

A woman wearing a beige headscarf and a red dress is smiling warmly while holding a white dove in her arms. She is standing in front of a wall made of mud with many circular holes, some of which contain other birds. The scene is brightly lit, suggesting an outdoor or well-lit indoor setting.

ANNUAL REPORT 2014

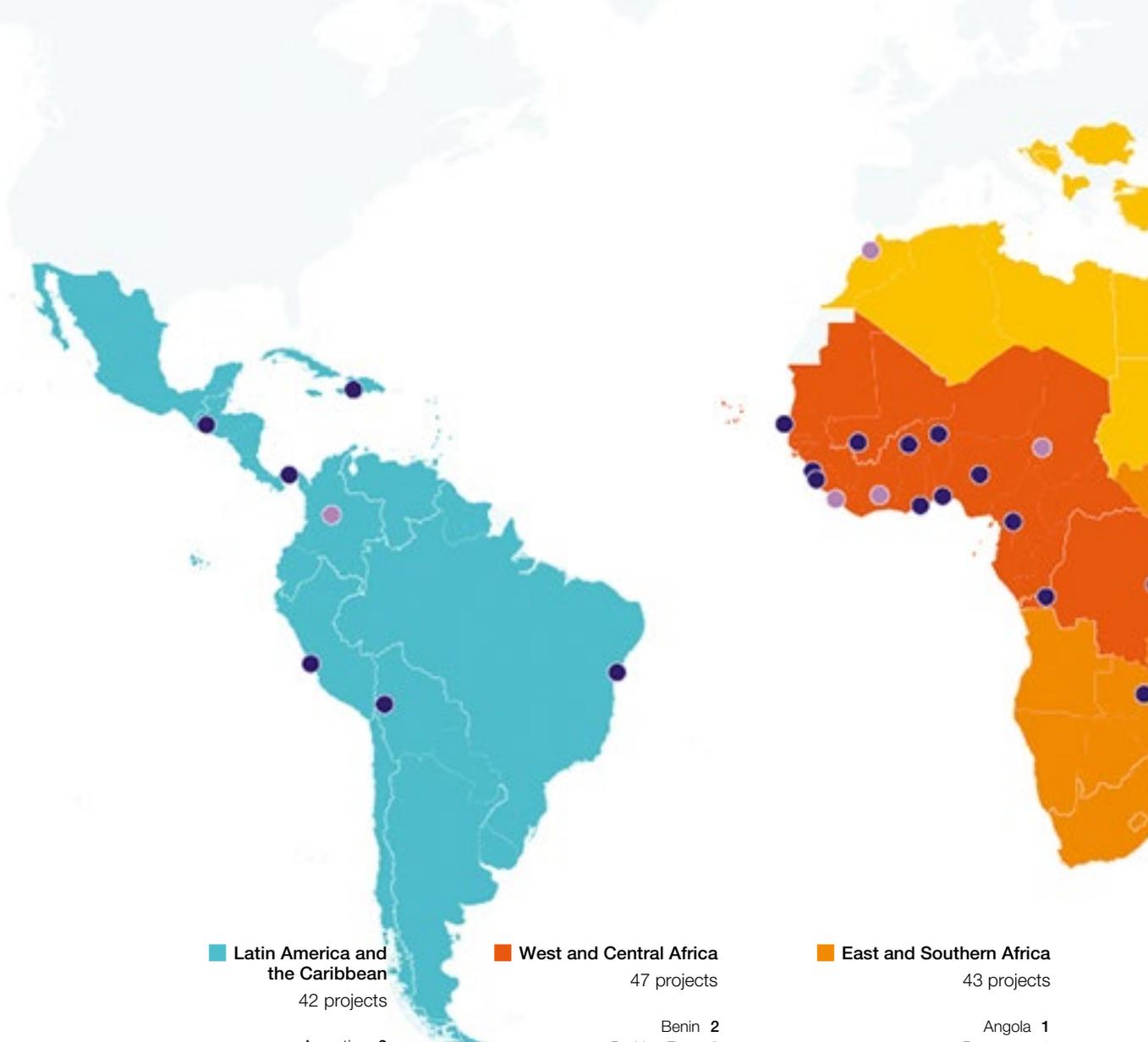


Investing in rural people

IFAD invests in rural people, empowering them to reduce poverty, increase food security, improve nutrition and strengthen resilience. Since 1978, we have provided nearly US\$16.6 billion in grants and low-interest loans to projects that have reached about 445 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 2015

Ongoing IFAD-supported programmes and projects and IFAD country offices at end 2014



Latin America and the Caribbean
42 projects

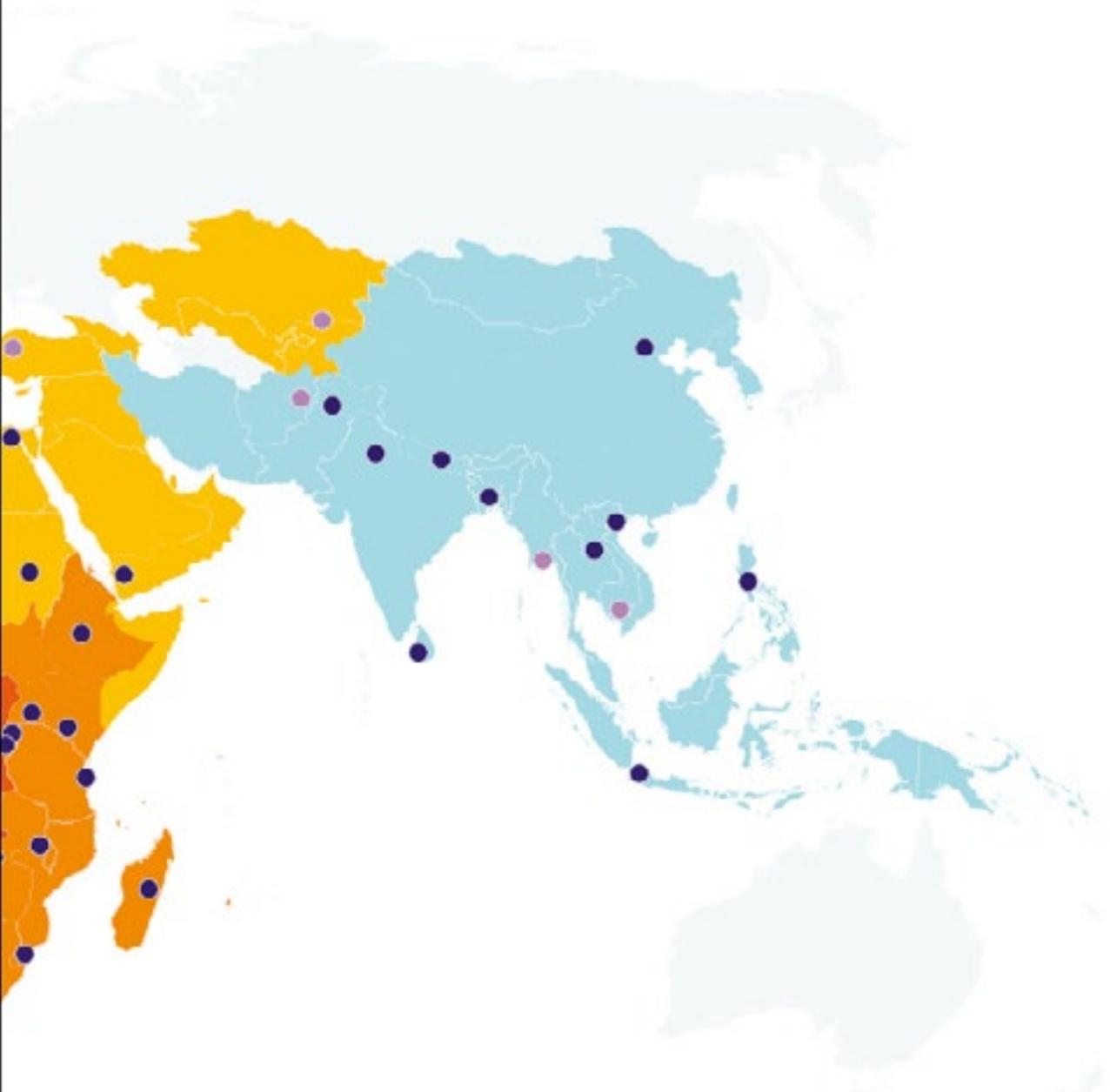
- Argentina 2
- Belize 1
- Bolivia (Plurinational State of) 3
- Brazil 6
- Colombia 1
- Cuba 1
- Dominican Republic 2
- Ecuador 2
- El Salvador 3
- Grenada 1
- Guatemala 2
- Guyana 1
- Haiti 2
- Honduras 4
- Mexico 2
- Nicaragua 3
- Panama 1
- Paraguay 1
- Peru 2
- Uruguay 1
- Venezuela (Bolivarian Republic of) 1

West and Central Africa
47 projects

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

East and Southern Africa
43 projects

- Angola 1
- Botswana 1
- Burundi 3
- Eritrea 2
- Ethiopia 5
- Kenya 3
- Lesotho 2
- Madagascar 4
- Malawi 2
- Mozambique 4
- Rwanda 3
- Seychelles 1
- South Sudan 1
- Swaziland 1
- Uganda 3
- United Republic of Tanzania 4
- Zambia 3



Near East, North Africa and Europe
36 projects

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

Asia and the Pacific
56 projects

- Afghanistan 2
- Bangladesh 5
- Bhutan 1
- Cambodia 2
- China 5
- India 10
- Indonesia 3
- Kiribati 1
- Lao People's Democratic Republic 3
- Maldives 2
- Mongolia 1
- Myanmar 1
- Nepal 4
- Pakistan 2
- Papua New Guinea 1
- Philippines 3
- Sri Lanka 3
- Timor-Leste 1
- Tonga 1
- Viet Nam 5

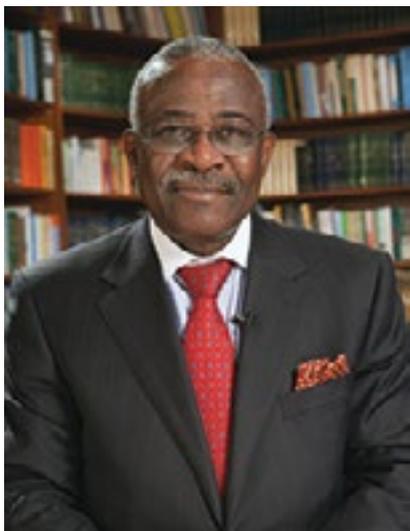
IFAD country offices

- 2014
- planned as at 31 January 2015

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President's foreword



2014 was a milestone year for IFAD, marking significant progress along the road to rural transformation. We continued to mobilize resources from our Member States and a growing range of partners to fund our investments in rural people. During the year, we successfully concluded the Consultation for IFAD's Tenth Replenishment (IFAD10). Member States agreed a target of US\$1.44 billion in new contributions to fund work over 2016 to 2018 (see page 47).

Our Members' support and commitment is also evident in the continued high level of domestic cofinancing for IFAD-funded projects: over 70 per cent of cofinancing for projects approved in 2014 was in the form of domestic contributions (see page 51).

The target for IFAD10 will allow us to maintain the US\$3 billion programme of loans and grants achieved during IFAD8 and IFAD9. It will also enable us to expand our reach to up to 130 million rural people. Some 40 to 50 per cent of these new resources will be channelled to sub-Saharan Africa.

To deliver on a programme of work of about US\$1 billion annually, the institution needs to be agile, but with firm foundations. Today's IFAD has four pillars that distinguish it from the organization as it was in 2009, when I took office. The first pillar is the new business model in which we are more country-focused and less Rome-centric. We now

have 40 functioning country offices, with 10 more fully approved and opening soon.

The second pillar of the new IFAD is internal reform of our processes, management and structure, and of human resources. The third pillar involves the establishment of IFAD's Strategy and Knowledge Department to enable us to articulate and share fresh ideas, evidence and tools to transform rural areas and the lives of their people.

The fourth and final pillar is a significant renewal of our financing modalities. Over recent years, we have been working to broaden our base by developing new financing instruments that enable us to benefit from sovereign loans, in addition to the traditional grant contributions made by Member States.

In 2014, we reached an innovative agreement with Germany's KfW Development Bank under which IFAD has access to up to €400 million of sovereign borrowing in 2014 and 2015. These funds will be made available to finance loans on ordinary terms, thus allowing more of IFAD's regular resources to be allocated on highly concessional terms to those countries that are eligible.

Sovereign borrowing transforms our business model: where we once had one financing source of grants from our Member States, which was limited by countries' fiscal constraints, we now have an additional source of funding. Although grant contributions remain the core, sovereign

borrowing gives us flexibility, added credibility to operate as an international financial institution and, most importantly, it increases our ability to invest in rural transformation.

Today's challenges and rural people

Two very different major challenges faced by the world today affect poor people in rural areas particularly severely: Ebola and climate change. At the time of writing, the Ebola epidemic continues to cause devastating loss of life, although there are signs the worst may be over. The disease and its indirect effects are also having a calamitous impact on economies and on the livelihoods of smallholders. Guinea, Liberia and Sierra Leone have been the focus of the epidemic. In addition to the heavy loss of life and human suffering caused by the outbreak, the movement of people, goods and money has been restricted, severely reducing trade, incomes and food availability.

IFAD-supported projects are continuing work in all three countries, although staff cannot visit affected areas. Project activities are being refocused to help producers meet their most pressing needs. For example, in Guinea trade restrictions have cost farmers an estimated US\$6.5 million and many of them are having difficulties repaying loans. An IFAD-supported value chain project is therefore making funds available to enable them to buy inputs for the next planting season.

In Liberia, the epidemic has resulted in a near collapse of the economy. Over 80 per cent of farmers surveyed said that their harvest was smaller in 2014 than in the previous year, mainly as a result of the virus. IFAD currently has two ongoing programmes in the country and is cooperating with other donors to limit the spread of the disease.

In Sierra Leone, where IFAD funds three programmes, the disease has taken hold in all districts and in the capital, Freetown. We have provided farmers and project staff with protective gear and are working with partners to give hygiene training. IFAD is also working with the Ministry of Agriculture to develop a plan to boost the recovery of the agriculture sector once the Ebola crisis is over.

Climate change hit the headlines repeatedly throughout 2014, which was subsequently officially declared the hottest year on record. The largest global financing source dedicated to supporting the adaptation of poor smallholder farmers to

climate change is run by IFAD. The Adaptation for Smallholder Agriculture Programme (ASAP) approved a total of US\$83 million in grant financing in 2014 – more details of which are given in the Programme of Work chapter (see page 6). The total value of ongoing ASAP-funded work at the end of 2014 was US\$190.9 million.

Impact evaluation

Accurate measurement of the impact of our work is essential to our ability to demonstrate development effectiveness and accountability and to drive ongoing learning in the organization. Twenty-six retrospective impact evaluations are currently being conducted as part of our commitments under IFAD9 (see page 39). In a separate initiative, baseline studies are being completed for ASAP-funded activities to ensure that impact can be comprehensively measured (see page 39).

We also welcome external evaluations that enable us to improve our performance. In 2014, Canada carried out a Development Effectiveness Review of IFAD, which complements the assessments done in 2013 by the Multilateral Organisation Performance Assessment Network (MOPAN) and the United Kingdom's Department for International Development (DFID). The Review endorses IFAD's alignment with Member States' development goals, and recognizes the success of IFAD-supported programmes in meeting stated objectives. It also notes improvement in performance in the areas of gender equality, and natural resource management and climate change. Room for further progress was noted in several areas and we look forward to continued collaboration with Canada and other partners as we move forward.

International Years, advocacy and new Member States

2014 was the International Year of Family Farming and IFAD played a key role throughout the year in raising awareness of family farmers' vital contribution to global food security. We funded work to make national policies more supportive of smallholder farmers to enable them to make a decent living (see page 29). IFAD also played an important part in advocacy work surrounding the agreement on the post-2015 Sustainable Development Goals (SDGs), successfully highlighting the need to include investment in rural transformation in the

new goals (see page 29). In addition, we hosted the Chief Executives Board spring session, which discussed the SDGs and the transition to the post-2015 development agenda, among other things.

Small Island Developing States were also the focus of an International Year in 2014. These countries face unique and significant economic and environmental challenges, including the collapse of capture fisheries and climate change. IFAD currently supports 19 projects in these island nations with funding worth US\$139 million, reaching about 5 million people (read the Fiji story from the field on page 18). At the 38th session of the Governing Council in February 2015, we welcomed two new Pacific island Member States to IFAD – the Federated States of Micronesia and the Republic of Palau. A total of five Pacific island nations have applied for and been granted IFAD membership since 2013, demonstrating our commitment to their special needs. The small southeastern European state of Montenegro also joined IFAD in February 2015, bringing the total number of Members to 176.

In closing, I would like to underline two themes that run through the 2014 Annual Report: IFAD’s commitment to young people and to gender equality. With youth unemployment a huge global challenge, we are funding many activities tailored to the needs of young people (see page 33). In the field of rural women’s empowerment, IFAD is a recognized leader. This year’s report spotlights household mentoring – a successful new approach to gender equality that transforms dynamics within the home. Read Ninsiima and Kasija’s story and find out why Ninsiima says “Our relationship has changed too We have goals for our future” (see page 13).



KANAYO F. NWANZE
President of IFAD



GRAIN RWANDA

50 KGS

Programme of work in 2014

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, The Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Mauritania, Niger, Nigeria, Sao Tome and Principe, Senegal, Sierra Leone, Togo

Overview

According to many indicators, West and Central Africa has made major strides. Across much of the region, exports are booming, foreign investment is rising, living standards are increasing, poverty rates are declining, and education and health outcomes are improving. At the same time, governance reforms are slowly advancing democracy, transparency and accountability, creating more opportunities for Africans to influence decisions that affect their lives.

However, poverty rates remain high, especially in rural areas. In fact, while the share of people living in extreme poverty (on less than US\$1.25 a day) has fallen steadily over the past two decades – from 58 per cent in 1990 to 48 per cent in 2012 – because of population growth, the number of

extremely poor people has actually increased. Thus, the region has not progressed fast enough to reach the first Millennium Development Goal (MDG) target of halving poverty by 2015.

Some 500 million people live in West and Central Africa, with the majority living and working in rural areas as smallholder farmers. In Burkina Faso, Guinea, Guinea-Bissau, Mali and Niger, 80 to 90 per cent of the working-age population lives and works on family farms where yields and returns are significantly below their potential. In the region, agriculture is becoming increasingly vulnerable to world price fluctuations and climate change. Minimum temperatures are rising at a faster pace than they are globally, and rainfall is declining and becoming increasingly unpredictable.

Overall, there is substantial room for progress in the areas of inclusion, gender equality and environmental sustainability. Exclusion from and unequal access to economic and social opportunities continue to inhibit progress on human rights, livelihood improvement and enhancement of the productive capacities of broad segments of the population, particularly women and young people. Environment-related challenges – climate change, depletion of natural resources and limited access to energy – also hinder sustainable human development. The recent outbreak of Ebola in Guinea, Liberia and Sierra Leone is putting a huge extra strain on West African economies.

Portfolio management highlights

- 47 ongoing programmes and projects in partnership with 22 recipient governments in the region at the end of 2014
- US\$1,076.5 million invested by IFAD in the region's ongoing portfolio
- US\$157.8 million in new approvals in 2014: 6 new programmes and projects in Cameroon, Chad, Côte d'Ivoire, Ghana, Sao Tome and Principe, and Togo

Our work and results in 2014

In 2014, our work in West and Central Africa focused on:

- market access and value chain development
- rural finance
- natural resource management and climate change
- young people.

Market access and value chain development

Inclusive value chains are essential if the agriculture sector in West and Central Africa is to create jobs and stimulate economic growth in rural areas, both on and off the farm. More inclusive value chains would also reduce inequalities, integrating young people and women into the social and economic lives of their communities.

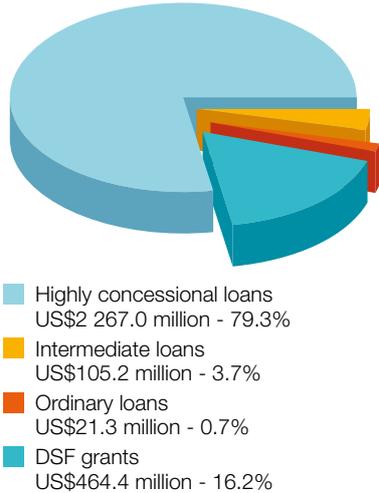
In Ghana, the IFAD-supported Northern Rural Growth Programme has enabled about 50,000 smallholder farmers to benefit from contracts with private buyers and processors of their produce. Technical support has helped increase productivity significantly, with maize and soybean yields growing by well over 200 per cent. Since the programme started work in 2008, smallholder farmers have produced and marketed more than 30,000 tons of crops, including sorghum, shea, millet, maize and soybean. Participating communities have also benefited from new feeder roads, warehouses and irrigation schemes that are helping to attract further private investment (see the story from the field on page 9).

In selected areas of the groundnut basin in Senegal, an IFAD-funded project has been supporting some 32,000 households. Extension

services and high-quality seed and other inputs have boosted smallholders' productivity, increasing their food security and improving their quality of life. In addition, support to poultry-raising and the revival of small vegetable gardens have enabled women to earn their own incomes. Based on the positive results seen so far, IFAD is expanding activities to the entire groundnut basin.

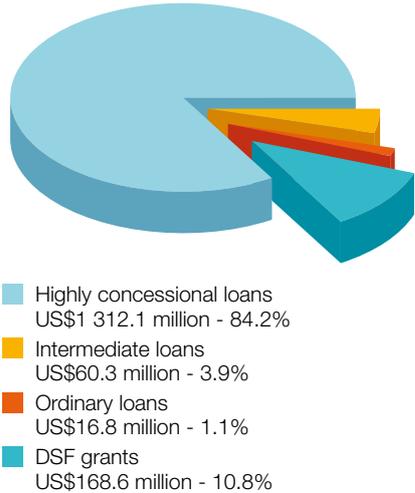
In Liberia, a partnership between IFAD, the Ministry of Agriculture and a private-sector exporter of cocoa and coffee has benefited about 1,000 smallholder farmers. The project has rehabilitated rural road networks to give local people better access to markets. It has strengthened links between smallholders and the private sector to increase both the quantity and the quality of produce, and it has enabled three agricultural cooperatives to improve their bargaining power. The partners are now planning to rehabilitate an additional 15,000 hectares of cocoa and coffee plantations, which will benefit another 15,000 smallholders.

CHART 1a
IFAD loans by lending terms and DSF grants, 1978-2014^a
 Share of total of US\$2 857.9 million



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

CHART 1b
Loan disbursements by lending terms and DSF disbursements, 1979-2014^a
 Share of total of US\$1 557.8 million



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

Rural finance

In many rural areas, smallholders struggle to obtain access to savings and loans. However, microloans at low interest from rural financial institutions can provide farmers with the means to invest in their businesses while avoiding the exorbitant terms of black-market lenders that only drive them deeper into debt.

In Nigeria, IFAD and partners are building the capacity of rural financial institutions to offer deposit, loan and money transfer services to 345,000 poor rural families, particularly households headed solely by women, young people or physically challenged people. The seven-year programme, which involves 36 local governments, has established about 7,000 village savings groups to date. In the 12 participating states, as a result of better access to financial services, the programme has lifted more than 27,000 participants out of poverty.

When the civil war in Sierra Leone ended in 2002, lack of access to credit was recognized as a major obstacle to rural recovery and development. Between 2008 and 2014, an IFAD-supported project helped set up about 50 financial service associations and 17 community banks, enabling people in rural communities to invest in farming or other small businesses. More than 50,000 households benefited directly, and community banks and financial service associations are now fully integrated into national policy.

Natural resource management and climate change

As mentioned in the Overview, climate change and environmental degradation are major challenges for the region. Through both the Global Environment Facility (GEF) and IFAD's Adaptation for Smallholder Agriculture Programme (ASAP), ten countries in the region, mostly in the Sahel, are benefiting from specific climate and environment financing. During 2014, ASAP grants worth US\$22.0 million were approved, bringing the total value of ASAP financing in the region to US\$46.9 million at the end of the year. GEF grants worth US\$7.3 million were also approved, bringing the total value of GEF financing to US\$36.7 million.

In the Maradi region of Niger, an IFAD-supported project focusing on food and nutrition security is building on previous project experiences and scaling up land rehabilitation activities. More than 6,000 hectares of degraded silvopastoral land has been rehabilitated, and invasive weeds have been eliminated from more than 5,000 hectares, benefiting more than 13,000 households since 2012. The project has also successfully scaled up assisted natural regeneration of young trees, working with more than 21,000 farmers who have adopted the technique on about 55,000 hectares. These interventions have had demonstrated impacts on agricultural productivity, income generation, resilience and environmental sustainability. The IFAD-supported Ruwanmu Small-Scale Irrigation Project is building on these experiences through close collaboration with the project in the Maradi region.

A recently closed IFAD-supported project to develop oases in Mauritania focused on dune fixation, which was executed in two steps. First, the dunes were mechanically protected by building fences and palm-leaf wattle to stop the sand from encroaching. Then, perennial trees and herbaceous species were used as biological protection ultimately to fix sand progression. In 2014, dune fixation works were implemented on about 154 hectares, bringing the total area fixed to more than 240 hectares. Dune fixation has protected more than 600 hectares of palm fields with more than 117,000 palm trees, exploited by about 3,500 producers.

The islands of Sao Tome and Principe are a haven for biodiversity, but poverty often forces farmers to cut down trees, either for fuelwood or to create land for crops. An IFAD-funded programme has been supporting farmers in producing cocoa, coffee and pepper in more sustainable conditions – under the shade of trees – and in accordance with ethical, organic and Fairtrade schemes.

These improvements have been made possible thanks to a partnership brokered by IFAD between local cooperatives and four European-based private operators, which purchase farmers' produce according to agreed conditions and provide invaluable know-how, technology and financial support. As a result, cooperatives created

Story from the field

Helping women connect to value chains in northern Ghana

Women in northern Ghana earn income by producing and selling shea butter. Also known as *karité*, the butter is used for food preparation in Africa and in cosmetics elsewhere. The women's earnings used to be marginal because of the low quality of the butter and the lack of markets. The IFAD-supported Northern Rural Growth Programme, which works to improve rural livelihoods and empower women, adopted the goals of helping the women improve the quality of their butter and developing markets.

The first step was assisting the women – who account for two thirds of the programme's participants – in becoming part of an agricultural value chain. The programme helped the women form cooperatives and linked them to markets and financial services.

Rose Zang, a widow with five children, is part of the Zuwonye Vielong Women's Group. The group is registered as a cooperative and is part of the village savings and loan association through which Zang obtained loans to support her shea butter business.

"When I started I used to process one bag of shea nuts a week," she says. "Now, with support from the programme, I am able to process five bags of shea nuts. Now I am able to look after myself and my children."

Roy Ayariga, the programme coordinator, points out that collaborating with existing structures is crucial. "We have been working with the district assemblies and the traditional authorities, the chiefs, because they control the economic assets," he says. "And the assemblies can enact by-laws that will protect and unleash the potential of women." The programme won an IFAD Gender Award in 2013 for its innovations in empowering women.

Support from the initiative has allowed women to move beyond their traditional roles. One of these women is Hamida Iddrissu, who is now an agrochemical input dealer, a role predominantly held by men.

"Because of the value chain I am popular," she says. "I have been meeting with all the farmers, officers and directors. Sometimes I am the only woman. But I can speak. I can answer any questions without fear."

Planting a shea tree – with links to markets, women farmers now make good money from shea butter
Ghana: Northern Rural Growth Programme

©IFAD/Amina Alhassan Bin Salih



by the programme are now sustainably producing about 50 per cent of all the cocoa beans traded by Sao Tome and Principe on international markets, and 100 per cent of coffee beans and pepper. This has significantly increased incomes for domestic producers.

IFAD has also supported the establishment of a pilot biogas plant in the Monté Café region, to transform animal waste into gas for cooking – a technology that protects the environment, reduces women’s labour burden and improves living conditions in the home.

Young people

Finding work for the growing numbers of young people in rural areas is a priority in West and Central Africa, as in other regions worldwide. In recent years, many young rural people have migrated to cities in search of better living standards, but an increasing number are now staying in their home villages to become rural agroentrepreneurs. To support this movement, IFAD has invested heavily in creating an environment for young people to flourish in rural areas.

In Senegal, where a massive 47 per cent of the population is under 15 years of age, IFAD is working through village sport and cultural associations to enable young people to develop proposals for agriculture-related activities. To date, more than 4,000 young women and men in 45 associations have received funding to become agroentrepreneurs in their own communities, helping to stem the tide of migration.

The Creating Opportunities for Rural Youth Consortium, launched in 2014 with support from IFAD, is planting seeds for the next generation of women and men entrepreneurs in Benin, Cameroon, The Gambia and Nigeria. The three-year project aims to provide training in entrepreneurship, mentoring, business development services and microcredit to some 2,800 young rural agroentrepreneurs and more than 43,000 young entrepreneurs.

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

Together with sub-Saharan Africa as a whole, the countries of East and Southern Africa continued to show good economic growth in 2014. According to the International Monetary Fund, GDP growth in sub-Saharan Africa was almost 5 per cent in 2013, and was expected to increase further in 2014.

However, as in other regions, the benefits of growth are unequally distributed, and rising levels of GDP have not translated into strong poverty reduction. The past decade of strong growth in sub-Saharan Africa has decreased extreme poverty by only 7 per cent since 2002 – 20 percentage points below the MDG target and far less than in other regions. Economic growth has also done little to reduce hunger: malnutrition levels are only 5 percentage points lower than in 1990. Sub-Saharan Africa will fall short on five of the MDG targets.

Agriculture has not played a large part in regional growth. Since the 1990s, there has been little change in either the percentage of people engaged in farming or agriculture’s modest contribution to GDP. Obstacles impeding improvements in agricultural productivity in sub-Saharan Africa include poor soil fertility, erosion-prone soils, climate variability and low potential for irrigation. Geographic isolation, lack of roads and electricity, low education levels, insufficient investment in agriculture and governance issues have all exacerbated the region’s competitive disadvantage, particularly in rural areas.

Sub-Saharan Africa as a whole is entering a period of “demographic dividend”. The population of working age is expected to almost double, from 460 million workers in 2010 to 800 million in 2030. If jobs are not available for this increasingly young workforce, the result could be social instability.

Over the past five years, several countries in East and Southern Africa have instituted social safety-net programmes, including cash transfers, public work programmes, paid apprenticeships and medical insurance schemes. The World Bank reports a growing body of evidence demonstrating the benefits of these programmes.

Our work and results in 2014

IFAD's programme of work in East and Southern Africa focuses on:

- agricultural productivity and food security
- building human and social capital
- natural resource management and climate change
- market access and value chain development.

Agricultural productivity and food security

Improving agricultural productivity and food security is a major focus of IFAD's work in the region, accounting for a quarter of our regional financing. We support efforts to strengthen extension services, develop technologies and improve access to input markets, along with seed production and multiplication initiatives.

Since 2008, for example, we have funded training in crop and livestock production practices for more than 2 million people. An IFAD-supported project in eastern Rwanda focused on participatory restoration of degraded watersheds, trained 10,000 farmers and reported an increase in rice yields of 200 to 300 per cent, from 2-3 tons per hectare to 6-8 tons.

In the United Republic of Tanzania, an IFAD-funded programme is helping farmers to increase livestock production and improve marketing. Working through farmer field schools, the initiative has trained more than 227,000 people in crop and livestock management practices, including proper variety selection, land preparation, plantation techniques, proper spacing and use of organic manure. Rice producers in the programme area have increased production fivefold, from less than 1 ton per hectare to 5 tons. Cassava yields have increased from four 50 kg sacks per acre to 26, and banana yields from 5-8 kg to 30-40 kg per bunch.

Building human and social capital

Skills-building is fundamental to the advancement and resilience of people and communities. IFAD concentrates on community-driven development approaches and local capacity-building in the region.

In the Kirihe district of southeastern Rwanda, an IFAD-supported initiative is promoting the participation of both community leaders and farmers in the preparation of watershed management plans. The project also supports investments that aim to develop value chains and intensify crop and livestock production through local management and supervision committees. More than 90 per cent of project participants are members of community-based groups or farmer organizations, thereby strengthening existing connections that support lasting development. The project won an IFAD Gender Award in 2014 for its innovative work to ensure that women are reached and empowered. It uses a gender-balance support strategy, and as a result women make up more than 40 per cent of participants in all activities.

Another IFAD-supported project in Rwanda trained more than 28,000 people in financial services, functional literacy and management and business skills. And in Kenya, an IFAD-funded project supported the construction of more than 100 learning centres serving more than 6,000 people. As a result, literacy rates have increased by 20 percentage points, to 75 per cent among participants.

Portfolio management highlights

- 43 ongoing programmes and projects in partnership with 17 recipient governments in the region at the end of 2014
- US\$1,212.9 million invested by IFAD in the region's ongoing portfolio
- US\$94.9 million in new approvals in 2014: 4 new programmes and projects in Burundi, Lesotho, Uganda and Zambia
- 1 new results-based country strategic opportunities programme (RB-COSOP) for Madagascar

Natural resource management and climate change

Sustainable management of natural resources is a crucial component of improving livelihoods among poor farmers. Its importance is growing given that poor farmers are often the hardest hit by impacts of climate change. IFAD is supporting several projects – mainly in irrigation – that encourage responsible management of resources.

