rehabilitate land. It also improved the access of rural women and men to financial services, enabling them to use credit to invest in their farms and businesses.

Over the last 15 years, the programme has invested nearly US\$14 million in areas with few alternative economic opportunities, indirectly reaching almost 100,000 rural people. Land reclamation and rehabilitation have increased farm-related incomes by at least 70 per cent, while net monthly incomes of people using the programme's credit services rose by nearly 50 per cent.

In 2005, Reyad Assad received funds to rehabilitate the hectare of land he owns in the village of Sanur. The programme helped Assad and his brothers to level, terrace and fence their land. The brothers then built three water-harvesting cisterns and planted more than 1,000 olive, almond and apricot seedlings. Since then, Assad has also begun intercropping in winter, growing vegetables and

herbs. Although he is the only breadwinner in his nine-person household, he is now able to meet the family's food needs, and his income from agriculture has doubled.

Husband and wife team Raja'i and Bushra Fayyad are strawberry farmers. Bushra applied for a loan financed by the programme to develop their greenhouse business. They invested the money in a new irrigation system and upgraded their strawberry production to use hanging containers for cultivation. This increased the space available for planting, and allowed them to double the number of seedlings they cultivated and produce an early harvest.

"The investment made a huge difference to our lives," Bushra said. "For the first time ever, we are able to produce early and capture the highest market prices."

The IFAD-supported Participatory Natural Resource Management Programme completed in 2015, but its approach continues to benefit rural people in the West Bank. As a result of its success, its model of land development has been mainstreamed into the government's agriculture sector strategy and will be scaled up across the territory.



Husband and wife strawberry farmers, Raja'i and Bushra Fayyad, in their greenhouse. West Bank: Participatory Natural Resources Management Programme

In Artvin, a pilot project is working with local women's groups to help them improve the quality of the famous locally produced grape juice that they traditionally process at home. The project held workshops for 20 women's groups to teach them how to produce the juice under better production standards and add greater value to their raw produce.

### **Young people and gender equality**

IFAD is working to reduce youth migration by creating employment opportunities for young people in rural areas. In the mountain zones of Al Haouz, one of Morocco's poorest provinces, an IFAD-funded project is training and employing young people and women as agricultural service providers. It has established 12 teams to provide technical advice to local apple and olive producers, from advice on plant health and fertilization, to improved irrigation methods and planting and thinning techniques.

An IFAD-funded initiative in Bosnia and Herzegovina has increased the number of women and young people involved in growing raspberries, a lucrative export crop. The pilot project – carried out in an area hit hard by unemployment, poverty and natural disasters – has strengthened farmer organizations and cooperatives to improve production, processing and marketing. It has also introduced a new raspberry variety with a longer shelf life. The participants' average monthly incomes have risen from US\$460 in 2012 to US\$630 in 2016.

IFAD and the International Labour Organization are working together to strengthen gender monitoring and evaluation in rural employment in the NENA region. They have provided training for members of the Taqueem Community of Practice – 14 organizations carrying out rural employment interventions for women and young people in the region – on results measurement. Findings from seven impact research projects, including evaluations of urban and rural employment interventions in Egypt, Lebanon and Tunisia, will provide evidence of what works and what does not work to better inform employment policies and investment.



**LABORATORIO**



# Major initiatives and new programmes

## Major initiatives

In 2016, the first year of the implementation of the United Nations 2030 Agenda for Sustainable Development and the Sustainable Development Goals (SDGs), IFAD increased its advocacy and knowledge-sharing on smallholder agriculture and rural issues, which are critical to achieving the agenda. It also took important steps towards improving its own operational efficiency and effectiveness, in order to expand its impact and contribution to the goals. As an international financial institution (IFI) and a United Nations agency, IFAD embraced its catalytic role in both disseminating knowledge and data about rural development, and delivering investment projects that make a difference in rural people's lives and help countries attain food security, improve nutrition and reduce poverty.

## The global perspective

**2030 Agenda and COP22.** The global agenda for sustainable development is based on a series of historic agreements achieved in 2015: the 2030 Agenda, the Addis Ababa Action Agenda and the Paris Agreement on climate change. In 2016, IFAD was active in global debates as a champion for better policies for the economic empowerment of smallholder farmers and poor rural people, and for an enabling global policy environment for financing smallholder agriculture and the rural sector. The Fund effectively engaged in such global forums as the first-ever World Humanitarian Summit, the United Nations General Assembly high-level meeting on forced displacement and large-scale migration, the Conference of the Parties (COP22) to the United Nations Framework Convention on Climate Change, and the Committee on World Food Security. In line with our increased focus on nutrition, since January 2016, IFAD has been chairing the United Nations System Standing Committee on Nutrition. Together with our partner United Nations agencies in Rome, during the year

we issued a joint paper on Rome-based agency collaboration, confirming renewed commitment by IFAD, the Food and Agriculture Organization of the United Nations (FAO) and World Food Programme (WFP) to strengthening their joint action in the context of the 2030 Agenda.

**G20.** IFAD's leadership role was recognized in several instances. During the G20 agricultural ministerial process, IFAD was invited to showcase its experience as a leading investor in smallholder agriculture at the first-ever G20 Agricultural Entrepreneurs Forum, taking place under the presidency of China. Later in the year, IFAD was invited by the incoming German presidency of the G20 to co-lead preparatory work for a special initiative on rural youth employment and agricultural innovation.

**Habitat III.** IFAD has also been successful in promoting a more nuanced understanding of the importance of the transformation of rural areas, not just for themselves but for the world as a whole. We contributed to the third United Nations Conference on Housing and Sustainable Urban Development (Habitat III), whose outcome – the New Urban Agenda – reflects inputs provided by IFAD throughout the preparatory process and at the conference itself, including recognition of the critical role that rural development and smallholder agriculture must play for a sustainable global future to become reality.

## Knowledge as a key to impact

**Rural Development Report.** IFAD pursues an active research agenda because research helps to back up advocacy and policy recommendations with evidence. In September, we launched the *Rural Development Report*, the work of a team of experts both internal and external, founded principally on the study of experiences in more than 60 countries. The report analyses the impact on poverty reduction

of overall structural transformation of economies (the reallocation of economic activity beyond agriculture to include manufacturing and services) and rural economic transformation (diversification, rising productivity).

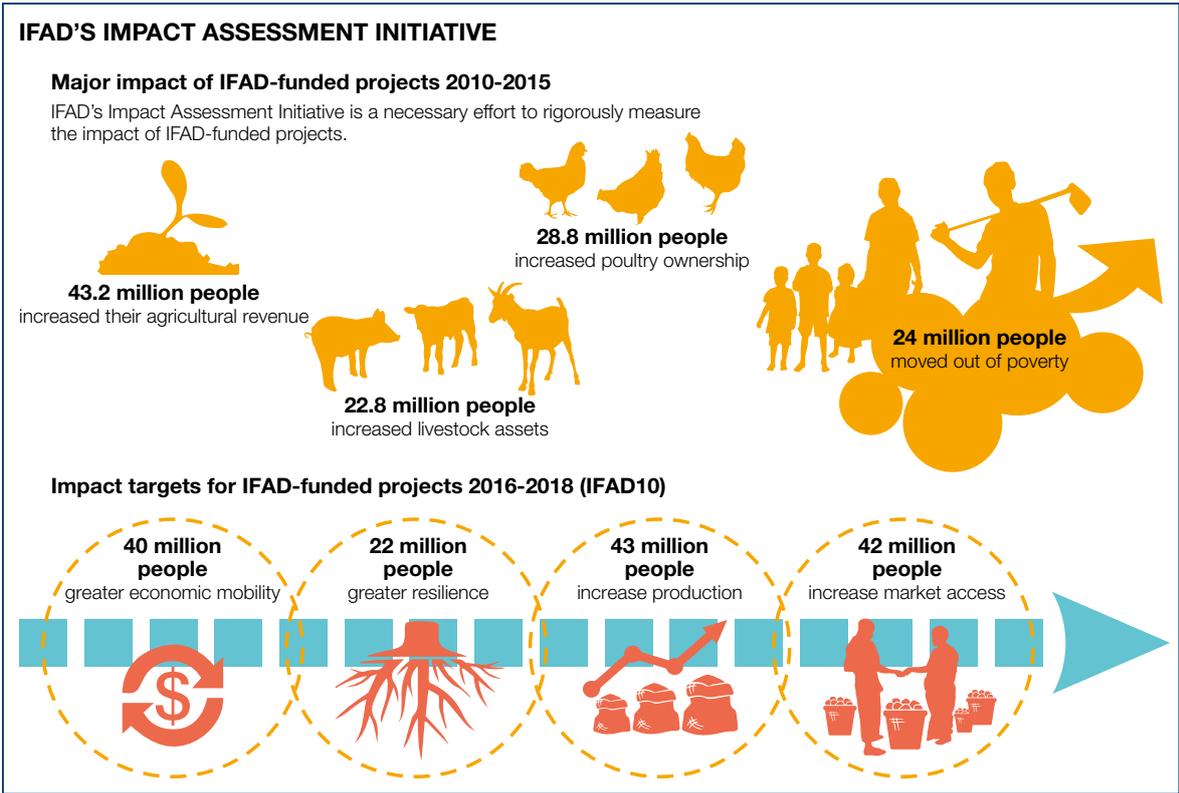
The study found that inclusive rural transformation that reduces poverty is not an automatic outcome of economic growth. It must be made to happen, through pro-poor investments and policies, particularly by governments, with support from other partners, including development institutions and the private sector. Following its initial launch in Rome, the report was further disseminated through events in all the regions where IFAD works, and in donor capitals. It will continue to provide insights and evidence upon which sound, well-targeted policies for poverty reduction can be based.

**IFAD research series.** In 2016, we also launched a new series of research papers, in order to expand the circulation of cutting-edge thinking and research from across the development arena, and to further build the global knowledge base on agriculture and rural development. These peer-reviewed papers cover a range of themes encompassing policy, social sciences and specific areas of technical specialization.

**Impact assessment**

The IFAD9 Impact Assessment Initiative (IAI) was completed in 2016. It marked the first time that a development institution had attempted to assess scientifically the impact not just of individual projects, but of the institution as a whole. The IAI employed quasi-experimental approaches to directly assess impact, allowing attribution of impact to IFAD investment. Such an approach is unprecedented among IFIs, whose results measurement frameworks tend to monitor contribution rather than attribute impact. A systematic approach across the portfolio with aggregation to a corporate measure had never been undertaken.

Results showed that for all closed and ongoing projects during the 2010-2015 period, 139 million people and 24 million families were being reached. The IAI demonstrated that IFAD’s investments in rural people generated returns in a number of critical areas, including an estimated 43.2 million beneficiaries who saw an increase in their agricultural revenue, 28.8 million with a rise in poultry ownership, and 22.8 million who increased their livestock assets, as well as 24 million moving out of poverty. The knowledge and learning that is being generated by the IAI will not only benefit IFAD, but will also be a global public good serving all IFIs and stakeholders working to eradicate rural poverty.



## **Knowledge-sharing, capacity-building and platforms**

IFAD shares evidence, know-how and successful approaches in a number of ways, and continued and expanded these efforts in 2016. A corporate action plan to address key knowledge management priorities from 2016 to 2018 was endorsed by management in October 2016. It addresses four main action areas: generating, using and disseminating knowledge; enhancing IFAD's role as a learning organization; improving IT platforms to promote better access to and sharing of knowledge and information; and monitoring, and reporting on, knowledge management performance.