Since 2008, IFAD has funded construction or rehabilitation of irrigation schemes on almost 32,000 hectares of land in the region. During the same period, more than 126,000 hectares have benefited from improved land management practices. More than 100,000 people have been trained in natural resource management.

IFAD's ASAP is financing initiatives in Mozambique and Rwanda to increase the climate resilience of value chains. ASAP also aims to reduce the impact of climate change on smallholder productivity and profitability by promoting best practices and technologies. Work in Mozambique includes installing weather stations to improve climate risk information and forecasting, and introducing small-scale infrastructure such as low-cost greenhouses to help farmers produce with fewer agrochemicals during the increasingly hot season.

During 2014, ASAP grants worth US\$17.0 million were approved, bringing the total value of ASAP financing in the region to US\$28.8 million at the end of the year.

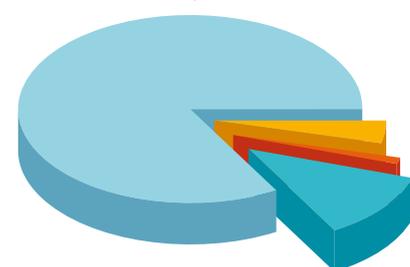
Promising outputs and outcomes have emerged from several projects funded by GEF in the region. These projects have a total value of US\$20.9 million. In Comoros, a sustainable land management initiative has trained more than 6,000 farmers in hedging techniques. More than 500 hectares of land has been hedged to keep animals away and minimize disturbance of reforestation efforts. An additional 350-plus hectares of degraded land has been reforested.

In Eritrea, a landscape management project we support has led to the adoption of community-based natural resource management planning. Almost 2 million tree seedlings were distributed to reforest degraded communal rangelands that had been closed to encourage regeneration. Erosion control activities in the communally held lands have included almost 1,500 kilometres of terracing and construction of 19,000 cubic metres of check dams to slow the velocity of storm water run-off.

An IFAD-supported project in Ethiopia has encouraged communities to use off-farm soil and water conservation techniques to control erosion and rehabilitate damaged areas. Major investments

CHART 2a
IFAD loans by lending terms and DSF grants, 1978-2014^a

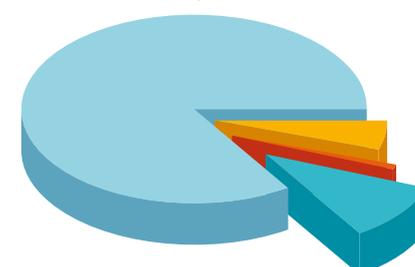
Share of total of US\$2 970.4 million



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

CHART 2b
Loan disbursements by lending terms and DSF disbursements, 1979-2014^a

Share of total of US\$1 987.9 million



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

Story from the field

Reaching the poorest through household mentoring

The poorest of the rural poor are always difficult to reach on a large scale. In Uganda, however, IFAD has piloted an effective tool for bringing development to the most vulnerable households. As part of the District Livelihoods Support Programme, household mentoring has enabled poor families to make rapid and substantial improvements in living conditions.

Household mentors are volunteers who visit selected poor families regularly for up to three years. Mentors pass on knowledge and skills for better household management, improved farming practices and income generation. Their aim is to ensure that households are food-secure and generate surpluses for extra income.

Mentors also encourage a shift in mindset towards sharing and joint decision-making. Women and men are encouraged to join savings and other common interest groups and develop household goals. The programme received an IFAD Gender Award in 2013 in recognition of its work to empower women.

Imaculata Ninsiima and her husband William Simon Kasija farm in Kamwenge district and were living in extreme poverty. Their mentor advised them to increase the land they were cultivating and grow coffee to boost their income. With new skills and a small grant, the couple have moved from

subsistence to earning income from surplus crops. They have joined a local savings and credit group.

“Our relationship has changed too,” says Ninsiima. “Now we plan together and we know how much we each earn. We have goals for our future. We want to build a brick house, finish paying for the children’s education, and then buy some cattle.”

“Mentoring initiates a process of social inclusion,” says Judith Ruko, rural sociologist for the programme. “Isolated households begin to move into more mainstream activities within the community, and from there can be linked to a variety of supports and services.”

The mentoring tool is now being scaled up in other IFAD-supported projects in Uganda, and by local governments. Household methodologies for gender equality and social inclusion have also been used by other organizations in Ethiopia, Nigeria, Rwanda and Zambia, and by IFAD-supported programmes in Malawi and Sierra Leone, with promising results. (Read more: <http://www.ifad.org/story/feature/household.htm>)

A young family who took part in household mentoring outside their home in Luwero district
Uganda: District Livelihoods Support Programme
©IFAD/Clare Bishop Sambrook



by participating communities have resulted in about 2,300 kilometres of hillside terracing, among other improvements. More than 70,000 hectares of arable land is now under improved management.

Market access and value chain development

Given the rural nature of this region, lack of access to profitable markets has long been an impediment to improving livelihoods and food security. IFAD is thus supporting activities that aim to increase access and help smallholder farmers enter competitive agribusiness value chains. In particular, we are supporting improved transport and infrastructure, market studies and training, and construction or rehabilitation of marketing infrastructure.

In Uganda, this work involves supporting government decentralization efforts. Hundreds of kilometres of roads have been built or rehabilitated, along with 15 marketing facilities. IFAD has also aided the formation or strengthening of more than 1,200 marketing groups with almost 60,000 smallholder members.

In Rwanda, we are helping farmers involved in export-driven value chains, including tea, coffee, horticulture and silk. This help involves increasing the quantity and quality of production and improving the marketing efforts and functioning of farmer organizations. More than 20,000 farmers have been organized into marketing groups to date. Tea farmers are seeing higher incomes, particularly in Nshili, where they are receiving dividends for their equity stakes in the tea factory.

Asia and the Pacific

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

Overview

Strong economic growth in Asia and the Pacific has brought substantial reductions in rural poverty, which has fallen from 59 per cent to 31 per cent in the past two decades. Between 1990 and 2011, the proportion of people living on less than US\$1.25 a day across the region – in urban and rural areas – dropped from 52 per cent to 18 per cent, exceeding the first MDG target on poverty reduction. Education has been another bright spot, with achievement of gender parity at all levels of schooling.

However, the region continues to face major challenges. Overall economic growth rates have declined in recent years to about 6 per cent in 2012/2013, from about 9 per cent in 2010 and 7 per cent in 2011. Income inequality is rising in many countries. Asia is home to two thirds of the world's poor, with about 750 million poor people. It also has 568 million undernourished and hungry people, about 65 per cent of the global total.

Climate change is a looming threat. One fifth of the region's rice-growing areas are prone to drought, and yields are also vulnerable to rising average temperatures and the emergence of new pests and diseases. Extreme weather poses major risks to food and livelihood security for rural people who rely on natural resources for their livelihoods. A substantial proportion of the rural population falls in and out of poverty owing to shocks from droughts, civil strife and increases in food and fuel prices.

The region is home to more than 60 per cent of the world's young people and, as in other regions, youth unemployment is a major challenge. Many young people in rural areas are either jobless or forced into informal, insecure and low-wage employment. Women's participation in the labour force is among the lowest in the world. Women

earn less than men, and have little control over their earnings and poor access to extension services, credit and production assets. Indigenous people face similar disadvantages, and the income gap between them and the majority population is widening in many countries.

Our work and results in 2014

In 2014, we focused our support in Asia and the Pacific on:

- access to services
- natural resource management and climate change
- employment generation
- building human and social capital and rural institutions.

Access to services

If smallholders are to convert subsistence farming into small agribusinesses that diversify incomes and take advantage of market opportunities, they need access to business services such as banking, credit, affordable remittance services, market information and improved technologies. Geographic isolation, lack of collateral and poor access to services have left smallholders at a disadvantage. Addressing these challenges is a major aspect of IFAD's assistance in the region, and we focus particularly on linking smallholder farmers to value chains and commercial agriculture through partnership with the private sector.

For flax growers in Ulanqab prefecture of Inner Mongolia, IFAD's first step in helping expand access to markets was to form the Xin Hai oil market association in 2010. The association organized training courses on flax cultivation and processing, which quickly improved the quality and quantity of the oil produced. As a result, farmers are now able to sell their oil for good prices to restaurants in Beijing and other cities.

Next, having noticed that products with organic certification fetched higher prices, association members worked to get their flax oil certified, which raised both sales and prices. As of June 2014, the initiative had benefited more than 170,000 poor rural people across nine counties.

In Cambodia, rice farmers are reaping the benefits of technology. IFAD has teamed up with Grameen Intel Social Business to develop a simple, step-by-step computer program that provides advice on soil, seeds and fertilizer and how to deal most effectively with pests and diseases.

Local people who have been trained to use the software sell their services to farmers, enabling the farmers to improve their practices. Prompted by the software, farmers analyse conditions on their farms and the program gives advice on what to do. The locations of nearby suppliers are also provided. The software is being launched in 500 locations across Cambodia and is expected to reach about 25,000 farming families.

The Programme for Increasing Sustainable Microfinance (PRISM) in Pakistan tailored its activities specifically to address women's needs. It provided dedicated financial services, including deposit and insurance products, such as weather index-based crop insurance and live-weight livestock insurance. Both farm and non-farm enterprises have boosted their productivity thanks to the expanded access to credit facilitated by the initiative. In addition, PRISM has supported low-cost schools that have a high proportion of female students and staff. It introduced family loans for the purchase of solar energy appliances that help reduce women's workload. It has also supported the development of pro-poor value chains in activities that give women some financial independence, such as poultry-raising and embroidery. The programme won an IFAD Gender Award in 2014.

Portfolio management highlights

- 56 ongoing programmes and projects in partnership with 20 recipient governments in the region at the end of 2014
- US\$1,752.8 million invested by IFAD in the region's ongoing portfolio
- US\$269.5 million in new approvals in 2014: 8 new programmes and projects in Bangladesh, Cambodia, China, India, Kiribati, Myanmar, Nepal and Viet Nam, and additional financing for ongoing projects in India and Papua New Guinea
- 1 new results-based country strategic opportunities programme (RB-COSOP) for Myanmar

Natural resource management and climate change

Scientists foresee that climate change in Asia will bring more unpredictable and more intense weather events such as heat waves, cyclones and heavy rainfall. Resource degradation is another major concern. Farmers and other rural residents who are on the frontline of these challenges desperately need to develop their resilience. Our work in the region focuses particularly on countries with vulnerable coastlines and mountainous regions.

Bangladesh is one of the most vulnerable countries. Risks are especially high in the coastal and estuarine landmasses in the south, known as charlands, where some of the country's poorest people live. IFAD is developing infrastructure and providing other support to help people adapt their livelihoods to climate change. To promote sustainable practices, more than 20,000 women and men in the charlands have joined natural resource management groups, engaging in activities such as social forestry and water management.

The construction of infrastructure is helping protect people in vulnerable areas from weather extremes. So far, more than 1,200 kilometres of all-weather roads have been built, along with cyclone shelters for 40,000 people and 22 livestock refuges. Almost 10,000 hectares of land has been reclaimed

with dykes, and 17 kilometres of coastal area has been planted with trees to protect the shoreline.

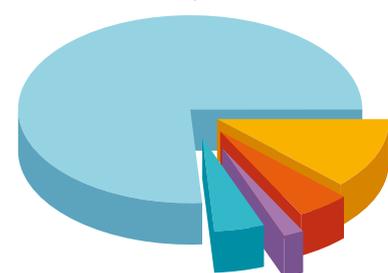
During 2014, grants from IFAD's ASAP worth US\$30.0 million were approved, bringing the total value of ASAP financing in the region to US\$57.0 million at the end of the year.

Employment generation

With the demand for food projected to increase by about 60 per cent between 2005 and 2050, it is crucial to make food-producing rural areas desirable places to live and work, especially for young people. Our work therefore focuses on helping countries create decent work opportunities in rural areas and on strengthening young people's abilities to influence development in their communities.

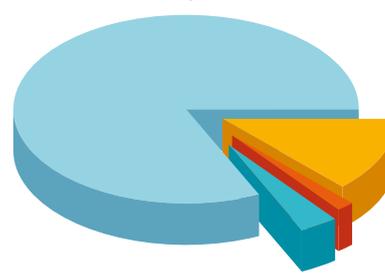
An IFAD-supported project in Viet Nam is helping young women and men join forces to create common interest groups that specialize in agriculture, small industries and services. Our aim is to help the young people improve their abilities to influence activities financed by the project and to negotiate mutually beneficial contracts with other stakeholders and partners. Recent results show that about 2,200 members of these groups are producing, processing or offering a broad range of foods, goods and services – from cultivating ginger and maize and raising pigs to weaving, making brooms and drying fish.

CHART 3a
IFAD loans by lending terms and DSF grants,
1978-2014^a
Share of total of US\$4 881.8 million



Highly concessional loans	US\$3 732.2 million - 76.5%
Intermediate loans	US\$607.5 million - 12.4%
Ordinary loans	US\$250.7 million - 5.1%
Blend loans	US\$65.1 million - 1.3%
DSF grants	US\$226.4 million - 4.6%

CHART 3b
Loan disbursements by lending terms
and DSF disbursements, 1979-2014^a
Share of total of US\$3 349.6 million



Highly concessional loans	US\$2 762.1 million - 82.5%
Intermediate and blend loans	US\$437.0 million - 13.0%
Ordinary loans	US\$49.8 million - 1.5%
DSF grants	US\$100.7 million - 3.0%

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

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

In Bangladesh, through IFAD-supported labour-contracting societies, women and men are finding employment in the construction of much-needed roads and buildings under contract to the government. More than 2,200 women and about 300 men have been employed in infrastructure work, which has generated about 240,000 person-days of employment. In addition to earning wages, participants have developed basic skills in construction and contract administration. The wages have enabled women and men to invest in other income-generating activities, such as leasing land for farming and buying livestock. This project won a Gender Award in 2013 for its work in support of women's empowerment.

Building human and social capital and rural institutions

Institutions such as market associations and self-help groups help rural women and men to obtain affordable inputs, negotiate better prices for their produce and connect to external markets. Enabling rural people to establish sustainable institutions also plays a major role in empowering them economically and socially. Functioning, inclusive institutions are key to rural transformation and especially important to marginalized groups, such as indigenous people, young people and women of all ages.

In India's Odisha State, indigenous peoples make up 22 per cent of the population. Although laws have been enacted to safeguard their interests, the tribal economy of these people remains underdeveloped. Since 2004, IFAD has been supporting a tribal empowerment and livelihoods programme aimed at modernizing the economy and raising incomes. Self-help groups and village development committees encourage collaboration, and training courses provide technical and community mobilization skills that enable communities of indigenous people to manage their own development.

So far, agricultural productivity has increased by 69 per cent, and more than half of participating farmers are growing high-value crops in addition to staple crops. Nearly 70 per cent of participating households have access to financial services, and 80 per cent to safe water. At least half of the 58,000 households have secured legal tenure to their land.

At the national level, Indonesia has reduced poverty significantly, but remote areas such as Papua and West Papua lag behind, with percentages of households living below the poverty line that are twice the national average. Women typically have low status and immense workloads and are excluded from education and decision-making, even at the household level.

To help address these issues, IFAD is a partner in Indonesia's massive National Programme for Community Empowerment, which reaches 30 million people nationwide. The programme provides training and financing for agricultural activities proposed by farmer organizations and women's groups, with the goal of improving food security. We provide investment resources to support communities in preparing proposals, with a particular focus on women.

In the fishing village of Andai, the process of preparing a development proposal helped the women identify a major challenge: how to make a profit when fish prices were low. The women came up with a strategy for converting excess fish into spicy dried *abon* (tuna) and received a grant from the programme to start up the business.

The women make *abon* when market conditions dictate, and divide the profits among themselves at a meeting every three weeks. A local supermarket has agreed to sell their *abon*, and the women are working on obtaining hygiene certification from the government to improve the marketability of the spicy fish. In addition to earning money and the respect of their families, the women have learned useful new skills such as bookkeeping.

Story from the field

Small islands face big challenges with innovation

Even before climate change became a reality, Small Island Developing States were facing enormous challenges. These include the collapse of capture fisheries, dependence on costly food imports, coastal erosion and diminished availability of freshwater. Rates of migration stand at about 30 per cent, the highest in the world. To draw attention to the dire situation, the United Nations declared 2014 the International Year of Small Island Developing States.

IFAD works with islanders to build sustainable responses to challenges. We are currently supporting 19 projects in 14 Small Island Developing States, for a total of US\$139.0 million and benefiting 5 million people.

In Fiji, the niche market concept has been given a new level of importance. In 2013, the elders of Cicia Island declared it an organic island; producing organic goods is now on the high school curriculum.

“We are very much involved with agricultural activities, especially since the organic declaration,” says student Milika Waqavuni. “We take care of the environment, and likewise the environment will provide what we need.”

Virgin coconut oil is widely used in food preparation on Cicia. It is also in demand internationally, including as a massage oil. Learning

that the oil commands high prices when produced organically, the women of Cicia were keen to obtain access to the organic oil market, but were unable to afford international organic certification. Now, with support from IFAD and the Pacific Organic and Ethical Trade Community (POETCom), the oil farmers are certifying themselves.

While an external certifier would make one annual visit, the organic farmers of Cicia inspect each other’s production records every two weeks, and meet monthly to decide if certification should be granted.

“The certification is done to a standard,” says Stephen Hazelman, organic systems extension officer for POETCom. “The documentation, the paperwork, everything is identical to a third-party certification.”

The work is paying off: an international spa that sampled the coconut oil has ordered 600 litres, and an exporter recently met the women to see whether they can supply her clients in the Republic of Korea. (Read more: <http://www.ifad.org/english/sids/>).

A group of women cut open coconuts to prepare organic virgin coconut oil on Cicia Island
Fiji: Development and Pilot Implementation of Integrated Pacific Island Organic/Ethical Trade Initiatives

©IFAD/Joanne Levitan



Latin America and the Caribbean

33 countries: Antigua and Barbuda, Argentina, The Bahamas, 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

Latin America and the Caribbean is a highly diverse region in terms of ethnicity, human development and income distribution. Although most countries in the region are now classified as middle-income, many of the region's 611 million people are poor. Some of the most marginalized population groups can be found among the region's 125 million rural people. In rural areas, rates of poverty and extreme poverty continue to be alarmingly high, at 53 per cent and 30 per cent respectively of the total rural population.

Latin America and the Caribbean has made remarkable progress in reducing overall poverty. During the period 2005-2012, the region almost halved the percentage of poor and very poor people, thereby achieving the first target of the MDGs. This success was made possible by the macroeconomic stability enjoyed by much of the region, together with government policies and programmes designed to reduce poverty and inequality, such as conditional cash transfers. The figures for rural poverty, however, tell a different story: over the period 2000-2010, rates of poverty and extreme poverty in rural areas decreased by only 10 per cent and 8 per cent respectively.

The region's GDP is expected to increase by a modest 1.3 per cent in 2014 as terms of trade have deteriorated for some countries and exports are falling short of expectations. Furthermore, some economies in the region are suffering from supply bottlenecks and/or political uncertainties, both of which have put the brakes on business confidence and investments. It is essential to continue investing in rural people in this context of economic uncertainty.

Our work and results in 2014

In 2014, IFAD's work focused on:

- market access and value chain development
- promoting family farming through policy dialogue
- young people and gender equality.

Market access and value chain development

Access to markets where smallholder families can sell their produce for fair prices is a fundamental building block for inclusive rural development. In El Salvador, IFAD and the Ministry of Agriculture and Livestock have made market access a priority, focusing on farmers targeted by the country's Family Agriculture Plan, which aims to support more than 300,000 small producers. Working through three IFAD-supported projects, one initiative aims to strengthen horticultural production chains, particularly for tomatoes, onions, sweet peppers and cucumbers. As a result, small farmers from across the country are now selling to El Salvador's second largest supermarket – Súper Selectos.

In Paraguay, the government is working to integrate family farmers into agricultural value chains. To further this goal, IFAD is supporting community-based organizations to target some 14,500 families in the country's eastern region. Members of the organizations range from family farmers with reasonably stable access to markets, to more vulnerable groups such as landless farmers, women heads of households, young people and indigenous communities. The IFAD-funded Inclusion of Family Farming in Value Chains Project aims to increase job opportunities, particularly for women and young people. It also helps family

Portfolio management highlights

- 42 ongoing programmes and projects in partnership with 21 recipient governments in the region at the end of 2014
- US\$617.4 million invested by IFAD in the region's ongoing portfolio
- US\$4.0 million approved in 2014 for a new project in Uruguay
- 2 new results-based country strategic opportunities programmes (RB-COSOPs) for Ecuador and Mexico

farmers obtain access to credit for working capital, and enables them to enter value chains and to increase productivity through improved technology.

IFAD is also supporting market access initiatives at the regional level. Working with the Economic Commission for Latin America and the Caribbean, we are fostering the participation of small rural producers and their organizations in inclusive value chains throughout the region by engaging in policy dialogue, capacity-building of implementing institutions and the development of new analytical tools for rural productive policies.

Promoting family farming through policy dialogue

2014 was the International Year of Family Farming (see page 30). Activities and dialogue throughout the year highlighted the significant contribution made by family farmers to global food security, and the potential for increasing this contribution and reducing poverty by meeting small producers' needs more effectively. Many countries in Latin America and the Caribbean have specific policies for supporting family farmers; during 2014, efforts were increased to scale up effective approaches.

In Brazil, IFAD has been working with smallholders to enable them to take advantage of government policies, such as institutional purchase programmes through which farmers can sell their produce to local public institutions

including schools and hospitals. In its first phase, the IFAD-supported Dom Hélder Câmara Project empowered smallholders by facilitating access to government markets.

As a result of these efforts, public policies were revised to address the need to strengthen the organizational, managerial and technical capacities of family farmers. The project's successful experiences have been integrated into five ongoing projects at the state level in Bahia, Ceará, Paraíba, Piauí and Sergipe. The second phase of the project will help the poorest and most isolated family farmers obtain access to existing public programmes. It will also scale up innovations. Lessons learned and best practices from this phase will be incorporated into state-level projects.

Mexico's new rural poverty reduction programme, Prospera, aims to improve the lives of more than 6 million poor families – about 23 million people. In 2014, IFAD supported Prospera in designing a pilot project known as "Productive Territories", which will be launched in 2015. The pilot targets 10,000 rural people in five Mexican states.

IFAD also fosters policy dialogue and capacity-building at the regional level to support the family farming sector. Since 2011, for example, an IFAD grant to the Latin American Centre for Human Economy has helped tap the huge reservoir of knowledge and expertise in policies to promote

CHART 4a
IFAD loans by lending terms and DSF grants, 1978-2014^a
Share of total of US\$2 027.3 million

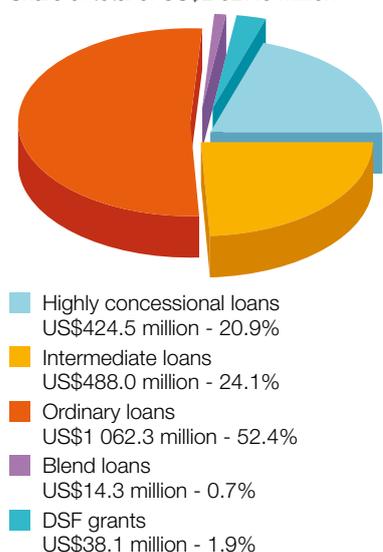
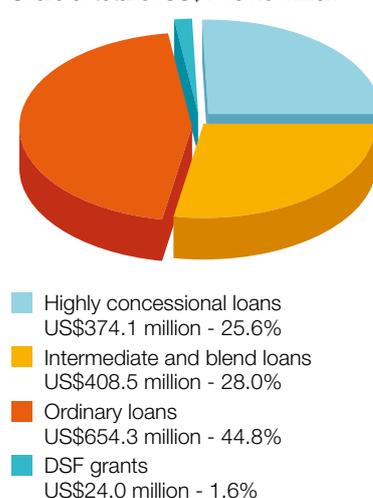


CHART 4b
Loan disbursements by lending terms and DSF disbursements, 1979-2014^a
Share of total of US\$1 461.0 million



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

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

family farming generated in countries of the Common Market of the South (MERCOSUR). Work funded by a second-phase grant to the Latin American Center for Rural Development began in 2013. This aims to enhance pro-rural poor strategies, policies and investments at the national and subnational levels in four countries: Colombia, Ecuador, El Salvador and Peru.

Young people and gender equality

Significant progress has been made in integrating gender equality and women's empowerment into IFAD-supported projects, especially those that focus on income generation and entrepreneurship. Most projects also target young people, including projects that promote small rural businesses, better access to markets and skills acquisition.

Ecuador's Development of the Central Corridor Project, an initiative to promote and strengthen rural entrepreneurship and businesses, reached more than 16,000 families, with women accounting for 40 per cent of participants. In some activities, including access to credit and business training, women made up more than half of all participants. Several activities focused on creating business opportunities for women in rural and indigenous communities and on strengthening women's organizations. These efforts, which have benefited about 6,800 women, are enabling women to market their agricultural products more profitably and to sell artisanal goods and make money out of tourism. The project won an IFAD Gender Award in 2014 in recognition of its achievements.

In the Caribbean, young people have been hit particularly hard by the lingering impacts of the global economic crisis. Consequently, they risk being trapped in the lower-paid end of the labour market – if they can find work at all. In 2014, IFAD approved a new three-year programme for improving the entrepreneurial skills of 1,000 young women and men in Belize, Cuba, the Dominican Republic, Grenada, Guyana and Haiti. Through the development of a common strategy for rural youth employment shared by selected governments and partners, the initiative also aims to increase allocations of public resources to rural youth employment, which will indirectly benefit several thousand young people.

Building on a workshop held in 2013 and involving 15 countries, IFAD selected Brazil, Colombia, El Salvador, Haiti and Venezuela for pilot initiatives on fostering the inclusion of youth in rural development projects. During 2014, El Salvador held a workshop that led to the development of a national plan for youth and creation of a network of young people. While the plan targets democratic participation, capacity-building and entrepreneurship, the network will focus on advocacy, exchange of experiences, knowledge management and support to economic enterprises.

Story from the field

Reviving an ancient tradition in rural Mexico

In the rugged southern state of Oaxaca in Mexico, rural communities have been producing silk since the sixteenth century. With plentiful timber from the forests, however, the practice lost some of its lustre in the twentieth century. Today, in the face of growing deforestation, IFAD, Mexico's National Forestry Commission (*Comisión Nacional Forestal*) and GEF are helping rural women revive the tradition of silk production through the Community-based Forestry Development Project in Southern States (Campeche, Chiapas and Oaxaca).

In Santo Domingo Xagacia, the craft of silk production is handed down from mother to daughter. Training offered through the project complements and expands this traditional transfer of knowledge. While many older women prefer to spin silk by hand, loans and grants are enabling the younger generation to use electric spinners and floor looms.

The project's most important contribution is its provision of mulberry trees, which feed the silk worms. "This is the main thing," says Irma Hernández García, a silkworm producer. "If we don't have the plant, we can't raise the worms."

The women weave most of the silk into shawls known as *rebozos*, which are then coloured with natural dyes. The community has begun to market

its products in Oaxaca City and Mexico City, as well as to local tourists.

In addition to silk production, the project is helping to create new systems for sustainable forestry and carbon sequestration. Through ecotourism, for example, communities are exploiting forests in a sustainable way. Drawn to the area for adventure, tourists become a natural market for artisans selling traditional wood and clothing products.

The project started work in 2011 and is due to be completed in 2016. It aims to reach 18,000 families in Campeche, Chiapas and Oaxaca. The mid-term review carried out in 2014 found significant achievements at the community level: more than 120 agroforestry modules had been established, combining agriculture and forestry under sustainable management; about 60 community greenhouses had been built; more than 30 knowledge exchanges had taken place among communities; and more than 30 microenterprises had been legally set up.

Zapotec indigenous women in Oaxaca are in charge of silk production, from raising the worms to producing the garments Mexico: Community-based Forestry Development Project in Southern States

©IFAD/Carla Francescutti



Near East, North Africa and Europe

36 countries and Gaza and the West Bank: Albania, Algeria, Armenia, Azerbaijan, Bosnia and Herzegovina, Croatia, Cyprus, Djibouti, Egypt, Estonia, Georgia, Iraq, Jordan, Kazakhstan, Kuwait, Kyrgyzstan, Lebanon, Libya, Malta, Morocco, Oman, Qatar, Republic of Moldova, Romania, Russian Federation, Saudi Arabia, Somalia, Sudan, Syrian Arab Republic, Tajikistan, The former Yugoslav Republic of Macedonia, Tunisia, Turkey, United Arab Emirates, Uzbekistan, Yemen

Overview

A mixture of progress and instability characterized 2014 in this diverse region. As a whole, the region faces a wide range of long-term development challenges, including an unprecedented "youth bulge" in demographics, high unemployment, gender inequality, water scarcity, natural resource degradation, climate change risks, food insecurity, conflict and displacement.

The population of the region, which spans North Africa, the Near East, Central Asia and Eastern Europe, is nearly 550 million people. More than 40 per cent of the overall population lives in rural areas. Although most countries in the region are classified as middle-income, a large share of the population lives only marginally above the poverty line.

In addition to the challenges listed above, countries in Eastern Europe and the Commonwealth of Independent States continued to suffer from the persistent economic weakness of the eurozone during 2014, compounded by economic difficulties in the Russian Federation. In some countries these challenges affected remittance flows, which are a major lifeline for poor households in rural areas. In others, remittances remained buoyant and continued to be major drivers of the economy.

Many countries in the Near East and North Africa faced political and economic disturbances, including the arrival of an estimated 11.3 million refugees and displaced people. As a result, agricultural productivity fell throughout the subregion, which is highly reliant on imports of staple foods. According to a survey conducted by the International Food Policy Research Institute, people in several countries face moderate to severe food insecurity. In most Arab countries, rates of

chronic malnutrition among children are higher than expected given the countries' per capita GDPs.

Young people make up 23 per cent of the total population of Central Asia and Eastern Europe and 28 per cent in the Near East and North Africa. Unemployment rates among young people aged 15-24 years stand at 28 per cent in the Near East and 29.5 per cent in North Africa – more than double the global average of 13 per cent. Because of this, migration has become an important coping strategy for young people.

Our work and results in 2014

Our programme of work in the Near East, North Africa and Europe focuses 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

Smallholder producers are highly dependent on natural resources for their livelihoods, but many lack the skills, services and inputs to manage resources productively and sustainably. Often farming on degraded or marginal lands, smallholder producers are also the first to feel the impacts of climate change and the most severely affected. IFAD works with rural communities to help them address these complex challenges and build their resilience.

Portfolio management highlights

- 36 ongoing programmes and projects in partnership with 19 recipient governments in the region at the end of 2014
- US\$698.2 million invested by IFAD in the region's ongoing portfolio
- US\$187.3 million in new approvals in 2014: 7 new programmes and projects in Armenia, Egypt, Georgia, Jordan, Morocco, Sudan and Tunisia, and additional financing for an ongoing project in Sudan

IFAD channels climate finance to smallholder farmers through ASAP and GEF. During 2014, ASAP grants worth US\$14.0 million were approved, bringing the total value of ASAP financing in the region to US\$40.2 million at the end of the year. GEF grants worth US\$20.4 million were also approved, bringing the total value of GEF financing to US\$36.1 million. The aim is to facilitate smallholders' access to information, tools and technologies that help build resilience to climate change and other production-related stresses. These funds are blended into regular IFAD-supported programmes and projects to ensure innovative, relevant and sustainable approaches.

The contribution of environment and climate financing to the region's portfolio is increasing. At the end of 2014, ASAP and GEF were supporting 13 projects in nine countries. These efforts are building rural communities' resilience to the effects of climate change and improving management of natural resources.

ASAP funding for climate adaptation has also driven innovations in project design. During the development of a project in Yemen, for example, climate modelling experts conducted studies using historical data sets and satellite imagery that identified areas more vulnerable to flooding, erosion and declining crop yields because of changing climate patterns.

In Kyrgyzstan, six climate models were used to generate climate scenarios for the design of the second phase of an IFAD-supported livestock and market development programme. Findings were analysed by season and altitude to help identify risks, vulnerabilities and future opportunities for new pasture areas.

In Egypt and Sudan, climate financing is contributing to the development of a dynamic agricultural information and response system, which will deliver early warning of extreme events such as heat waves, frosts, cold spells, storms, and epidemic outbreaks of pests and diseases. The system will also provide advice on irrigation scheduling, thus reducing costs and minimizing water use. In addition, it will forecast incidence of pests and diseases and accurately predict sowing and harvest dates to maximize production.

Agricultural productivity and food security

IFAD supports investments in infrastructure, capacity-building and technologies that help smallholders boost productivity and incomes, and strengthen food security for smallholders' families and communities.

In Albania, we funded several development programmes in mountainous areas that have invested in capacity-building, small and medium-sized businesses, new technologies,

CHART 5a
IFAD loans by lending terms and DSF grants, 1978-2014^a
Share of total of US\$2 402.0 million

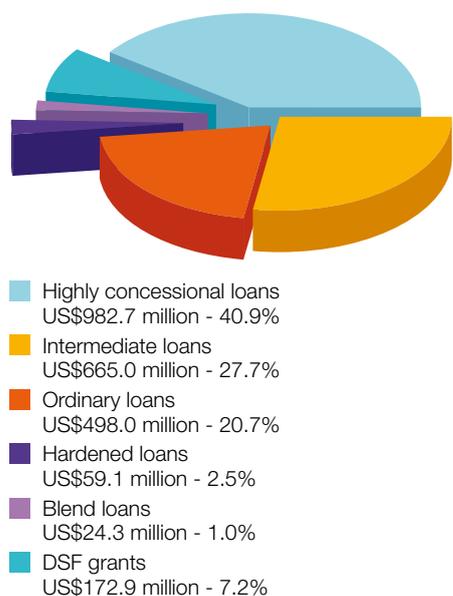
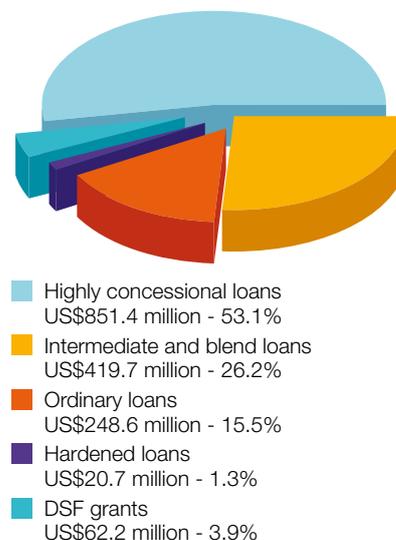


CHART 5b
Loan disbursements by lending terms and DSF disbursements, 1979-2014^a
Share of total of US\$1 602.6 million



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

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

irrigation and processing equipment, cold storage facilities, and rural roads. An intermediary impact survey found that more than 70 per cent of participants credited these investments with increasing the productivity of vineyards, fruit trees, vegetables, fodder crops and livestock. The survey also reported a 30 per cent increase in production of fruits and a 34 per cent increase in vineyard yields.

Similar investments in gravity-pressurized irrigation systems by an IFAD-supported initiative in the Turkish provinces of Sivas and Erzincan led to reduced production costs and major increases in water-use efficiency, farmers' incomes and yields. Production of wheat and tomatoes increased two- to threefold compared with rainfed conditions (see the story from the field on page 27). A recent impact study showed that improved irrigation resulted in increases in annual net income of an estimated TRY 6,000 (about US\$2,500) for wheat and TRY 60,000 (about US\$25,000) for tomatoes. The net income from irrigated wheat tripled, while that from tomatoes increased twentyfold.

Rural finance and support for entrepreneurs

In order to sustain their livelihoods and invest in their businesses, rural people need access to financial services, including credit. Through the projects we fund, we develop innovative financial services that address the complex needs of poor smallholders and rural entrepreneurs.

One such project in Georgia aimed to support the development of rural financial services, agricultural supply chains, and legal, regulatory and institutional structures. The project invested in microloans for farmers, with the aim of reviving crop and livestock production. About 10,000 microloans were provided, totalling nearly US\$10.0 million, with 27 subloans to 25 beneficiaries accounting for an additional US\$5.7 million. Half the total loans went to women borrowers. Some 42 credit officers and 16 service centre managers of microfinance institutions participated in financial management training. In activities related to hazelnut and citrus value chains, women accounted for nearly 70 per cent and 80 per cent of participants respectively.

Since 2007, more than 100,000 rural people have benefited from the IFAD-supported Upper Egypt Rural Development Project. Microfinance operations have been an essential element. So far, more than 39,000 loans have been disbursed – of which about 42 per cent went to households headed solely by women – generating LE 196 million (about US\$28.0 million) of investments in poor rural areas across Assiut and Qena governorates and creating more than 30,000 jobs.

The micro-investments in Upper Egypt are concentrated in livestock, particularly dairy production; commercial activities such as microtrade and village shops; and a range of rural services. The repayment rate of 99 per cent testifies to the success of the microfinance activities.

Market access and value chain development

Regardless of productivity, smallholder farmers cannot raise their incomes without access to inclusive value chains and markets. In recent years, we have been focusing increasingly on this goal with an emphasis on Fairtrade and organic markets, which pay farmers a premium for sustainable production.

The successful IFAD-supported Fund for Rural Economic Development in Armenia (FREDA) invests in small and medium-sized enterprises that work in value chains relevant to poor rural people. An impact study showed that companies in which FREDA had invested increased their sales by an average of 42 per cent, their exports by 136 per cent and their annual profits by 62 per cent. The impacts on IFAD target groups came through the value chains, as the companies sourced increased quantities of fruits, vegetables, meat and milk from smallholder suppliers across the country.

An IFAD-supported project in Kyrgyzstan focused on improving livestock productivity and the marketability of livestock products, and enhancing the climate resilience of pastoralist communities. More than 500,000 livestock farmers in Kyrgyzstan saw the value of their livestock and livestock products increase by 25 per cent. Their families also experienced improved nutrition and food security from increased consumption of meat and dairy products.

Young people and gender equality

As mentioned in the Overview, youth unemployment is a major challenge in the region. IFAD prioritizes work with rural communities to help them create fair employment opportunities that allow young people to fulfil their potential. In Egypt, more than 70 per cent of the unemployed are young people, who often lack skills, training and access to finance. From 2005 to 2013, IFAD supported a rural development project in West Noubaria, targeting unemployed youth and small-scale farmers.

More than 250,000 people (including more than 150,000 young graduates) each received 1 or 2 hectares of farmland in reclaimed desert land. Value chain development and contract farming gave the farmers access to markets. A new project to scale up the successes in West Noubaria is now being designed. Once again the focus will be on young people and women, with training, apprenticeships and job placements.

In the Republic of Moldova, an IFAD-supported initiative is helping provide financial services for young people in rural areas. The objective is to stem migration by encouraging young women and men to stay in their rural home regions. To date the project has financed 64 small and medium-sized enterprises for a total of US\$6.0 million, and about 440 young entrepreneurs for a total of US\$5.5 million.

Women's empowerment is a key part of our work. In western Sudan, an IFAD-supported programme promotes community participation as a driver of sustainable development. The programme has formed nearly 700 solidarity-based, self-sufficient savings and credit groups; more than 90 per cent of the groups' members are women.

Since the programme started work in December 2005, the groups have fostered a strong savings culture among rural women. They have also enhanced women's confidence in undertaking new economic activities, and increased their decision-making power within their communities.

In addition, the savings and credit groups have created a platform that attracts sustainable flows of commercial funds into rural areas. The programme received an IFAD Gender Award in 2013 for its success in empowering women through community initiatives and savings and credit groups, and by improving domestic water supplies.

Story from the field

Improving irrigation helps save water and increase incomes in rural Turkey

Like many other farmers in the Erzincan province of eastern Turkey, Vahdettin Adiyaman grows walnuts to sell in the markets of Istanbul. He also cultivates vegetables and fodder crops for his cows, chickens and sheep.

Although the name of his village – Kardere – is Turkish for “snow creek”, water has long been a problem here.

Traditionally, farmers used flood irrigation to water their crops, but this technique was costly and inefficient. It raised groundwater levels and created salinity and alkalinity problems. The inefficiency resulted in less irrigated land, and this decreased farmers’ incomes.

Now all this has changed. The IFAD-supported Sivas-Erzincan Development Project worked with farmers and the Turkish Government from 2005 to 2013 to modernize irrigation technology. Thanks to investments in systems such as drip irrigation and communal hydrants, some 320 people in Kardere now have better access to water. Water-use efficiency for irrigation had increased from an average of 40-50 per cent to 90 per cent when the project finished work.

“Without the project, the trees would have dried up,” says Adiyaman. “There was not enough water. With the new irrigation scheme, we were able to irrigate the entire area and save the trees.”

Following the work in Kardere, farmers reported that yields of tomatoes, green beans, walnuts, apples and cherries had more than doubled, while the labour required to produce the crops had decreased. More than 48,000 farmers across Sivas and Erzincan provinces have benefited from access to modern technologies for irrigation, agricultural production and marketing.

The positive results have led to other initiatives in Kardere, such as training for women who make copper craftwork. Implemented as a social support programme of the Turkish Ministry of Development, this initiative aims to give people an alternative to migration. To date, 30 young women have attended the six-month training, and so far they have earned a total of TRY 40,000 (about US\$16,700) between them.

“We’ve stopped migration for now,” Adiyaman says. “There are 70 young people in our village, and they all stayed.”

Vahdettin Adiyaman grew about 100 kg of eggplants in three months thanks to the new drip irrigation system
Turkey: Sivas-Erzincan Development Project

©IFAD/Nabil Mahaini





Major initiatives and new programmes

Major initiatives

IFAD and the global context

The year 2014 saw IFAD stepping up advocacy to build support for greater investment to propel a transformation of rural areas. In particular, the International Year of Family Farming (IYFF) and the consultative process regarding new, post-2015 Sustainable Development Goals (SDGs) provided opportunities for us to highlight our mission of investing in rural people to improve food security and nutrition and combat poverty. A year-long process of supporting Member States in incorporating the need for rural transformation into the design of draft SDGs led to positive results, including strong references to the role of smallholder agriculture in the draft goals prepared by the Open Working Group (OWG) on the SDGs.

The concept of rural transformation recognizes that for development to be sustainable and inclusive it requires more than just economic growth. Development efforts must support social change, the empowerment of the most disadvantaged and marginalized, and the creation of an enabling environment for smallholders and other rural people. IFAD has consistently advocated for this holistic, people-centred approach both in policy forums and in our work on the ground.

Rural transformation and the post-2015 agenda

In February, IFAD issued four policy briefs articulating four key entry points through which a new, universal agenda for sustainable development may help bring about sustainable and inclusive rural transformation:

- leveraging the rural-urban nexus for development, promoting better connectivity and the flow of services, finance and goods between rural and urban areas, thus reducing rural-urban inequalities

- empowering poor rural women and men, both as individuals and through their organizations
- increasing investment in smallholder agriculture
- raising the resilience of poor rural households, particularly to climate change and market-related shocks and stresses.

IFAD injected these messages into our engagement with Member States and other stakeholders around the post-2015 agenda, particularly in the OWG. Especially influential was a joint effort by the United Nations Rome-based agencies, which was initiated by IFAD to identify possible targets and indicators to help address food security, nutrition and sustainable agriculture in a holistic manner. This proposal received strong support among Member States and influenced the work of the OWG, which proposed an SDG on food security, nutrition and sustainable agriculture, largely echoing the Rome-based agencies' proposal. All other target areas identified in IFAD's post-2015 policy briefs were also more or less directly reflected in the outcome of the OWG. Emphasis on the importance of smallholder farmers in achieving food security through the proposed second goal of the SDGs is an important achievement not just for IFAD and the Rome-based agencies but also, and more importantly, for smallholders themselves.

IFAD provided a US\$500,000 grant over 18 months to the International Institute for Environment and Development to explore rural-urban transformations and food systems. A successful launch event was held in London in December.

The International Year of Family Farming

During 2014, IFAD engaged actively in the International Steering Committee for the International Year of Family Farming (IYFF) while directly supporting the advocacy work of selected partners at the country and regional levels. An IFAD grant of US\$500,000 to the World Rural Forum supported civil society engagement in IYFF-2014, the creation of IYFF national committees and tracking of their work in more than 50 countries. A further grant to the Food and Agriculture Organization of the United Nations (FAO) supported global facilitation and monitoring of the IYFF; organization of a global dialogue building on the regional dialogues held in 2013; establishment of a knowledge platform on family farming; and collation of information on national-level progress in policy change in favour of family farming. The knowledge platform has been retained as a resource after the end of the international year to maintain momentum.

A number of opportunities were leveraged to draw attention to the role of smallholder family farmers in feeding the world, and the need to direct more support towards helping them to meet a range of challenges. The 37th IFAD Governing Council (held in February 2014) brought together high-level participants from government, civil society, farmer organizations and the private sector to address the theme of “investing in smallholder family farmers for the future we want”.

The fifth global meeting of the Farmers’ Forum, held in conjunction with the Governing Council, brought together more than 80 farmers’ leaders representing millions of smallholders and rural producers from all over the world. Forum participants explored opportunities for new operational partnerships between producer organizations, governments and IFAD, and renewed their commitment to work together.

IFAD actively participated in the Global Forum and Expo on Family Farming in Budapest hosted by the Hungarian Ministry of Rural Development in March; International Encounters on Family Farming and Research held by the International Cooperation Centre of Agricultural Research for Development in Montpellier, France, in June; the IYFF event hosted by the M.S. Swaminathan

Research Foundation in August in Chennai, India; and the Global Dialogue on Family Farming organized by FAO in October in Rome. In addition to actively participating itself, IFAD also sponsored the participation of farmers’ leaders from developing countries in the IYFF closing event in Manila, the Philippines, which endorsed the IYFF legacy and way forward document.

During the year, IFAD published a major comparative analysis of family farming in Latin America, *La agricultura familiar en América Latina*. This publication was launched at two major events, in Mexico (July) and Brazil (November), and broadly discussed by different audiences – farmer organizations, governments, academia, development practitioners and others.

As a contribution to the IYFF, IFAD launched the AgTalks online lecture series to present the human face of family farming by sharing the latest policy research and findings and different viewpoints on smallholder agriculture. The aims of AgTalks are to influence policy frameworks in favour of family farmers and to generate global and national support to promote scaling up of successful policies and programmes. The first two sessions were held in October and December, focusing on trade and fertilizers respectively.

The Committee on World Food Security

The Rome-based agencies work together on a continuous basis in the Committee on World Food Security (CFS) Secretariat and the CFS Advisory Group. The CFS aims to guide conceptual and technical work and help achieve convergence among the various stakeholders on policy development to improve food security and nutrition. IFAD stepped up its engagement in this global policy forum by doubling our annual contribution towards the Secretariat costs to US\$400,000 for the 2014-2015 biennium.

At the CFS forty-first session in October 2014, the voluntary Principles for Responsible Investment in Agriculture and Food Systems were endorsed. This was the culmination of a two-year consultation and negotiation process in which we played an active role. IFAD was a member of a technical team set up under the CFS Secretariat to support elaboration

of the principles. We focused on bringing our operational experience to bear in helping produce a document of practical value for investors at all levels, including institutional investors such as IFAD and many of our partners. The principles provide a comprehensive map of the key areas where stakeholders involved in investment in agriculture and food systems should focus their attention, to maximize the positive impact of their activities on food security and nutrition.

IFAD also contributed to another ongoing CFS process: development of an Agenda for Action for Addressing Food Insecurity in Protracted Crises, which began in 2012. After intensive regional and global consultations, it is hoped that the CFS plenary will endorse a final version in 2015.

IFAD's work with indigenous peoples

A recent report published by two major indigenous peoples' organizations in Asia called IFAD "a global pioneer" among United Nations agencies, citing our sustained dialogue with indigenous communities on securing their rights. That dialogue advanced in 2014, with much of the effort centred on the first World Conference on Indigenous Peoples (WCIP), held in September at United Nations headquarters in New York as a high-level meeting of the General Assembly. The outcome document called on the Secretary-General to develop a system-wide action plan for implementing the United Nations Declaration on the Rights of Indigenous Peoples, and underscored the right to free, prior and informed consent regarding all decisions that affect the lives, culture and identity of the world's 370 million indigenous people. The document makes reference to the IFAD Indigenous Peoples Assistance Facility, encouraging Member States, the private sector and other institutions to contribute.

IFAD provided significant support for indigenous peoples' representatives, including a grant of about US\$1.0 million to cover their travel to preparatory meetings, the conference itself and country-level activities facilitating implementation of the outcome document and the United Nations Declaration on the Rights of Indigenous Peoples. The grant was administered in partnership with the International Work Group for Indigenous Affairs and the Indigenous Global Coordinating Group. In a keynote address to WCIP delegates, IFAD

President Kanayo F. Nwanze noted that the Fund has financed some US\$1.8 billion in loans and US\$38.0 million in grants for participatory rural development initiatives with indigenous women and men.

IFAD also co-sponsored a WCIP side event on land and natural resource rights, which highlighted the deep cultural and spiritual significance of lands, territories and resources, and the need to protect indigenous peoples' rights to the lands they have traditionally occupied, owned or used. The momentum of the WCIP will be taken forward at the second global meeting of the Indigenous Peoples' Forum at IFAD in February 2015, in conjunction with the Governing Council. In preparation for the Forum, four regional workshops were held in Africa, Asia, Latin America and the Caribbean, and the Pacific during the last quarter of 2014. These workshops focused on indigenous food systems and sustainable livelihoods as the selected overall theme of the global meeting in February. This theme falls within the framework of the SDGs of the post-2015 development agenda, which aims to "end hunger, achieve food security and improved nutrition, and promote sustainable agriculture".

Policy engagement, scaling up and South-South and triangular cooperation

IFAD's agenda for mainstreaming policy engagement into the country programme and project cycle was further advanced in 2014. Design documents for projects and country strategic opportunities programmes (COSOPs) were reviewed and structured to maximize the possibility of their contributing to policy processes at the national level. Support in the policy area was provided to missions in Indonesia, Sri Lanka and Sudan, specifically in developing proposals that will enable IFAD-supported programmes and projects in these countries to facilitate national policy processes.

In addition, resources provided under the Initiative for Mainstreaming Innovation financed by the United Kingdom's Department for International Development were directed towards six policy-related activities under implementation: support to the National Assembly of the Lao People's Democratic Republic in developing an approach for

public policy consultations; strengthening of rural civil society organizations in the wool and mohair sector in Tajikistan; analysis of the rice development strategy in Côte d'Ivoire; public consultations around a proposed regional cooperatives act in Kenya and Uganda; support to the Government of Mexico for the design of a national programme to reduce rural poverty; and assistance to the Government of Viet Nam in revising the policy framework for the National Target Programme on New Rural Development.

Processes for learning lessons and stocktaking were completed, with the aim of improving understanding of the range, extent and main thematic areas of policy engagement currently being pursued by country programme managers. Externally, partnership-building for enhanced policy impact was pursued with a number of agencies, including FAO. IFAD's institutional capacity in policy engagement was increased with the recruitment of a senior technical expert.

South-South and triangular cooperation is another tool for sharing knowledge, resources and technology between countries in pursuit of their development goals. In 2014, IFAD continued to support a broad range of initiatives that bring together people from different countries at all levels, and to expand the pool of solutions and lessons learned.

Since 2011, a jointly funded IFAD-China grant programme has organized workshops that bring together participants from around the world for capacity-building and knowledge-sharing. The sixth workshop, held in Maputo, Mozambique, in August 2014, was attended by senior officials from Africa, Asia and Latin America. It focused on Chinese agricultural policy and impacts, agribusiness reform and mechanization, and research and development. The workshop produced a number of conclusions on how Africa could better take advantage of South-South and triangular cooperation.

Among the many actions supported by IFAD to promote South-South and triangular cooperation was a seven-day "learning route" during which officials from the Lao People's Democratic Republic visited the Republic of Korea as a model for good practice in participatory policy development. In the Near East, North Africa and Europe region, an

IFAD grant is supporting an initiative on South-South and Triangular Cooperation for Agricultural Development and Enhanced Food Security, in partnership with the United Nations Office for South-South Cooperation. The initiative supports sharing of innovative agricultural practices among young people and women in Algeria, Egypt, Morocco, Turkey and Uzbekistan.

Nutrition-sensitive agriculture

In 2014, IFAD began to scale up its approach to nutrition, which has been increasingly prominent on the international development agenda. More than three quarters of undernourished people live in low-income, rural areas, meaning that the people who grow food are often the very ones who go hungry.

Nutrition has always been an integral part of IFAD's mandate. After building a core nutrition team, we raised awareness of our renewed focus on nutrition at the global staff meeting and through high-level corporate communications. Subsequently, we built capacity through joint training workshops and seminars. Two videos on IFAD-supported nutrition projects in Bangladesh were produced. The videos were picked up by global television news agencies including Reuters, the Associated Press and the *Agence France Presse*, and distributed to thousands of broadcasters worldwide.

Nutrition-sensitive agriculture can lead to more diverse production and improved diets. It also takes other underlying causes into consideration, such as "caring capacity" (including gender aspects) and "environmental health" and the impact they have on nutrition.

Funding from Germany will allow IFAD to research nutrition-sensitive value chains to provide better guidance for projects. Canadian support has enabled IFAD to continue mainstreaming nutrition by building nutrition-sensitive teams to develop programmes, incorporate explicit objectives related to nutrition and ensure an enabling policy environment. In further demonstrating our commitment to nutrition, IFAD has undertaken to specify in each country strategy how the strategy will contribute to improving nutrition. One third of IFAD-supported projects will be nutrition-sensitive by the end of IFAD's Tenth Replenishment

(IFAD10). We have also established a separate thematic window for complementary contributions for nutrition interventions.

IFAD's work with youth

Young women and men can play key roles in rural transformation, socio-economic progress and community stability. However, young people generally have inadequate access to the inputs they need to succeed: knowledge and information, decent jobs, land, financial services, markets and representation in policy dialogue. IFAD continues to promote approaches for tapping the energy, creativity and desires of young people as part of rural development.

In West and Central Africa, IFAD's focus is on encouraging young people to stay in rural areas by supporting agroentrepreneurship, such as through the Creating Opportunities for Rural Youth Consortium (see page 10).

Peer-to-peer learning allows young people to learn lessons from others living in similar circumstances. In August, 20 IFAD field staff from nine countries in Africa, Europe and Latin America met through an IFAD-supported learning route in Kenya, which focused on innovative ideas and approaches for integrating rural youth into agriculture. At the end of the visit the participants developed action plans for specifically targeting young rural people in their projects, giving value to good practices learned during the route.

In the Near East and North Africa, where youth unemployment is the highest in the world, IFAD works with communities to ensure fair employment opportunities. In Egypt, for example, young people have been given reclaimed land to farm, along with training and access to finance. In Europe, IFAD is supporting work in the Republic of Moldova on providing financial services for young people to enable them to stay in their rural home regions (see page 26).

Strengthening young people's abilities to influence development in their communities is a major focus in Asia and the Pacific. In Viet Nam, an IFAD-supported project is helping young people create common interest groups specializing in agriculture, small industries and services (see page 16).

Most IFAD-supported projects in Latin America and the Caribbean target young people, focusing on income generation and entrepreneurship. In 2014, IFAD launched an entrepreneurship programme targeting young people in six Caribbean countries that had been hit especially hard by the global economic crisis (see page 21).

The Platform for Agricultural Risk Management

In 2014, the Platform for Agricultural Risk Management (PARM) focused on three of the nine sub-Saharan selected countries: Ethiopia, Niger and Uganda. PARM is a G8 and G20 initiative hosted by IFAD and designed to build on existing agricultural risk management initiatives in each country.

Following a national workshop on integral agricultural risk management in Niger, co-organized with the World Bank in June 2014, PARM is collaborating with the New Partnership for Africa's Development (NEPAD) on leading the next steps of the process in Niger. In Uganda, the PARM Secretariat, in collaboration with NEPAD, held a workshop in Kampala to finalize its risk assessment work and identify capacity-building needs. In Ethiopia, at a kick-off workshop held in November and led by FAO with the participation of NEPAD and PARM, a Steering Committee was established to guide the next steps in supporting PARM.

During the year, a PARM Secretariat was established at IFAD headquarters and a Steering Committee meeting was held to discuss ongoing activities and the action plan for 2014-2017. An Advisory Committee was also established, composed of technical and private-sector partners, and beneficiaries. The German Ministry for Economic Cooperation and Development is committed to contributing to PARM in 2016 and is currently an observer on the Steering Committee.

The Financing Facility for Remittances

In 2014, more than 230 million migrants sent a total of US\$435.0 billion home to their developing countries through formal channels, with 40 per cent going to rural areas. This was more than four times official development assistance, and exceeded foreign direct investment inflows in most of the countries.

Since 2006, IFAD's multi-donor Financing Facility for Remittances (FFR) has been pioneering innovative instruments to provide migrants, their families and their countries with better options for economic and social development. Nearly 50 projects have been piloted in more than 40 countries. The FFR has brought many largely unknown constraints to the attention of governments and development institutions, and is now recognized as a leading actor in the area of migration and development.

In 2014, the Facility strengthened its scaling-up approach by mainstreaming remittances into IFAD-supported operations and addressing larger innovative programmes in close cooperation with our regional divisions. As a result, IFAD's first loan with a strong remittance component – the innovative Rural Enterprises and Remittances Project in Nepal – has been designed.

In the Philippines, the FFR financed the second phase of Scaling up Initiatives in Mobilizing Migrant Resources towards Agriculture Development, one of its most successful pilot projects. It also designed the large grant-funded Regional Programme on Remittances and Diaspora Investment for Rural Development, which will be financed by IFAD and implemented in Nepal, Pakistan, the Philippines and Sri Lanka.

The FFR launched its first country-specific call for proposals, encouraging the Haitian diaspora to support local entrepreneurship and local community development opportunities in Haiti. Other activities included fostering diaspora investment in agriculture in Djibouti and Somalia, and promoting the role of postal operators in leveraging remittances for development in Africa.

In 2014, IFAD joined the G20's Global Partnership for Financial Inclusion as an implementing agency of the Markets and Payment Systems subgroup. A process was also begun to proclaim an International Day of Family Remittances in order to recognize and raise global awareness of the fundamental contribution of migrant workers to the well-being of their families and communities back home, and towards the sustainable development of their countries of origin. The proposal to establish this observance was approved by IFAD's Executive Board in December 2014.

The International Land Coalition

The International Land Coalition (ILC) is a global alliance of civil society and intergovernmental organizations hosted by IFAD. In 2014, the ILC mobilized more than 300 organizations in 20 countries to promote land governance with and for people. Bringing together various stakeholders to debate policy, through its National Engagement Strategy, the ILC assists civil society and policymakers in working directly with communities to implement land-related laws.

In 2014, the ILC held training sessions that led to the adoption of a gender evaluation tool by five African, three Asian and five Latin American countries. It also helped to obtain approval of a gender justice charter for ILC Africa, with commitments to developing action plans across ILC operations and organizations. Through the Land Policy Initiative, civil society encouraged the African Union's member states to develop and implement land policies that respect women's rights. The ILC worked in partnership with IFAD, the Government of the United Republic of Tanzania and a wide range of civil society organizations in the Sustainable Rangeland Management Project, which successfully piloted new approaches for securing land and resource rights for communities in semi-arid rangelands.

The ILC also continued to promote open access to data on land governance through the Land Portal and the Land Matrix, which have both entered a second phase of implementation. The Land Portal presents comprehensive country and thematic pages with linked open data on land governance from diverse sources around the world. The Land Matrix Global Observatory recorded about 1,000 large-scale land deals during the year, up by 27 per cent since June 2013.

New programmes and projects West and Central Africa

Harnessing the pride of youth in Mali

Every year in Mali, nearly 180,000 young rural people enter the labour force. Many leave their communities, gravitating to urban areas in search of better opportunities. However, decent work with decent pay is hard to find.

In 2014, IFAD launched the eight-year Rural Youth Vocational Training, Employment and Entrepreneurship Support Project known as "FIER" (which translates as "proud" in English) to provide vocational training and microenterprise development to 100,000 young people in rural areas. The project aims to give young women and men the skills they need to find well-paid jobs in agriculture and related enterprises in their own communities, and to create their own small businesses. It gives priority to young people, particularly women, who lack technical skills and access to financing for income-generating activities.

Local agricultural producers are active partners in all aspects of the project, from governance to facilitation and training. Their involvement will help ensure that training provides the skills needed by potential employers and the marketplace. At the same time, a cohort of well-trained rural youth will help modernize the agriculture sector and strengthen its resilience to climate change. The project will be piloted in two regions before being expanded across the country.

East and Southern Africa

Facing climate change and cutting post-harvest losses in Rwanda

Rising agricultural productivity has driven growth and poverty reduction in Rwanda over the past ten years, but progress has been hampered by post-harvest losses amounting to 30 per cent of important commodities. These losses are expected to increase as a result of the country's dependence on rainfed agriculture and its vulnerability to climate change. Improved post-harvest processing and storage techniques are therefore needed.

The IFAD-supported Post-Harvest and Agribusiness Support Project, begun in March 2014, responds to this challenge. It aims to improve the viability of the country's agricultural businesses and make them more resilient to climate change. Initially targeting 32,000 households in ten districts, it will support development of financial incentives and policies to bring climate risk management investments to scale.

The project will aid cooperatives, farmer organizations, small businesses and micro-enterprises in developing skills in marketing and value chain development. First, it will help participants to identify and address gaps in their business management and financial skills. Once these gaps have been filled, participants will develop business plans for managing their services more profitably.

The initiative will also promote and demonstrate climate-resilient innovations. It will facilitate investments in low-carbon post-harvest procedures, drying, processing and value addition, storage and distribution. The objective is to reduce product losses and increase smallholders' incomes. The project will continue until 2019.

Asia and the Pacific

Establishing best agricultural practices in Myanmar

The first IFAD-supported project in Myanmar started work in 2014 as the country emerged from 50 years of isolation. Through the Fostering Agricultural Revitalization in Myanmar project, we are working to create a sustainable agricultural development model for the central dry zone, which is home to many of the country's poorest people. The overall goal is to improve the economic status of these people.

In an area with exceptionally low rainfall, the project aims to provide more equitable access to irrigation water while also enabling farmers to diversify their crops. The initiative will help rural women and men to obtain access to agricultural inputs, technologies, services and markets, and create business and employment opportunities for them. Landless households and farmers whose crops are rainfed are also being supported.

The initiative introduces several innovations for Myanmar. These include a participatory approach to land development, and the provision of a range of services and knowledge resources for smallholders and landless people. The project focuses on building institutional, technical and operational capacity at the community, township and state levels. It is expected to reach more than 37,000 households, with a total of more than 180,000 people.

Latin America and the Caribbean Helping coffee producers in Nicaragua adapt to climate change

Smallholder coffee and cocoa producers in Nicaragua already suffer from lower productivity than producers in other countries in the region. To make matters worse, studies show that expected temperature increases will shrink the area suitable for coffee cultivation. Farmers must adapt to the changing climate by producing coffee at higher altitudes, at higher temperatures, and with less water during critical periods.

In 2014, IFAD launched the Adapting to Markets and Climate Change Project (NICADAPTA), a new initiative that will work with 40,000 smallholder families to improve productivity and enable them to adapt to changing conditions. In addition to providing technical assistance to farmers and strengthening relevant public institutions and policies, the project will also improve weather information systems and help the public sector develop incentives for smallholder farmers.

The project, which is a partnership between IFAD, the Government of Nicaragua and the Central American Bank for Economic Integration, will benefit about 200,000 people, many of whom are from indigenous communities or of Afro-Caribbean descent.

Near East, North Africa and Europe Innovative partnerships in Sudan

Scaling up the results of an earlier project in Sudan, IFAD approved the Livestock Marketing and Resilience Programme in 2014. The new programme will help the government modernize the country's livestock industry and expand the rural economy in project areas as the key to reducing rural poverty.

It will also help increase beneficiaries' resilience to natural and other shocks. While IFAD is the core funder, the programme is expected to mobilize significant cofinancing of about US\$79.0 million from various public- and private-sector partners.

The initiative integrates several lessons learned from earlier IFAD-supported projects in Sudan. It also introduces some important innovations, including a direct approach to involving the private sector and developing public-private-producer partnerships. While it will benefit primarily poor rural producers, the programme will also seek to develop investment opportunities for private-sector partners in major livestock value chains.

Among its goals, the programme aims to double the average incomes of poor rural households, reduce chronic undernutrition in children by 25 per cent, help 60,000 rural people move out of poverty for good, and strengthen the climate resilience of 60,000 households.

For a complete list of programmes and projects approved in 2014, see <http://www.ifad.org/pub/ar/2014/e/8.pdf>.