### **South-South and triangular cooperation.**

During 2016, IFAD management prepared a refreshed approach to promoting South-South and triangular cooperation (SSTC) and presented it to the Executive Board. This approach articulates technical cooperation and investment promotion as twin pillars underlying the Fund's SSTC activities. As a key element of the new approach, a proposal to establish a digitally based rural development solutions catalogue to promote SSTC was also approved in 2016. At the country and regional levels, IFAD has developed new SSTC initiatives, including peer-to-peer exchanges funded and organized by IFAD-supported projects in all regions, and country, regional and global grant designs featuring SSTC elements to improve documentation of successful approaches and technologies and facilitate their uptake.

**Platform for Agricultural Risk Management.** In 2016, the Platform for Agricultural Risk Management (PARM), hosted by IFAD, was in its second year of implementation. PARM aims to make risk management an integral part of policy planning and implementation in the agricultural sector. This G20 initiative currently operates in eight African countries. During the year, risk assessment study validation workshops were held in Cabo Verde, Cameroon, Ethiopia, Niger, Senegal and Uganda. Following a request from the government, Zambia became a PARM country in June. Meanwhile, four countries (Ethiopia, Niger, Senegal and Uganda)

have moved into the third phase of PARM, covering tools for the assessment of risk management. In these countries, PARM is now working to design tools to improve the management of agricultural risks. In Uganda, agricultural risk management has been incorporated into both the national agricultural investment plan and the extension services strategy.

Thanks to its collaboration with the New Partnership for Africa's Development (NEPAD), in 2016 PARM played an active role in African policy initiatives, and was particularly visible during the Comprehensive Africa Agriculture Development Programme (CAADP) Partnership Platform meeting in Accra in April. As a result of the prominence of agricultural risk management on the 2030 Agenda, PARM was singled out in the G20 Agriculture Ministers Meeting Communiqué (Xi'an, June 2016) among the initiatives contributing to food security and global stability, providing visibility to IFAD in the global development arena. In 2016, Germany's KfW Development Bank decided to finance PARM through NEPAD and became a member of the PARM Steering Committee.

**Weather Risk Management Facility.** A partnership between IFAD and WFP, the Weather Risk Management Facility (WRMF) aims to reduce smallholders' vulnerability to weather and other risks through technical assistance, capacity-building, policy dialogue and innovative risk management solutions, particularly agricultural index insurance. In 2016, the WRMF intensified support for scaling up access to index insurance for farmer organizations in Senegal, and also continued its groundbreaking research and development of satellite technologies for overcoming agriculture and weather data constraints. Financed by the French Development Agency AFD, the facility brings together a spectrum of public and private expertise in remote sensing, insurance and reinsurance, aid and development, and agricultural research. The WRMF was invited to take part in user community consultations on a new Belgium-China satellite for agricultural monitoring, and delivered the first-ever technical workshop on satellite data for index insurance to the whole sector in Senegal. It also

contributed to the Global Action Network on index insurance, a G8 initiative, and was invited to become a board member of the Microinsurance Network. The WRMF is working with partners to set up a peer-to-peer government learning platform on agricultural insurance.

**Household methodologies.** During 2016, we also furthered our work on household methodologies, an innovative approach to engage all household members in examining the entrenched norms that define the respective roles, responsibilities and economic opportunities of women and men, and to promote gender equality (see page 12).

More than 43 IFAD-funded operations have included household methodologies in their design. Scaling up this approach was the theme of the Forum on Empowerment through Household Methodologies, which took place in June at IFAD headquarters. Organized jointly with two NGOs, Oxfam and Hivos, it was aimed at consolidating partnerships, sharing experiences and reinforcing expertise that has been developed, especially in sub-Saharan Africa.

### **International Land Coalition**

The International Land Coalition (ILC) is a global network of over 200 civil society and intergovernmental organizations in 64 countries. Its mission is to put people at the centre of land governance by securing land rights for those who live on and from the land, particularly small farmers, indigenous peoples, pastoralists and women. Hosted by IFAD since it was founded 22 years ago, the ILC continues to address access to land and natural resources as a fundamental factor in IFAD's efforts to reduce poverty, increase food security, improve nutrition and strengthen resilience in rural areas.

In the first year of the International Land Coalition Strategy 2016-2021, the collaborative efforts of ILC's members brought about legally enhanced tenure security for over 32,600 individuals, more than 37,000 households and 95 villages, and led to sustainable management of natural resources over an area of over 20,000 hectares.

In 2016, the ILC continued to promote multi-stakeholder dialogue on land governance at the country level through its 20 national platforms, which targeted a total of 69 land policies and legislative processes. In five countries, the platforms were successful in influencing the formulation and revision of laws. Voluntary guidelines on land tenure, endorsed by the Committee on World Food Security in May 2012, were applied in 12 countries (Cambodia, Cameroon, Colombia, Ecuador, Guatemala, India, Madagascar, Malawi, Nepal, Peru, the Philippines and Togo) as a training tool to forge alliances, review policy proposals and draft bills.

Together with partners, the ILC organized the Land Rights Now Campaign ([www.landrightsnow.org](http://www.landrightsnow.org)). The ILC was joined by more than 550 organizations and 3,600 individuals in a Global Call to Action to work towards doubling the amount of land owned or controlled by indigenous peoples and local communities by 2020. The Call to Action was launched at IFAD headquarters in Rome and participation was mobilized in 29 countries worldwide.

The ILC and its members also played a leading role in the Kilimanjaro Initiative, which brought together rural women from across Africa to climb the continent's highest peak, Mount Kilimanjaro. Their charter of demands, which focuses on women's access to and control over their land, will be taken up by the African Union Commission in 2017.

Read more: [www.landcoalition.org](http://www.landcoalition.org)

### **Finance and policy**

IFAD seeks not only to spread knowledge of – and increase capacity to implement – development approaches that achieve results, but also to expand sources of finance and help create the policy environment in which such approaches can succeed.

**Financing Facility for Remittances.** For the past 10 years, IFAD's multi-donor Financing Facility for Remittances (FFR) has been pioneering innovative instruments to provide migrants and their families and countries with better options for economic and social development. The US\$42 million FFR has 56 initiatives in 45 countries and is recognized

as a leading actor in the area of migration and development, as well as a global advocate for better remittance policies. With almost 250 million migrants sending nearly half a trillion US dollars home to their families in developing countries in 2016 alone (40 per cent to rural areas), remittances represent a huge source of financing that could be leveraged for development.

In 2016, the FFR launched its fifth global call for proposals for innovative models to leverage the impact of remittances and diaspora investment for rural development. Six were selected, three from the private sector and three from the public sector and NGOs. In addition, the African Postal Financial Services Initiative reached its fourth year of successful implementation. The International Day of Family Remittances, proclaimed by IFAD's Governing Council in 2015, had its second commemoration on 16 June, drawing further attention to the issue of remittances and development.

**Country-level policy engagement** is an increasingly important aspect of IFAD's work, and during the year we continued to pursue different avenues for improving this type of engagement. First, we supported IFAD country teams in improving the policy focus in their country programmes, including through participation in design missions for COSOPs and projects. The goal was to ensure that COSOPs have realistic strategies for policy engagement that contribute to the achievement of strategic objectives. This work was also aimed at ensuring that project designs integrate policy-related outcomes, outputs and activities, linking these to the project's knowledge management agenda, and defining clear implementation responsibilities.

Another line of work was capacity development, including development of a toolkit to guide operational staff in designing and implementing policy activities. Training was also provided in crafting policy strategies as part of an emerging initiative – IFAD's Operations Academy. We also supported relevant research and prepared country-level studies that addressed such themes as popular consultation in policymaking, the organization of a policy think tank covering the rural and

agricultural sector, the development of an evidence-based agricultural sector extension services policy, and the policy framework for agricultural and rural development in countries recovering from conflict.

In addition, we began work on an analysis of the impact of IFAD's policy activities in specific countries across the Asia and the Pacific region. This study is looking at existing initiatives and also contributing to the development of a methodology for future impact assessment in the policy area.

**Indigenous peoples.** Also in 2016, IFAD supported policy dialogue among indigenous peoples, governments and United Nations country teams in the Democratic Republic of the Congo, El Salvador, Myanmar, Nepal, Paraguay and Tanzania. The purpose was to develop national action plans to implement the outcome document of the 2014 World Conference on Indigenous Peoples and the 2007 Declaration on the Rights of Indigenous Peoples. We organized regional workshops during the year in Africa, Asia, Latin America and the Pacific in preparation for the third Global Meeting of the Indigenous Peoples' Forum taking place at IFAD headquarters in February 2017. Its thematic focus will be economic empowerment of indigenous peoples, especially women and youth.

## **Managing for results**

**IFAD's new Strategic Framework 2016-2025** came into effect during the year. The Framework sets out how IFAD will work over the coming decade, and positions the Fund to play a crucial role in the inclusive and sustainable transformation of rural areas. It articulates IFAD's contribution to the 2030 Agenda, including the larger role IFAD will play in supporting countries to fulfil their priorities relative to the Agenda.

The Strategic Framework outlines how the Fund will work in ways that are bigger, better and smarter: bigger, by mobilizing and leveraging substantially greater investment in rural areas; better, by strengthening the quality of countries' rural development programmes; and smarter, by further sharpening its efficiency and delivering results more cost-effectively. It sets three strategic objectives: increasing the productive capacity

of poor rural people; increasing their benefits from market participation; and strengthening the environmental sustainability and climate resilience of their economic activities. (Read the full Strategic Framework <https://www.ifad.org/who/sf/overview>).

In terms of IFAD's own policies and enhancing its own operations framework, in late 2016 IFAD management presented the Executive Board with five important policy documents, which were approved. These included: a strategy for engagement with countries in fragile situations; an updated approach to middle-income countries; a review of the performance-based allocation system; an approach to SSTC; and the corporate decentralization plan.

**Decentralization** is an overarching theme that will be driving many of our major initiatives over the next five years. We have been building our field presence since 2003, stressing the importance of country office staff participation in project design, supervision and implementation. And we are now moving from field presence to corporate decentralization. We have identified three important benefits of decentralization that focus on non-lending activities: policy dialogue, partnership development and knowledge management. Having piloted different types of field presence, as we decentralize we are consolidating around a few models, while maintaining some flexibility to adapt to specific circumstances. The existing and proposed IFAD country offices will be configured as subregional hubs, country programme groups or individual country offices based on specific criteria. (Take a look at the map inside the front cover to see operational and planned IFAD country offices and proposed subregional hubs.)

**Development Effectiveness Framework.** During the year, and based on knowledge developed through the IAI (see above), IFAD crafted a Development Effectiveness Framework to build structures that facilitate the use of evidence in designing and implementing projects. The Framework is the next logical step in IFAD's evolution as a results-based organization, and builds on the approach instituted over a decade ago with the Results and Impact

Management System. It is a multi-pronged initiative that includes strengthening self-evaluation tools, creating a dedicated and accountable unit to ensure expanded learning and fulfilment of corporate requirements, selecting a subset of IFAD-funded projects (15 per cent) for impact assessments using experimental and quasi-experimental approaches to attribute impact and the results, and increasing staff capacity in evidence-based project management through IFAD's Operations Academy. The Development Effectiveness Framework is an important step in furthering IFAD's focus on delivering impact in its investments and value for money.

## **New programmes and projects West and Central Africa**

### **Strengthening value chains for food security in Mauritania**

The new Inclusive Value Chain Development Project in Mauritania will build on the achievements of an earlier project that closed in 2015, having improved food security by strengthening value chains and the access of poor producers to markets. Hunger and malnutrition are major concerns in Mauritania, where about 24 per cent of households are food-insecure, particularly in the south. Ongoing food insecurity leads to high rates of chronic malnutrition among children under 5, with national rates above 20 per cent. The country is also highly vulnerable to the effects of climate change.