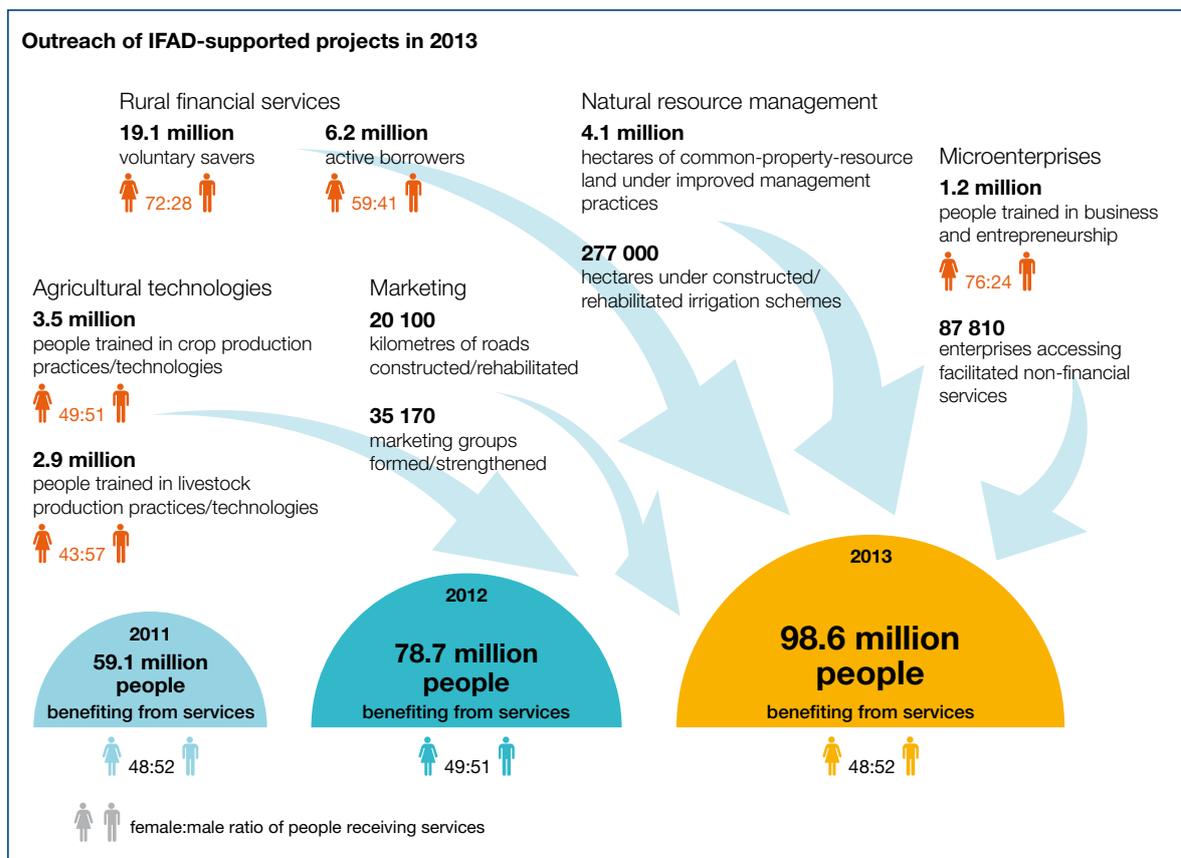
Measuring and improving results

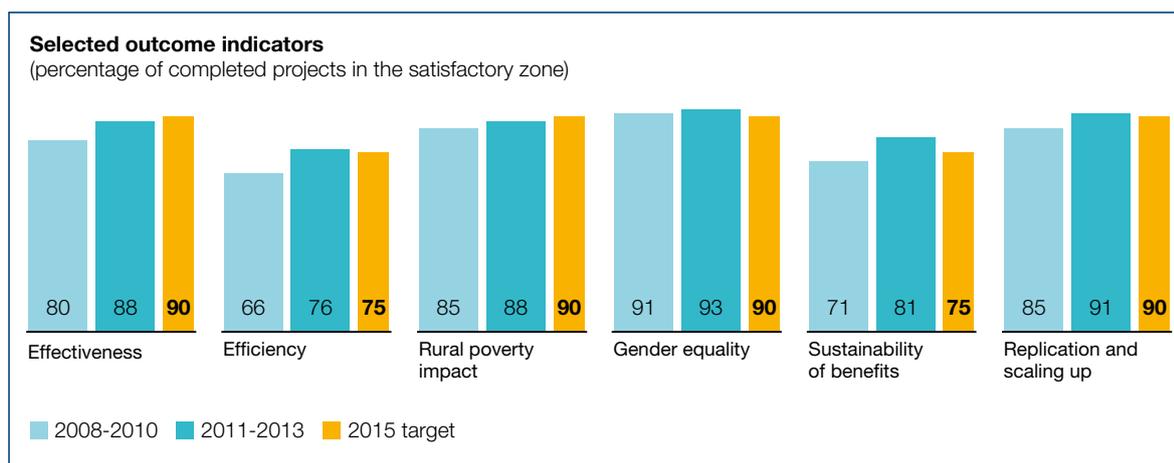
Report on IFAD's Development Effectiveness

The principal focus of the Report on IFAD's Development Effectiveness (RIDE) is to report on performance against development and organizational effectiveness indicators in the IFAD9 Results Measurement Framework and on the implementation of IFAD9 commitments. The 2014 RIDE reports results from 2013/2014 and shows IFAD-supported programmes performing at their highest level ever, with some targets for 2015

already met. This is particularly true of indicators of rural poverty impact, sustainability, gender equality, innovation and learning, replication and scaling up, and efficiency.

A total of 98.6 million people benefited from the services of programmes supported by IFAD in 2013, with women making up 48 per cent of the total. The full 2014 RIDE is available at: <https://webapps.ifad.org/members/eb/113/docs/EB-2014-113-R-11-Rev-1.pdf>.





Impact evaluation

As part of our Ninth Replenishment commitments, IFAD has embarked on an Impact Evaluation Initiative to demonstrate improved accountability and development effectiveness, and to facilitate learning within the organization. To this end, 26 rigorous retrospective (or ex post) impact evaluations are currently being conducted on projects either completed or close to completion and for which baseline surveys were undertaken at the time of project start-up. The ex post evaluations employ quasi-experimental designs to improve understanding of the causal chain and measure attribution to IFAD. Where possible, they employ mixed-methods designs. The impact evaluations will be completed in time for findings to be reported to the Executive Board in 2015.

The initiative also includes five studies using experimental designs (randomized controlled trials) in a total of 31 ongoing evaluations. The experimental designs were incorporated at project inception. Given the time involved and the experimental nature in the field of agricultural and rural development, baseline results are expected during the IFAD9 period.

All evaluations are currently undertaken in partnership with universities and international organizations that specialize in developing impact evaluation methods.

The evaluation initiative should improve our understanding of the impact of IFAD-supported programmes in terms of poverty reduction, as shown by the effectiveness of IFAD's interventions in lifting poor rural households above a defined poverty line. It will also highlight the other

intended and unintended impacts that affect the lives of direct and indirect beneficiaries, including gender equality and women's empowerment.

In addition, the initiative will strengthen IFAD's ability to communicate the results of the programmes we support to our stakeholders and to share evidence-based knowledge on reducing poverty and hunger in rural areas with our partners.

Baseline studies for ASAP-funded activities

In a separate initiative, for projects with financing from IFAD's ASAP, comprehensive baseline studies are being designed, procured and finalized before implementation gets under way. The baseline surveys will generate enough data to ensure that impacts on poverty, income generation, malnutrition and vulnerability can be accurately measured. During 2014, baseline studies were carried out for ASAP-funded initiatives in Bolivia and Nicaragua.

In Lesotho and Mali, where ASAP-funded work is also planned, the Multidimensional Poverty Assessment Tool (MPAT) designed by IFAD is being used to measure poverty in communities before projects start work. MPAT is well designed to measure climate resilience at the household level. Additional relevant indicators may be added to take the impact of ASAP-funded activities into account. In Uganda, a participatory rural appraisal survey has been conducted to provide baseline information. It will guide the final selection of sites for land-health surveys and on-farm trials of climate-smart agricultural practices.

Quality support for programme design

Top-quality project design is a basic building block for impact in the countries where IFAD works. We use a two-step system to review and improve the design of programmes and projects: quality enhancement and quality assurance.

In 2014, 37 programmes and projects went through the quality enhancement process, and 32 quality assurance reviews were held. The new delivery model continued to allow early engagement of IFAD technical expertise in country programme management teams and to increase our operational effectiveness. In 2014, quality enhancement support continued to be offered to all new COSOPs and to all new project designs. Staff responsible for quality enhancement also participated in field missions for about 75 per cent of new project designs. Technical support to supervision of ongoing projects was provided for about 25 per cent of the portfolio, including field missions for about 15 per cent of the portfolio.

During the year, 67 per cent of the projects reviewed by the quality assurance function were judged to need few or minor changes, while 28 per cent required substantial design modifications. Consistent with findings from similar years, reviewers highlighted issues related to the need to:

- articulate project justifications and rationale more clearly in design documentation (including consistently incorporating lessons learned from previous projects and improved

use of economic and financial analysis in IFAD-supported projects)

- strengthen logical frameworks and performance indicators.

In 2014, IFAD continued to use the IFAD9 quality-at-entry indicators, in line with the IFAD9 Results Measurement Framework. Quality assurance reviewers judged 90 per cent of the projects reviewed during the year to be satisfactory in terms of overall quality of project design (Table 1). They also judged 87 per cent of projects likely to achieve their development objectives, compared with 89 per cent in 2013, 83 per cent in 2012 and 88 per cent in 2011.

Ethics, internal oversight and anticorruption

IFAD established the Ethics Office in 2011 to ensure that the highest ethical standards are maintained at every level and to protect our image and reputation. The Ethics Office provides confidential guidance to staff and managers to uphold workplace values, integrity and respect.

Since it was established, the Office has conducted more than 500 confidential consultations on matters relating to the Code of Conduct and issues involving possible misconduct under IFAD's anti-harassment policy. About 70 per cent of the Office's work relates to activities that require clearance in advance, such as membership of the boards or councils of external organizations, writing for publication, teaching, lecturing and declaring gifts.

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

Indicator	Baseline year	Baseline value	Results 2013	Results 2014	Average 2013-2014	Target 2015
4.3.1 Overall quality of design	2010/11	79	93	90	91	85
4.3.2 Overall quality of design for projects in fragile states only ^b	2010/11	n/a	80	86	83	80
4.3.3 Gender ^c	2010/11	86	78	83	81	90
4.3.4 Monitoring and evaluation	2010/11	70	85	90	88	80
4.3.5 Projects receiving positive ratings on scaling up ^d	2010/11	72	76	89	83	80

Sources: Office records based on 30 projects cleared for presentation to the Executive Board in 2014. Projects are rated only after clearance for Board presentation.

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

^b In 2014, the 14 projects in fragile states cleared for Executive Board presentation were located in 13 fragile states. These ratings reflect only this subset of projects.

^c The baseline and target for the gender rating were recorded and set prior to the introduction of the more rigorous assessment system currently used to rate this indicator.

^d Scaling-up ratings are based on 19 projects that explicitly identify themselves as "scaling-up" activities.

The Office cooperates with the Office of Audit and Oversight, as necessary.

The President has delegated authority to the Director of Ethics to receive complaints of unacceptable behaviour in accordance with IFAD's anti-harassment policy. The Ethics Office therefore has overall responsibility for monitoring and reporting progress on the prevention and management of such behaviour. The first report was provided in June 2014. It informed all staff about the nature and incidence of complaints and the outcomes of informal and formal work by the Ethics Office, and provided recommendations on ways of preventing and managing unacceptable behaviour.

During the year, the Ethics Office launched various initiatives, including an e-learning tool for training in the Code of Conduct, targeted training for supervisors and managers, and mandatory refresher training in anti-harassment awareness for all staff. These initiatives help provide a safe and confidential environment in which all employees are able to raise concerns and discuss workplace harassment. This is a major milestone for IFAD. The Office will continue to collaborate closely with managers and staff to ensure that IFAD is equipped to prevent unacceptable behaviour and that staff can recognize and handle workplace conflict when it arises.

As part of its prevention and awareness mandate, in 2014 the Ethics Office conducted 180 confidential consultations and 22 training events.

IFAD has a policy of zero tolerance to irregular practices and is committed to fighting corruption, fraud and collusion, which divert resources from our programmes and projects. In support of this policy, the investigation and sanction processes were assessed by external experts in 2014. The experts' recommendations will serve to ensure that IFAD's investigation and sanction practices remain consistent with the highest professional standards and best practices.

During the year our rate of response to allegations improved, with almost all new complaints investigated within six months. Where appropriate, the results of investigations led to sanctions and management actions to mitigate the risks identified. The 2013 Annual Report on Investigation and Anticorruption Activities and information on reporting is available on IFAD's website (www.ifad.org/governance/anticorruption). The 2014 report is due to be issued in April 2015.

The workplan of IFAD's Office of Audit and Oversight is based on our assessment of institutional risks. In 2014, we covered areas critical to the financial integrity of the Fund, our administrative effectiveness and efficiency, and our evolving decentralized model. The audits supported risk mitigation efforts in areas such as fiduciary oversight of project procurement activities, management of investments, and the organization and responsibilities of IFAD country offices. The three Rome-based United Nations agencies performed their first joint audit in 2014 covering activities of the FAO/IFAD/WFP Common Procurement Team.

All but one of the eight high-priority audit recommendations due for implementation during 2014 were cleared by their due dates, bringing IFAD closer to achieving the critical milestone of having no high-priority recommendations pending after their agreed due date. This achievement highlights IFAD's strong commitment to the active management of institutional risks.

Independent evaluation Overview of the twelfth Annual Report on Results and Impact of IFAD Operations

The 2014 Annual Report on Results and Impact of IFAD Operations (ARRI) shows positive results achieved by IFAD-funded operations in a number of significant areas. These include relevance, impact on rural poverty, innovation, and gender equality and women's empowerment. Moreover, our performance as a partner is currently rated the best it has ever been since the first ARRI was issued in 2003.

The ARRI also shows that the performance of IFAD-funded operations is on a par with – or better than – the performance of agriculture sector operations supported by other international financial institutions. Despite this, internal benchmarking discloses that the performance of IFAD-supported operations in some areas is lagging behind the 2015 targets in the corporate Results Management Framework. It is essential that continued efforts are devoted to improving programme efficiency, government performance, sustainability, and monitoring and evaluation systems if these targets are to be met.

This year's ARRI consolidates and summarizes the results and impact of IFAD-funded operations on the basis of evaluations conducted by the Independent Office of Evaluation (IOE) in 2013 and previous years. The analysis is based on two data sets: all evaluation data (country programme evaluations, project completion report validations, project performance assessments and an impact evaluation); and data from only project completion report validations, project performance assessments and one impact evaluation.

The report draws on a robust sample of ratings from 224 project evaluations carried out by IOE since 2002. The sample includes ratings from 35 individual IFAD-funded project evaluations completed in 2013, including the first impact evaluation by IOE, which was carried out in Sri Lanka. All ratings are presented by year of completion, rather than by year of approval or evaluation, which is in line with the practice in other international financial institutions.

The following cross-cutting issues were raised by the 2013 evaluations:

- the need for more integrated country programmes
- the need for better non-lending activities to scale up impact
- the need for IFAD-supported operations to take account of a growing correlation between poverty and environmental stress
- the need for a more differentiated approach to IFAD's work in fragile states and middle-income countries.

The evaluations confirm the importance of project design and management, and particularly the need to ensure more realism in determining the objectives of COSOPs and projects. In this regard, the ARRI underlines the need for more analytical work, including risk assessments at the outset of COSOP and project design processes. This would ensure that IFAD-funded operations take careful account of the policy and institutional realities of recipient Member States. The need to undertake COSOP completion reviews in all cases is another significant recommendation in this year's ARRI.

The learning theme of the report focuses on project management in IFAD-supported operations, which analysis shows to be a key determinant of successful project outcomes. A number of issues were raised for further strengthening of project management. These include continuity of project staff during implementation, timely implementation support to help project management address major areas of priority to IFAD (for example, gender equality, financial management and other issues), and the need for greater attention to monitoring and evaluation in general.

Senior management response to the ARRI

Management was pleased with the ARRI's recognition of improved performance since 2002 in the areas of partnership, sustainability and impact on rural poverty. The ARRI evaluation of IFAD's rural poverty impact indicates, most importantly, that the programmes and projects IFAD supports are having a positive effect on the lives of poor rural women and men. The ARRI findings clearly reflect the efforts that IFAD has made to focus on results.

On the question of project management, IFAD management agrees on its importance but notes areas of disagreement on some of the findings. One such area is the implication in the ARRI that IFAD is ignoring the Paris Declaration in funding programme coordination units (PCUs): management notes that all PCUs are established by ministerial decree and cannot be considered to be working in parallel to the government, and that PCUs are almost always necessary for effective operations.

With reference to the cross-cutting issues identified in the ARRI, management is taking steps to integrate non-investment activities into country programmes more effectively. COSOP guidelines are under revision and emphasize the importance of such activities, together with the importance of defining realistic objectives in non-investment work. The revised COSOP guidelines will sharpen the focus of all aspects of country programmes.

Finally, management expresses appreciation of the ARRI recommendations and notes its continued commitment to internal budget discipline in implementing those recommendations, as mandated by IFAD's Executive Board.

Other evaluation activities in 2014

Two corporate-level evaluations were published: of IFAD's Replenishments and of the IFAD Policy for Grant Financing. The overarching recommendation of the evaluation of replenishments was for establishing a longer-term perspective by preparing a strategic vision for IFAD. Among other things, the evaluation recommended that efforts be made to articulate more explicitly the theory of change that underpins the Results Management Framework.

The evaluation of IFAD's grant policy highlighted that grants can be an important instrument in the achievement of our objectives. Their potential has not been fully realized for a number of reasons. These include limited strategic guidance on grants, weak links to country programmes, little internalization of results and lessons from grant-funded activities, and cumbersome procedures for grant approval and management. Some improvements have occurred more recently as a result of management's enhanced attention, and management is taking these recommendations into account in the design of a new grants policy.

Country programme evaluations were completed for Bolivia, China, the Republic of Moldova and Zambia. In Bolivia, the IFAD-supported programme has achieved positive but moderate results. The most encouraging aspects relate to the building of social and human capital and improvements in the incomes and assets of beneficiaries. The results are mixed in terms of impact and sustainability. Programme performance has been adversely affected by delays in implementation, excessively wide geographical coverage and weaknesses in design.

The evaluation in China concluded that overall the China-IFAD partnership is strong. The aggregate performance of the loan portfolio, non-lending activities (policy dialogue, knowledge management and partnership-building) and COSOPs is satisfactory. The main challenge for the future is to enhance the emphasis on non-lending activities, which need to be linked to an adequate portfolio of investment projects that focus on promoting innovation and scaling up, and to South-South and triangular cooperation.

In the Republic of Moldova, IFAD's support of rural lending through commercial banks – mainly to viable medium-scale farms and entrepreneurs – has contributed to increased agricultural production, rural enterprise development and job creation. On the other hand, there has been limited progress in value chain development and microfinance services. There is also a need for a clear exit strategy from substantial allocations of IFAD funding to credit lines.

In Zambia, evaluation findings indicate that the programme has helped increase and diversify smallholders' production. It has also improved access to markets and contributed to the control of livestock diseases of national importance, such as East Coast fever and contagious bovine pleuropneumonia. Progress has also been made in promoting agribusinesses and developing value chains, although collaboration with the private sector is still in its infancy. Zambia's new status as a middle-income country will require a new level of partnership, including a more responsive and customized programme to respond to country needs within the scope of IFAD's mandate.

During the year, IOE published two evaluation syntheses: on IFAD's engagement with middle-income countries, and on rural youth. The first concluded that, among other issues, IFAD has an important role to play in middle-income countries, given the large number of poor people who live in such countries and the growing inequality. It also underlined that middle-income countries are heterogeneous, and cannot all be considered as one group. The synthesis report emphasized the need for IFAD to develop a more differentiated model for engagement in COSOP and project design in middle-income countries. This should be customized to country contexts and should foster expanded engagement with the private sector, including large companies in the food and agriculture sector. The synthesis also noted the need for increased attention to non-lending activities – policy dialogue, knowledge management and partnership-building – in middle-income countries.

The synthesis on rural youth concluded that IFAD's attention and commitment to promoting the development of rural youth has increased throughout the last decade. However, a number of areas merit further support. These include mainstreaming of youth issues across country programmes, investments in knowledge on youth issues and socio-economic profiling, target group identification, systematic adoption of age-disaggregated monitoring indicators, and strategic partnerships to support the scaling up of successful and innovative models.

During the year, IOE organized events to promote learning and share knowledge from evaluations and on specific topics such as the first impact evaluations conducted at IFAD. At the international level, four in-country events were co-organized with governments in Bolivia, China, Senegal and Zambia. The main results from the respective country programme evaluations were discussed, together with key issues for design of the forthcoming COSOPs.

More information on evaluation in IFAD can be found on the Evaluation webpage (<http://www.ifad.org/evaluation/index.htm>).

Human resource management

IFAD understands that the effective management of human resources empowers staff and consultants to produce consistently excellent results.

As a way of encouraging excellent performance, IFAD implemented a new reward and recognition framework in 2014. This brought our performance management into line with that of other international financial institutions and to the forefront of practice across United Nations agencies. The framework is tied to the annual performance management process and provides monetary and non-monetary rewards to high-performing staff. It addresses the need to reward excellence identified by IFAD's 2012 Global Staff Survey and is in line with International Civil Service Commission guidelines.

To reward sustained long-term good performance, a new policy for awarding indefinite appointments, including a five-year review after the award of each appointment, was implemented at the beginning of the year. At both headquarters and country offices, 110 fixed-term appointments were converted into indefinite appointments for staff. This process will be repeated annually as new staff become eligible.

Strong consistent performance depends on the presence of capable managers, so in 2014, IFAD developed a new Management Development Programme for managers below the director level, and a Leadership Development Programme for directors. A Senior Leadership Development Programme is being designed, with implementation planned for 2015.

Career development is essential if the skills of IFAD's staff are to remain at their peak. To facilitate mobility and career development while also streamlining the recruitment and job classification processes, in 2014, IFAD developed a new job family system and generic job profiles, and a revised job titling system. This work, responding to recommendations of the 2012 job audit exercise, was based on best practices in the United Nations common system and other international financial institutions.

To strengthen inter-agency collaboration, the three Rome-based agencies agreed to broaden access to the local General Service talent pool and to offer increased career opportunities to General Service staff members based in Rome. This agreement is the first of its kind at the headquarters level of United Nations agencies.

IFAD's presence in the field continues to grow. Country offices have been mainstreamed into human resource management practices (including the development of a worldwide leave management system). A staff member has been dedicated to focusing exclusively on the needs of country offices, in collaboration with the Field Support Unit.

In February 2014, we held our first ever Global Staff Meeting immediately after the Governing Council at IFAD headquarters in Rome. More than 600 staff members from all over the world took part in two days of intense interaction, team-building and knowledge-sharing. The next Global Staff Meeting will be held in 2016.

As of 31 December 2014, we had 27 international Professional staff members, 1 Junior Professional Officer, 42 National Officers and 20 General Service staff members in IFAD country offices around the world (see map inside front cover). Staff numbers and statistics as of 31 December 2014 were as follows:

- Total staff numbered 569, including staff of the Independent Office of Evaluation of IFAD and 1 Junior Professional Officer.
- Of the total, 302 were in the Professional and higher categories, 42 in the National Officer category and 225 in the General Service category.
- The National Officer, Professional and higher categories included nationals from 89 Member States.
- Women constituted 50 per cent of Associate Vice-Presidents, 48 per cent of Professional and higher categories staff, 21 per cent of the National Officer category, and 83 per cent of the General Service category.
- Overall, 60 per cent of IFAD staff members are women.



Financing data and resource mobilization

Resources in 2014

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

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

The Consultation on the Tenth Replenishment of IFAD's Resources (IFAD10) began in February 2014 immediately after the 37th session of the Governing Council. During the year, IFAD's Member States held four Consultation sessions on IFAD10, during which priorities for action and policy direction were agreed.

The Consultation agreed to a target of US\$1.44 billion in new contributions to finance agriculture and rural development projects across the developing world. The target will enable IFAD to deliver a programme of work of about US\$3.0 billion over the period 2016-2018, during which we plan to expand our reach to up to 130 million rural people. Some 40 to 50 per cent of these resources will be channelled to sub-Saharan Africa.

The injection of new funds from Member States confirms IFAD's key role in the overall international development architecture as an effective organization delivering results in the area of food security and livelihoods, especially for the poorest people in rural areas.

Total contribution pledges to IFAD10 as of 31 December 2014 amounted to more than US\$1.02 billion, representing 71 per cent of the IFAD10 target of US\$1.44 billion.

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

2014 was the second year of IFAD's Ninth Replenishment (IFAD9) period. As of 31 December 2014, total pledges – including complementary contributions – amounted to more than US\$1.4 billion, representing 95 per cent of the IFAD9 target of US\$1.5 billion. Instruments of contributions (IOCs) received (including payments with no prior IOC deposit) amounted to more than US\$1.4 billion, representing 98 per cent of total pledges of regular and complementary contributions.

Additional resource mobilization

Acknowledging the need to expand investment in rural people as we move towards the post-2015 SDGs, during 2014 IFAD stepped up efforts to explore resource mobilization from new sources and through new modalities. While core contributions through the replenishment process remain the main form of financing for the operations we support, several new partnerships were forged, which diversified our resource mobilization portfolio.

Borrowing from sovereign sources

Responding to a strong demand for resources from Member States, we established an innovative partnership with Germany's KfW Development Bank (*Kreditanstalt für Wiederaufbau*). Under the agreement, IFAD has access to up to €400 million of sovereign debt in 2014 and 2015 to finance projects within the ordinary loans portfolio. This will allow regular resources to be freed up and reallocated on highly concessional terms to those countries that are eligible, ensuring that all IFAD borrowing countries benefit.

TABLE 2
IFAD at a glance, 1978-2014^{a, b}

		2010	2011	2012	2013	2014	1978-2014
Operational activities^{c, d}							
Loan and DSF grant approvals							
Number of programmes and projects		32	34	33	25	26	974
Amount	US\$ million	777.7	947.2	960.7	731.1	625.8	15 139.4
Grant approvals							
Number		88	83	90	63	64	2 615
Amount	US\$ million	51.2	50.4	71.5	50.0	51.1	970.1
ASAP Trust Fund							
Number		-	-	1	10	10	21
Amount	US\$ million	-	-	4.9	103.0	83.0	190.9
Total IFAD loan and grant operations	US\$ million	828.9	997.6	1 037.1	884.1	759.9	16 300.4
Cofinancing	US\$ million	662.2	412.2	420.3	329.8	238.0	10 064.7
Multilateral		565.2	213.2	153.3	207.1	128.0	7 638.1
Bilateral		74.5	159.4	183.0	87.8	4.2	1 727.9
NGO		10.4	-	3.5	-	0.9	52.0
Other ^e		12.2	39.6	80.5	34.9	104.9	646.7
Domestic contributions	US\$ million	924.8	834.3	599.5	552.7	601.4	13 390.0
Total programme and project cost^f	US\$ million	2 370.2	2 198.3	2 003.0	1 720.2	1 552.8	38 892.9
Programmes and projects							
Number of effective programmes and projects under implementation		231	238	256	241	224	-
Number of programmes and projects completed		21	26	21	43	45	730
Number of programmes and projects in pipeline		74	64	79	84	62	-
Number of approved programmes and projects initiated by IFAD		27	32	32	24	26	810
Number of recipient countries/territories (current portfolio)		96	97	99	98	99	-
Loan disbursements	US\$ million	457.6	549.7	534.4	482.2	484.7	9 402.5
DSF grant disbursements	US\$ million	39.4	76.3	118.4	142.5	157.4	556.5
Loan repayments^g	US\$ million	274.6	287.5	267.5	261.1	271.3	5 022.1 ^h
Membership and administration							
Member States – at end of period		165	167	169	172	173	-
Professional staff – at end of period ^{i, j}		260	298	312	321	344	-

Sources: Grants and Investment Projects System; IFAD financial statements for 1978-2014; IFAD's accounting system.

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

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

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

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

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

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

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

^h Based on SDR equivalent as at 31 December 2014.

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

^j Includes National Professional Officers in country offices.

New partnerships

In addition to our traditional partnerships, we continued to build new relationships with private-sector actors. These included private foundations, ethical investors and private companies. IFAD's key role in this area is as a broker to help reduce risk and catalyse more private-sector investment in rural development. We also support the development of inclusive agriculture-based value chains that are commercially viable and sustainable and that benefit rural communities.

During 2014, IFAD worked with an increasing number of local, regional and global agribusinesses. We signed two memorandums of understanding with global corporations: Intel Corporation and Unilever. With Intel, we will be utilizing and promoting innovative agricultural extension software designed specifically for rural smallholders. With Unilever, the goal is to promote sustainable sourcing of agricultural produce and improved livelihoods by raising productivity and helping farmers connect to markets.

IFAD established a new strategic partnership with the Cooperation Council for the Arab States of the Gulf on sharing knowledge and building collaboration on natural resource management and other environmental issues. We also started to cooperate with the European Bank for Reconstruction and Development on pursuing innovative financing mechanisms, including with the private sector. In addition, we established a partnership with the Export-Import Bank of Korea to collaborate on country-level investments, national capacity strengthening, policy dialogue and knowledge management.

We explored potential partnerships with relevant institutions to capitalize on complementarities. These institutions included the United Nations Industrial Development Organization; the China-Africa Development Fund, with which we signed a joint declaration of intent; and the *Banco de Desarrollo de América Latina* (Development Bank of Latin America), with which we are pursuing cofinancing opportunities.

Partnership opportunities were also explored with a number of other global companies and with social businesses such as Japan's Euglena Company. In addition, we continued to support country-level cooperation with hundreds of small and medium-sized enterprises through the projects we fund.

We strengthened our existing partnerships with numerous farmer organizations, including our strong collaboration with AgriCord; indigenous peoples' groups, particularly in preparation for the 2015 Indigenous Peoples' Forum; and the Asian Development Bank to operationalize the memorandum of understanding signed in 2013.

During 2014, IFAD continued to advocate for a constructive and equitable role for smallholder farmers in inclusive business models, and for responsible business principles. We supported endorsement of the United Nations Committee on World Food Security's Principles for Responsible Agricultural Investment, and the United Nations Global Compact's food and agriculture business principles for helping to turn guidelines into action for smallholders (see page 30).

We made important progress in implementing IFAD's partnership strategy. We assessed existing tools for supporting partnership-building and monitoring performance. We developed due diligence guidelines for engagement with the private sector. And we created communication and training modules to strengthen individual and institutional capabilities to assess, build and manage strategic partnerships.

Supplementary funds

Supplementary funds are grant resources administered by IFAD upon the request of donors for the benefit of IFAD developing Member States. They are mostly earmarked for specific cofinancing initiatives and projects, as indicated in the individual agreements between IFAD and the donors concerned.

The agreements reached during 2014 were with partners including the European Commission, the Saudi Fund for Development and the Governments of Canada, Estonia, France and New Zealand. These agreements support food production, agriculture risk and natural resource management, gender mainstreaming, value chains and development of small and medium-sized enterprises. In 2014, IFAD also contributed to the mobilization of resources from Norway and Sweden to support the United Nations Development Programme Multi-Partner Trust Fund (MPTF) – established in 2014 by the three Rome-based agencies and the United Nations Entity for Gender Equality and the Empowerment of Women (UN Women)

for their Joint Programme on Accelerating Progress towards the Economic Empowerment of Rural Women (RWEE-JP). To ensure access to cofinancing for RWEE-JP in Ethiopia, in 2014 IFAD adhered to the MPTF established to support the Sustainable Development Goals Fund. The Flemish International Cooperation Agency signed its first agreement with IFAD on providing supplementary funds to the ASAP Trust Fund.

In 2014, IFAD mobilized a total of US\$62.6 million in supplementary funds and received US\$71.0 million under agreements signed in 2014 and previous years. Table 3 shows supplementary funds received during the year.

Ongoing portfolio

IFAD's investment in ongoing programmes and projects in rural areas was worth US\$5.4 billion in 2014 (Table 4). At the end of the year, there were 224 programmes and projects at work around

the world, funded by IFAD in partnership with 99 recipient governments (see map inside front cover). External cofinancing and funds from domestic sources for the ongoing portfolio amounted to US\$6.9 billion, bringing the total value of these programmes and projects to US\$12.3 billion.

The ongoing portfolio of grant-funded operations was worth US\$234.2 million at the end of 2014, with 272 grants operational in 128 countries.¹ 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 <http://www.ifad.org/pub/ar/2014/e/8.pdf>.)

TABLE 3
Summary table of supplementary funds for thematic and technical assistance and cofinancing received in 2014^a
 (Amounts in US\$ million, at USD/EUR fixed exchange rate =1.25)

Donor	Thematic and technical assistance	Cofinancing (excluding parallel cofinancing)	Total
CGIAR	16.1	-	16.1
Farmers Fighting Poverty/AFRICA Support to Farmers' Organizations in Africa Programme	4.5	-	4.5
Technical Assistance Facility	4.7	-	4.7
Financing Facility for Remittances	2.1	-	2.1
Burundi	0.5	-	0.5
	-	10.5	10.5
European Commission total	28.0	10.5	38.6
GAFSP – Togo	-	6.0	6.0
GAFSP – Burundi	-	4.3	-
Canada	-	4.7	4.7
Estonia	0.1	-	-
Italy	-	2.0	2.0
Denmark	-	1.9	1.9
Flemish International Cooperation Agency	1.3	-	1.3
Germany	0.3	0.9	1.2
France	1.4	-	1.4
Netherlands	4.2	1.8	6.0
Republic of Korea	0.5	-	0.5
New Zealand	0.4	-	0.4
Bill & Melinda Gates Foundation	0.2	-	0.2
Multi-Partner Trust Fund (RWEE)	0.2	-	0.2
OFID – Somalia	-	0.2	0.2
OFID – Ghana	-	0.04	0.04
Switzerland	2.0	-	2.0
Total	38.5	32.5	71.0

Source: IFAD financial systems.

GAFSP = Global Agriculture and Food Security Program; OFID = OPEC Fund for International Development; RWEE = Economic Empowerment of Rural Women.

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

¹ This does not include DSF grants or grants funded by supplementary or complementary funds.

Cofinancing of IFAD-supported programmes and projects

Cofinancing from our partners multiplies the value of the development interventions that we invest in. This includes domestic contributions from recipient governments and project participants themselves, and resources from bilateral and multilateral donors.

Levels of cofinancing are affected by many external factors and may vary greatly from year to year. In 2014, domestic contributions provided the bulk of cofinancing for newly approved projects and amounted to US\$601.4 million, an increase on the US\$552.7 million of 2013 (Table 5). External cofinancing in 2014 amounted to a total of US\$238.0 million, which included US\$128.0 million from multilateral partners and US\$104.9 million from other sources such as private-sector resources and basket funding (Chart 6).

Chart 7 ranks bilateral donors to programmes and projects initiated by IFAD, with Spain, the Netherlands, Belgium, Germany and France at the top of the chart. Together, they have provided about 70 per cent of total bilateral cofinancing to IFAD-initiated projects, worth US\$1.1 billion since we started work in 1978.

Chart 8 shows the top 15 multilateral cofinanciers of IFAD-initiated programmes and projects to date. The list is headed by the OPEC Fund for International Development (OFID), the African Development Bank, the International Bank for Reconstruction and Development (part of the World Bank Group) and the Arab Fund for Economic and Social Development. Together, these four represent more than 50 per cent of total multilateral cofinancing of US\$2.9 billion.

Priority country and regional financing

We continue to prioritize assistance to least developed countries and countries with low food security. Of 2014 programme and project financing, 54.3 per cent was for low-income, food-deficit countries as classified by FAO, and 40.7 per cent for least developed countries as classified by the United Nations. Table 6 shows financing by region since 1978 and Chart 9 shows regional financing for 2014.

Financing by sector

Chart 10 shows how the funding for our current portfolio is divided by sector. About one third of investments support agriculture and natural resource management, enabling farmers to increase their production and make more sustainable and efficient use of natural resources. About 16 per cent of funds invested in the current portfolio support work to strengthen markets and related infrastructure, which are vital for rural people to make a decent income from their produce. Rural financial services account for 13 per cent of funds invested, enabling rural women and men to build their businesses and manage risks.

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).² About 50 per cent of new financing approved during the year was in the form of highly concessional loans – worth a total of US\$309.8 million. Ordinary loans made up 26.5 per cent of the total, followed by debt sustainability framework (DSF) grants with 12.1 per cent and blend loans with 11.9 per cent (Chart 11).

As a share of our cumulative financing portfolio since 1978, highly concessional loans and DSF grants represent about 74 per cent of the total. Table 8 shows investments by terms and region.

Disbursements

Disbursements of IFAD loans and DSF grants amounted to US\$642.1 million in 2014 (Tables 9 and 10). Over the period 1979-2014, cumulative disbursements of loans under the Regular Programme amounted to US\$9,402.5 million, representing 76 per cent of effective commitments at the end of 2014 (Table 11). This compared with US\$8,917.8 million disbursed at the end of 2013, which also made up 76 per cent of effective commitments.

² 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.

TABLE 4
Ongoing programme and project portfolio by region^a
As at end December 2014

	Number of programmes and projects	IFAD financing ^b (US\$ million)
West and Central Africa	47	1 076.5
East and Southern Africa	43	1 212.9
Asia and the Pacific	56	1 752.8
Latin America and the Caribbean	42	617.4
Near East, North Africa and Europe	36	698.2
Total^c	224	5 357.9

Source: Grants and Investment Projects System.

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

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

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

TABLE 5
Financing of IFAD-supported programmes and projects, 1978-2014
Amounts in US\$ million

	1978-2000	2001-2006	2007-2012	2013	2014	1978-2014
IFAD ^{a, b}	6 922.7	2 511.0	4 453.5	837.7	713.4	15 438.3
Cofinanced ^c	6 140.1	904.0	2 452.8	329.8	238.0	10 064.7
Domestic	7 330.9	1 651.3	3 253.7	552.7	601.4	13 390.0
Total^{d, e}	20 393.7	5 066.2	10 159.9	1 720.2	1 552.8	38 892.9
Number of programmes and projects ^f	578	152	193	25	26	974

Source: Grants and Investment Projects System.

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

^b Figures include IFAD financing for Indonesia's National Programme for Community Empowerment in Rural Areas approved in 2008.

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

^d Total amounts may include additional financing for programmes and projects previously approved.

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

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

CHART 6
Cofinancing of IFAD-supported programmes and projects, 2014
Share of total of US\$839.4 million

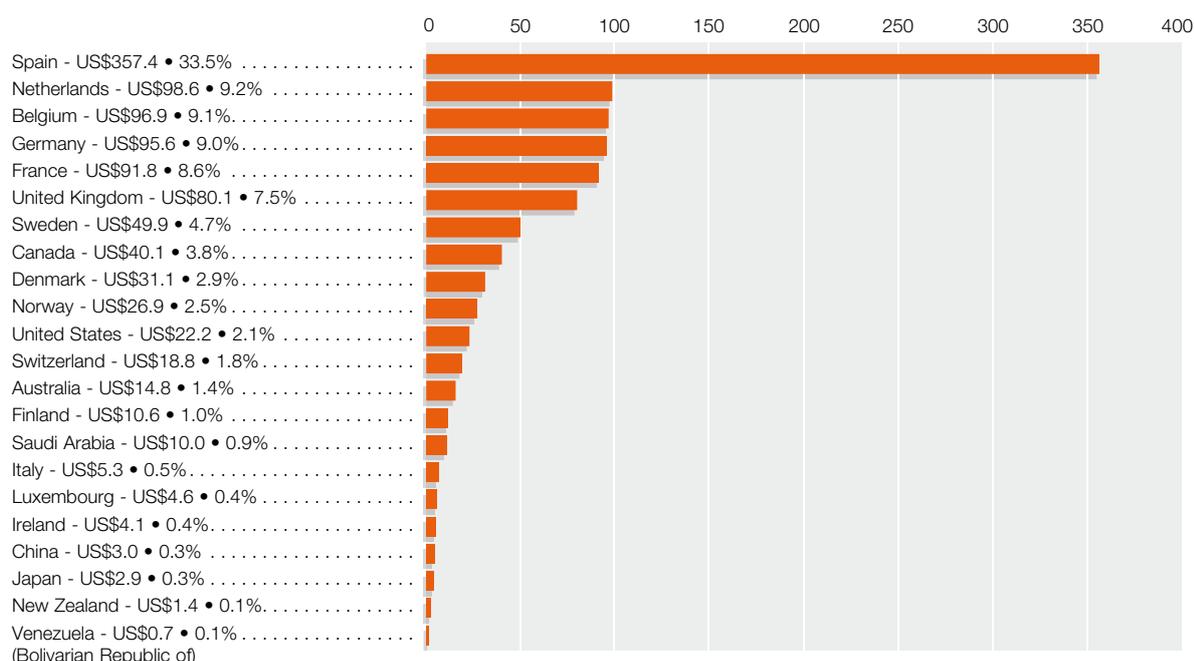


Source: Grants and Investment Projects System.

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

CHART 7**Cofinancing of IFAD-initiated programmes and projects by donor Member States (bilateral), 1978-2014^a**

Amounts in US\$ million

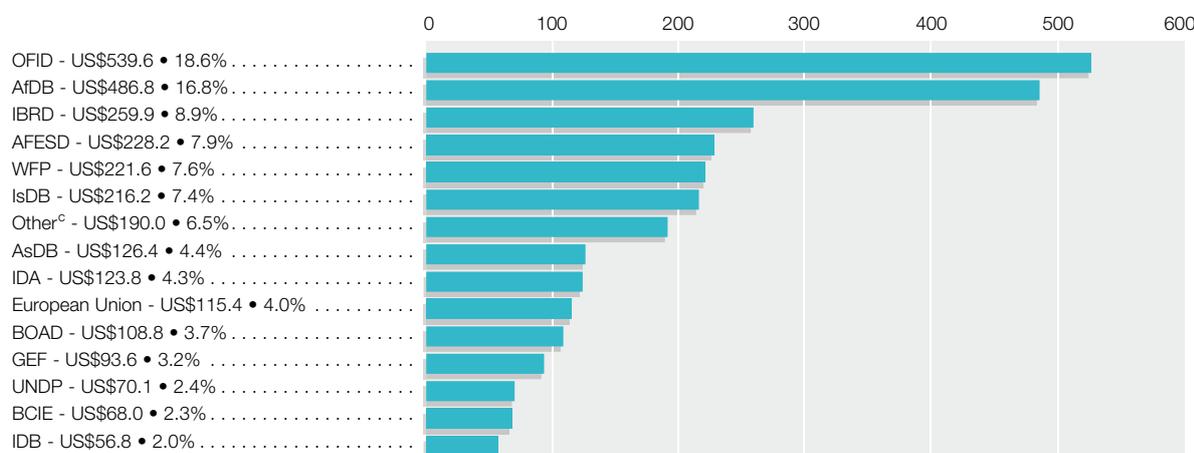


Source: Grants and Investment Projects System.

^a Amounts as per the President's report for each programme or project presented to the Executive Board. Any discrepancy in totals is the result of rounding. The amounts and percentages shown here represent the share of each bilateral in total bilateral cofinancing of US\$1,066.8 million. Bilateral participation in basket or similar funding arrangements is not included.

CHART 8**Cofinancing of IFAD-initiated programmes and projects by multilateral donors, 1978-2014^{a, b}**

Amounts in US\$ million



Source: Grants and Investment Projects System.

^a Amounts as per the President's report for each programme or project presented to the Executive Board. Any discrepancy in totals is the result of rounding. The amounts and percentages shown here represent the share of each multilateral in total multilateral cofinancing of US\$2,905.0 million. Multilateral participation in basket or similar funding arrangements is not included.

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

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

Managing IFAD's liquidity, cash flow and financial policies

IFAD manages US\$1.7 billion for the regular programme of work and US\$0.6 billion for supplementary programmes and trust funds. As projected, regular resources declined over the year owing to net outflows and foreign exchange movements. The balance for other funds remains stable.

In 2014, the volume of cash transactions was in line with the previous year's activities. Regular programme transactions amounted to US\$4.0 billion and non-regular transactions reached US\$2.0 billion. Driven by expansion of the regular and non-regular programme of work, yearly average cash transactions over the IFAD9 period show a 7 per cent increase compared with the IFAD8 period. During the year, IFAD started a review of internal financial systems as part of systematic strengthening of risk management. The review will be completed in 2015.

To mitigate the impact of the low interest rate environment and improve support for sustainable cash flow, liquidity management was enhanced in terms of both financial projections and banking arrangements.

An independent review of asset allocation for the After-Service Medical Care Scheme portfolio was carried out to validate the current investment strategy. The review confirmed that current asset allocation and strategy are close to optimal. The recommendation for developing a separate Investment Policy Statement tailored to the specific nature of this portfolio has been implemented, and the new policy will be presented to the Governing Council in 2015.

As co-chair of the Finance and Budget Network Working Group on Common Treasury Services, IFAD continues to play a leading role in United Nations efforts to increase the operational efficiency of treasuries. We also host the dedicated website, which continues to be the principal forum for interaction among United Nations treasuries.

In line with the corporate focus on IFAD's presence in the countries where we operate (see map inside front cover), legal and administrative procedures were finalized in Ghana and a local bank account was opened for the new IFAD country office.

TABLE 6
IFAD financing by region, 1978-2014^{a, b}
Amounts in US\$ million

	1978-2000	2001-2006	2007-2012	2013	2014	1978-2014
West and Central Africa						
Total amount	1 207.6	454.9	857.7	244.8	157.8	2 922.8
Number of programmes and projects	127	35	41	5	6	214
East and Southern Africa						
Total amount	1 194.2	489.5	1 067.4	174.7	94.9	3 020.7
Number of programmes and projects	105	30	37	5	4	181
Asia and the Pacific						
Total amount	2 262.4	769.4	1 432.9	227.2	269.5	4 961.4
Number of programmes and projects	145	37	48	6	8	244
Latin America and the Caribbean						
Total amount	1 100.5	375.8	465.9	107.1	4.0	2 053.3
Number of programmes and projects	103	21	32	5	1	162
Near East, North Africa and Europe						
Total amount	1 158.0	421.4	629.5	83.9	187.3	2 480.1
Number of programmes and projects	98	29	35	4	7	173
Total IFAD financing^c	6 922.7	2 511.0	4 453.5	837.7	713.4	15 438.3
Total number of programmes and projects^d	578	152	193	25	26	974

Source: Grants and Investment Projects System.

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

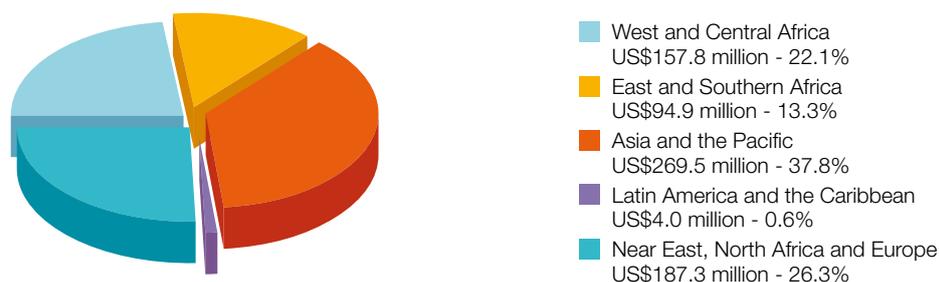
^b Total amounts may include additional financing for programmes and projects previously approved.

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

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

CHART 9**Regional distribution of IFAD financing for programmes and projects approved in 2014^a**

Share of total of US\$713.4



Source: Grants and Investment Projects System.

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

CHART 10**IFAD current portfolio financing by sector (at end 2014)**

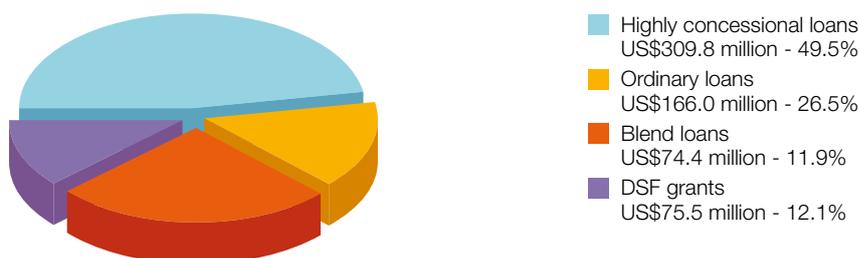
Source: Grants and Investment Projects System.

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

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

CHART 11**IFAD loans by lending terms, and DSF grants, 2014^a**

Share of total of US\$625.8 million



Source: Grants and Investment Projects System.

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

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

Debt relief and debt management make an important contribution to reducing poverty. During 2014, IFAD continued to give full support to work at the international level addressing the existing debt of poor countries through the Heavily Indebted Poor Countries (HIPC) Debt Initiative. 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 89 per cent of eligible countries (35 out of 39) have passed their decision points, qualifying for HIPC Debt Initiative assistance from IFAD. A total of 34 countries have reached completion point – at which they receive full and irrevocable debt reduction. One country is in the interim period between the decision and completion points.

Our total commitments so far amount to approximately US\$687.2 million of debt service relief in nominal terms. As at 31 December 2014, IFAD had provided US\$543.5 million in debt relief to the 34 completion-point countries, in nominal terms.

During 2014, 12.1 per cent of the total value of approved financing for investment programmes and projects was in the form of DSF grants. Eight grants were approved, for a total value of US\$75.5 million (Table 7).

TABLE 7
Summary of IFAD loans by lending terms, and of DSF grants, 1978-2014^a
Amounts in US\$ million

	1978-2000	2001-2006	2007-2012	2013	2014	1978-2014
DSF grants						
Amount	-	-	1 007.8	160.9	75.5	1 244.2
Number of grants	-	-	81	14	8	103
Highly concessional loans						
Amount	4 748.8	2 078.7	2 338.4	435.9	309.8	9 911.7
Number of loans	414	131	128	18	15	706
Hardened loans						
Amount	-	-	59.1	-	-	59.1
Number of loans	-	-	5	-	-	5
Intermediate loans						
Amount	1 422.0	183.8	368.9	-	-	1 974.7
Number of loans	121	12	15	-	-	148
Blend loans						
Amount	-	-	-	29.3	74.4	103.7
Number of loans	-	-	-	2	3	5
Ordinary loans						
Amount	695.3	251.7	628.0	105.0	166.0	1 846.0
Number of loans	55	13	41	5	6	120
Total amount	6 866.1	2 514.3	4 402.2	731.1	625.8	15 139.4
Total number of loans and DSF grants^{b, c}	590	156	270	39	32	1 087

Source: Grants and Investment Projects System.

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

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

^c Fully cancelled or rescinded loans are not included.

TABLE 8
Summary of IFAD loans by region and lending terms, and of DSF grants, 1978-2014^a
 Amounts in US\$ million

	West and Central Africa	East and Southern Africa	Asia and the Pacific	Latin America and the Caribbean	Near East, North Africa and Europe	Total
DSF grants						
Amount	464.4	342.5	226.4	38.1	172.9	1 244.2
Number of grants	34	25	21	7	16	103
Highly concessional loans						
Amount	2 267.0	2 505.3	3 732.2	424.5	982.7	9 911.7
Number of loans	202	170	203	43	88	706
Hardened loans						
Amount	-	-	-	-	59.1	59.1
Number of loans	-	-	-	-	5	5
Intermediate loans						
Amount	105.2	108.9	607.5	488.0	665.0	1 974.7
Number of loans	11	11	35	51	40	148
Blend loans						
Amount	-	-	65.1	14.3	24.3	103.7
Number of loans	-	-	2	1	2	5
Ordinary loans						
Amount	21.3	13.7	250.7	1 062.3	498.0	1 846.0
Number of loans	3	4	6	74	33	120
Total amount	2 857.9	2 970.4	4 881.8	2 027.3	2 402.0	15 139.4
Percentage of total IFAD loans and DSF grants	18.9	19.6	32.2	13.4	15.9	100.0
Total number of loans and DSF grants^{b, c}	256	210	267	176	184	1 087

Source: Grants and Investment Projects System.

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

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

^c Fully cancelled or rescinded loans are not included.

TABLE 9
Annual loan disbursement by region under the Regular Programme, 1979-2014^a
 Amounts in US\$ million

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	1979-2014
West and Central Africa	62.3	57.8	61.8	64.4	66.8	66.0	74.4	94.2	74.82	82.3	1 389.2
East and Southern Africa	75.9	88.6	89.4	85.4	106.4	99.4	104.3	140.4	136.19	99.1	1 787.1
Asia and the Pacific	93.1	127.2	122.0	99.1	129.2	158.0	230.7	172.2	148.02	180.6	3 248.9
Latin America and the Caribbean	42.3	57.4	63.4	79.1	61.6	64.0	72.9	65.7	54.21	63.5	1 437.0
Near East, North Africa and Europe	68.0	55.9	62.1	96.1	73.5	70.1	67.3	61.9	69.35	59.3	1 540.4
Total^b	341.6	386.9	398.7	424.1	437.5	457.5	549.6	534.5	482.6	484.7	9 402.5

Source: Loans and Grants System.

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

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

TABLE 10
Annual DSF disbursement by region, 2007-2014
Amounts in US\$ million

	2007	2008	2009	2010	2011	2012	2013	2014	2007-2014
West and Central Africa	-	0.9	1.9	9.1	23.8	36.7	49.2	46.9	168.6
East and Southern Africa	1.0	3.6	5.7	17.1	28.3	40.1	45.0	60.0	200.8
Asia and the Pacific	1.0	1.7	3.9	6.8	11.6	21.0	22.9	31.8	100.7
Latin America and the Caribbean	-	-	0.6	0.9	3.4	6.6	6.2	6.3	24.0
Near East, North Africa and Europe	-	0.1	1.6	5.5	9.2	14.2	19.2	12.3	62.2
Global	-	0.1	-	-	-	-	-	-	0.1
Total^a	2.0	6.5	13.7	39.4	76.3	118.6	142.6	157.4	556.5

Source: Loans and Grants System.

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

TABLE 11
Loan disbursement by region and lending terms under the Regular Programme, 1979-2014^a
Amounts in US\$ million

	Highly concessional	Intermediate	Ordinary	Hardened	Total
West and Central Africa					
Amount	1 312.1	60.3	16.8	-	1 389.2
Percentage of total loan effective commitment	72	100	93	-	73
East and Southern Africa					
Amount	1 683.6	99.6	3.9	-	1 787.1
Percentage of total loan effective commitment	76	97	39	-	76
Asia and the Pacific					
Amount	2 762.1	437.0	49.8	-	3 248.9
Percentage of total loan effective commitment	80	76	18	-	76
Latin America and the Caribbean					
Amount	374.1	408.5	654.3	-	1 437.0
Percentage of total loan effective commitment	90	92	69	-	76
Near East, North Africa and Europe					
Amount	851.4	419.7	248.6	20.7	1 540.4
Percentage of total loan effective commitment	92	72	56	42	74
Total amount	6 983.4	1 425.1	973.4	20.7	9 402.5
Total percentage of total loan effective commitment	79	80	58	42	76

Source: Loans and Grants System.

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



Awards

Staff awards

Each year, IFAD rewards exceptional work and staff commitment at an annual awards ceremony. The 2014 staff awards recognized extraordinary leadership, innovation, change facilitation and commitment to IFAD core values both at headquarters and in the field.



2014 Staff Award winners with the President of IFAD (from left to right): Joaquín Lozano, Alessio Accardi, Natalia Toschi, Roberta Marziali, Tiziana Carpenelli, Robson Mutandi, Paula Kim, Kanayo F. Nwanze, Paola De Leva, Petra Valente, Isabella Picece, Shamela Brown, Manuela Carugno, Silvia Giachetti, Lucie Pasquale, Amedeo Paglione, Ursula Wieland, Victoria Chiartano, Dave Nolan

Leadership

Joaquín Lozano
Natalia Toschi

**Innovative project/
Extraordinary initiative**

Annely Koudstaal
Dave Nolan

Uganda country team

Line Kaspersen
Alessandro Marini
Deborah Martin
Pontian Muhwezi

Facilitator of change

Vincent Darlong

CIAO2 team

Shamela Brown
Victoria Chiartano
Paola De Leva
Kelly Feenan
Silvia Giachetti
Amedeo Paglione
Lucie Pasquale
Petra Valente

GRIPS team

Theresa Rice
Ursula Wieland

IFAD core values

Fiorella Nobile
Robson Mutandi

Travel and visa section

Alessio Accardi
Tiziana Carpenelli
Manuela Carugno
Roberta Marziali
Isabella Picece

Presidential recognition

Paula Kim

Honourable mention

Marcello Barnaba
Lleir Borrás Metje
Ivan Turkovic
Cross Departmental Coordination Team

Awards to IFAD

During 2014, several Member State governments presented awards to IFAD in recognition of our work to empower and invest in rural people. In January, IFAD President, Kanayo F. Nwanze, was named **Grand Officier de l'Ordre National du Benin**, by Benin's President Boni Yayi in recognition of IFAD's work in the country. Current IFAD-supported projects in Benin are working to strengthen, professionalize and expand the financial services available to smallholder farmers, and create rural infrastructure to support value chains for non-cotton crops.

In June, the IFAD team in the Democratic Republic of the Congo received the **2014 Award of Excellence**, a biennial honour bestowed jointly by IFAD, FAO and WFP. The award recognizes country teams that embody a spirit of partnership and collaboration among the three Rome-based United Nations food agencies. The IFAD, FAO and WFP teams in the Democratic Republic of the Congo have worked to improve resilience for 3 million households, strengthen the management capacity of 1,000 farmer organizations and establish 60 community radio listeners' clubs.

In July, the United States Department of the Treasury awarded IFAD its second **Development Impact Honor** in recognition of the IFAD-funded Microfinance for Marginal and Small Farmers Project. The project provides financial services to some 200,000 small-scale farmers in Bangladesh, the majority of whom are women who previously had no access to microfinancing opportunities.

In August, Nwanze received the **Dr M.S. Swaminathan Award for Environment Protection** from the Rotary Club of Madras East, Chennai, India. The accolade recognized his leadership in increasing IFAD's advocacy to ensure that agriculture is a central part of the international development agenda.

Later that month, IFAD's President was named Officer of the **National Order of the Republic of The Gambia**. The honour was conferred on him by the Vice-President and Women's Affairs Minister of The Gambia on behalf of President Jammeh, in recognition of Nwanze's service to the agricultural development of The Gambia and sub-Saharan Africa as a whole.

Internally, the second annual **IFAD Gender Awards** recognized the IFAD-supported projects in each region that most improved the lives of rural women. This year, the Gender Awards honoured the Programme for Increasing Sustainable Microfinance in Pakistan (Asia and the Pacific); the Kirehe Community-based Watershed Management Project in Rwanda (East and Southern Africa); the Development of the Central Corridor Project in Ecuador (Latin America and the Caribbean); the Al-Dhala Community Resource Management Project in Yemen (Near East, North Africa and Europe); and the Rehabilitation and Community-based Poverty Reduction Project in Sierra Leone (West and Central Africa).



SUMMARY OF 2014 PROGRAMMES, PROJECTS AND GRANTS

For information on programmes and projects in the pipeline:

<http://www.ifad.org/operations/pipeline/index.htm>.

Programmes and projects

West and Central Africa

CAMEROON: Youth Agropastoral Entrepreneurship Promotion Programme

This programme will adopt an incubation approach to remove constraints, facilitate young people's access to various services, and support business development in the different value chains. It will assist young people in creating and managing successful enterprises, and will promote development of a policy for including organizations and an institutional framework for guiding the creation and development of agropastoral businesses by young people. Coaching opportunities for young people will include assistance in project design, strengthening of technical skills, financial education, and training in business management and the various functions of the business owner.

Approved loan amount: SDR 14.8 million (equivalent to approximately US\$22.5 million)

Total programme cost: estimated at US\$67.0 million, of which national government will provide US\$9.9 million, beneficiaries US\$2.1 million and microfinancing institutions US\$9.4 million

Approximate reach: 50,400 households

Directly supervised by IFAD

CHAD: Project to Improve the Resilience of Agricultural Systems in Chad (PARSAT)

PARSAT aims to improve resilience to climate change and external shocks in agricultural systems and rural household economies. The project will have three components: increasing security against climate risk and intensifying agricultural production; optimizing production and supporting economic activities for rural households; and project coordination, and administrative and financial management. It will target vulnerable farming households dependent on food crop production; 40 per cent of the target population will be women and 30 per cent young people. The seven-year project will be split into two phases of three and a half years each.

Approved IFAD grant amount: SDR 11.1 million (equivalent to approximately US\$17.2 million)

Approved ASAP grant amount: SDR 3.2 million (equivalent to approximately US\$5.0 million)

Total project cost: estimated at US\$36.2 million, of which national government will provide US\$6.1 million, beneficiaries US\$0.6 million and the Least Developed Countries Fund/Global Environment Facility (GEF) cofinancing US\$7.3 million

Approximate reach: 35,000 households

Directly supervised by IFAD

CÔTE D'IVOIRE: Support to Agricultural Production and Marketing Project (PROPACOM) – Western Expansion

This project expands the PROPACOM project to western Côte d'Ivoire. It will operate in six regions and 16 departments located in the three districts of Montagnes, Denguélé and Woroba. PROPACOM will work to develop food and market garden value chains and improve incomes and food security for rural people. It will increase smallholder access to effective services, and appropriate technology and markets, while increasing the

resilience of production systems to climate change. PROPACOM will target smallholders producing food crops, prioritizing women because of their heavy involvement in food crop production.

Approved loan amount: SDR 11.2 million (equivalent to approximately US\$17.4 million)

Approved IFAD grant amount: SDR 11.2 million (equivalent to approximately US\$17.4 million)

Approved ASAP grant amount: SDR 4.5 million (equivalent to approximately US\$7.0 million)

Total project cost: estimated at US\$59.7 million, of which national government will provide US\$5.3 million, beneficiaries US\$2.4 million and the OPEC Fund for International Development (OFID) cofinancing US\$10.0 million

Approximate reach: 240,000 people

Directly supervised by IFAD

GHANA: Ghana Agricultural Sector Investment Programme (GASIP)

GASIP will work to reduce poverty in rural Ghana sustainably. It will have three components: value chain development; rural value chain infrastructure; and knowledge management, policy support and coordination. Smallholder farmers and resource-poor rural people will be the main targets, particularly women, young people (aged 15-24 years) and young adults (aged 25-34 years). This national programme will be governed by a demand- and market-driven approach. The initial design and financing will cover the first two cycles (six years).

Approved loan amount: SDR 23.7 million (equivalent to approximately US\$36.6 million)

Approved ASAP grant amount: SDR 6.5 million (approximately US\$10.0 million)

Total programme cost: estimated at US\$113.0 million, of which national government will provide US\$7.6 million, beneficiaries US\$4.6 million, districts US\$1.7 million and participating financial institutions US\$17.5 million. IFAD is expected to seek additional financing of US\$35.0 million in 2016-2018

Approximate reach: 55,000 households

Directly supervised by IFAD

SAO TOME AND PRINCIPE: Smallholder Commercial Agriculture Project (PAPAC)

This project may operate nationwide and is a continuation of previous projects in support of high-yield smallholder agriculture. PAPAC aims to continue the work of the National Family Farming Promotion Programme and the Participatory Smallholder Agriculture and Artisanal Fisheries Development Programme in reducing rural poverty and food insecurity. The target groups will primarily include 4,300 young households and 1,800 single-parent or extended single-parent households headed solely by women. There will be four components: development of family plantations; consolidation of producer organizations; introduction of new intervention areas; and coordination, management, and monitoring and evaluation.

Approved IFAD grant amount: SDR 2.0 million (equivalent to approximately US\$3.0 million)

Total project cost: estimated at US\$9.9 million, of which national government will provide US\$0.9 million, beneficiaries US\$1.0 million, the French Development Agency (AFD) US\$0.7 million, and cofinancing – yet to be mobilized – US\$1.2 million

Approximate reach: 4,750 households

Directly supervised by IFAD

TOGO: National Rural Entrepreneurship Project (PNPER)

PNPER will be national in scope, operating in the regions of Maritime, Plateaux, Centrale, Kara and Savanes, covering 20 prefectures. It will target young women and men (aged 18-40 years). The objective is to promote the development of rural enterprises, generating long-term paid employment for young people at the local level. PNPER will have three components: facilitating access to non-financial services; facilitating access to financial services; and project coordination, monitoring and evaluation, and knowledge management.

Approved loan amount: SDR 7.0 million (equivalent to approximately US\$10.8 million)

Approved IFAD grant amount: SDR 7.0 million (equivalent to approximately US\$10.8 million)

Total project cost: estimated at US\$39.6 million, of which national government will provide US\$3.8 million, beneficiaries US\$1.9 million and cofinancing US\$8.7 million

Approximate reach: 280,000 people

Directly supervised by IFAD

East and Southern Africa

BURUNDI: National Programme for Food Security and Rural Development in Imbo and Moso

This programme will operate in Cibitoke, Bujumbura Rural and Bubanza provinces in Imbo Region, and Ruyigi and Rutana provinces in Moso Region. It will have three components: hydro-agricultural infrastructure development and improved access; value chain development and organization; and coordination and institutional capacity-building. The programme's main target group will comprise smallholders, farmer-breeders and promoters of rural economic initiatives. Targeted households will generally be those with no or inadequate access to fundamental necessities such as production factors, financial services, markets, health care, nutrition education and equipment.

Approved loan amount: US\$20.0 million from OFID

Approved IFAD grant amount: US\$1.0 million

Total programme cost: estimated at US\$57.9 million, of which national government will provide US\$6.5 million, beneficiaries US\$0.5 million and cofinancing from the Global Agriculture and Food Security Program US\$30.0 million

Approximate reach: 55,575 households (reached directly and indirectly)

Directly supervised by IFAD

LESOTHO: Wool and Mohair Promotion Project

This project is national in scope, covering all ten administrative districts. It will focus on Lesotho's rangelands, which cover more than two thirds of the country's surface. The goal of the project is to boost resilience to the adverse effects of climate change and economic shocks among poor people. The project will target smallholder farmers, poor rural dwellers, and poor rural women and young people in the project area. It will have three components: climate-smart rangeland management; improved livestock production and management; and wool and mohair fibre handling and marketing.

Approved loan amount: SDR 3.8 million (equivalent to approximately US\$5.8 million)

Approved DSF grant amount: SDR 3.8 million (equivalent to approximately US\$5.8 million)

Approved ASAP grant amount: SDR 4.6 million (equivalent to approximately US\$7.0 million)

Total project cost: estimated at US\$38.9 million, of which national government will provide US\$4.0 million, OFID US\$12.0 million, Lesotho National Wool and

Mohair Growers Association US\$1.5 million, and additional cofinancing – yet to be identified – US\$2.8 million

Approximate reach: 50,000 households

Directly supervised by IFAD

UGANDA: Project for the Restoration of Livelihoods in the Northern Region (PRELNOR)

This project will help rural households to increase the production and productivity of crops for food security and marketing. Its objectives are to increase sustainable production, promote the productivity and climate resilience of smallholder farmers, and increase profitable access to domestic and export markets. It will achieve these objectives by combining livelihoods and market linkage approaches. This will ensure that more vulnerable households and young people receive opportunities to develop the confidence to participate in community-level livelihood production activities. PRELNOR will target food-insecure households, food-secure households vulnerable to climate or other shocks, market-oriented households and young people.

Approved loan amount: SDR 34.0 million (equivalent to approximately US\$50.2 million)

Approved ASAP grant amount: SDR 6.7 million (equivalent to approximately US\$10.0 million)

Total project cost: estimated at US\$71.0 million, of which national government will provide US\$9.3 million and beneficiaries US\$1.5 million

Approximate reach: 140,000 households

Directly supervised by IFAD

ZAMBIA: Enhanced Smallholder Livestock Investment Programme

This programme is national in scope, but implementation will focus on districts prone to outbreaks of contagious bovine pleuropneumonia and/or East Coast fever, and districts to which these diseases may spread. The programme will sustainably improve the production and productivity of the livestock systems of targeted smallholder producers in selected provinces. It will target poor, smallholder livestock households, focusing on those headed solely by women or young people.