The new project will involve poor rural people, including women and young people, in profitable and resilient value chains such as market gardening, poultry farming, goat's milk and non-timber forest products. A pilot operation in inland fishing will be conducted around Fom Gleita lake.

The project will facilitate partnerships, from simple contractual arrangements to public-private-producer partnerships. It will provide training and advisory services, including nutritional education and agricultural advice. It will also work to give participants access to financial services and bring them into the banking system.

A grant from the Adaptation for Smallholder Agriculture Programme (ASAP) will facilitate the use of solar energy along the value chain, from production to storage and processing. It will also promote sustainable management techniques for natural resources such as water, pastureland and plants, which are particularly important in the non-timber forest products value chain.

## **East and Southern Africa**

### **Dairy farming is a pathway out of poverty in Rwanda**

Agriculture contributes 33 per cent of GDP in Rwanda, while employing over 80 per cent of the labour force and providing 90 per cent of the country's food requirements. The dairy sector is crucial for rural development, offering a pathway out of poverty for the many households keeping livestock and for others providing services along the

supply chain. Over the past decade, the government has made significant investments in the sector, yet its performance could still be improved and many challenges remain to be addressed.

The new IFAD-supported Rwanda Dairy Development Project will capitalize on the opportunities created by past investments in the sector. It aims to raise the productivity of smallholder dairy farms and increase supplies of quality milk. This will help to close the gap in domestic demand and increase cross-border exports.

The project, to be implemented from 2016 through 2024, will work with 100,000 rural households in four provinces. Women will make up at least 45 per cent of the participants. It will also help to improve organizational capacity and enterprise skills among smallholder dairy farmers and their cooperatives, and improve dairy processing and marketing infrastructure. Another objective is to consolidate an evidence-based, inclusive policy framework and institutional structure for the Rwandan dairy sector.

## **Asia and the Pacific**

### **Making value chains work for small farmers in Cambodia**

Between 2004 and 2011, Cambodia's poverty rate fell from 32.8 per cent to 10.1 per cent. More than 60 per cent of this reduction was attributed to the agriculture sector, and most of it took place in rural areas. However, agricultural growth has stalled in the past three years and needs to be stimulated. Fortunately, a number of important building blocks are in place to support it: rural communities are increasingly connected, through both roads and telecommunications; the rural finance sector is improving rapidly; and farmers are increasingly interested in the market opportunities of farming as a business.

The new IFAD-supported Accelerating Inclusive Markets for Smallholders Project will increase returns from farming for smallholders, including young people, through efficient public-sector investment. It will work to develop five high-value product value chains: quality assured rice, vegetables, backyard chicken, cassava and raw silk. It will also increase private-sector investment.

Using IFAD's public-private-producer partnership model, the project will develop and promote links among buyers, producers and service providers. It will give priority to innovation in local value chains, especially through a value chain innovation fund, which will provide direct financial support to stimulate private investment. The project will be implemented in all parts of the country and about 75,000 families are expected to participate.

### **Latin America and the Caribbean** **Improving livelihoods for indigenous peoples in the hinterlands of Guyana**

Persistent poverty, climate change and the increasing encroachment of mining and logging activities are straining resilience and social cohesion in the hinterlands of Guyana. Among the predominantly indigenous population, dependence on remittances is rising, and so is the incidence of chronic diseases, partly a result of dietary changes. The challenges facing small farmers include low soil fertility, severe floods and prolonged dry spells, and lack of adequate water management technologies.

Indigenous peoples make up two thirds to three quarters of the population in the country's hinterlands, and the government is working in these areas to help communities identify new income opportunities and diversify rural livelihoods. The new IFAD-supported Hinterland Environmentally Sustainable Agricultural Development Project aims to build livelihood resilience, strengthen access to assets, and improve nutrition and adaptation to climate change.

The project will help community councils and value chain roundtables to plan and prioritize investments in local value chains – including ginger and turmeric, which have export potential. It will establish an investment fund to finance goods and services that will prioritize investments that reduce climate and investment risks; provide training and raise awareness; and provide technical assistance to support the diffusion of knowledge and technologies. The project will reach about 6,000 households, or about 30,000 people. At least 75 per cent will be indigenous peoples and at least 50 per cent will be women.

### **Near East, North Africa and Europe** **FARMS: the new Facility for refugees, migrants and rural stability**

IFAD launched its Facility for Refugees, Migrants, Forced Displacement and Rural Stability (FARMS) during the 2016 United Nations Summit for Refugees and Migrants. With an overall envelope of US\$100 million, FARMS will focus on sustainable rural development and livelihood support for refugees, displaced persons and rural host communities. It will create economic opportunities in areas of origin to motivate people to return, while giving those who remain in host countries a chance to rebuild their livelihoods. With an initial focus on the Near East and North Africa, where the current crisis is the most acute, FARMS is expected to reach 1 million people.

The Facility will create 20,000 jobs, especially for women and youth, and at least 1 million days of temporary work, mainly in the agrifood sector. Over 500 community infrastructure projects will improve roads, irrigation systems and access to markets, while a focus on better governance of natural resources will help reduce conflicts and promote equitable access.

During the Facility's launch, Imad Najib Fakhoury, Jordan's Minister of Planning and International Cooperation, said that FARMS was "a far-reaching initiative that tackles one of the critical issues of forced migration: food security. It demonstrates a progressive, resilience-focused vision, acknowledging the proven fact that even short-term crises require long-term solutions."



# Measuring and improving results

## Report on IFAD's Development Effectiveness

The Report on IFAD's Development Effectiveness (RIDE) is the Fund's main corporate document reporting on institutional and development effectiveness. The 2016 RIDE constitutes the full-term report for the period of the Ninth Replenishment of IFAD's Resources (IFAD9), 2013-2015. For the first time, it reports on impact-level indicators, which have been assessed through the pioneering IFAD9 Impact Assessment Initiative (IAI).

Total outreach for projects under implementation in 2015 stood at almost 113 million people, slightly lower than last year's figure of 114 million, yet still far exceeding the 2015 target of 90 million. The male to female ratio of participants improved to 50:50, reflecting a high and increasing share of

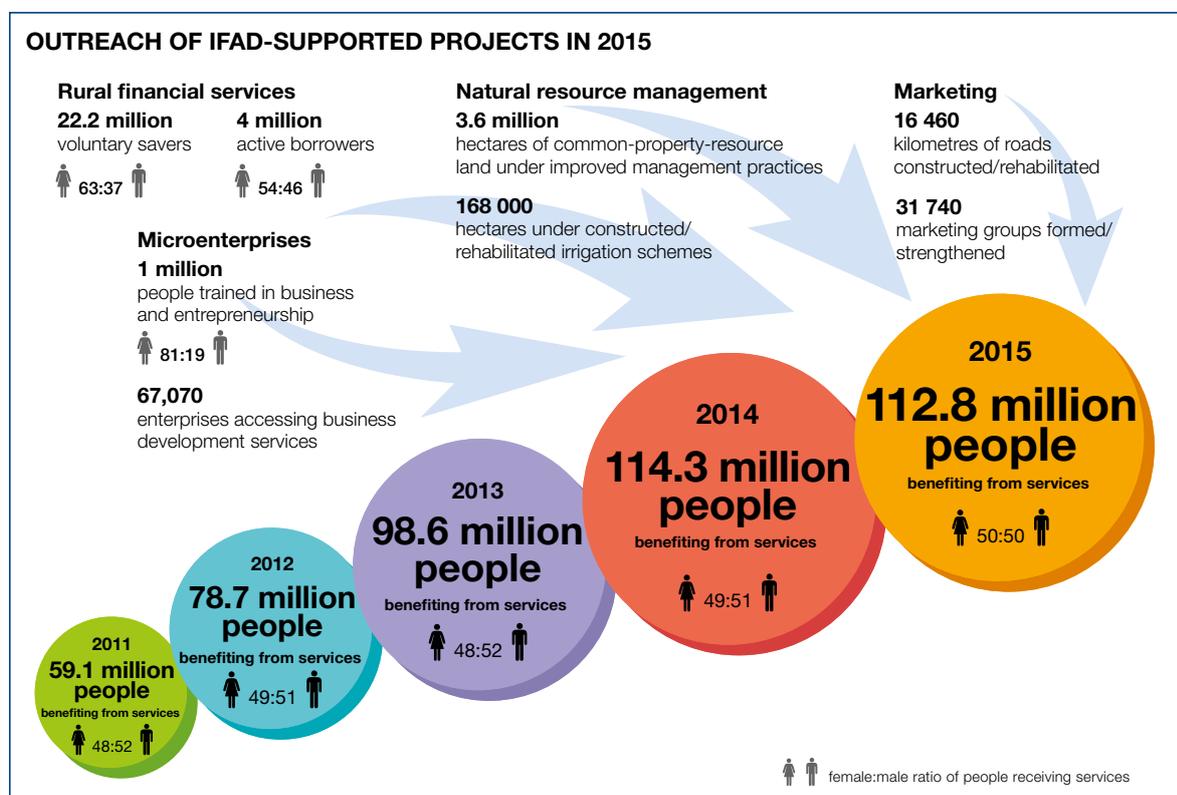
women participants. The most significant increases are registered for indicators measuring delivery of rural finance, marketing and microenterprise services.

Read the full RIDE at: <https://webapps.ifad.org/members/eb/118/docs/EB-2016-118-R-8.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 2016, 39 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.



< Using a gas oven received through the project, Zinat Abd Alwabab bakes traditional bread to sell at the market in El Shohada village. Egypt: West Noubaria Rural Development Project

Recent changes to the quality enhancement process have also significantly increased support to country programme management teams beyond the design stage, with technical experts participating in 55 field missions during the year to support ongoing projects.

In 2016, we improved the quality enhancement review process itself, moving from an email-based review process to a quality enhancement platform in the Quality Assurance Archiving system (QUASAR). QUASAR links the various phases of the review of an investment project. It also includes workflows for the quality assurance and quality enhancement of project design, additional financing, results-based country strategic opportunities programmes (RB-COSOPs), concept notes and grant concept note review.

During the year, a total of 34 design documents for investment projects – eight of them for additional financing to ongoing projects – went through the quality assurance process, along with 47 project concept notes for entry into the pipeline, and 13 RB-COSOPs. Five investment projects in five countries benefited from the “QA at QE” option, which allows country teams to receive a quality assurance review at the quality enhancement stage to receive additional suggestions and recommendations prior to the final stages of project design.

In line with the 2015 IFAD Policy for Grant Financing, 57 concept notes for grants were reviewed for entry into the pipeline and nine quality assurance meetings were held to review 41 grants.

Overall, the 34 investment projects reviewed were worth a total of approximately US\$850 million in IFAD financing and aim to reach poor rural households in 32 countries, eight of which are classified as fragile states.

Table 1 shows the quality-at-entry ratings for 2015 and 2016 against the baseline year. Targets were exceeded for almost every indicator. Of the 26 new projects cleared for submission to the Executive Board, 88 per cent were judged likely to meet their objectives in full.

## Independent evaluation

### Overview of the fourteenth Annual Report on Results and Impact of IFAD Operations and its learning theme: knowledge management

The 2016 Annual Report on Results and Impact of IFAD Operations (ARRI) draws on independent evaluations of IFAD-financed operations performed in 2015. The report shows that, during the Ninth Replenishment of IFAD’s Resources (2013-2015), 80 per cent of IFAD-funded programmes and projects were rated moderately satisfactory or better under most evaluation criteria.

**TABLE 1**  
**Quality-at-entry ratings and percentages of projects with moderately satisfactory or better ratings<sup>a</sup>**

Indicator	Baseline year	Baseline value	Results 2015	Results 2016	Average 2015-2016	Target 2017
<b>4.3 Percentage of projects rated 4 or better at entry/average rating</b>						
4.3.1 Overall quality of design	2010/11	79	94	96	95	85
4.3.2 Overall quality of design for projects in fragile states only <sup>b</sup>	2010/11	n/a	94	100	97	80
4.3.3 Gender	2010/11	86	94	100	97	90
4.3.4 Monitoring and evaluation	2010/11	70	88	92	90	80
4.3.5 Projects receiving positive ratings on scaling up <sup>c</sup>	2010/11	72	100	89	94.5	80

Sources: Based on ratings of 26 new projects cleared for presentation to the Executive Board in 2016. Projects are rated only after clearance for Board presentation.

<sup>a</sup> 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 better (i.e. moderately satisfactory or better) out of the total number of projects.

<sup>b</sup> In 2016, six projects cleared for Board submission were located in six fragile states. This rating reflects only this subset of projects.

<sup>c</sup> The 2016 scaling-up ratings are based on 19 projects that are identified as “scaling-up” activities.

IFAD has made a good contribution to reducing rural poverty, with 92.3 per cent of projects closing in 2012-2014 rated as moderately satisfactory or better. This is a result of the Fund's attention to improving income and assets, human and social capital and empowerment, innovation and scaling up, and gender equality and women's empowerment. The performance of IFAD and governments as partners has improved. This is important not only to ensure good project performance, but also to improve partnerships and dialogue beyond projects.

These results put the Fund in a good position to face the challenges posed by the new global agenda for sustainable development. The key question that the 2016 ARRI seeks to address is: how can IFAD raise the bar from moderately satisfactory to satisfactory and highly satisfactory performance? The 2016 ARRI identifies areas of operational performance to be improved moving forward.

First, project activities are often not tailored to meet the needs of all intended beneficiaries. It is important that future operations adapt their approaches and activities to the complexity of contexts and target groups. Second, notwithstanding the positive impact that IFAD-supported operations are having on food security and agricultural productivity, more attention needs to be given to mainstreaming nutrition. Third, recurrent constraints on financial management and fiduciary responsibilities (such as procurement, audits) hinder improvements in the efficiency of IFAD-funded projects and performance of governments as partners.

Fourth, there is scope to expand partnerships at the country level in the context of RB-COSOPs to leverage better results and complement IFAD in its scaling-up agenda. Finally, IFAD needs to be more proactive in investing resources, time and effort in systematizing knowledge management at all levels. The Fund also needs to align the knowledge management strategy, systems, financial and human resources, and incentive structure in a way that facilitates the gathering, dissemination and use of knowledge.

## Management response to the ARRI

IFAD management welcomed the ARRI and acknowledged its importance as an effective independent reporting tool that contributes to promoting IFAD's accountability. Management was pleased to note that the 2016 ARRI confirmed the positive trend in project performance observed in recent years and that its findings were aligned with the 2016 Report on IFAD's Development Effectiveness. Management noted, in particular, the improvement over time with regard to rural poverty reduction, reflecting significant improvements in most impact domains.

Management welcomed the ARRI's recommendations on targeting, nutrition, partnerships and knowledge management, while noting that they did not seem to be fully substantiated by the main analysis. Management agrees that IFAD-supported operations could target the most vulnerable groups more effectively and is committed to devoting more attention to profiling potential beneficiaries and tailoring project activities to improve targeting. Management also agrees with IFAD's Independent Office of Evaluation (IOE) on the importance of nutrition for rural development. In fact, the ARRI's recommendation echoes actions already being taken as part of the Mainstreaming Nutrition-Sensitive Agriculture at IFAD – Action Plan 2016-2018. Management highly values the importance of strengthening partnerships to enhance the impact of IFAD investments, particularly at the country level.

While management acknowledges that there is room for improvement in IFAD's knowledge management system, a number of processes are already in place: a knowledge management action plan is being developed; requirements for knowledge management and learning have been integrated into key business processes, including COSOPs, project designs and performance management; and actions to improve IFAD's self-evaluation system have been initiated within the IFAD Development Effectiveness Framework.

## Other evaluation activities in 2016

Two corporate-level evaluations were published in 2016. The first, on IFAD's performance-based allocation system (PBAS), concluded that the PBAS has enhanced the Fund's credibility, transparency and predictability of financial resource allocations to its Member States. The evaluation found the system's effectiveness to be moderately satisfactory. It concludes that IFAD needs to refine the design of the PBAS by sharpening its objectives and strengthening the focus on rural poverty. It also needs to improve management and governance by taking a more corporate approach to the system, which could include establishing a standing PBAS interdepartmental committee. Moreover, to enhance the transparency of the PBAS, progress reports should be more comprehensive and should include information on reallocations, capping and any strategic and systemic issues warranting guidance from the Executive Board.

The second corporate-level evaluation, on IFAD's Decentralization Experience, found that establishing country offices has boosted project implementation support and contributed to better development results. However, while country offices have helped strengthen partnerships with national actors, their limited resources restrict their engagement in knowledge management and policy dialogue activities. IFAD needs to strengthen its country presence by concentrating resources in subregional hubs. It should also review its organization and staffing at headquarters to optimize support to country programmes.

Country programme evaluations were completed for Ethiopia, The Gambia, India, Nigeria, the Philippines and Turkey.

Overall, portfolio performance in Ethiopia is satisfactory, with positive achievements in human and social capital, and good alignment with the government's decentralization policy. Sustainability, scaling up and gender are also satisfactory. Areas that need to improve include policy dialogue and impact on institutions and policies.

The evaluation for India finds that IFAD-supported projects consistently targeted very poor areas and disadvantaged groups and, within these, women. The evaluation highlighted the importance of paying attention to market linkages and building partnerships with local agricultural extension centres. While good project performance continues to be important, national counterparts would like IFAD to provide more support in sharing knowledge and good practices to inform public policies and programmes.

For Nigeria, the evaluation concludes that the country programme has contributed to reducing poverty, particularly in the poorer north. There, the creation of community-based organizations allowed local government to channel funding to otherwise hard-to-reach communities. In other regions, impacts are less obvious, partly because of the slow release of local government funding. The move towards larger programmes has reduced programme effectiveness and efficiency, and has made it even more difficult to address issues of local governance, fragility and cultural diversity.

The evaluation for The Gambia finds that the programme's objectives and designs are relevant, responding to the needs and priorities of the target groups and the government. However, programme objectives were only achieved to a limited extent because of high and unpredictable staff turnover, and weak partnerships with other stakeholders, including NGOs and development agencies.

The evaluation for Turkey highlighted the demand on the part of the country for IFAD to be a more active player in sharing its technical expertise and international knowledge. IFAD-funded projects have helped improve the incomes and quality of life of poor rural people. However, the scope for sustainability of interventions is limited by weak operation and maintenance arrangements for infrastructure, and insufficient collaboration with the rural financial sector.

During the year, IOE completed three evaluation syntheses, which pull together evaluation knowledge from various sources. The first, on Environment and Natural Resource Management (ENRM), outlines the steps the Fund has taken to further integrate ENRM issues into the operations

it supports: establishing the Environment and Climate Division; upgrading environmental and social safeguards; and launching the Adaptation for Smallholder Agriculture Programme. Nonetheless, the degree of alignment with ENRM policies in IFAD country strategies is mixed.

The second synthesis, concerning Non-lending Activities in the Context of South-South Cooperation, concludes that IFAD's support to South-South cooperation between 2009 and 2015 was ad hoc and mainly took the form of knowledge-sharing. More programmatic initiatives were often financed through grants. One of IFAD's advantages is its focus on reducing poverty by investing in rural people and its on-the-ground experience. However, results orientation tends to be weak, and outputs (rather than outcomes) are often the focus of planning and reporting on activities.

The third synthesis, on Smallholder Access to Markets, finds a notable improvement in IFAD's approach, which is based on sound market analysis and market orientation, and in IFAD-funded interventions in terms of appropriate sequencing of activities and empowerment of smallholders for greater market participation. IFAD could pay more attention to the risk smallholder farmers may face when seeking to make their production systems more market-oriented.

An impact evaluation of the Mozambique Sofala Bank Artisanal Fisheries Project concludes that the project had a positive impact on incomes and has been a milestone in the development of the artisanal fishery sector thanks to its integrated approach. However, more could have been done to strengthen impact on access to formal microfinance, private-sector engagement and gender mainstreaming.

Five in-country events were jointly organized with the governments of the Democratic Republic of the Congo, India, Nigeria, the Philippines and Turkey. The main results from the respective country programme evaluations were discussed, together with issues for the forthcoming RB-COSOPs.

Read more: [www.ifad.org/evaluation/index.htm](http://www.ifad.org/evaluation/index.htm)

## Ethics

IFAD's Ethics Office works to ensure that the highest ethical standards are maintained at every level of the Fund's work and to protect our image and reputation. Recognizing staff as our most valuable asset, we are committed to maintaining a working environment that ensures well-being and a respect for work-life balance. We also aim to foster an organizational culture in which individuals fulfil their responsibilities while respecting the dignity of their colleagues. Dealing promptly and confidentially with cases of 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, the Ethics Office paid particular attention to the prevention and timely handling of harassment, which causes emotional stress, interferes with job performance and can be damaging to the organization.

Staff sought guidance on IFAD's code of conduct, conflicts of interest, abuse of authority, harassment and other matters. The Ethics Office dealt with common conflicts arising between supervisor and supervisee, mostly related to evaluative relationships. Other common conflicts included interpersonal relationships and differences between peers and colleagues, related to respect and treatment, lack of open communication, and disrespectful communication, often via e-mail.

As in 2015, there was a slight decrease in complaints received by the Ethics Office regarding possible harassment or abuse of authority – from 25 in 2015 to 24 in 2016. Most of these consultations were resolved informally or were not pursued beyond the initial request for advice. During the year, the Ethics Office referred one complaint of harassment and one complaint related to the Code of Conduct to the Office of Audit and Oversight for further investigation.

## **Internal oversight and anticorruption**

IFAD is committed to fighting fraud and corruption, which divert resources from the programmes and projects we support and limit their effectiveness. We have a policy of zero tolerance for fraud and corruption, and are currently devising a new anticorruption e-learning course for persons involved in IFAD-financed activities. We also recently issued a revised President's Bulletin on IFAD investigation and sanction processes in order to be in line with the highest professional standards and best practices of development agencies and international financial institutions.

Suspected fraud and corruption can be reported to IFAD by telephone, fax, e-mail or in person. It is also possible to make an anonymous complaint. Details can be found at the following link: [www.ifad.org/who/internal\\_structure/anticorruption](http://www.ifad.org/who/internal_structure/anticorruption).

During 2016, the intake of complaints was at levels similar to those in previous years. The backlog of investigation cases brought forward from 2015 was significantly reduced, and IFAD's Office of Audit and Oversight has started to support more proactively the prevention of irregular practices in IFAD-financed activities through awareness-raising activities and capacity-building.

Where appropriate, the results of investigations led to sanctions and management action to mitigate the risks identified.

The 2015 Annual Report on Investigation and Anticorruption Activities can be accessed at the following link: [www.ifad.org/anticorruption](http://www.ifad.org/anticorruption). The 2016 report will be issued in April 2016.

The workplan of the Office of Audit and Oversight is based on our assessment of institutional risks. In 2016, the Office covered 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, governance of information technology-enabled projects, and information security.