Approved loan amount: SDR 9.3 million (equivalent to approximately US\$14.2 million)

Approved IFAD grant amount: SDR 0.6 million (equivalent to approximately US\$0.9 million)

Total programme cost: estimated at US\$46.3 million, of which national government will provide US\$10.6 million, beneficiaries US\$8.6 million and OFID US\$12.0 million, subject to approval

Approximate reach: 1,080,000 households (reached directly and indirectly)

Directly supervised by IFAD

Asia and the Pacific

BANGLADESH: Promoting Agricultural Commercialization and Enterprises Project

This project will be implemented nationally. It aims to enhance the livelihoods of rural women and men by improving profitable business opportunities for microentrepreneurs and creating wage employment for moderately and extremely poor people. It will build on the experiences of previous development projects and scale up IFAD-supported interventions in Bangladesh. The project will have three components: financial services for microenterprises; value chain development; and technology and product adaptation. The target group will include microentrepreneurs and moderately or extremely poor people, particularly marginal and smallholder farmers, and non-farm microentrepreneurs and professionals in related service sectors.

Approved loan amount: SDR 26.3 million (equivalent to approximately US\$40.0 million)

Total project cost: estimated at US\$92.8 million, of which cofinancing will provide US\$22.4 million from the Palli Karma-Sahayak Foundation (PKSF), US\$30.0 million from PKSF partner microfinance organizations and US\$0.36 million from the Republic of Korea supplementary funds

Approximate reach: 452,000 households

Directly supervised by IFAD

CAMBODIA: Agriculture Services Programme for Innovation, Resilience and Extension (ASPIRE)

ASPIRE will expand into the five target provinces covered by the ongoing Project for Agricultural Development and Economic Empowerment when it ends in 2018, plus three additional provinces that will be identified by the midterm review. The programme's objective is that by 2021 an improved model of extension services for Cambodia will be helping smallholder farmers to contribute to broad-based economic growth. It will achieve this objective through profitable and resilient farm businesses. ASPIRE will have four components: evidence-based policy development; capacity development for extension services; improved extension services; and infrastructure to support climate-resilient agriculture. It will target productive poor people and vulnerable smallholder farmers.

Approved loan amount: SDR 17.7 million (equivalent to approximately US\$26.1 million)

Approved ASAP grant amount: SDR 10.1 million (equivalent to approximately US\$15.0 million)

Total programme cost: estimated at US\$82.2 million, of which national government will contribute US\$11.4 million, beneficiaries US\$5.8 million, and cofinancing US\$7.2 million from the Commune/Sangkat Fund, US\$0.9 million from the International Initiative for Impact Evaluation, US\$0.3 million from the United States Agency for International Development and US\$3.0 million from public-private partnerships. The costs of a financing gap of US\$12.4 million will be allocated mainly to the geographical expansion following the midterm review

Approximate reach: 120,000 households

Directly supervised by IFAD

CHINA: Jiangxi Mountainous Areas Agribusiness Promotion Project (JiMAAPP)

This project aims to increase farmers' production bases and improve the efficiency of agricultural production. It will also enhance product quality and improve margins along value chains, especially at the farm level. JiMAAPP will have three components: agribusiness promotion and development; farm production expansion and productivity enhancement; and project management and coordination. It will target poor rural people, especially women.

Approved loan amount: EUR 34.5 million (equivalent to approximately US\$43.0 million)

Approved IFAD grant amount: SDR 0.5 million (equivalent to approximately US\$0.8 million)

Total project cost: estimated at US\$125.2 million, of which national government will provide US\$40.8 million, beneficiaries US\$12.1 million and cofinancing from participating financial institutions US\$25.2 million and from cooperatives and enterprises US\$3.4 million

Approximate reach: 387,000 households

Directly supervised by IFAD

INDIA: Livelihoods and Access to Markets Project

This project will work in Meghalaya State, a region that has not benefited much from India's recent development. The goal is to improve household incomes and the quality of life in Meghalaya through four components: natural resources and food security; livelihoods support; knowledge services; and project management. The project will target tribal communities, women, rural young people and households living under the poverty line. The overall objective is to create new sustainable livelihood opportunities that are adapted to the hill environment, and to build capacity to adapt to the effects of climate change.

Approved loan amount: SDR 32.4 million (equivalent to approximately US\$50.0 million)

Total project cost: estimated at US\$170.0 million, of which national government will provide US\$49.7 million, banks US\$29.3 million (as loans to enterprises), beneficiaries US\$12.7 million, and convergence with other programmes US\$28.2 million

Approximate reach: 191,070 households

Directly supervised by IFAD

KIRIBATI: Outer Islands Food and Water Project (OIFWP)

This project will target four outer islands: Abebama, Beru, North Tabiteuea and Nonouti. OIFWP will ensure that people living in outer islands can successfully plan and implement investments to obtain better nutrition and clean water. It will have four components: community planning and action; improved household food and nutrition; rainwater harvesting for increased household water supplies; and project coordination and management. The project will work with the whole population, but will focus more on women and young people (aged 15-30 years).

Approved IFAD grant amount: SDR 1.9 million (equivalent to approximately US\$3.0 million)

Total project cost: estimated at US\$7.2 million, of which national government will provide US\$1.0 million and two cofinanciers US\$3.0 million and US\$0.15 million, respectively

Approximate reach: 2,200 households

Directly supervised by IFAD

MYANMAR: Fostering Agricultural Revitalization in Myanmar Project (FARM)

FARM is the first project to be financed by IFAD in Myanmar. It will target poor rural women and men in the project area, helping them improve their economic status. The project will be implemented in selected townships of Naypyidaw Union Territory. It will work to increase the incomes of smallholder and landless households through two components: agricultural infrastructure; and agricultural and business services. FARM aims to empower rural women and men through access to agricultural resources, technologies, services and markets. It will also work to create business and employment opportunities for rural women and men.

Approved loan amount: SDR 12.1 million (equivalent to approximately US\$18.7 million)

Approved IFAD grant amount: SDR 0.5 million (equivalent to approximately US\$0.8 million)

Total project cost: estimated at US\$27.8 million, of which national government will provide US\$5.3 million, the private sector approximately US\$2.4 million and beneficiaries US\$0.6 million

Approximate reach: 37,600 households

Directly supervised by IFAD

NEPAL: Adaptation for Smallholders in Hilly Areas Project (ASHA)

ASHA will build on previous successful IFAD projects promoting community development, agricultural production and environmental protection in Nepal. Over the next six years, it will strengthen the adaptive capacity of communities and institutions to contend with climate change risks. The project will be implemented in ten vulnerable districts. Phase I (years 1-3) will focus on six districts in Mid-Western Region: Jajarkot, Kalikot, Dailekh, Salyan, Rolpa and Rukum. Phase II (years 4-6) will either intensify project activities in these districts or scale up to other central and eastern regions. The project will target poor women and men, landless households, and ethnic minority and other socio-economically marginalized groups.

Approved IFAD grant amount: SDR 6.4 million (equivalent to approximately US\$10.0 million)

Approved ASAP grant amount: SDR 9.7 million (equivalent to approximately US\$15.0 million)

Total project cost: estimated at US\$37.7 million, of which national government will provide US\$6.7 million and beneficiaries US\$6.0 million

Approximate reach: 100,000 households

Directly supervised by IFAD

PAPUA NEW GUINEA: Productive Partnerships in Agriculture Project (PPAP)

This project was originally designed in partnership with the World Bank and the Government of Papua New Guinea. It became effective in September 2010 with a completion date of June 2016. PPAP will improve the livelihoods of smallholder cocoa and coffee producers by enhancing the performance and sustainability of value chains in cocoa- and coffee-producing areas. It will target disadvantaged households, women and remote communities with institutional strengthening and industry coordination, productive partnerships and infrastructure to improve market access.

Approved loan amount: US\$22.0 million

Total project cost: estimated at US\$119.3 million, of which national government will provide US\$4.5 million, beneficiaries US\$10.1 million, the World Bank US\$30.0 million, the European Union US\$6.4 million, and additional financing sources US\$73.0 million

Approximate reach: 60,000 beneficiaries

Directly supervised by IFAD

VIET NAM: Commodity-Oriented Poverty Reduction Programme (CPRP) in Ha Giang Province

This programme will be implemented in Ha Giang Province in the far northwest corner of Viet Nam. CPRP will build on the IFAD-financed Decentralized Programme for Rural Poverty Reduction in Ha Giang and Quang Binh Provinces, which ended in 2011. It will target poor rural households with land and labour resources, unskilled employed rural people, rural people with business acumen but no productive land and key farmers with the skills to promote commercial agricultural production. Ethnic minority households and those headed solely by women will be prioritized. The programme will have two components: planning for sustainable market-led development; and building pro-poor commodity investments.

Approved loan amount: SDR 6.5 million (equivalent to approximately US\$10.0 million)

Total programme cost: estimated at US\$33.7 million, of which national government will provide US\$9.5 million and beneficiaries US\$4.2 million. A financing gap of US\$10.0 million will be addressed at a later stage, subject to Executive Board approval

Approximate reach: 20,400 households

Directly supervised by IFAD

Latin America and the Caribbean

URUGUAY: Rural Inclusion Pilot Project (RIPP)

RIPP has been designed as a pilot project. It will provide poor rural people with nine new validated mechanisms for obtaining services to improve their living conditions and quality of life. It will have three components: strengthening human and social capital; productive development and positioning of family producers within value chains; and project management. RIPP will target poor rural people with at least one unmet basic need, prioritizing people receiving social support. The required contribution to project investments will be lowered for women and young people, to facilitate their participation.

Approved loan amount: SDR 2.6 million (equivalent to approximately US\$4.0 million)

Total project cost: estimated at US\$5.8 million, of which national government will provide US\$1.0 million and beneficiaries US\$0.8 million

Approximate reach: 2,000 families

Directly supervised by IFAD

Near East, North Africa and Europe

ARMENIA: Infrastructure and Rural Finance Support Programme

This programme will have two areas of implementation. The infrastructure component will cover the seven regions of Aragatsotn, Gegharqunik, Lori, Shirak, Sjunik, Tavoush and Vajots Dzor, while the rural finance component will be countrywide. The programme will generate income growth and sustainable employment opportunities by strengthening agricultural production systems and linkages to value chains for cash crops. It will have four components: rural finance; water infrastructure for rural areas; awareness-raising and support for farmers; and programme management. The main target group will be poor farmers and rural households, particularly vulnerable households headed solely by women or young people.

Approved loan amount: SDR 7,250,000 (equivalent to approximately US\$11.0 million)

Approved DSF grant amount: SDR 231,000 (equivalent to approximately US\$0.3 million)

Total programme cost: estimated at US\$52.8 million, of which national government will provide US\$10.1 million, beneficiaries US\$3.5 million, OFID US\$25.0 million, bilateral donor(s) US\$2.0 million and national financial institutions US\$0.9 million

Approximate reach: 66,000 beneficiaries

Directly supervised by IFAD

EGYPT: Sustainable Agriculture Investments and Livelihoods Project

The objective of this project is to enable smallholder farmers to increase their incomes and profitability, and diversify their livelihoods. The project aims to strengthen smallholder institutions, improve agricultural production and marketing, and build capacities for employment and enterprise development. It will have four components: community and livelihood development; agricultural development and diversification; rural financial services; and project management. It will target farmers, particularly young people, who are poor, vulnerable, and facing food and nutrition insecurity.

Approved loan amount: SDR 42.7 million (equivalent to approximately US\$63.2 million)

Approved IFAD grant amount: SDR 1.0 million (equivalent to approximately US\$1.4 million)

Approved ASAP grant amount: SDR 3.3 million (equivalent to approximately US\$5.0 million)

Total project cost: estimated at US\$86.9 million, of which national government will provide US\$15.2 million and beneficiaries US\$2.0 million

Approximate reach: 40,000 households

Directly supervised by IFAD

GEORGIA: Agricultural Modernization, Market Access and Resilience Project

This project will seek to facilitate sustainable livelihoods and food security by increasing the competitiveness of agricultural production and ensuring equitable increases in rural incomes. It also aims to ensure the safety of food supplies, to protect the public and to improve access to domestic and international markets, while promoting environmental sustainability to protect natural resources. The primary target group will be poor smallholder farmers who are commercially and economically active. The secondary target group will be other value chain actors, including agribusinesses, cooperatives and service providers. The project will have three components: irrigation and agricultural value chain investment; climate-smart agriculture and value chain development; and project management.

Approved loan amount: SDR 8.6 million (equivalent to approximately US\$13.3 million)

Total project cost: estimated at US\$31.3 million, of which national government will provide approximately US\$2.4 million, beneficiaries US\$9.8 million, cofinancing from the GEF US\$5.3 million and an IFAD grant for Capacity-Building for Enhancing Agricultural Resilience and Competitiveness US\$0.5 million

Approximate reach: 10,000 smallholder farmers

Directly supervised by IFAD

JORDAN: Rural Economic Growth and Employment Project

This project will initially focus on rural areas of the governorates of Ajloun, Balqa, Jerash, Madaba and Mafrq. It aims to create productive employment and income-generating opportunities for poor, vulnerable rural people, especially women and young people. It will seek to do so by improving access to finance in rural areas; integrating smallholder farmers into value chains, and improving the efficiency and organization of value chains; increasing exports of high-water-value fruit and vegetables; and creating employment opportunities in rural areas. It has two closely linked technical components: value chain and enterprise development; and rural finance. The project is expected to reach about 9,675 poor and vulnerable rural households, and create more than 9,000 secure jobs.

Approved loan amount: SDR 7.3 million (equivalent to approximately US\$10.8 million)

Approved IFAD grant amount: SDR 0.3 million (equivalent to approximately US\$0.5 million)

Total project cost: estimated at US\$15.1 million, of which national government will provide US\$1.4 million, beneficiaries US\$0.6 million, the National Center for Agricultural Research and Extension US\$1.4 million, and the Development and Employment Fund, the Jordan Enterprise Development Corporation and the Jordan Standards and Metrology Organization US\$0.3 million

Approximate reach: 66,500 beneficiaries

Directly supervised by IFAD

MOROCCO: Rural Development Programme in the Mountain Zones – Phase I

The overall objective of this programme is to contribute to a 30 per cent reduction in poverty by 2030 and to improve living conditions for rural people in mountain zones. It will operate in 32 rural communes in the provinces of Séfrou and d'Azilal, and be implemented over a period of 15 years in three phases of five years each. The first phase will have two main components: agricultural value chain development and value addition; and sustainable natural resource management, climate change adaptation and

diversification. It will target rural communities with high incidences of poverty and vulnerability, areas with significant soil degradation, and women and young people.

Approved loan amount: SDR 16.5 million (equivalent to approximately US\$25.5 million)

Approved ASAP grant amount: SDR 1.2 million (equivalent to approximately US\$2.0 million)

Total programme cost: estimated at US\$50.0 million, of which national government will provide US\$13.5 million, beneficiaries US\$2.0 million and cofinancing from the GEF US\$6.5 million

Approximate reach: 64,000 households

Directly supervised by IFAD

SUDAN: Livestock Marketing and Resilience Programme

This programme will cover the five states of Blue Nile, North Kordofan, Sennar, West Kordofan and White Nile. The overall goal is to increase the food security, incomes and climate resilience of poor households in pastoralist communities. The development objectives are to increase earning opportunities and improve living conditions in livestock-based communities. The programme will have three components: livestock business development; community-led natural resource management and enhanced adaptive capacities; and rural enterprise and social development. It will target economically marginalized and poor households, focusing on poor rural women and young men responding to income-generating opportunities. Private-sector value adders, service providers and operators in the principal livestock value chains will be secondary targets.

Approved IFAD grant amount: SDR 16.5 million (equivalent to approximately US\$24.5 million)

Approved ASAP grant amount: SDR 4.7 million (equivalent to approximately US\$7.0 million)

Total programme cost: estimated at US\$119.2 million, of which the federal government will provide US\$9.5 million, beneficiaries US\$9.0 million, cofinancing from the Least Developed Countries Fund/GEF US\$8.5 million, and the Central Bank of Sudan US\$3.0 million. Local banks are expected to contribute US\$20.8 million and public-private partnerships US\$36.9 million

Approximate reach: 100,000 households

Directly supervised by IFAD

TUNISIA: Agropastoral Value Chains Project in the Governorate of Médenine

This project will create new employment opportunities for vulnerable rural people in three delegations of the Governorate of Médenine: Ben Guerdane, Beni Khedache and Sidi Makhoulouf. It will strengthen the resilience of agropastoral production systems and related value chains. It specifically aims to enable public and private actors to manage and develop local territories and agropastoral value chains sustainably. The project plans to achieve this goal through three components: making agropastoral systems more resilient; developing value chains and *terroirs*; and building capacity. It will target small livestock breeders with fewer than 50 head of small ruminants or five head of camelids, and smallholders farming less than 20 hectares of rainfed rangeland. Women and young people will also be targeted.

Approved loan amount: SDR 12.6 million (equivalent to approximately US\$19.5 million)

Total project cost: estimated at US\$36.8 million, of which national government will provide US\$10.1 million, beneficiaries US\$0.8 million, cofinancing from the European Union US\$3.5 million and national bank credit US\$2.9 million

Approximate reach: 75,200 inhabitants

Directly supervised by IFAD

Grants

In IFAD, grants have always been a key instrument for eradicating rural poverty. They complement our investment projects by promoting research on innovative approaches and technological options that will benefit poor rural people, and by building the pro-poor capacities of our partner institutions. Since 1978, IFAD has committed US\$970.1 million in grants (see Table 2) for testing and disseminating new pro-poor agricultural technologies, developing new organizational approaches at the community level and beyond, and influencing policies. IFAD gives grants to governments, research organizations, non-governmental, private-sector and civil society organizations and centres of excellence involved in rural poverty reduction.

Some IFAD grants are country-specific, while others are regional or even global, depending on the nature of the innovation and the scope of intervention. In 2014, we approved grants worth a total of US\$51.1 million: US\$39.5 million for global and regional grants and US\$11.6 million for grants in specific countries, including US\$1.0 million for small grants under the debt sustainability framework.

Grants for activities implemented in specific countries strengthen IFAD's capacity to:

- engage in strategic and catalytic activities at the national level, in the areas of knowledge management, policy dialogue and analysis, and partnership
- pilot innovative approaches to rural poverty reduction that can be scaled up through investment projects.

These grants are closely linked to IFAD's country programmes, supporting linkages among activities within a country. They often involve mobilizing and strengthening the institutional capacities of national and civil society organizations. This enables them to address national and local issues and to support partnership formation, the establishment of platforms for policy dialogue and pro-poor institutional transformation.

IFAD is a member of the CGIAR Fund Council, which serves as a strategic financing body to harmonize funding decisions, ensure accountability, and approve and finance CGIAR research programmes. IFAD has a dedicated agricultural research for development (AR4D) sub-window, which serves to sharpen the focus of grant investments on the most promising sources of sustainable pro-poor agricultural technologies. The sub-window supports agricultural research institutions (both CGIAR and non-CGIAR) that have a proven track record in the resource-poor and disadvantaged environments where IFAD works.

Through the grant programme, we have also strengthened our partnerships with cofinancing partners and centres of excellence involved in AR4D. For example, an IFAD grant supported the development of the first Science Agenda for Agriculture in Africa, which was launched by the IFAD President under the leadership of the Forum for Agricultural Research in Africa in Johannesburg in November 2014. The Science Agenda is an important step towards the transformation of African agriculture. It aims to strengthen the continent's capacity to mobilize science that is truly responsive to the particular context of Africa and improves the livelihoods of poor rural people. Many African nations, multilateral donors and investors have already pledged support to the Agenda, and activities deriving from it will be aligned with and embedded in the Comprehensive Africa Agriculture Development Programme.

Through our support to the global agricultural research system, we have succeeded in drawing attention to the priority concerns of poor rural people. Smallholder farmers and poor rural women and men play active roles in the agricultural research projects we support. In 2014, IFAD-supported grants funded under the AR4D window totalled US\$11.7 million.

IFAD also manages European Commission funds for AR4D, specifically targeting CGIAR-led pro-poor applied research programmes. Through various agreements signed since 2007 with the European Commission, these funds have totalled more than US\$320.0 million over the past six years. About 80 per cent of the grants IFAD finances under the AR4D window are for programmes that are jointly identified and designed with the European Commission, and financed with European Commission funds managed by IFAD.

TABLE 12
Summary of grant financing, 2010-2014

Amounts in US\$ million^a

		2010	%	2011	%	2012	%	2013	%	2014	%	2010-2014	%
Global/regional grants													
	Amount	37.1	72.5	41.7	82.9	53.7	75.2	42.9	85.8	39.5	77.3	214.9	78.4
	Number of grants	54		68		70		48		45		285	
Country-specific grants													
<i>Stand-alone</i>	Amount	4.5	8.8	2.6	5.2	1.5	2.1	3.5	7.0	5.9	11.5	18.0	6.6
	Number of grants	16		5		4		8		11		44	
<i>Loan component</i>	Amount	6.0	11.7	4.6	9.1	14.8	20.8	3.6	7.2	4.7	9.2	33.7	12.3
	Number of grants	10		6		14		7		6		43	
Total country-specific	Amount	10.4	20.3	7.2	14.3	16.3	22.9	7.1	14.2	10.6	20.7	51.6	18.8
	Number of grants	26		11		18		15		17		87	
Other DSF grants													
	Amount	3.7	7.2	1.5	3.0	1.4	2.0	0.0	0.0	1.0	2.0	7.6	2.8
	Number of grants	8		4		2		0		2		16	
Total all windows	Amount	51.2	100	50.4	100	71.5	100	50.0	100	51.1	100	274.2	100.0
	Number of grants	88		83		90		63		64		388	

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

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

Summary of large grants

During the year, the Executive Board approved 27 grants, each worth more than US\$500,000 and totalling US\$33.0 million.

Africa Harvest Biotech Foundation International: Integrated Farming System for Sustainable Livelihoods of Smallholder Farmers in Eastern Africa (US\$1.3 million). The programme will contribute to poverty reduction, and food and nutrition security in Burundi, Kenya and the United Republic of Tanzania. It will do this through dissemination of proven crop technologies and soil management approaches for enhancing agricultural productivity, while sustaining the natural resource base.

Bioversity International: Climate Change, Agriculture and Food Security – Linking Agrobiodiversity Value Chains, Climate Adaptation and Nutrition: Empowering the Poor to Manage Risk (US\$1.0 million). The programme will strengthen the capacities of women and men farmers and other value chain actors, including indigenous communities, to manage risks associated with climate change, poor nutrition status and economic disempowerment.

Développement International Desjardins: Increasing Access to Sustainable Rural Financial Services in West and Central Africa (US\$950,000). The overall goal is to improve the sustainability, relevance and effectiveness of rural finance interventions for IFAD's target group in the region.

Food and Agriculture Organization of the United Nations: Strengthening Decent Rural Employment Opportunities for Young Women and Men in the Caribbean (US\$1.8 million). The programme will facilitate the development of a common subregional policy and programme, and develop and promote an evidence-based knowledge platform. In addition, it will facilitate access to employment, and the adoption of innovations and best practices for enterprise development.

Food and Agriculture Organization of the United Nations: Adapting Small-Scale Irrigation to Climate Change in West and Central Africa (US\$1.2 million). The overall goal is to improve the sustainability and adaptation of small-scale irrigation schemes across important agroecology systems in the region. The project will do this by defining the needs for climate change adaptation and assisting small-scale farmers in climate-proofing their irrigation schemes.

International Center for Agricultural Research in the Dry Areas: Improving Food Security and Sustainable Natural Resources Management through Enhanced Integrated Agricultural Production Systems in the Arabian Peninsula (US\$1.5 million). The programme will test, enhance and develop suitable technology packages. It will transfer and disseminate these packages and improve the capacity of national extension programmes to promote adoption of targeted technologies.

International Center for Agricultural Research in the Dry Areas: Improving the Performance of Pro-Poor Value Chains of Sheep and Goats for Enhanced Livelihoods, Food and Nutrition Security in Ethiopia (US\$1.2 million). The programme aims to enable small-scale sheep and goat farmers and other poor value chain actors to increase their incomes and improve their food security by enhancing sheep and goat production, and marketing.

International Center for Tropical Agriculture: Learning Alliance for Adaptation in Smallholder Agriculture (US\$1.0 million). The project, implemented through the CGIAR Research Program on Climate Change, Agriculture and Food Security, aims to maximize IFAD's impact on rural poverty. It works by enabling agricultural development policymakers and practitioners to make science-based decisions in the context of climate change.

International Centre of Insect Physiology and Ecology: Alternative Livelihoods for Food and Income Security in Four Indian Ocean Island Nations and in Zanzibar, United Republic of Tanzania (US\$1.5 million). Smallholder farmers in the Comoros, Madagascar, Mauritius, Seychelles and Zanzibar will benefit from improved beekeeping technologies and pollination services. The initiative will promote alternative livelihood sources, along with improved crop yields and biodiversity conservation.

International Indigenous Women's Forum, Tebtebba Foundation and Kivulini Trust: Indigenous Peoples Assistance Facility (IPAF) – 2014 call for proposals (US\$1.5 million). The overall goal is to foster self-driven development within the framework of the United Nations Declaration on the Rights of Indigenous Peoples. IPAF works by strengthening indigenous peoples' communities and organizations.

International Labour Organization: Strengthening Gender Monitoring and Evaluation in Rural Employment in the Near East and North Africa (US\$1.7 million). The overall goal is to create gender equality in rural employment outcomes. The programme will do this by improving project management and gender mainstreaming in development projects through rigorous monitoring and evaluation. It will also improve employment policies and investments for governments through impact research.

International Livestock Research Institute: Improved Productivity through Crop/Livestock Interventions in Burundi and the Eastern Democratic Republic of the Congo (US\$1.4 million). The goal is to improve income, nutrition and food security. The programme will do this through sustainable intensification of crop-livestock systems linked to markets, with a particular focus on women and youth.

International Water Management Institute: From Africa to Asia and Back Again – Testing Adaptation in Flood-based Farming Systems (US\$1.2 million). The programme is part of the CGIAR Research Program on Water, Land and Ecosystems. The goal is to help develop policies and programmes for flood-based farming systems through research and South-South documentation and sharing of practical experiences.

Latin American Centre for Human Economy: Deepening and Expansion of the Public Policy-Dialogue Platform on Family Farming, Food and Nutritional Security, and Rural Development in Latin America and the Caribbean (US\$1.9 million). The direct beneficiaries are family farmers, including beneficiaries of IFAD-supported projects, who will have access to better public policy instruments.

Natural Resources Institute of the University of Greenwich: Increasing Performance of the Cassava Industry in West and Central Africa (US\$1.6 million). The overall goal is to enable poor rural people in the region to develop viable cassava-based farm operations and non-farm business opportunities. The programme will focus especially on women and youth.

Partnership for Economic Policy Inc.: Technical Support to Ex post Impact Evaluation of Rural Development Projects (US\$750,000). The goal is to increase the use of evidence in policymaking and to understand what works where, why and under what conditions in rural poverty reduction.

PF Technical Advisory Services, Inc. (PFTAS): Regional Programme on Remittances and Diaspora Investment for Rural Development (US\$900,000). The programme will develop replicable models for supporting investment by migrants and their families in poverty-reducing rural enterprises in Pakistan and the Philippines. It aims to leverage remittances and channel the savings of migrants and their families into local financial institutions in rural areas. This will also contribute to increased rural economic activity and financial inclusion.

Regional Programme for Rural Development Training (PROCASUR) Corporation: Strengthening Knowledge Sharing and Scaling Up of Sustainable Innovation Using Learning Route Methodology - Phase II (US\$1.0 million). The overall goal is to contribute to poverty reduction in IFAD-funded projects through adoption of best practices and scaling up of innovations through the learning route methodology.

Secretariat of the Pacific Community: Capacity-Building for Resilient Agriculture in the Pacific (US\$1.0 million). The overall goal is to make sure farmers in small Pacific island countries are using agricultural practices that are resilient to climate change and other natural hazards.

SNV Netherlands Development Organisation: Partnering for Value: Promoting Public-Private-Producers Partnerships (4Ps) in IFAD-funded Value Chain Development Projects (US\$2.3 million). The programme's objectives are to facilitate the identification, development and monitoring of business plans at the country level. It will also develop knowledge and capacity on successful 4Ps development.

Stichting Oxfam Novib: Integrating Household Methodologies into Agricultural Extension, Value Chains and Rural Finance in Sub-Saharan Africa (US\$1.0 million). The overall goal is to contribute to increasing the food, nutrition and income security of poor households in rural districts of Burundi, the Democratic Republic of the Congo and Rwanda.

The Registered Trustees of Kilimo Trust: Regional East African Community Trade in Staples (REACTS) – Graduating Smallholders to “Farming as Business” through Inclusive Regional Food Markets (US\$920,000). The overall goal of the programme is to enhance incomes and accelerate wealth creation for the smallholder producers of food commodities targeted by programmes supported by IFAD and others in the region.

World Agroforestry Centre: Restoration of Degraded Lands for Food Security and Poverty Reduction in East Africa and the Sahel – Taking Successes in Land Restoration to Scale (US\$1.5 million). The goal is to reduce food insecurity and improve livelihoods for poor people living in African drylands. The programme will do this by restoring degraded land and returning it to effective and sustainable tree, crop and livestock production. This will increase land profitability, and landscape and livelihood resilience.

World Food Programme: West Africa Emergency Response: Ebola Outbreak in Guinea, Liberia and Sierra Leone (US\$3.0 million). The overall goal of the programme is to support medical efforts by governments, the World Health Organization and partners to manage the Ebola outbreak. It will do this by fulfilling the basic food and nutrition needs of vulnerable people and communities affected by the disease.

Stories from the field

Small fish make a big difference to mothers and children in Bangladesh

In Bangladesh, an estimated 20 million people suffer deficiencies in vitamins and micronutrients. This is partly because they depend on rice, which is low in micronutrients. Malnutrition is particularly severe in northern Bangladesh, a poverty-stricken region with poor infrastructure that remains largely under water for six months every year.

For this reason, "IFAD is putting a major emphasis on nutrition-sensitive agriculture in Bangladesh," says Nigel Brett, IFAD country programme manager. "One item we're particularly interested in are indigenous small fish, which are extremely rich in micronutrients."

One of these fish is the *mola*, which is no more than 8 centimetres long. It contains plenty of calcium, vitamin A, iron and zinc. Eating fish such as *mola* can be a cost-effective way for vulnerable people to increase their intake of micronutrients, which are more easily absorbed from fish than from plant-based foods.

To encourage people to cultivate these healthy fish in household ponds and wetlands, IFAD is supporting the Small Fish and Nutrition Project. This grant-supported initiative is being implemented by WorldFish, an international, non-profit research organization and member of the CGIAR Consortium.

The project has trained about 250 farmers to cultivate the *mola* fish sustainably; about 150 trainees are women. These lead farmers then spread the message to others in the community. Today, 2,000 farmers in the area stock *mola* in their ponds.

"They can transport these fish from one pond to another," says Dr Benoy Kumar Barman, senior scientist at WorldFish. "Basically the community is self-sufficient in supplying the fish."



Children wait for specially prepared food that has been fortified with small fish
Bangladesh: Small fish and nutrition project ©IFAD

[Watch the video](#)

The farmers had always raised larger fish such as carp in their ponds, and they rejected the small indigenous fish as by-catch that was too small to be profitably farmed. When people did eat the small fish, they cut off the heads, inadvertently throwing away important nutrients.

Now they know better. The project has provided the women with nutrition education, including lessons on how to prepare the fish. A main objective is to improve nutrition among children aged 6 months (when complementary feeding is introduced to supplement breastfeeding) to 2 years. *Mola* has a mild flavour that young children like. It is fed to them in a powder that was developed by the project and combines rice, orange sweet potato and fish blended with oil.

The small fish have made a big difference to the children's lives. Stunting in the project area has dropped by 15 percentage points, from 56 per cent of children to 41 per cent.

"Children in the community don't suffer from malnutrition anymore," says Latifah Begun, a community nutrition trainer. "They are stronger and generally healthier." There could be many more stronger and healthier children. Researchers have estimated that raising *mola* in the country's 4 million small, seasonal ponds could meet the annual recommended intake of vitamin A for more than 6 million girls and boys.

Pregnant and breastfeeding women are another target for the initiative; a fish chutney has been developed for them. Just one spoonful of this dried fish, lightly fried in oil and spices, adds vital nutrients to the main meal.

In addition to better health, families also report growing income, as they sell the fish that they do not eat themselves. Fish production in the project area has more than doubled, increasing from an average of 322 kilograms per hectare to 782 kilograms. Annual income from fish production in ponds has also increased by an average of Tk 16,000 (about US\$207) per household.

Recognizing the effectiveness of the initiative, the Government of Bangladesh is already scaling up the Small Fish and Nutrition Project in other parts of the country. A new grant, supported by IFAD and the European Commission, will be used to strengthen the production and consumption of small fish throughout Asia and Africa.

Higher yields and greater resilience for smallholder rice farmers in southern Asia

An IFAD grant has contributed to the research and development of new varieties of rice that will withstand the stresses of harsh conditions and a changing climate in South and Southeast Asia. Smallholder farmers, who struggle to produce enough to live on and whose cultivation is subject to weather extremes, are now benefiting from higher yields and a more resilient crop.

In 2009, IFAD launched a grant-funded programme on Enabling Poor Rice Farmers to Improve Livelihoods and Overcome Poverty in South and Southeast Asia, which ran until 2013. The grant provided support to the Consortium for Unfavorable Rice Environments (CURE), which seeks ways of improving rice cultivation systems in fragile ecosystems.

CURE is a regional platform for partnerships between agricultural research and extension institutions in South and Southeast Asia. It works with scientists from the International Rice Research Institute and national agricultural research and extension systems (NARES) to find ways of improving productivity and securing harvests against environmental stresses.

CURE focuses on areas in ten countries in South and Southeast Asia – Bangladesh, Cambodia, India, Indonesia, the Lao People’s Democratic Republic, Myanmar, Nepal, the Philippines, Thailand and Viet Nam. Small-scale rice farmers in these areas face numerous challenges, including saline soils and harsh climates characterized by unpredictable rains, flooding and drought.