Almost all the high-priority audit recommendations due for implementation in 2016 were cleared during the year. This achievement highlights IFAD's continued strong commitment to active management of institutional risks.

## **Human resource management**

In 2016, IFAD continued and consolidated improvements in human resource processes from policy, procedural and technical perspectives, building on the achievements made in human resource management over the previous year. The work concentrated on select strategic areas, including strengthened career management, with specific attention to career development and mobility and a significant focus on decentralization.

In response to numerous requests from staff, we presented a career development framework and a career development guide at the Global Staff Meeting in February 2016, and further disseminated these through workshops at headquarters and in IFAD country offices. The framework supports staff in planning, managing and developing their careers, while at the same time helping IFAD increase the flexibility and mobility of its workforce.

IFAD has made particular efforts in the area of mobility, with a pilot project to help shape a functional geographical mobility process. This dovetails with our decentralization plans and will help position the Fund to meet evolving needs as we move towards increasing our country presence.

Overall, IFAD's Human Resources Policy framework allows us to adapt constantly to a changing environment. IFAD contributed extensively to the review conducted by the International Civil Service Commission of the compensation package for the Professional and higher categories, and is in the process of implementing changes introduced by the General Assembly in a resolution adopted in December 2015. Through IFAD-wide communication efforts, we have ensured that staff are fully aware of the changes. Meanwhile, we are revising the Human Resources Implementing Procedures in full consultation with relevant stakeholders, and incorporating revised procedures into an interactive web-based repository available to staff.

Implementation of the General Assembly resolution entailed a substantive change of human resources IT systems, and we took advantage of this to carry out a comprehensive review of our human resources practices. The aim is to enhance the current technology and to develop new, state-of-the-art applications and self-service functionalities that assist managers in the selection and management of their workforce, and staff at headquarters and in country offices in the administration of their entitlements. Many efficiencies are being generated by this major technical shift, from ensuring consistent application of human resources policy to providing a paperless system less prone to error and creating a central, accessible and auditable repository of information and documents.

IFAD has made considerable progress in decentralizing human resource responsibilities and capacity to its country offices. The IFAD Corporate Decentralization Plan submitted to the Executive Board in December 2016 includes a structured rebalancing of staffing between headquarters and country offices. This rebalancing involves an expanded field presence with greater authority, achieved through a parallel shift and cost efficiencies at headquarters, and will continue through IFAD10. We also foresee increasing country programme and administrative functions in existing country offices and locating a number of technical and specialized staff in the field.

As of 31 December 2016, in IFAD country offices around the world there were 28 international Professional staff members, 5 Junior Professional Officers, 43 National Officers and 24 General Service staff members.

In 2016, the Human Resources Division handled 86 recruitment exercises for Professional and above positions; average recruitment time was 78 days.

Staff statistics as of 31 December 2016 were as follows:

- Total staff, including Junior Professional Officers, numbered 611.
- Of the total, 336 were in the Professional and higher categories, 43 in the National Officer category, 24 in the National General Service category, and 208 in the General Service category.
- The National Officer, Professional and higher categories included nationals from 94 Member States.
- Women constituted 33 per cent of Associate Vice-Presidents, 45 per cent of Professional and higher categories staff, 26 per cent of the National Officer category, and 82 per cent of the General Service category.
- Overall, 57 per cent of IFAD staff members are women.



# Financing data and resource mobilization

## Resources in 2016

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 contributions 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, the organization has also transformed its financial model to include sovereign borrowing as a resource mobilization tool.

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

2016 was the first year of the Tenth Replenishment of IFAD's Resources (IFAD10). During the year, the evolution of the Fund – initiated in IFAD9 (2013-2015) and articulated in the Strategic Framework 2016-2025 – continued towards a refined business model that recognizes the need for new and innovative approaches, as well as increased resources to meet the ambitious targets of the SDGs.

Overall, during 2016 strong results were achieved across the IFAD10 commitments. IFAD continued to expand its country presence, with 40 country offices now operational (see map inside front cover). The Fund also continued to address context-specific challenges, and is on target to meet the commitment to mainstream key issues such as climate change, nutrition and gender across all the activities it supports.

We developed differentiated approaches to diverse country-level needs. Specific strategies for engagement in middle-income countries and

countries with fragile situations were approved by the Executive Board in 2016, together with a review of IFAD's performance-based allocation system. At the same time, IFAD is keenly aware that in order to enable Member States to achieve the SDG targets, we must continue to evolve and transform to provide global leadership in the eradication of rural poverty.

IFAD must be financially equipped to expand the programme of loans and grants (PoLG) and increase the programme of work (PoW), which includes cofinancing from partners and governments. IFAD9 moved the Fund in the direction of a bigger PoLG. Following strong commitment from its Member States and the operationalization of new cofinancing mechanisms, the Fund aims to deliver a PoW of US\$7.3 billion in IFAD10.

In addition to increasing the size of the portfolio, the Fund has introduced new approaches to transform and improve the impact of its PoW, including innovation, learning and scaling up. This means more impact per dollar spent: expanding, adapting and sustaining successful projects, programmes and policies through partnerships, institutional and organizational change, and better results management.

The delivery of a larger and more impactful PoW has been accompanied by substantial improvements in the management of IFAD activities. For example, IFAD has made its decentralization plan a critical part of enhancing institutional effectiveness, flanked by improvements in human resource management, and efficiency gains in ICT systems and financial reporting and management.

**TABLE 2**  
**IFAD at a glance, 1978-2016<sup>a, b</sup>**

		2012	2013	2014	2015	2016	1978-2016
<b>Operational activities<sup>c, d</sup></b>							
<b>Loan and DSF grant approvals</b>							
Number of programmes and projects		33	25	26	39	24	1 037
Amount	US\$ million	960.7	731.1	625.8	1 227.6	737.3	17 106.3
<b>Grant approvals</b>							
Number		90	63	64	70	53	2 738
Amount	US\$ million	71.5	50.0	50.6	73.6	56.9	1 100.6
<b>ASAP Trust Fund</b>							
Number		1	10	10	15	5	41
Amount	US\$ million	4.9	103.0	83.0	94.1	29.0	314.0
<b>Total IFAD loan and grant operations</b>	US\$ million	<b>1 037.1</b>	<b>884.1</b>	<b>759.4</b>	<b>1 395.3</b>	<b>823.2</b>	<b>18 520.9</b>
<b>Cofinancing</b>	US\$ million	<b>420.3</b>	<b>329.8</b>	<b>238.4</b>	<b>1 063.6</b>	<b>164.1</b>	<b>11 328.9</b>
Multilateral		153.3	207.1	128.0	861.7	103.2	8 622.8
Bilateral		183.0	87.8	4.5	21.2	34.1	1 783.4
NGO		3.5	-	0.9	-	4.0	56.0
Other <sup>e</sup>		80.5	34.9	104.9	180.7	22.9	866.7
<b>Domestic contributions</b>	US\$ million	<b>599.5</b>	<b>552.7</b>	<b>601.0</b>	<b>925.5</b>	<b>411.8</b>	<b>14 731.9</b>
<b>Total programme and project cost<sup>f</sup></b>	US\$ million	<b>2 003.0</b>	<b>1 720.2</b>	<b>1 552.9</b>	<b>3 319.7</b>	<b>1 350.8</b>	<b>43 602.8</b>
<b>Programmes and projects</b>							
Number of effective programmes and projects under implementation		256	241	224	231	211	-
Number of programmes and projects completed		21	43	45	29	36	795
Number of approved programmes and projects initiated by IFAD		32	24	26	36	23	869
Number of recipient countries/territories (ongoing portfolio)		99	98	99	98	97	-
<b>Loan disbursements</b>	US\$ million	<b>534.5</b>	<b>482.6</b>	<b>484.7</b>	<b>486.6</b>	<b>539.3</b>	<b>10 428.4</b>
<b>DSF grant disbursements</b>	US\$ million	<b>118.6</b>	<b>142.6</b>	<b>157.4</b>	<b>125.6</b>	<b>123.9</b>	<b>805.9</b>
<b>Loan repayments<sup>g</sup></b>	US\$ million	<b>267.5</b>	<b>261.1</b>	<b>271.3</b>	<b>320.8</b>	<b>299.3</b>	<b>5 688.8</b>
<b>Membership and administration</b>							
Member States – at end of period		167	169	172	173	176	-
Professional staff – at end of period <sup>h, i</sup>		312	321	344	364	379	-

Sources: Grants and Investment Projects System, IFAD financial statements for 1978-2016, IFAD's accounting system.

<sup>a</sup> IFAD loans and 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.

<sup>b</sup> Figures for 1986-1995 include the Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification.

<sup>c</sup> Excludes fully cancelled programmes and projects. Excludes the Programme Development Financing Facility.

<sup>d</sup> 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.

<sup>e</sup> 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.

<sup>f</sup> Includes DSF grants and component grants, and excludes grants not related to investment projects.

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

<sup>h</sup> Approved positions (excluding those of the President and Vice-President).

<sup>i</sup> Includes National Professional Officers in country offices.

As at 31 December 2016, 100 countries had pledged a total of US\$1.127 billion to IFAD10. Instruments of contribution (IOCs) deposited (including payments with no prior IOC deposit) amounted to US\$906 million or 80 per cent of total pledges received. By the same date, debt sustainability framework (DSF) compensation shares received amounted to US\$2.9 million, while the overall DSF compensation amounted to approximately US\$3.4 million, leaving a shortfall of approximately US\$0.5 million.

### **Additional resource mobilization**

IFAD's Additional Resource Mobilization Initiative provides strategic direction for the exploration of new financing options. The Sovereign Borrowing Framework established in 2015 guided negotiations on sovereign borrowing undertaken by IFAD in 2016 to meet the IFAD10 PoLG target of US\$3.2 billion.

From the framework agreement signed with Germany's KfW Development Bank in 2015, IFAD obtained a credit line of up to €400 million to finance the PoLG. In December 2016, the third individual loan agreement for an amount of €100 million was signed with KfW. Also in 2016, we started negotiating an agreement with the French Development Agency (AFD) for a loan of €200 million.

### **New partnerships**

During the year, IFAD agreed a new memorandum of understanding with the European Investment Bank, signed a declaration of intent with Germany's Federal Ministry for Economic Cooperation and Development (BMZ), and renewed partnership agreements with Italy and Switzerland. The Fund also initiated the process of revitalizing partnerships with the African Development Bank and the Islamic Development Bank through roundtable events held at IFAD headquarters, in September and November 2016, respectively.

During 2016, IFAD worked to identify and establish strategic new facilities to better engage philanthropic foundations as partners. Three new facilities – designed to build local staff capacity, drive greater innovation and increase engagement with the rural private sector – were developed and presented to the Executive Board.

IFAD also reviewed and updated its partnership strategy for the IFAD10 period, ensuring a focus on those strategic partnerships required to deliver on our goals and objectives for IFAD10, with a view towards the longer term and the 2030 Agenda. As reported in the RIDE, IFAD partnership performance has improved considerably in recent years with 97 per cent of country programmes rated moderately satisfactory or better for partnership building in the 2016 client survey.

### **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. They are typically used for specific project cofinancing initiatives, studies or technical assistance initiatives, and to support IFAD's Junior Professional Officer programme, as indicated in the individual agreements between IFAD and the donors concerned.

In 2016, IFAD signed new supplementary fund agreements with Denmark, Estonia, the European Union, FAO, the Global Agriculture and Food Security Program (GAFSP), the GEF, Germany, Ireland, Japan, the Republic of Korea and the Netherlands. Examples of the activities to be supported under these agreements include Danish cofinancing of IFAD's Agriculture Modernization, Market Access and Resilience Project in Georgia, with particular focus on interventions for rural youth employment and entrepreneurship; Japanese support to bridge the humanitarian-development gap and contribute to the recovery of agricultural production in parts of Liberia affected by the Ebola crisis, and livelihoods improvement for internally displaced persons in north-east Nigeria, linked to IFAD's investment projects in these regions and in

partnership with FAO and Oxfam; and agreements to provide funds in support of implementation of the International Land Coalition Strategy 2016-2020 signed with the European Union, Germany, Ireland and the Netherlands on behalf of the ILC.

The largest share of new supplementary funds relates to seven new GEF grants that were fully approved in 2016, supporting efforts to mainstream climate and environment in IFAD's investment programmes; and to funds received from GAFSP to finance nutrition-related interventions in the Lao People's Democratic Republic and begin design of missing middle initiatives for Mali and East Africa.

Overall, IFAD mobilized a total of US\$93.3 million in supplementary funds during the year, and received US\$101.1 million in payments under these and other ongoing

agreements, contributing significantly to IFAD's cofinancing targets, and supporting IFAD's non-lending activities and global policy engagement. Table 3 shows supplementary funds received during 2016.

### Ongoing portfolio

IFAD's investment in ongoing programmes and projects in rural areas was worth US\$6.0 billion in 2016 (Table 4). At the end of the year, there were 211 programmes and projects at work around the world, funded by IFAD in partnership with 97 recipient governments (see map inside front cover and chart 6). External cofinancing and funds from domestic sources for the ongoing portfolio amounted to US\$7.3 billion. The total value of these programmes and projects was US\$13.4 billion.

**TABLE 3**  
**Summary table of supplementary funds received in 2016**  
Amounts in US\$ million<sup>a</sup>

Donor	Junior Professional Officer Programme	Cofinancing (excluding parallel cofinancing)	Thematic and technical assistance	Total
European Union	-	12.4	34.9	47.3
FAO	-	0.4	0.2	0.6
Multi-Partner Trust Fund (RWEE) – Norway, Sweden	-	-	0.3	0.3
United Nations Evaluation Group	-	-	0.02	0.02
GAFSP	-	9.1	-	9.1
GEF	-	15.1	-	15.1
Canada	-	3.6	-	3.6
Denmark	-	6.2	-	6.2
Estonia	-	-	0.05	0.05
Finland	0.2	-	-	0.2
France	-	-	1.1	1.1
Germany	0.3	-	0.7	1.0
Government of Flanders	-	1.1	-	1.1
Ireland	-	-	1.1	1.1
Italy	0.2	3.7	-	3.9
Japan	-	2.1	-	2.1
Luxembourg	-	-	0.5	0.5
Netherlands	0.8	1.4	3.0	5.2
Republic of Korea	-	1.2	0.8	2.0
Switzerland	0.5	-	0.3	0.8
<b>Total<sup>b</sup></b>	<b>1.9</b>	<b>56.3</b>	<b>42.9</b>	<b>101.1</b>

Source: IFAD financial systems.

<sup>a</sup> Amounts received in currencies other than US\$ are converted at the end-of-year exchange rate as of 31 December 2016.

<sup>b</sup> Any discrepancy in totals is the result of rounding.

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

The ongoing portfolio of grant-funded operations was worth US\$196.3 million at the end of 2016, with 177 grants operational in 134 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 76 on the USB memory stick.)

### **Cofinancing of IFAD-supported programmes and projects**

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

Levels of cofinancing are affected by many external factors and may vary greatly from year to year. In 2016, domestic contributions made up 71.5 per cent of cofinancing approved for new programmes and projects and totalled US\$411.8 million (Table 2 and Chart 7).

Chart 8 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\$3.1 billion.

Chart 9 ranks bilateral donors to programmes and projects initiated and supported by IFAD, with Spain, France, Germany, the Netherlands and Belgium at the top of the chart. Together, they have provided over 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 2016 programme and project financing, 54 per cent was for low-income food-deficit countries (as classified by FAO) and 39 per cent was for the United Nations-classified least developed countries. From a regional perspective, sub-Saharan African countries received over 42 per cent of new financing for programmes and projects in 2016. Table 6 shows financing by IFAD region since 1978.

### **Financing by sector**

Chart 11 shows how the investments in our current portfolio are allocated by sector. About one third of the portfolio funds agriculture and natural resource management, empowering smallholder farmers to increase their productivity and manage vital natural resources more sustainably and efficiently. About 16 per cent of funds currently invested finance work to strengthen markets and related infrastructure. This is essential to enabling poor farmers to access markets and make a decent income from their produce. Rural finance accounts for 12 per cent of funds invested, ensuring that rural women and men can access financial services such as credit, savings and insurance to build their businesses and manage risks.

**TABLE 4**  
**Ongoing programme and project portfolio by region<sup>a</sup>**  
 As at end December 2016

Region	Number of programmes and projects	IFAD financing <sup>b</sup> (US\$ million)
West and Central Africa	41	1 244.4
East and Southern Africa	44	1 471.0
Asia and the Pacific	61	2 052.5
Latin America and the Caribbean	31	511.2
Near East, North Africa and Europe	34	754.2
<b>Total<sup>c</sup></b>	<b>211</b>	<b>6 033.3</b>

Source: Grants and Investment Projects System.

<sup>a</sup> The ongoing portfolio consists of approved programmes and projects that have reached effectiveness and have not yet been completed.

<sup>b</sup> 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.

<sup>c</sup> Any discrepancy in totals is the result of rounding.

**CHART 6**  
**IFAD's ongoing portfolio, 2011-2016**  
 Amounts in US\$ billion



## 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).<sup>1</sup> About 40 per cent of new financing approved during the year was in the form of highly concessional loans – worth a total of US\$291.9 million. Ordinary loans made up 24.5 per cent of the total, followed by blend loans with 21.6 per cent and DSF grants with 14.3 per cent (Chart 12).

As a share of our cumulative financing portfolio since 1978, highly concessional loans and DSF grants represent about 72 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\$663.2 million in 2016 (Tables 9 and 10). Over the period 1979-2016, cumulative disbursements of loans under the Regular Programme amounted to US\$10,428.4 million, representing 74 per cent of effective commitments at the end of 2016 (Table 11). This compared with US\$9,889.1 million disbursed at the end of 2015, which also made up 74 per cent of effective commitments.

**TABLE 5**  
**Financing of IFAD-supported programmes and projects, 1978-2016**  
Amounts in US\$ million

	1978-2006	2007-2009	2010-2012	2013-2015	2016	1978-2016
IFAD <sup>a</sup>	9 431.9	1 735.9	2 717.5	2 881.8	774.9	17 542.0
Cofinanced <sup>b</sup>	7 061.7	1 027.3	1 437.0	1 638.8	164.1	11 328.9
Domestic	8 985.2	918.8	2 336.8	2 079.2	411.8	14 731.9
<b>Total<sup>c, d</sup></b>	<b>25 478.8</b>	<b>3 682.1</b>	<b>6 491.3</b>	<b>6 599.8</b>	<b>1 350.8</b>	<b>43 602.8</b>
Number of programmes and projects <sup>e</sup>	730	94	99	90	24	1 037

Source: Grants and Investment Projects System.

<sup>a</sup> 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.

<sup>b</sup> Includes cofinancing that may not have been confirmed at the time of Executive Board approval.

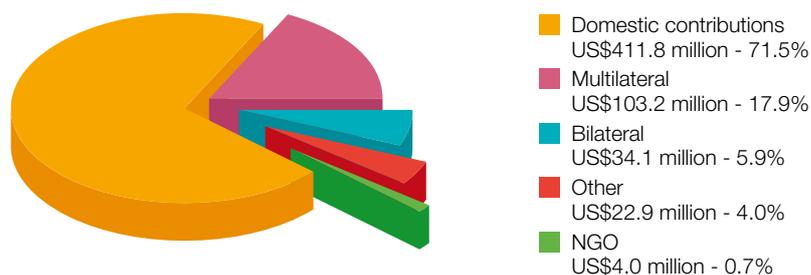
<sup>c</sup> Total amounts may include additional financing for projects/programmes previously approved.

<sup>d</sup> Any discrepancy in totals is the result of rounding.

<sup>e</sup> Fully cancelled or rescinded programmes and projects are not included.

<sup>1</sup> IFAD provides loans on five different types of lending terms: highly concessional loans that carry no interest charge, have a service charge of 0.75 per cent and are repaid over 40 years; loans on hardened terms that carry no interest charge, have a service charge of 0.75 per cent and are repaid over 20 years; intermediate loans that carry a variable interest charge equivalent to 50 per cent of the reference interest rate and are repaid over 20 years; ordinary loans that carry a variable interest charge equal to the reference interest rate and are repaid over 15-18 years; blend loans that are free of interest but carry a service charge of 0.75 per cent per annum plus a spread, and are repaid over 20 years.

**CHART 7**  
**Cofinancing of IFAD-supported programmes and projects, 2016**  
 Share of total of US\$576.0 million



Source: Grants and Investment Projects System.

**TABLE 6**  
**IFAD financing for programmes and projects by region, 1978-2016<sup>a, b</sup>**  
 Amounts in US\$ million

	1978-2006	2007-2009	2010-2012	2013-2015	2016	1978-2016
<b>West and Central Africa</b>						
Total amount	1 660.8	265.4	592.3	587.1	76.5	3 182.1
Number of programmes and projects	162	20	21	18	1	222
<b>East and Southern Africa</b>						
Total amount	1 683.6	447.5	619.9	669.0	232.9	3 653.0
Number of programmes and projects	135	20	17	16	5	193
<b>Asia and the Pacific</b>						
Total amount	3 031.8	573.6	859.3	1 048.9	184.2	5 697.7
Number of programmes and projects	182	22	26	28	5	263
<b>Latin America and the Caribbean</b>						
Total amount	1 476.2	193.7	272.2	227.7	142.1	2 312.0
Number of programmes and projects	124	15	17	13	8	177
<b>Near East, North Africa and Europe</b>						
Total amount	1 579.5	255.8	373.8	349.2	139.1	2 697.3
Number of programmes and projects	127	17	18	15	5	182
<b>Total IFAD financing<sup>c</sup></b>	<b>9 431.9</b>	<b>1 735.9</b>	<b>2 717.5</b>	<b>2 881.8</b>	<b>774.9</b>	<b>17 542.0</b>
<b>Total number of programmes and projects<sup>d</sup></b>	<b>730</b>	<b>94</b>	<b>99</b>	<b>90</b>	<b>24</b>	<b>1 037</b>

Source: Grants and Investment Projects System.

<sup>a</sup> 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.