Many farming families in southern Asia depend on rice production, but low and unstable yields are becoming increasingly common. When harvests fail, families go without meals, children leave school and people are forced to leave their communities in search of work elsewhere.

Thanks to the grant funding and four years of research and development, CURE has created more than 88 new stress-tolerant rice varieties, which have been tested, released and are now being disseminated in the region with successful results. With improved productivity, traditional rice farmers are able to diversify their income-generating activities and achieve a better standard of living.



Women play important roles in rice farming – here they are harvesting the paddy. Philippines: Enabling Poor Rice Farmers to Improve Livelihoods and Overcome Poverty in South and Southeast Asia ©Consortium for Unfavorable Rice Environments (CURE)

CURE and NARES have also worked to ensure that improved cropping systems, and capacity-building and training in new technologies reach farmers across the region, including in remote areas. They have developed and disseminated guidelines and information packages that support the use of the new varieties and improve yields. These packages include information on how to combine crops to reduce the risk of crop failure and improve soil fertility, and how to manage fertilizer application for higher grain yields.

Farmers in the ten countries have been involved in testing seeds and selecting stress-resistant varieties through community-based systems of seed exchange. CURE has also supported the formation of well-functioning seed producer groups, and has provided training to farmers, researchers and scientists to that end.

In all its work, CURE is alert to the gender issues related to rice farming in fragile areas. The consortium has given particular attention to women's participation in the development, testing and release of new rice varieties, and the role that women play in promoting natural resource management practices.

Helping the stewards of biodiversity adapt to a changing climate

Equitable and sustainable access to biodiversity is crucial for food security, economic stability, growth and poverty reduction. A concept known as "conservation through sustainable use" is fundamental to the livelihoods of smallholder farmers, who use and protect plant and animal diversity as they feed themselves and their communities. Many smallholders farm on marginal land, living and working under the harshest effects of climate change.

Helping these farmers develop capacities to manage biodiversity while adapting to climate change is the goal of the Programme for Scaling up Peoples' Biodiversity Management for Food Security. This programme aims to capture the knowledge and experiences of indigenous peoples and smallholder farming communities as part of global responses to climate change. It began in 2012 and is supported by Stichting Oxfam Novib with a grant from IFAD.

The initiative operates in Peru, Viet Nam and Zimbabwe, benefiting 83,000 households. It focuses on women as the primary stewards and custodians of biodiversity. In the first year of operation, 49 farmer field schools were developed in the three countries.

A baseline survey was undertaken to assess climate change trends and traditional coping strategies for food security. It aimed to identify the most promising innovations for farmers to implement.

In Zimbabwe, the programme works in four districts where poverty is high and rainfall low. It reaches 5,800 households, 60 per cent of which are headed solely by women. On holdings of less than 1 hectare, these farmers grow mainly maize, along with sorghum, pearl millet, groundnuts, cowpeas, soybeans and bambara groundnuts. They report longer and more severe dry spells, shorter growing seasons and more pests and diseases than in the past, and perceive these developments as a strong indication of climate change.

The farmer field schools teach strategies for coping with these challenges. With better access to crop varieties and breeding materials, farmers can combine early- and late-maturing varieties and drought-tolerant and pest-resistant varieties. To date, the schools have introduced and evaluated 483 climate-resilient crop varieties, cultivars and segregating lines. This has enabled farmers to improve their seasonal agricultural planning. Using basic but effective tools, they are also recording weather data, such as rainfall and wind direction.



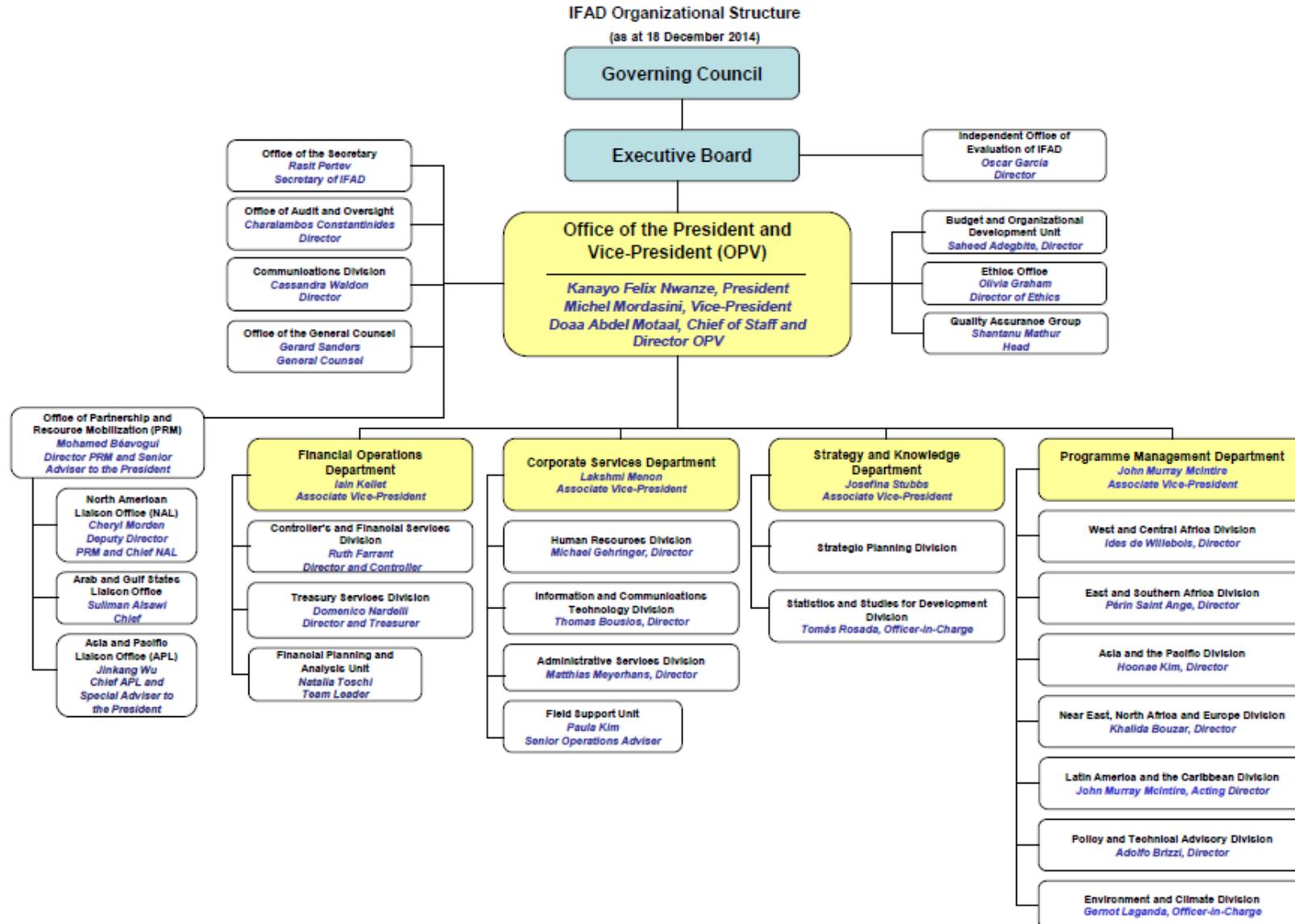
Local varieties grown in the programme area. Clockwise from top: hands holding yellow maize, white maize and bambara groundnuts
Zimbabwe: Scaling up People's Biodiversity Management for Food Security
©Oxfam Novib

With diminishing maize yields, farmers are keen to increase crop diversity and supplement maize with traditional crops that are harder and have shorter growing seasons. Nyarai Nekate, for instance, is diversifying her crops to build her resilience. She now plants seven maize varieties, seven bean varieties, seven Bambara groundnut varieties, nine cowpea varieties and eight groundnut varieties. She prefers short-season varieties to mitigate her exposure to risks.

In Viet Nam and Zimbabwe, the programme is making innovative use of video diaries to share ideas and communicate farmers' challenges and capacities. Using flip cameras, eight video diaries were produced during the first year. Shown during awareness-raising and training sessions, the diaries are also a helpful tool in meetings with national officials.

IFAD is now helping to scale up this global programme in five other countries – India, the Lao People's Democratic Republic, Mali, Myanmar and Senegal – thanks to the substantial additional investment of €15.0 million by the Swedish International Development Cooperation. A new thematic approach has been developed, with three focus areas: farmer seed enterprise; women and nutrition; and neglected and underutilized species.

ORGANIZATION, MEMBERSHIP AND REPRESENTATION



Membership and representation

As of 31 December 2014, IFAD had a total membership of 173 countries – 24 in List A, 12 in List B, 136 in List C – of which 50 in Sub-List C1, 54 in Sub-List C2 and 32 in Sub-List C3 – and a recently approved Member State (the Russian Federation) for which the IFAD list membership process is ongoing.

List A

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

List B

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

List C**Sub-List C1****Africa**

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

Sub-List C2**Europe, Asia and
the Pacific**

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

Sub-List C3**Latin America and
the Caribbean**

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

**List of Governors and Alternate Governors³
of IFAD Member States
As of 31 DECEMBER 2014⁴**

Member	Governor	Alternate Governor
AFGHANISTAN	Zia Uddin Nezam	—
ALBANIA	Shkelqim Cani	Ndoc Fasllia <i>(January 2014)</i> Alban Zusi <i>(February 2014 -)</i>
ALGERIA	Abdelwahab Nouri	Rachid Marif
ANGOLA	Afonso Pedro Canga	Florêncio Mariano da Conceição de Almeida
ANTIGUA AND BARBUDA	—	—
ARGENTINA	— <i>(January – October 2014)</i> Claudio Javier Rozenywaig <i>(October 2014 –)</i>	—
ARMENIA	Sergo Karapetyan	Zohrab V. Malek
AUSTRIA	Edith Frauwallner	Klaus Oehler <i>(January – October 2014)</i> Günther Schönleitner <i>(October 2014 –)</i>
AZERBAIJAN	Vaqif Sadiqov	—
BAHAMAS (THE)	V. Alfred Gray	Eldred Edison Bethel
BANGLADESH	Abul Maal Abdul Muhith	Monzur Hossain
BARBADOS	—	—
BELGIUM	Vincent Mertens de Wilmars	—
BELIZE	—	—
BENIN	Fatouma Amadou Djibril <i>(January – August 2014)</i> El Hadj Issa Azizou <i>(August 2014 –)</i>	Rosemonde Deffon Yakoubou
BHUTAN	Yeshey Dorji	Daw Penjo

³ At its thirty-seventh session, on 19 and 20 February 2014, His Excellency Luc Oyoubi (Gabon) served as chairperson of the Governing Council. His Excellency Afonso Pedro Canga (Angola) and His Excellency Pio Wennubst (Switzerland) served as vice-chairpersons.

⁴ Dates in parentheses indicate the period in which the Governor/Alternate Governor served within the year. Where no date is given, this indicates that the Governor/Alternate Governor was appointed before January 2014 and/or continued to serve after December 2014.

BOLIVIA (PLURINATIONAL STATE OF)	Antolín Ayaviri Gómez	Eduardo Ugarteche Paz Soldán
BOSNIA AND HERZEGOVINA	Nerkez Arifhodzic	Vesela Planinic
BOTSWANA	Oreeditse Sola Molebatsi <i>(January – December 2014)</i>	Micus Chimbombi
	Patrick P. Ralotsia <i>(December 2014 –)</i>	
BRAZIL	Miriam Aparecida Belchior	—
BURKINA FASO	Lucien Marie Noël Bembamba <i>(January – December 2014)</i>	Lassané Kabore
	Jean Gustave Sanon <i>(December 2014 –)</i>	
BURUNDI	Tabu Abdallah Manirakiza	Odette Kayitesi
CABO VERDE	Manuel Amante da Rosa	Sónia Cristina Martins
CAMBODIA	Ouk Rabun	—
CAMEROON	Clémentine Ananga Messina	Dominique Awono Essama
CANADA	Diane Jacovella	Cheryl Urban
CENTRAL AFRICAN REPUBLIC	Marie Noëlle Koyara <i>(January – October 2014)</i>	David Banzoukou <i>(January – October 2014)</i>
	David Banzoukou <i>(October 2014 –)</i>	Mahamat Yacoub Taïb <i>(October 2014 –)</i>
CHAD	Moussa Mahamat Aggrey <i>(January – July 2014)</i>	Lagnaba Kakiang
	Amane Rosine Baïwong Djibergui <i>(July 2014 –)</i>	
CHILE	Oscar Godoy Arcaya <i>(January – April 2014)</i>	Konrad Paulsen Rivas <i>(January – April 2014)</i>
	— <i>(April – October 2014)</i>	— <i>(April 2014 –)</i>
	Luis Fernando Ayala Gonzalez <i>(October 2014 –)</i>	
CHINA	Shi Yaobin	Zou Jiayi <i>(January – December 2014)</i>
		Yang Shaolin <i>(December 2014 –)</i>
COLOMBIA	Juan Sebastián Betancur Escobar	María Victoria Salcedo Bolívar <i>(January – October 2014)</i>
		Adriana Isabel Vivas Rosero <i>(October 2014 –)</i>

COMOROS	Abdou Nassur Madi	Mohamed Ali Soilihi
CONGO	Rigobert Maboundou	Mamadou Kamara Dekamo
COOK ISLANDS	—	—
COSTA RICA	—	—
CÔTE D'IVOIRE	—	—
CROATIA	Damir Grubiša	—
CUBA	Rodrigo Malmierca Díaz	Milagros Carina Soto Agüero <i>(January – November 2014)</i>
		— <i>(November 2014 –)</i>
CYPRUS	George F. Poulides	Spyridon Ellinas
DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA	Kim Chun Guk	—
DEMOCRATIC REPUBLIC OF THE CONGO	— <i>(January 2014)</i>	Hubert Ali Ramazani
	Jean Chrisostome Vahamwiti Mukesyayira <i>(February – December 2014)</i>	
	— <i>(December 2014 –)</i>	
DENMARK	Morten Jespersen	Maj Hessel <i>(January – August 2014)</i>
		Vibeke Gram Mortensen <i>(August 2014 –)</i>
DJIBOUTI	Mohamed Ahmed Awaleh	Badri Ali Bogoreh <i>(January – August 2014)</i>
		— <i>(August 2014 –)</i>
DOMINICA	Matthew Walter	—
DOMINICAN REPUBLIC	Mario Arvelo Caamaño	—
ECUADOR	—	Javier Ponce Cevallos
EGYPT	Ayman Abouhadid <i>(January – June 2014)</i>	Amr Mostafa Kamal Helmy
	Adel Tawfek El-Beltagy <i>(June 2014 –)</i>	
EL SALVADOR	Aida Luz Santos de Escobar	María Eulalia Jiménez Zepeda

EQUATORIAL GUINEA	— (January – August 2014)	— (January – August 2014)
	Alfredo Mitogo Mitogo Ada (August 2014 –)	Salomón Nfa Ndong (August 2014 –)
ERITREA	Arefaine Berhe	Zemedet Tekle Woldetatos (January – March 2014)
		— (March – September 2014)
		Fessehazion Pietros (September 2014 -)
ESTONIA	Ruve Šank	Siim Tiidemann
ETHIOPIA	Tefera Derbew	Gessese Mulugeta Alemseged
FIJI	Ropate Ligairi	—
FINLAND	Anne Sipiläinen	Riikka Laatu
FRANCE	Anthony Requin	—
GABON	Julien Nkoghe Bekale (January 2014)	Rachelle Ewomba-Jocktane
	Luc Oyoubi (February 2014 –)	
GAMBIA (THE)	Solomon Owens	Lang Yabou
GEORGIA	Shalva Pipia (January – August 2014)	Karlo Sikharulidze
	Otar Danelia (August 2014 –)	
GERMANY	Uta Böllhoff (January – July 2014)	Martin Dippl (January – July 2014)
	Peter Failer (July 2014 –)	— (July 2014 –)
GHANA	Clement Kofi Humado (January – September 2014)	Evelyn Anita Stokes-Hayford
	Fifi Fiavi Franklin Kwetey (September 2014 –)	
GREECE	Themistoklis Demiris	Nike Ekaterini Koutrakou
GRENADA	Roland Bhola	—
GUATEMALA	Stephanie Hochstetter Skinner-Klée Sylvia Wohlers de Meie	
GUINEA	Jacqueline Sultan	Mamady Condé (January – July 2014)
		— (July 2014 –)

GUINEA-BISSAU	—	—
GUYANA	Leslie Ramsammy	George Jervis
HAITI	Wilson Laleau <i>(January – November 2014)</i>	—
	— <i>(November 2014 –)</i>	
HONDURAS	Jacobo Regalado Weizemblut <i>(January 2014)</i>	Nehemías Martínez
	Jorge Lobo <i>(February – April 2014)</i>	
	Jacobo Páz Bodden <i>(April 2014 –)</i>	
HUNGARY	Zoltán Kálmán <i>(January – October 2014)</i>	Dávid Mezei <i>(January – July 2014)</i>
	— <i>(October 2014 –)</i>	— <i>(July 2014 –)</i>
ICELAND	Maria Erla Marelsdóttir	Hermann Örn Ingólfsson
INDIA	Palaniappan Chidambaram <i>(January – June 2014)</i>	Shaktikanta Das <i>(January – April 2014)</i>
	Arun Jaitley <i>(June 2014 –)</i>	Dinesh Sharma <i>(April 2014 –)</i>
INDONESIA	Bambang Brodjonegoro	Lukita Dinarsyah Tuwo
IRAN (ISLAMIC REPUBLIC OF)	Hamid Baeidi-Nejad <i>(January 2014)</i>	—
	Peiman Seadat <i>(February 2014 –)</i>	
IRAQ	Izuldine Aldawla <i>(January – September 2014)</i>	Hassan Janabi <i>(January – October 2014)</i>
	Falah Hassan Zeidan <i>(September 2014 –)</i>	Saywan Sabir Mustafa Barzani <i>(October 2014 –)</i>
IRELAND	Bobby McDonagh	— <i>(January 2014)</i>
		Damien Kelly <i>(February 2014 –)</i>
ISRAEL	—	—

ITALY	Fabrizio Saccomanni (January – April 2014)	—
	— (April – July 2014)	
	Enrico Morando (July 2014 –)	
JAMAICA	Roger Clarke (January – September 2014)	Donovan Stanberry
	— (September 2014 –)	
JAPAN	Masaharu Kohno (January – August 2014)	Yoshiki Takeuchi (January – November 2014)
	— (August – November 2014)	Masanori Yoshida (November 2014 –)
	Kazuyoshi Umemoto (November 2014 –)	
JORDAN	Ibrahim Saif	Radi Al-Tarawneh
KAZAKHSTAN	—	—
KENYA	Felix Kiptarus Koskei	Josephine Wangari Gaita
KIRIBATI	Tiarite George Kwong	Manikaoti Timeon
KUWAIT	Anas K. Al-Saleh	Hesham I. Al-Waqayan
KYRGYZSTAN	—	—
LAO PEOPLE'S DEMOCRATIC REPUBLIC	Phouphet Khamphounvong (January – June 2014)	—
	Liane Thykeo (June 2014 –)	
LEBANON	Gloria Abouzeid	Rania Khalil Zarzour
LESOTHO	Lits'oane Simon Lits'oane	Mathoriso Molumeli
LIBERIA	Florence Chenoweth	Peter Korvah
LIBYA	—	—
LUXEMBOURG	Romain Schneider	— (January 2014)
		Manuel Tonnar (February 2014 –)
MADAGASCAR	Ravatomanga Rolland	—
MALAWI	Jermoth Ulemu Chilapondwa	Jeffrey H. Luhanga
MALAYSIA	—	—

MALDIVES	Mohamed Shainee	Mohamed Iaad Hameed <i>(January – March 2014)</i>
		Ahmed Munawwar <i>(March – April 2014)</i>
		Abdulla Nashid <i>(April 2014 –)</i>
MALI	Bocary Tereta	—
MALTA	Justin Zahra	Stefan Cachia
MARSHALL ISLANDS	—	—
MAURITANIA	Sidi Ould Tah	— <i>(January – June 2014)</i>
		Marièm Aouffa <i>(June 2014 –)</i>
MAURITIUS	Satya Veyash Faugoo <i>(January – December 2014)</i>	Moheenee Nathoo <i>(January – April 2014)</i>
	Mahen Kumar Seeruttun <i>(December 2014 –)</i>	Tej Asha Mudhoo <i>(April 2014 –)</i>
MEXICO	Miguel Ruiz Cabañas Izquierdo	—
MONGOLIA	Khaltmaagiin Battulga <i>(January – August 2014)</i>	Shijeekhuu Odonbaatar
	Sharavdorj Tuvdendorj <i>(August 2014 –)</i>	
MOROCCO	—	Ali Lamrani
MOZAMBIQUE	Aiuba Cuereneia	Waldemar Fernando de Sousa
MYANMAR	Myint Hlaing	Swai Tint <i>(January – October 2014)</i>
		— <i>(October – December 2014)</i>
		Myint Naung <i>(December 2014 –)</i>
NAMIBIA	John Mutorwa	Petrus N. Iilonga
NAURU	— <i>(March – September 2014)</i>	— <i>(March – September 2014)</i>
	Elkoga Gadabu <i>(September 2014 –)</i>	Michael Aroi <i>(September 2014 –)</i>

NEPAL	— (January 2014)	Jaya Mukunda Khanal
	Tek Bahadur Thapa Gharti (February – March 2014)	
	Hari Prasad Parajuli (March 2014 –)	
NETHERLANDS	Lilianne Ploumen	Gerda Verburg
NEW ZEALAND	Trevor Donald Matheson	Anthe Crawley
NICARAGUA	Mónica Robelo Raffone	—
NIGER	Abdou Labo (January – November 2014)	Amadou Touré
	Maïdagi Allambeye (November 2014 –)	
NIGERIA	Akinwumi A. Adesina	Yerima Lawan Ngama
NIUE	—	—
NORWAY	Leni Stenseth	Espen Gullikstad (January – March 2014)
		Mariann Murvoll (March 2014 –)
OMAN	Isshaq Al-Roqqeishy	Said Nasser Al-Harthy (January 2014)
		— (February –)
PAKISTAN	Sikandar Hayat Khan Bosan	Nargis Sethi (January – July 2014)
		Muhammad Saleem Sethi (July 2014 –)
PANAMA	Frank George De Lima Gercich (January – July 2014)	Guido Juvenal Martinelli Endara (January – September 2014)
	Dulcidio de La Guardia (July 2014 –)	Iván Alexei Zarak Arias (September 2014 –)
PAPUA NEW GUINEA	Don Polye (January – November 2014)	—
	Patrick Pruaitch (November 2014 –)	
PARAGUAY	Germán Hugo Rojas Irigoyen	Pedro Daniel Correa Ramírez
PERU	—	—
PHILIPPINES	Cesar V. Purisima	—

PORTUGAL	Cláudia Isabel Anacleto Pereira da Costa de Cerca Coelho	Rosa Maria Fernandes Lourenço Caetano
QATAR	— (January – April 2014)	—
	Abdulla Bin Eid Salman Al Sulaiti (April – November 2014)	
	— (November 2014 –)	
REPUBLIC OF KOREA	Bae Jae Hyun	Lee Eun Jeong
REPUBLIC OF MOLDOVA	Viorel Gutu	Elena Matveeva
ROMANIA	Achim Irimescu	Dana Manuela Constantinescu
RUSSIAN FEDERATION	— (March – April 2014)	— (March – April 2014)
	Andrey Bokarev (April 2014 –)	Vladimir Kuznetsov (April 2014 –)
RWANDA	Agnes Matilda Kalibata (January – August 2014)	—
	Géraldine Mukeshimana (August 2014 –)	
SAINT KITTS AND NEVIS	— (January – November 2014)	— (January – November 2014)
	Nigel Alexis Carty (November 2014 –)	Ashton Stanley (November 2014 –)
SAINT LUCIA	Moses Jn Baptiste	Hurbert Emmanuel
SAINT VINCENT AND THE GRENADINES	—	—
SAMOA	Faumuina Tiatia Liuga	Tialavea F.T. Seigafolava Hunt
SAO TOME AND PRINCIPE	Hélio Silva Vaz de Almeida (January – December 2014)	António Álvaro da Graça Dias (January – December 2014)
	Américo D'Oliveira Ramos (December 2014 –)	Teodorico De Campos (December 2014 –)
SAUDI ARABIA	Fahad bin Abdulrahman Balghunaim (January – December 2014)	Sulaiman al-Turki
	— (December 2014 –)	
SENEGAL	Papa Abdoulaye Seck	Seynabou Badiane
SEYCHELLES	Bernard Francis Shamlaye	—
SIERRA LEONE	Joseph Sam Sesay	Jongopie Siaka Stevens
SOLOMON ISLANDS	—	—

SOMALIA	Abdirizak Omar Mohamed (January 2014)	Ibrahim Hagi Abdulkadir
	Abdi Ahmed Mohamed (February 2014 -)	
SOUTH AFRICA	Nomatemba Tambo	Marc Jürgens
SOUTH SUDAN	Beda Deng Machar	—
SPAIN	Francisco Javier Elorza Cavengt	Vicente Canelles Montero
SRI LANKA	Nawalage Bennet Cooray	Gothami Indikadahena (January - October 2014)
		Dolugala Watte Jinadasa (October 2014 -)
SUDAN	Ibrahim Mahmoud Hamed	Ahmed Magdoub Ahmed (January - December 2014)
		Majdi Hassan Mohamed Yasin (December 2014 -)
SURINAME	Jaswant Sahtoe	—
SWAZILAND	Moses Vilakati	Bongani Masuku
SWEDEN	Tanja Rasmusson (January - November 2014)	Per Örnéus
	Ulrika Modeer (November 2014 -)	
SWITZERLAND	— (January 2014)	— (January 2014)
	Pio Wennubst (February 2014 -)	Daniel Birchmeier (February 2014 -)
SYRIAN ARAB REPUBLIC	Ahmad Fateh Al-Qadery	Amer Husni Lutfi (January - August 2014)
		— (August 2014 -)
TAJKISTAN	Sulton Valiev	—
THAILAND	Chavalit Chookajorn	—
THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA	—	—
TIMOR-LESTE	Mariano Assanami Sabino	—
TOGO	Ouro Koura Agadazi	Akla-Esso M'Baw Arokoum
TONGA	—	—
TRINIDAD AND TOBAGO	Devant Maharaj	John C.E. Sandy

TUNISIA	Lamine Doghri (January – August 2014)	—
	— (August 2014 –)	
TURKEY	Mehmet Mehdi Eker	Hakki Akil (January – March 2014)
		— (March 2014 -)
TUVALU	—	—
UGANDA	Maria Kiwanuka	—
UNITED ARAB EMIRATES	Obeid Humaid Al Tayer	Younis Haji Al Khouri
UNITED KINGDOM	Neil Briscoe	Elizabeth Nasskau
UNITED REPUBLIC OF TANZANIA	Christopher Chiza	James Alex Msekela
UNITED STATES	Jacob J. Lew	—
URUGUAY	Alberto Breccia Guzzo	—
UZBEKISTAN	— (January – June 2014)	Yashin Khidirov
	Ravshan Usmanov (June 2014 –)	
VANUATU	—	—
VENEZUELA (BOLIVARIAN REPUBLIC OF)	— (January – June 2014)	Gladys Francisca Urbaneja Durán
	Simón A. Zerpa Delgado (June 2014 –)	
VIET NAM	Truong Chi Trung	Nguyen Thanh Do
YEMEN	Farid Ahmed Mujawar	Khalid Abdulrahman Al-Akwa (January – October 2014)
		Haytham Abdulmomen Shoja'aadin (October 2014 –)
ZAMBIA	—	—
ZIMBABWE	Joseph M. Made	—

LIST OF EXECUTIVE BOARD REPRESENTATIVES
As of 31 December 2014⁵

MEMBER		ALTERNATE MEMBER	
<u>List A</u>			
CANADA	Michael Gort	FINLAND	Merja Ethel Sundberg
FRANCE	Martin Landais	BELGIUM	Marc Heirman (January – July 2014)
			— (August – October 2014)
			Guy Beringhs (November 2014 –)
GERMANY	Michael Bauer (January – June 2014)	SWITZERLAND	Christina E. Grieder
	Otmar Greiff (June 2014 –)		
ITALY	Raffaella Di Maro (January – June 2014)	PORTUGAL	Ana Barreto (January – July 2014)
	Adolfo Di Carluccio (July 2014 –)		— (August – November 2014)
			Ana Margarida Ferreira (December 2014 –)
JAPAN	Hideya Yamada (January – June 2014)	DENMARK	Maj Hessel (January – July 2014)
	Osamu Kubota (July 2014 –)		Vibeke Gram Mortensen (August 2014 –)
NORWAY	Jostein Leiro	SWEDEN	Erik Jonsson
UNITED KINGDOM	Elizabeth Nasskau	NETHERLANDS	Wierish Ramsoekh
UNITED STATES	Karen Mathiasen (January – April 2014)	SPAIN	Francisco Capote
	— (May 2014 –)		

⁵ Dates in parentheses indicate the period in which the Representative served within the year. Where no date is given, this indicates that the Representative was appointed before January 2014 and/or continued to serve after December 2014.

List B

KUWAIT	Yousef Ghazi Al-Bader	UNITED ARAB EMIRATES	Yousuf Mohammed Bin Hajar
NIGERIA	Yaya O. Olaniran	QATAR	—
SAUDI ARABIA	Bandar Bin Abdel Mohsin Al-Shalhoob	INDONESIA	Hari Priyono
VENEZUELA (BOLIVARIAN REPUBLIC OF)	Beatriz Bolívar <i>(January – June 2014)</i> Santiago Lazo Ortega <i>(July – September 2014)</i> Patricia Febles Montes <i>(October 2014 –)</i>	ALGERIA	Nourdine Lasmi

List C**Sub-List C1**

ANGOLA	Carlos Alberto Amaral	MAURITIUS	Ram Prakash Nowbuth <i>(January – April 2014)</i> Ashis Kumar Hoolass <i>(May 2014 –)</i>
EGYPT	Abdelbaset Ahmed Aly Shalaby	EQUATORIAL GUINEA	Josefina Milam Tang <i>(January – April 2014)</i> — <i>(May 2014 –)</i>

Sub-List C2

CHINA	Zhang Zhengwei	PAKISTAN	—
INDIA	Shaktikanta Das <i>(January – March 2014)</i> Dinesh Sharma <i>(April 2014 –)</i>	REPUBLIC OF KOREA	— <i>(January – June 2014)</i> Lee Eun Jeong <i>(July 2014 –)</i>

Sub-List C3

BRAZIL	Benvindo Belluco	ARGENTINA	Gustavo O. Infante
MEXICO	Miguel Ruiz Cabañas Izquierdo	GUATEMALA	Stephanie Hochstetter Skinner-Klée

PUBLICATIONS IN 2014⁶

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

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

Technical publications and papers

Climate change

- A field practitioner's guide. Institutional and organizational analysis and capacity strengthening
- Comprehensive environment and climate change assessment in Viet Nam
- Earth observation support for the International Fund for Agricultural Development
- Guidelines for integrating climate change adaptation into fisheries and aquaculture projects
- The IFAD-GEF advantage. Partnering for a sustainable world
- The smallholder advantage. A new way to put climate finance to work

Family farming

- Family farming in Latin America. A new comparative analysis

Gender

- Gender and family farming in Asia and the Pacific (2014)
- Gender and rural development briefs: Andean countries (English); Central America and Mexico (English | Spanish); the Caribbean (English | Spanish); East and Southern Africa (English); Europe and Central Asia (English); Near East and North Africa (Arabic | English | French)
- Gender equality and women's empowerment: IFAD's work and results (2014) (Arabic | English | French | Spanish)
- Household methodologies toolkit: Teaser; How to do note; Case studies:
 - Chiefs' and traditional leaders' involvement in social and economic empowerment of rural communities, Zambia
 - Family life model, Uganda
 - Gender action learning system in Ghana, Nigeria, Rwanda, Sierra Leone and Uganda
 - Household approach, Zambia
 - Household approach for gender, HIV/AIDS mainstreaming, Malawi
 - Household mentoring, Uganda
 - Men's campfire conference, Zambia
 - Men's travelling conference, Kenya
 - Transformative household methodology, Ethiopia
- Moving forward: breaking the glass ceiling. Side event report
- Rural women's leadership programme – Madagascar, Nepal, the Philippines and Senegal: good practices and lessons learned (2010-2013)
- The gender advantage: women on the front line of climate change

⁶ All publications are in the title language, unless otherwise indicated.