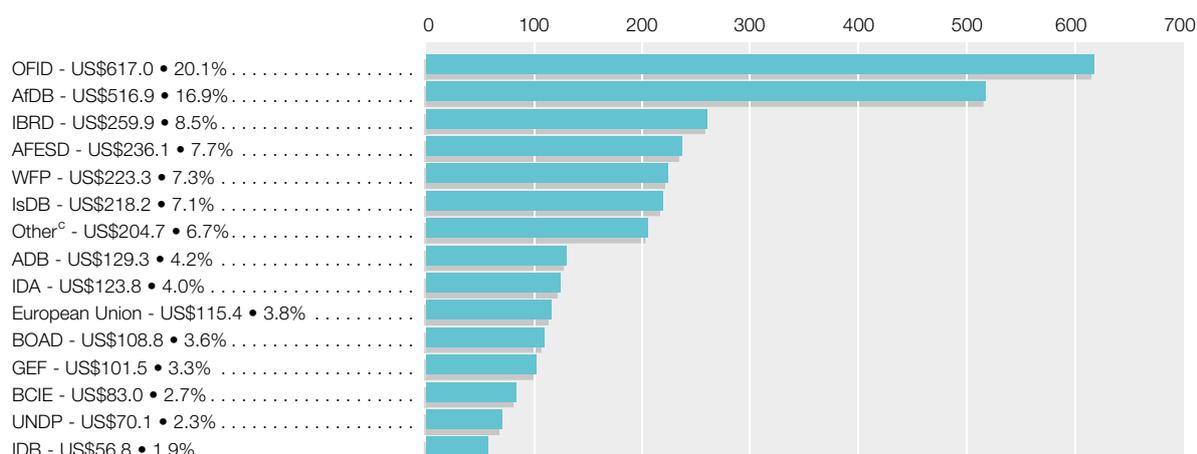
<sup>b</sup> Total amounts may include additional financing for projects/programmes previously approved.

<sup>c</sup> Any discrepancy in totals is the result of rounding.

<sup>d</sup> Fully cancelled or rescinded programmes and projects are not included.

**CHART 8****Cofinancing of IFAD-initiated programmes and projects by multilateral donors, 1978-2016<sup>a, b</sup>**

Amounts in US\$ million



Source: Grants and Investment Projects System.

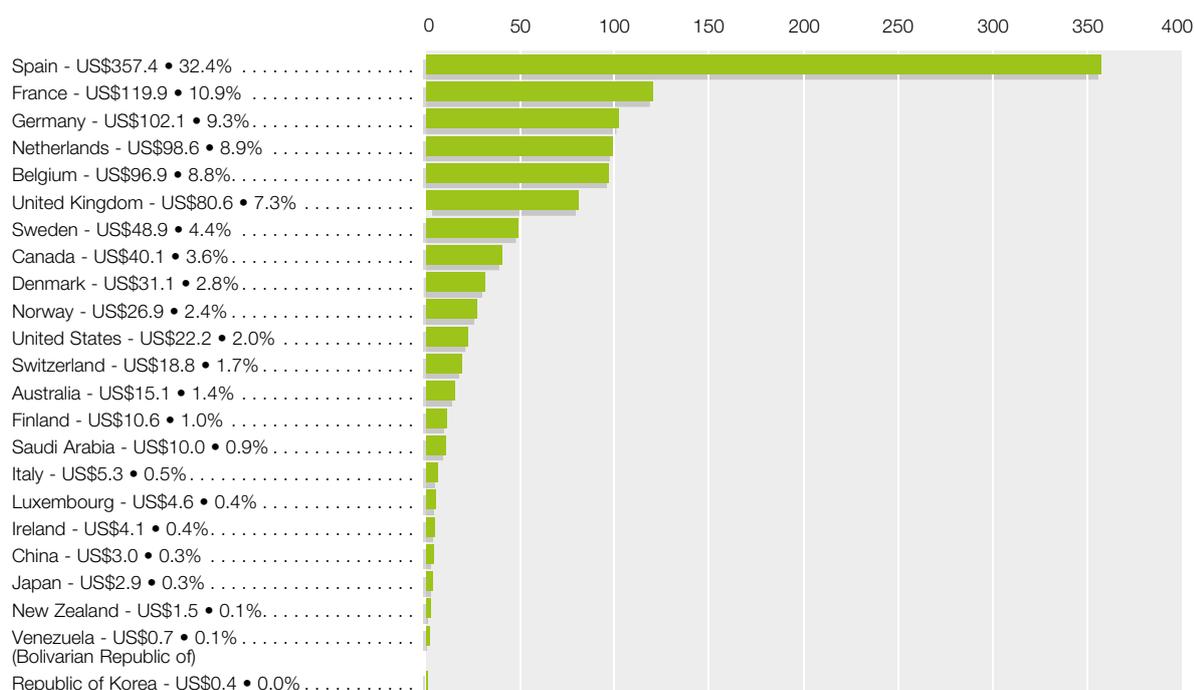
<sup>a</sup> Amounts as per the President's report for each programme or project presented to the Executive Board. Any discrepancy in totals is the result of rounding. The amounts and percentages shown here represent the share of each multilateral in total multilateral cofinancing of US\$3,064.5 million. Multilateral participation in basket or similar funding arrangements is not included.

<sup>b</sup> AfDB = African Development Bank; AFESD = Arab Fund for Economic and Social Development; ADB = Asian Development Bank; 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.

<sup>c</sup> 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 (now United Nations Entity for Gender Equality and the Empowerment of Women); United Nations Fund for Drug Abuse Control; United Nations International Drug Control Programme; and United Nations Population Fund.

**CHART 9****Cofinancing of IFAD-initiated programmes and projects by donor Member States (bilateral), 1978-2016<sup>a</sup>**

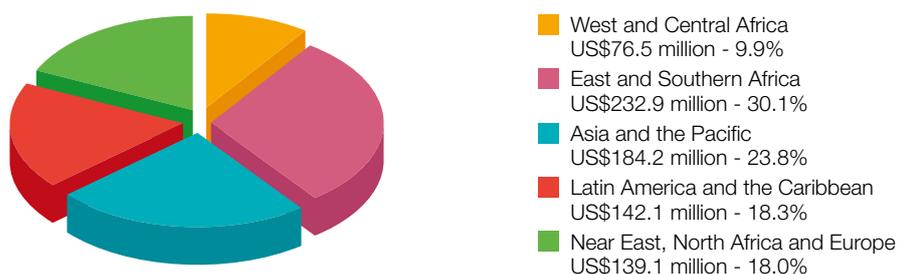
Amounts in US\$ million



Source: Grants and Investment Projects System.

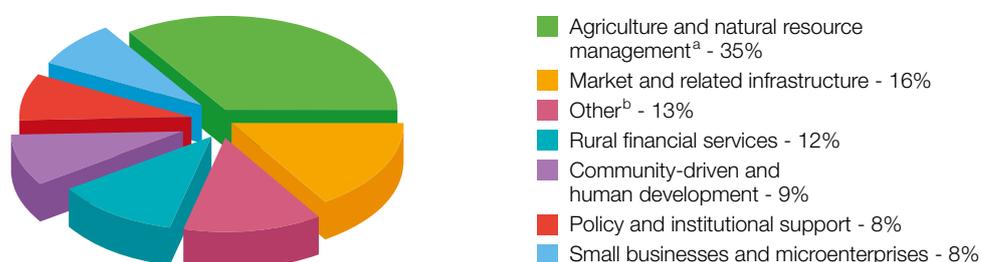
<sup>a</sup> Amounts as per the President's report for each programme and project presented to the Executive Board. Any discrepancy in totals is the result of rounding. The amounts and percentages shown here represent the share of each bilateral in total bilateral cofinancing of US\$1,101.7 million. Bilateral participation in basket or similar funding arrangements is not included.

**CHART 10**  
**Regional distribution of IFAD financing for programmes and projects approved in 2016<sup>a</sup>**  
 Share of total of US\$774.9 million



<sup>a</sup> Any discrepancy in totals is the result of rounding.

**CHART 11**  
**IFAD current portfolio financing by sector (at end 2016)**

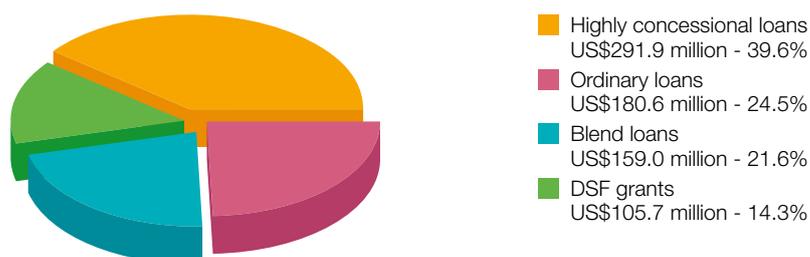


Source: Grants and Investment Projects System.

<sup>a</sup> Agriculture and natural resource management includes irrigation, rangelands, fisheries, research, extension and training.

<sup>b</sup> Other includes communication, culture and heritage, disaster mitigation, energy production, monitoring and evaluation, management and coordination, and post-crisis management.

**CHART 12**  
**IFAD loans by lending terms, and DFS grants, 2016<sup>a</sup>**  
 Share of total of US\$737.3 million



Source: Grants and Investment Projects System.

<sup>a</sup> 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.

## Managing IFAD's liquidity, cash flow and financial policies

IFAD manages a total of US\$1.8 billion in cash and investments: US\$1.3 billion for the regular programme of work and US\$0.5 billion for supplementary programmes and trust funds. Over the course of 2016, internally managed investments increased from US\$0.9 billion to US\$1.0 billion, representing 53 per cent of total funds under management. They included all supplementary and borrowed funds, as well as a portion of regular resources.

In 2016, the volume of cash transactions amounted to US\$6.0 billion. There was a notable increase in IFAD regular transactions, which reached US\$4.7 billion (compared with US\$3.8 billion in 2015), while non-regular programme transactions decreased to US\$1.3 billion (compared with US\$3.0 billion in 2015). The growth in regular fund transactions was the result of more active internal investment management.

IFAD enhanced operational risk management by strengthening the security of the payment process and upgrading two major enterprise resource planning financial systems. Particular attention was given to ensuring the compliance of IFAD transactions with internal and external regulations. Liquidity management was further improved by implementing a revised portfolio structure and streamlining the replenishment process for operational accounts.

In the light of the changing resource structure of IFAD, portfolio and liquidity management and financial cash flow forecasting capacity and oversight processes were also strengthened to better support fiduciary management of borrowed resources and ensure the long-term cash flow sustainability of the Fund. Recommendations were incorporated in the yearly Investment Policy Statement review, which was approved by the Executive Board at its December session. In this context, the organization re-engineered its

**TABLE 7**  
**Summary of IFAD loans by lending terms, and of DSF grants, 1978-2016<sup>a</sup>**  
Amounts in US\$ million

	1978-2006	2007-2009	2010-2012	2013-2015	2016	1978-2016
<b>DSF grants</b>						
Amount	-	401.5	680.7	457.0	105.7	1 644.9
Number of grants	-	43	50	33	8	134
<b>Highly concessional loans</b>						
Amount	6 825.8	948.6	1 315.4	1 283.9	291.9	10 665.6
Number of loans	545	55	61	62	11	734
<b>Hardened loans</b>						
Amount	-	8.5	50.6	-	-	59.1
Number of loans	-	1	4	-	-	5
<b>Intermediate loans</b>						
Amount	1 605.8	171.4	197.4	-	-	1 974.7
Number of loans	133	9	6	-	-	148
<b>Blend loans</b>						
Amount	-	-	-	249.5	159.0	408.5
Number of loans	-	-	-	13	7	20
<b>Ordinary loans</b>						
Amount	950.8	186.5	441.5	594.0	180.6	2 353.4
Number of loans	69	17	24	25	9	144
<b>Total amount</b>	<b>9 382.4</b>	<b>1 716.6</b>	<b>2 685.6</b>	<b>2 584.4</b>	<b>737.3</b>	<b>17 106.3</b>
<b>Total number of loans and DSF grants<sup>b, c</sup></b>	<b>747</b>	<b>125</b>	<b>145</b>	<b>133</b>	<b>35</b>	<b>1 185</b>

Source: Grants and Investment Projects System.

<sup>a</sup> 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.

<sup>b</sup> 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.

<sup>c</sup> Fully cancelled or rescinded loans are not included.

financial model to consolidate cash flows from multiple funding sources and enhance scenario-building and projections.

IFAD continues to play a leading role in United Nations efforts to maximize the operational efficiency of treasuries, and has co-chaired the Finance and Budget Network Working Group on Common Treasury Services since 2008. We host a dedicated website, which is the principal forum for interaction among United Nations treasuries. The 2016 annual face-to-face meeting of the group

was chaired by IFAD. It was hosted by the United Nations Development Programme in Copenhagen 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 2016, IFAD continued to give full support to work at the international level addressing the

**TABLE 8**  
**Summary of IFAD loans by lending terms, and of DSF grants, by region, 1978-2016<sup>a</sup>**  
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
<b>DSF grants</b>						
Amount	596.8	483.2	296.7	51.2	217.1	1 644.9
Number of grants	45	33	25	9	22	134
<b>Highly concessional loans</b>						
Amount	2 348.1	2 923.1	3 970.9	431.9	991.7	10 665.6
Number of loans	209	181	215	42	87	734
<b>Hardened loans</b>						
Amount	-	-	-	-	59.1	59.1
Number of loans	-	-	-	-	5	5
<b>Intermediate loans</b>						
Amount	105.2	108.9	607.5	488.0	665.0	1 974.7
Number of loans	11	11	35	51	40	148
<b>Blend loans</b>						
Amount	7.7	11.1	277.4	40.1	72.2	408.5
Number of loans	1	1	8	4	6	20
<b>Ordinary loans</b>						
Amount	21.3	23.3	450.2	1 258.0	600.6	2 353.4
Number of loans	3	5	11	86	39	144
<b>Total amount</b>	<b>3 079.1</b>	<b>3 549.6</b>	<b>5 602.6</b>	<b>2 269.3</b>	<b>2 605.7</b>	<b>17 106.3</b>
<b>Percentage of total IFAD loans and DSF grants</b>	<b>18</b>	<b>21</b>	<b>33</b>	<b>13</b>	<b>15</b>	<b>100</b>
<b>Total number of loans and DSF grants<sup>b, c</sup></b>	<b>269</b>	<b>231</b>	<b>294</b>	<b>192</b>	<b>199</b>	<b>1 185</b>

Source: Grants and Investment Projects System.

<sup>a</sup> 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.

<sup>b</sup> 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.

<sup>c</sup> Fully cancelled or rescinded loans are not included.

existing debt of poor countries through the Heavily Indebted Poor Countries (HIPC) Debt Initiative. 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 reached completion point – at which they receive full and irrevocable debt reduction. Our total commitments

so far amount to approximately US\$622 million of debt service relief in nominal terms. As at 31 December 2016, IFAD had provided US\$445.1 million in debt relief to the 35 completion-point countries, in nominal terms.

During 2016, 14.3 per cent of the total value of approved financing for investment programmes and projects was in the form of DSF grants (Chart 12). Eight grants were approved, for a total value of US\$105.7 million (Table 7).

**TABLE 9**  
**Annual loan disbursement by region under the Regular Programme, 1979-2016<sup>a</sup>**  
Amounts in US\$ million

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	1979-2016
<b>West and Central Africa</b>	61.8	64.4	66.8	66.0	74.4	94.2	74.8	82.3	81.0	80.6	1 550.8
<b>East and Southern Africa</b>	84.6	82.6	103.4	96.5	102.5	139.0	134.4	98.9	99.2	111.9	1 963.5
<b>Asia and the Pacific</b>	122.0	99.1	129.2	158.0	230.7	172.2	148.0	180.6	201.5	230.7	3 681.1
<b>Latin America and the Caribbean</b>	63.4	79.1	61.6	64.0	72.9	65.7	54.2	63.5	51.2	62.9	1 551.1
<b>Near East, North Africa and Europe</b>	66.9	98.9	76.5	73.0	69.1	63.4	71.2	59.4	53.7	53.2	1 681.9
<b>Total<sup>b</sup></b>	<b>398.7</b>	<b>424.1</b>	<b>437.5</b>	<b>457.5</b>	<b>549.6</b>	<b>534.5</b>	<b>482.6</b>	<b>484.7</b>	<b>486.6</b>	<b>539.3</b>	<b>10 428.4</b>

Source: Loans and Grants System.

<sup>a</sup> Loan disbursements relate solely to Regular Programme loans and exclude the Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification.

<sup>b</sup> Any discrepancy in totals is the result of rounding.

**TABLE 10**  
**Annual DSF disbursement by region, 2007-2016**  
Amounts in US\$ million

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2007-2016
<b>West and Central Africa</b>	-	0.9	1.9	9.1	23.8	36.7	49.2	46.9	42.1	36.4	247.1
<b>East and Southern Africa</b>	1.0	3.6	5.7	15.9	25.1	38.5	40.4	54.3	31.7	33.1	249.3
<b>Asia and the Pacific</b>	1.0	1.7	3.9	6.8	11.6	21.0	22.9	31.8	23.9	27.5	152.1
<b>Latin America and the Caribbean</b>	-	-	0.6	0.9	3.4	6.6	6.2	6.3	5.2	3.8	33.0
<b>Near East, North Africa and Europe</b>	-	0.1	1.6	6.7	12.4	15.8	23.9	18.1	22.7	23.1	124.3
<b>Global</b>	-	0.1	-	-	-	-	-	-	-	-	0.1
<b>Total<sup>a</sup></b>	<b>2.0</b>	<b>6.5</b>	<b>13.7</b>	<b>39.4</b>	<b>76.3</b>	<b>118.6</b>	<b>142.6</b>	<b>157.4</b>	<b>125.6</b>	<b>123.9</b>	<b>805.9</b>

Source: Loans and Grants System.

<sup>a</sup> Any discrepancy in totals is the result of rounding.

**TABLE 11**  
**Loan disbursement by region and lending terms under the Regular Programme, 1979-2016<sup>a</sup>**  
Amounts in US\$ million

	Highly concessional	Intermediate <sup>b</sup>	Ordinary	Hardened	Total
<b>West and Central Africa</b>					
Amount	1 472.9	60.3	17.6	-	<b>1 550.8</b>
Percentage of total loan effective commitment	76	89	97	-	<b>77</b>
<b>East and Southern Africa</b>					
Amount	1 856.2	102.1	5.2	-	<b>1 963.5</b>
Percentage of total loan effective commitment	71	91	23	-	<b>72</b>
<b>Asia and the Pacific</b>					
Amount	3 058.2	479.8	143.1	-	<b>3 681.1</b>
Percentage of total loan effective commitment	84	56	29	-	<b>73</b>
<b>Latin America and the Caribbean</b>					
Amount	390.2	419.7	741.2	-	<b>1 551.1</b>
Percentage of total loan effective commitment	89	88	63	-	<b>74</b>
<b>Near East, North Africa and Europe</b>					
Amount	906.6	462.5	282.1	30.7	<b>1 681.9</b>
Percentage of total loan effective commitment	92	74	48	66	<b>75</b>
<b>Total amount</b>	<b>7 684.1</b>	<b>1 524.4</b>	<b>1 189.2</b>	<b>30.7</b>	<b>10 428.4</b>
<b>Total percentage of total loan effective commitment</b>	<b>80</b>	<b>71</b>	<b>51</b>	<b>66</b>	<b>74</b>

Source: Loans and Grants System.

<sup>a</sup> 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.

<sup>b</sup> The category "Intermediate" includes blend loans.



# Awards

In 2016, IFAD President Kanayo F. Nwanze was celebrated for his significant achievements in furthering agricultural and rural development. Most notably, Nwanze won the first-ever Africa Food Prize, the pre-eminent award recognizing individuals or institutions that are leading the effort to transform farming in Africa. The Africa Food Prize Committee selected Nwanze for his outstanding leadership and passionate advocacy in putting Africa's smallholder farmers at the centre of the global agricultural agenda.

Nwanze was also credited with reorienting IFAD's work to focus more on making small-scale farming a viable business, as well as expanding IFAD's presence in developing countries

to increase the organization's effectiveness. The prize also acknowledges Nwanze's courage in reminding African leaders to go beyond promising development and change to delivering it. Nwanze received the award in September during the African Green Revolution Forum in Nairobi.

Several Member State governments also recognized Nwanze's achievements as IFAD President. In July, he was named *Officier de l'Ordre du Mérite du Niger* in recognition of 30 years of partnership between Niger and IFAD. In August, while on a visit to Senegal, Nwanze was awarded the country's highest distinction for foreigners – *Le Grand Chancelier de l'Ordre national du Lion* – by President Macky Sall.



2016 Staff Award winners with the President of IFAD (from left to right): Matteo Giacobbe, Maurizio Georgieff, Stefano Ventimiglia, Sarah Mirmotahari, James Heer, Ndaya Beltchika, Kanayo F. Nwanze, Chitra Achyut Deshpande, Henning Pedersen, Domenico Passafaro, Bruce Murphy, Karen Zagor, Michael Hamp, Francesco Rispoli

## **Staff Awards**

Every year, staff are invited to nominate colleagues they believe deserve special acknowledgement for their leadership, innovative contributions, extraordinary achievements and commitment to IFAD core values. These are the colleagues who, through their actions and their conduct, inspire us with their dedication, enthusiasm and creative thinking. The 2016 staff awards were presented at a ceremony in December, together with presidential recognition awards.

## **Leadership**

Chitra Achyut Deshpande  
James Heer

## **Innovative project/ Extraordinary initiative**

Domenico Passafaro  
*Sierra Leone Rural Finance and Community  
Improvement Project Team*  
Charlotte Basciu Marini  
Ndaya Beltchika  
Susan Brown  
Kelly Feenan  
Mariatu Kamara  
Thokozile Theodora Newman  
Francesco Rispoli

## **Facilitator of change**

Sarah Mirmotahari  
Stefano Ventimiglia

## **IFAD core values**

Maurizio Georgieff  
Matteo Giacobbe  
Michael Hamp  
Henning Pedersen

## **Presidential recognition**

Bruce Murphy  
Karen Zagor

The designations employed and the presentation of material in this publication do not imply the expression of any opinion whatsoever on the part of the International Fund for Agricultural Development of the United Nations concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries. The designations “developed” and “developing” economies are intended for statistical convenience and do not necessarily express a judgement about the stage reached by a particular country or area in the development process.

This publication or any part thereof may be reproduced without prior permission from IFAD, provided that the publication or extract therefrom reproduced is attributed to IFAD and the title of this publication is stated in any publication and that a copy thereof is sent to IFAD.

Cover:

Women farmers sorting produce at Bulbule agricultural market in Surkhet.

Nepal: High-Value Agriculture Project in Hill and Mountain Areas

©IFAD/Sanjit Das/Panos

© 2017 by the International Fund for Agricultural Development (IFAD)

Printed by Palombi & Lanci, Rome, Italy

2017

Printed on ecological paper



International Fund for Agricultural Development  
Via Paolo di Dono, 44 - 00142 Rome, Italy  
Tel: +39 06 54591 - Fax: +39 06 5043463  
Email: [ifad@ifad.org](mailto:ifad@ifad.org)  
[www.ifad.org](http://www.ifad.org)

 [ifad-un.blogspot.com](http://ifad-un.blogspot.com)

 [www.facebook.com/ifad](http://www.facebook.com/ifad)

 [instagram.com/ifadnews](https://www.instagram.com/ifadnews)

 [www.twitter.com/ifadnews](https://www.twitter.com/ifadnews)

 [www.youtube.com/user/ifadTV](https://www.youtube.com/user/ifadTV)

ISBN-978-92-9072-730-9



9 789290 727309