Inclusive financial services

- Community-based financial organizations toolkit: Teaser; How to do note; Lessons learned
- Key performance indicators and performance-based agreements toolkit: Teaser; How to do note; Lessons learned
- Lines of credit toolkit: Teaser; How to do note; Lessons learned
- Loan guarantee funds toolkit: Teaser; How to do note; Lessons learned

Land tenure

- Land tenure toolkit: Teaser; How to address land tenure in IFAD country strategies (RB-COSOPs); How to address land tenure in IFAD project design; How to do participatory land-use planning; Lessons learned on youth and land tenure; Lessons learned on pastoralism land rights and tenure
- Voluntary guidelines on the responsible governance of tenure of land, fisheries and forests

Middle-income countries

- IFAD in middle-income countries. Lessons learned from Brazil

Nutrition

- A field practitioner's guide: institutional and organizational analysis and capacity strengthening
- Improving nutrition through agriculture (Arabic | English | French | Spanish)

Smallholder institutions and organizations

- Institutional and organizational analysis and capacity development toolkit: Teaser; How to analyse and strengthen social capital; How to strengthen community-based finance organizations; How to strengthen community-based natural resource management organizations; Lessons learned; Scaling up note

Small island states

- IFAD's approach in small island developing states. A global response to island voices for food security (http://www.ifad.org/english/sids/ifad_SIDS.pdf)

Value chains

- Sustainable inclusion of smallholders in agricultural value chains toolkit: Teaser; How to do note; Lessons learned

Remittances

- Global forum on remittances 2013 report
- Remittances and development in Senegal: opportunities for interventions to increase scale and impact – workshop summary

Youth

- Supporting rural young people in IFAD projects: Lessons learned (English | French | Spanish)

IFAD viewpoints

- The human face of development. Investing in people. (Arabic | English | French | Spanish)

Policy publications

- An empowerment agenda for rural livelihoods (Arabic | English | French | Spanish)
- Investing in smallholder family agriculture for global food security and nutrition (Arabic | English | French | Spanish)
- Leveraging the rural-urban nexus for development (Arabic | English | French | Spanish)
- Mainstreaming policy dialogue: from vision to action – workshop report
- Post-2015 policy briefs
- Promoting the resilience of poor rural households (Arabic | English | French | Spanish)

IFAD Independent Office of Evaluation publications

- Independent Office of Evaluation and Swiss Agency for Development and Cooperation: a partnership for better results
- IOE overview (English | French | Spanish)
- 2014 annual report on results and impact of IFAD operations (ARRI)

Corporate-level evaluations

- IFAD policy for grant financing
- IFAD's replenishments

Evaluation synthesis reports

- IFAD's engagement in middle-income countries
- Rural youth
- Water management and conservation

Country programme evaluations

- Bolivia
- China
- Ecuador
- Indonesia
- Jordan
- Republic of Moldova
- Senegal
- Zambia

Project performance assessments

- Bhutan: Agriculture, Marketing and Enterprise Promotion Programme
- Bolivia: Management of Natural Resources in the Chaco and High Valley Regions Project
- Georgia: Rural Development Programme for Mountainous and Highland Areas
- Georgia: Rural Development Project
- Lesotho: Sustainable Agriculture and Natural Resources Management Programme
- Mauritius: Rural Diversification Programme
- Morocco: Rural Development Project in the Mountain Zones of Al-Haouz Province
- Sudan: Gash Sustainable Livelihoods Regeneration Project

Periodical articles and other materials published by IFAD authors

- Colaiacomo, M. 2013. Eurozone collective action clauses and specialised agencies of the United Nations: do CACs constitute expropriation under international law? *International Law Research*, 2(1): 174-184.
- Colaiacomo, M. and Kamau, F. 2013. Financing for development: re-examining the concept of resource mobilization for international organisations, a case study of the International Fund for Agricultural Development. *International Organisations Law Review*, 9(2): 467-496.
- Felloni, F., Muthoo, A. and Torralba, M. 2014. La experiencia de evaluación del Fondo Internacional de Desarrollo Agrícola (FIDA)/The Evaluation experience of the International Fund for Agricultural Development (IFAD). *Revista de Evaluación de Programas y Políticas Públicas (Journal of Public Programs and Policy Evaluation)*, 3: 53-79.
- Laganda, G. 2014. *What counts as evidence for policy makers who need to address the challenges of climate change? Government, public policy and management: a reader*. Department of Social Policy and Social Work, University of York, York, United Kingdom.
- Muthoo, A. 2014. Accountability and learning: two sides of the same coin. In 10 years independent evaluation at the Asian Development Bank: evaluation for better results, pp. 55-57. Asian Development Bank, Independent Evaluation Office, Manila, the Philippines. 162 pp.
- Nwanze, K.F. 2014. A healthy, peaceful and secure Africa is now within our grasp. Open letter to The Guardian. 20 June 2014.
- Nwanze, K.F. 2014. Agriculture pays. Open letter to African Union Heads of State. The Africa Report. 19 June 2014.

- Nwanze, K.F. 2014. Global means urban and rural. Huffington Post. Accessed 26 March 2014.
- Nwanze, K.F. and Swaminathan, M.S. 2014. Gender empowerment: a pathway to strengthening family farms. *The Asian Age*. 7 August 2014.
- Rota, A. and Sehgal, K. 2014. FlexiBiogas – a climate change adaptation and mitigation technology. *Rural 21*, 48(2): 35-37.
- Vermeulen, S.J. (in association with Pramod Aggarwal, Bruce Campbell, Edward Davey, Elwyn Grainger-Jones and Xiangjun Yao). 2014. *Climate change, food security and small-scale producers*. CCAFS Info Brief. CGIAR Research Programme on Climate Change, Agriculture and Food Security (CCAFS), Copenhagen, Denmark.
- Wright, H., Vermeulen, S., Laganda, G., Olupot, M., Ampaire, E. and Jat, M.L. 2014. Farmers, food and finance: ensuring that community-based adaptation is mainstreamed into agricultural programmes. *Climate and Development*, 6(4): 318-328.

Joint and external publications with IFAD involvement

- Arab spatial development and food security atlas. IFPRI, Washington, D.C., United States. www.arabspatial.org
- *Benchmarks for Land Governance in Africa*. 2014. ILC, Rome, Italy.
- Community-focused land governance: experiences and recommendations of the community of Portuguese language countries (CLP) peasants' platform. 2014. IYFF Series. ILC, Rome, Italy.
- *Decision tools for poultry development*. 2014. FAO, Rome, Italy.
- Does drought fuel conflict in Somalia through livestock price shocks? 2014. *American Journal of Agricultural Economics*, 96(4): 1157-1182.
- Does food security matter for transition in Arab countries. 2014. *Food Policy*, 46: 106-115.
- *Family poultry development: issues, opportunities and constraints*. 2014. Working Paper. FAO, Rome, Italy.
- Farmers' organizations supporting family farming business. 2014. IFAD, Rome, Italy/PROCASUR, Santiago, Chile.
- Food security policies for building resilience to conflict. 2014. In F. Shenggen, R. Pandya-Lorch and Y. Sivan, eds. *Resilience for food and nutrition security*. Chapter 3, pp. 37-44. IFPRI, Washington, D.C., United States.
- *How to build resilience to conflict: The role of food security*. 2014. IFPRI, Washington, D.C., United States.
- *Integrating knowledge management and learning in IFAD-supported projects. Experiences from Uganda*. 2014. IFAD, Rome, Italy/IFADAfrica, Nairobi, Kenya.
- *Land governance in China: historical context and critical junctures of agrarian transformation*. 2014. ILC, Rome, Italy.
- *Learning for rural change in East and Southern Africa*. 2014. IFAD, Rome, Italy/ ILEIA, Wageningen, the Netherlands.
- *Learning for rural changes: 11 stories from Zambia*. 2014. IFAD, Rome, Italy/ ILEIA, Wageningen, the Netherlands.
- *Lessons in supporting family farming: stories from Swaziland*. 2014. IFAD, Rome, Italy/ILEIA, Wageningen, the Netherlands.
- *Linking matching grants with loans: experiences and lessons learned from Ghana*. 2014. FAO/IFAD, Rome, Italy.
- *Los desafíos que enfrentan las mujeres rurales para tener tierra; La experiencia de Nitlapan y Trocaire-Addac en Matagalpa, Nicaragua*. 2014. Conference paper. ILC, Rome, Italy/Nitlapan, Nicaragua/Trocaire-ADDAC, Nicaragua.
- *Negotiating Sustainable livelihoods in rural north-west China*. 2014. IYFF Series. ILC, Rome, Italy.
- *Participatory land use planning to support Tanzanian farmer and pastoralist investment*. 2014. IYFF Series. ILC, Rome, Italy.

- *Participatory rangeland resource mapping in Tanzania: a field manual to support planning and management in rangelands including in village land use planning*. 2014. ILC, Rome, Italy.
- Resilience for food security in the face of civil conflict in Yemen. 2014. In F. Shenggen, R. Pandya-Lorch and Y. Sivan, eds. *Resilience for food and nutrition security*. Chapter 5, pp. 53-63. IFPRI, Washington, D.C., United States.
- *Securing women's land rights: learning from successful experiences in Rwanda and Burundi*. 2014. ILC, Rome, Italy.
- Serving smallholder farmers: recent developments in digital finance. 2014. CGAP, Washington, D.C., United States.
- Study on appropriate warehousing and collateral management systems in sub-Saharan Africa and Madagascar. 2014. AFD, Paris, France/CTA, Wageningen, the Netherlands/IFAD, Rome, Italy.
- *The governance of rangelands: collective action for sustainable pastoralism*. 2014. Routledge, London, United Kingdom and New York, United States.
- *The IISD guide to negotiating investment contracts for farmland and water*. 2014. IISD, Winnipeg, Canada.
- Youth and agriculture: key challenges and concrete solutions. 2014. FAO, Rome, Italy.

Communication materials

IFAD also produces a wide range of public information and advocacy materials.

The **Image Bank** shows the many faces of rural life in the developing world.

<http://photos.ifad.org/asset-bank/action/viewHome>

The **Newsroom** issues the latest releases on our work.

<http://www.ifad.org/media/index.htm>

Regional **Seeds of Innovation** series:

- East and Southern Africa

<http://www.ifad.org/operations/projects/regions/pf/seeds/index.htm>

- Near East, North Africa and Europe

<http://www.ifad.org/operations/projects/regions/pn/infosheet/index.htm>

Regional electronic newsletters report from the five IFAD regions:

- FIDAction in West and Central Africa (English | French)
<http://www.ifad.org/operations/projects/regions/pa/newsletter.htm>
- Progress in East and Southern Africa (English)
<http://www.ifad.org/operations/projects/regions/pf/newsletter.htm>
- Making a difference in Asia and the Pacific
<http://www.ifad.org/operations/projects/regions/pi/newsletter.htm>
- Rural echoes in the Near East and North Africa (Arabic | English)
<http://www.ifad.org/operations/projects/regions/pn/newsletters.htm>
- Rural perspectives: sharing experiences from Latin America and the Caribbean (English | Spanish)
<http://www.ifad.org/operations/projects/regions/pl/newsletter.htm>

Gender electronic newsletter: information about what is happening in support of gender mainstreaming and women's empowerment, in IFAD and elsewhere

<http://www.ifad.org/gender>

The IFAD **social reporting blog** keeps up to date with events and developments taking place in the field and at headquarters.

<http://ifad-un.blogspot.com>

Stories from the field feature successful projects with a human face.
<http://www.ifad.org/story/index.htm>

Factsheets provide pertinent information on development issues, countries and regions around the globe.
<http://www.ifad.org/pub/factsheet/index.htm>

Our **videos** document successes and activities we support around the world.
<http://www.ifad.org/video/index.htm>

And there is more on our **Documents and publications** web page.
<http://www.ifad.org/pub/index.htm>

For information on our publications issued in the field, see:
<http://www.ifad.org/contacts.htm#country>

Consolidated financial statements

For the year ended 31 December 2014*

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

* As submitted for endorsement to the 114th session of the Executive Board in April 2014 for further submission to the 39th session of the Governing Council for approval in accordance with regulation XII(6) of the Financial Regulations of IFAD.

Consolidated statement of comprehensive income

For the years ended 31 December 2014 and 2013 (Thousands of United States dollars)

	2014	2013
Revenues		
Income from loans	52 241	48 582
Income /(Losses) from cash and investments (note 17)	57 004	(17 123)
Income from other sources (note 18)	10 956	10 878
Income from contributions (note 19)	213 111	104 358
Total revenues	333 312	146 695
Operating expenses (note 20)		
Staff salaries and benefits (note 21)	(94 680)	(104 250)
Office and general expenses	(38 049)	(32 754)
Consultants and other non-staff costs	(42 185)	(37 788)
Cooperating institutions	(2 539)	(2 502)
Direct bank and investment costs (note 24)	(3 181)	(3 095)
Subtotal operating expenses	(180 634)	(180 389)
Loan interest expenditures	(2 051)	(2 034)
Reversal of allowance for loan impairment losses (note 9(a))	(3 511)	(5 352)
Debt Initiative for HIPC income/(expenses) (note 26)	(8 594)	29 026
Grant expenses (note 22)	(248 466)	(108 870)
DSF expenses (note 23)	(157 342)	(142 665)
Depreciation (note 8)	(1 799)	(1 656)
Total expenses	(602 397)	(411 940)
(Deficit) before fair value adjustments	(269 085)	(265 245)
Adjustment for changes in fair value (note 25)	21 979	(70 951)
(Deficit) revenue over expenses	(247 106)	(336 196)
Other comprehensive (loss):		
(Losses) /Gains from currency exchange movements (note 16)	(446 584)	17 334
Change in provision for After-Service Medical Coverage Scheme (ASMCS) benefits (note 21)	(22 342)	6 771
Total other comprehensive (loss)/income	(468 926)	24 105
Total comprehensive (loss)	(716 032)	(312 091)

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

IFAD-only statement of comprehensive income

For the years ended 31 December 2014 and 2013 (Thousands of United States dollars)

	2014	2013
Revenues		
Income from loans	52 007	48 513
Income /(Losses) from cash and investments (note 17)	52 217	(20 480)
Income from other sources	18 046	16 230
Income from contributions (note 19)	2 874	3 982
Total revenues	125 144	48 245
Operating expenses (note 20)		
Staff salaries and benefits (note 21)	(92 188)	(100 988)
Office and general expenses	(36 159)	(31 472)
Consultants and other non-staff costs	(37 859)	(32 985)
Cooperating institutions	(2 211)	(2 314)
Direct bank and investment costs	(2 962)	(2 889)
Subtotal operating expenses	(171 379)	(170 648)
Allowance for loan impairment losses (note 9(a))	(3 511)	(5 352)
Debt Initiative for HIPC income/(expenses) (note 26)	(8 594)	29 026
Grant expenses (note 22)	(52 618)	(40 959)
DSF expenses (note 23)	(157 342)	(142 665)
Depreciation (note 8)	(1 799)	(1 656)
Total expenses	(395 243)	(332 254)
(Deficit) revenue over expenses before fair value adjustments	(270 099)	(284 009)
Adjustment for changes in fair value	22 709	(66 505)
(Deficit) revenue over expenses	(247 390)	(350 514)
Other comprehensive (loss):		
(Losses)/Gain from currency exchange movements	(425 083)	7 702
Change in provision for ASMCS benefits (note 21)	(22 342)	6 771
Total other comprehensive (loss)/income	(447 425)	14 473
Total comprehensive (loss)	(694 815)	(336 041)

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

Consolidated statement of changes in retained earnings

For the years ended 31 December 2014 and 2013 (Thousands of United States dollars)

<i>Total retained earnings</i>	
Retained earnings as at 31 December 2012	504 976
(Deficit) revenue over expenses	(336 196)
Total other comprehensive (loss)	24 105
Retained earnings as at 31 December 2013	192 885
(Deficit) revenue over expenses	(247 106)
Total other comprehensive loss	(468 926)
Retained earnings as at 31 December 2014	(523 147)

IFAD-only statement of changes in retained earnings

For the years ended 31 December 2014 and 2013 (Thousands of United States dollars)

<i>Total retained earnings</i>	
Retained earnings as at 31 December 2012	496 245
(Deficit) revenue over expenses	(350 514)
Total other comprehensive (loss)	14 473
Retained earnings as at 31 December 2013	160 204
(Deficit) revenue over expenses	(247 390)
Total other comprehensive loss	(447 425)
Retained earnings as at 31 December 2014	(534 611)

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

Consolidated cash flow statement

For the years ended 31 December 2014 and 2013 (Thousands of United States dollars)

	2014	2013
Cash flows from operating activities		
Interest received from loans IFAD	46 847	46 640
Interest received from loans other funds	171	28
Receipts for non-replenishment contributions	87 616	107 159
Miscellaneous (payments)/receipts	17 024	13 058
Payments for operating expenses and other payments	(165 684)	(184 120)
Grant disbursements (IFAD)	(56 159)	(45 281)
Grant disbursements (supplementary funds)	(95 832)	(64 227)
DSF disbursements	(157 342)	(142 665)
Transfer to restricted cash	641	(4 618)
Net cash flows generated from operating activities	(322 718)	(274 026)
Cash flows from investing activities		
Loan disbursements IFAD	(485 464)	(482 213)
Loan disbursements other funds	(29 731)	(17 510)
Loan principal repayments	224 541	214 457
Transfers from/(to) investments at amortized costs	12 601	12 330
Receipts from investments	50 551	(36 560)
Net cash used in investing activities	(227 502)	(309 496)
Cash flows from financing activities		
Receipts for replenishment contributions	372 369	310 123
Payments for trust fund borrowing	(1 902)	(8 007)
Net cash used in financing activities	370 467	302 116
Effects of exchange rate movements on cash and cash equivalents	(111 992)	(2 283)
Net (decrease) in unrestricted cash and cash equivalents	(291 745)	(283 689)
Unrestricted cash and cash equivalents at beginning of year	1 889 066	2 172 755
Unrestricted cash and cash equivalents at end of year	1 597 321	1 889 066
COMPOSED OF:		
Unrestricted cash	198 218	342 385
Unrestricted investments excluding held-to-maturity and payables control accounts	1 399 103	1 546 681
Cash and cash equivalents at end of year	1 597 321	1 889 066

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

Summary of information on other consolidated entities

As at 31 December 2014 (Millions of United States dollars)

	HIPC	Haiti Debt Relief	After-Service Medical Coverage Scheme Trust Fund	Spanish Food Security Cofinancing Facility Trust Fund	Adaptation for Smallholder Agriculture Programme Trust Fund	Supplementary Funds
Balance sheet						
Total assets	4.5	32.5	66.9	360.7	308.9	425.4
Total liabilities	10.9	33.2	71.3	347.5	311.7	426.3
Retained earnings	(6.4)	(0.7)	(4.4)	13.2	(2.8)	(0.9)
Statement of comprehensive income						
Total revenue	0	0	0.2	1.9	67.8	142.4
Total operating expenses	0	0	0.2	4.1	67.1	142.5
Net revenue less operating expenses	0	0	0	(2.2)	0.7	(0.1)
Net cash flow	(6.7)	0.2	(2.8)	4.9	(2.5)	(7.6)

Summary of information on other consolidated entities

As at 31 December 2013 (Millions of United States dollars)

	HIPC	Haiti Debt Relief	After-Service Medical Coverage Scheme Trust Fund	Spanish Food Security Cofinancing Facility Trust Fund	Adaptation for Smallholder Agriculture Programme Trust Fund	Supplementary Funds
Balance sheet						
Total assets	11.2	37.3	69.7	414.7	328.9	422.9
Total liabilities	10.5	36.8	68.9	397.2	327.4	422.9
Retained earnings	0.7	0.5	0.8	17.5	1.5	0
Statement of comprehensive income						
Total revenue	0.0	0.0	0.1	21.0	2.4	79.5
Total operating expenses	0.0	0.0	(0.1)	(2.6)	(2.1)	(79.8)
Net revenue less operating expenses	0.0	0.0	0.0	18.4	0.3	(0.3)
Net cash flow	6.8	0.1	2.9	(0.5)	(44.9)	(9.7)

Notes to the consolidated financial statements**NOTE 1****BRIEF DESCRIPTION OF THE FUND AND THE NATURE OF OPERATIONS**

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

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

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

NOTE 2**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

(a) Basis of preparation

The consolidated financial statements of the Fund are prepared in accordance with International Financial Reporting Standards (IFRS). Information is provided separately in the financial statements for entities where this is deemed of interest to the readers of the financial statements.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires Management to exercise judgement in the process of applying accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 3.

In 2014, IFAD changed the following accounting policy. This change results in the financial statements providing more reliable and relevant information about the effects of transactions.

With retroactive effect to prior periods, IFAD adopted this new accounting policy for qualified instruments of contributions (instrument of contributions still subject to national appropriation measures), whereby deposited Instruments of Contribution are recognized as receivable and equity only upon fulfilment of the related conditions, while previously, Instruments of Contribution qualified and non-qualified were recognized as receivable and equity as soon as deposited, even if not immediately encashable.

<i>US\$ million</i>	<i>31 Dec 2013 previously reported</i>	<i>31 Dec 2013 after restatement</i>	<i>Differential</i>
IFAD-only balance sheet			
Contributors' Promissory notes	377.5	377.4	(0.1)
Contributions receivable	514.3	448.5	(65.8)
Equity contributions	7 295.5	7 229.6	(65.9)
Consolidated balance sheet			
Contributors' promissory notes	547.8	547.7	(0.1)
Contributions receivable	895.9	830.1	(65.8)
Equity contributions	7 295.5	7 229.6	(65.9)

(b) Area of consolidation

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

- Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification (SPA)
- IFAD Fund for Gaza and the West Bank (FGWB)
- Other supplementary funds, including technical assistance grants, cofinancing, associate professional officers (APOs) and programmatic and thematic supplementary funds; the Belgian Fund for Food Security Joint Programme (BFFS.JP); and the Global Environment Facility (GEF)
- IFAD's Trust Fund for the Heavily Indebted Poor Countries (HIPC) Debt Initiative
- IFAD's After-Service Medical Coverage Scheme (ASMCS) Trust Fund
- Administrative account for Haiti Debt Relief Initiative (Haiti Debt Relief Initiative)
- Spanish Food Security Cofinancing Facility Trust Fund (Spanish Trust Fund)
- Adaptation for Smallholder Agriculture Programme (ASAP) Trust Fund

These entities have a direct link to IFAD's core activities and are substantially controlled by IFAD. In line with the underlying agreements and recommendations establishing those entities, IFAD has the power to govern the related financial and operating policies; IFAD is exposed, or has rights, to the results/effects from its involvement with these and has the ability to affect those results/effects through its power over the components. Accordingly, they are consolidated in IFAD's financial statements. All transactions and balances among these entities have been eliminated. Additional financial data for funds are drawn up as and when requested to meet specific donor requirements. All entities included in the consolidation area have a fiscal period corresponding to the solar year.

Entities housed at IFAD. These entities do not form part of the core activities of the Fund and IFAD does not have the power of governing the related financial and operating policies. As such, they are not consolidated as they are not substantially controlled. These entities are the International Land Coalition (ILC) (formerly called the Popular Coalition to Eradicate Hunger and Poverty) and the High-Level Task Force (HLTF) (hosted until 31 March 2014).

(c) Translation and conversion of currencies

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

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from

Appendix D

the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of comprehensive income.

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

- Assets and liabilities expenditures are translated at the closing rate and revenue and expenditures are translated at the yearly average rate.
- All resulting exchange differences are recognized as a separate component of other comprehensive income.

(d) Measurement of financial assets and liabilities

Financial assets and liabilities are measured and classified in the following categories: amortized cost or at fair value through profit and loss. The classification depends on the contractual cash flow characteristics (contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding) and on the business model for their management (the intention to hold these financial assets and liabilities until their maturity). Financial assets and liabilities are accounted for at amortized cost only when the Fund's business model is to hold the assets/liabilities until maturity and collect the arising contractual cash flows (just principal and interest). All other financial assets and liabilities are accounted for at fair value through profit and loss.

• **Equity**

This comprises the following three elements: **(i) Contributions (equity); (ii) General Reserve; and (iii) Retained earnings.**

(i) Contributions (equity)

(a) Background to contributions

The contributions to the Fund by each Member when due are payable in freely convertible currencies, except in the case of Category III Members up to the end of the Third Replenishment period, which were permitted to pay contributions in their own currency whether or not it was freely convertible. Each contribution is to be made in cash or, to the extent that any part of the contribution is not needed immediately by the Fund in its operations, may be paid in the form of non-negotiable, irrevocable, non-interest-bearing promissory notes or obligations payable on demand.

A contribution to IFAD replenishment resources is recorded in full as equity and as receivable when a Member deposits an instrument of contribution, except for qualified instruments of contributions, which are subject to national appropriation measures, that will be proportionally reduced upon fulfilment of those conditions. Amounts receivable from Member States as contributions, and other receivables including promissory notes, have been initially recognized in the balance sheet at their fair value through profit and loss in accordance with IFRS9.

(b) Provisions

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

If there is evidence that an identified loan or receivable asset is impaired, a specific provision for impairment is recognized. Impairment is quantified as the difference between the carrying amount and the collectable amount. The criteria used to determine whether there is objective evidence of an impairment loss include, among others:

- Delinquency in contractual payments of principal and interest
- Cash flow difficulties experienced by the borrower
- Breach in contracts or conditions
- Initiation of bankruptcy proceeding

In such cases, provisions will be set up.

(i) Whenever a payment of an instalment against an instrument of contribution or a payment of a drawdown against a promissory note becomes overdue by 24 months, a provision will be made equal to the value of all overdue contribution payments or the value of all unpaid drawdowns on the promissory note(s) outstanding.

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

(iii) The end of the financial year is currently used for determining the 24 and 48 months periods.

(ii) General Reserve

The General Reserve may only be used for the purposes authorized by the Governing Council and was established in recognition of the need to cover the Fund's potential over-commitment risk as a result of exchange rate fluctuations, possible delinquencies in loan service payments or in the recovery of amounts due to the Fund from the investment of its liquid assets. It is also intended to cover the risk of over-commitment as a result of a decrease in the value of assets caused by fluctuations in the market value of investments.

The General Reserve is subject to a review at least every three years in order to assess its adequacy. The last such review was conducted in 2012.

(iii) Retained earnings

Retained earnings represent the cumulative excess of revenue over expenses net of the effects of changes in foreign exchange rates.

(e) Loans

(i) Background to loans

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

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

Currently, the lending terms of the Fund are as follows:

(a) special loans on highly concessional terms shall be free of interest but bear a service charge of three fourths of one per cent (0.75 per cent) per annum and have a maturity period of forty (40) years, including a grace period of ten (10) years; (b) loans on hardened terms shall be free of interest but bear a service charge of three fourths of one per cent (0.75 per cent) per annum and have a maturity period of twenty (20) years, including a grace period of ten (10) years; (c) loans on blend terms shall be free of interest but bear a service charge of three fourths of one per cent (0.75 per cent) per annum plus a spread and have a maturity period of twenty (20) years, including a grace period of ten (10) years (these are applicable from 2013 onwards); (d) loans on intermediate terms shall have a rate of interest per annum equivalent to fifty per cent (50 per cent) of the variable reference interest rate, as determined annually by the Executive Board, and a maturity period of twenty (20) years, including a grace period of five (5) years; (e) loans on ordinary terms shall have a rate of interest per annum equivalent to one hundred per cent (100 per cent) of the variable reference interest rate, as determined annually by the Executive Board, and a maturity period of fifteen (15) to eighteen (18) years, including a grace period of three (3) years; and (f) no commitment charge shall be levied on any loan.

(ii) Loans to non-Member States

At its twenty-first session in February 1998, the Governing Council adopted resolution 107/XXI approving the establishment of a fund for the specific purpose of lending to Gaza and the West Bank (FGWB). The application of article 7, section 1(b), of the Agreement Establishing IFAD was waived for this purpose. Financial assistance, including loans, is transferred to the FGWB by decision of the Executive Board and the repayment thereof, if applicable, is made directly to IFAD's regular resources.

(iii) Heavily Indebted Poor Countries (HIPC) Debt Initiative

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

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

The Executive Board approves each country's debt relief in net present value terms. The estimated nominal equivalent of the principal components of the debt relief is recorded under the accumulated allowance for the HIPC Debt Initiative, and as a charge to the HIPC Debt Initiative expenses in the statement of comprehensive income. The assumptions underlying these estimates are subject to periodic revision. Significant judgement has been used in the computation of the estimated value of allowances for the HIPC Debt Initiative.

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

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

(iv) Measurement of loans

Loans are initially recognized at fair value on day one (based on disbursement to the borrower) and subsequently measured at amortized cost using the effective interest method. The fair value is calculated using an enhanced fair value tool by applying discount rates to the estimated future cash flows on a loan-by-loan basis in the currency in which the loans are denominated. The discount factor applied is not adjusted for country credit risk because of the very low probability of default experienced by IFAD on its loan portfolio. However, the outstanding loans are reviewed for impairment on a loan-by-loan basis and a provision established where there is objective evidence that the loans are impaired.

(v) Accumulated allowance for impairment losses

Delays in receiving loan payments result in present value losses to the Fund since it does not charge fees or additional interest on overdue interest or loan charges. An allowance is established on a specific basis for such losses based on the difference between the assets' carrying value and the present value of estimated future cash flows discounted at the financial assets' original effective interest rate (i.e. the effective interest rate calculated at initial recognition). In cases where it is not possible to estimate with any reasonable certainty the expected cash flows of a loan (as in all cases for which an allowance has been established to date), an alternative approach is followed that adopts a method similar to the benchmark used for the provisioning of Member States' contributions. This means that an allowance shall be made on loan instalments overdue for more than 24 months. An allowance is also made for loan instalments on the same loan overdue for less than 24 months. Once this trigger period has been reached, all amounts overdue at that time are considered to be in provision status, even in the event that part of the total outstanding debt is subsequently repaid. In cases where more than 48 months have elapsed, an allowance is made for all outstanding principal amounts of the loan concerned. The point in time to determine whether the given period has elapsed is the balance sheet date. Considering the positive historical loan reflow trends for which losses have not been recorded so far, the Fund has not established a collective impairment provision on loans not subject to specific impairment. Income on loans is recognized following the accrual basis of accounting. For loans with overdue amounts in excess

of 180 days, interest and service charges are recognized as income only when actually received. Follow-up action is being taken with the respective governments to obtain settlement of these obligations.

(vi) Non-accrual status

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

(f) Investments

The Fund's investments are classified at fair value through profit and loss or at amortized cost. Investments are classified at amortized cost when they belong to a portfolio managed by the Fund based on a business model to hold those securities until their maturity, by collecting solely maturing interest and principal in line with the contractual characteristics. If the above conditions are not met, the Fund carries investments at fair value through profit and loss. Fair value is determined in accordance with the hierarchy set in note 3. Both realized and unrealized security gains and losses are included in income from investments as they arise. Both realized and unrealized exchange gains and losses are included in the account for movements in foreign exchange rates as they arise. All purchases and sales of investments are recognized on the trade date. Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The majority of derivatives are used as hedging instruments (although they do not qualify for hedge accounting) and therefore changes in the fair value of these derivative instruments are recognized immediately in the statement of comprehensive income.

(g) Cash and cash equivalents

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

(h) Contributions (non-equity)

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

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

(i) Grants

The Agreement Establishing IFAD empowers the Fund to provide grants to its Member States, or to intergovernmental organizations in which its Members participate, on such terms as the Fund deems appropriate.

Grants are recorded as expenses on disbursement date of the approved amount and as a liability for undisbursed amounts at fair value in accordance with IFRS9. Following the approval by the Executive Board of the revisions to the General Conditions for Agricultural Development Financing (April 2009), grants become disburseable when a recipient has the right to incur eligible expenditure.

Cancellations of undisbursed balances are recognized as an offset to the expense in the period in which they occur.

(j) Debt Sustainability Framework (DSF)

Under the DSF, countries eligible for highly concessional lending receive financial assistance on a grant rather than a loan basis. Principal amounts forgone by IFAD are expected to be compensated on a pay-as-you-go basis (according to the underlying loan amortization schedule) by the Member States, while the interest is relinquished. In line with the accounting policy on Contributions-Equity DSF Principal compensation contribution will be recorded in full as equity and as receivable when a Member deposits an instrument of contribution, except for qualified instruments of contribution, which are subject to national appropriation measures that will be proportionally reduced upon fulfillment of those conditions. Amounts receivable from Member States as contributions, and other receivables including promissory notes, have been initially recognized in the balance sheet at their fair value through profit and loss in accordance with IFRS9. Principal compensation will be negotiated during future replenishment consultations (see note 28 (b) on contingent assets). DSF financing is subject to IFAD's General Conditions for Agricultural Development Financing. DSF financing is implemented over an extended time horizon and recognized as expenditure in the statement of comprehensive income in the period in which conditions for the release of funds to the recipient are met.

(k) Borrowing under the Spanish Food Security Cofinancing Facility Trust Fund (Spanish Trust Fund)

The Spanish Trust Fund was established in 2010, after receiving funds on a loan basis. This liability is accounted for at amortized costs. The funds will be used to provide loans to IFAD borrowers in accordance with IFAD procedures (with the exception of DSF countries).

Repayments of the loan by the Spanish Trust Fund to Spain will be aligned to the loan repayments received from borrowing countries over 45 years, with a five-year grace period. The interest rate to be paid to Spain will be a variable 12-month Euribor rate. The interest will be paid to Spain by 15 January of each year and is accounted for on an accrual basis.

The liquidity available in the Spanish Trust Fund will be invested according to an investment policy that ensures that disbursement needs are met while generating adequate risk-adjusted return.

The excess investment income will be kept in a reserve account that will allow IFAD to manage risks.

In the event that it is determined that the Spanish Trust Fund lacks sufficient resources to meet its payment obligations, Spain will provide additional funds.

(l) Employee schemes

- Pension obligations

IFAD participates in the United Nations Joint Staff Pension Fund (UNJSPF), which was established by the United Nations General Assembly to provide retirement, death, disability and related benefits. The Pension Fund is a funded, defined benefit plan. The financial obligation of the Fund to the UNJSPF consists of its mandated contribution, at the rate established by the United Nations General Assembly, together with any share of any actuarial deficiency payments under article 26 of the regulations of the Pension Fund. Such deficiency payments are only payable if and when the United Nations General Assembly has invoked the provision of article 26, following determination that there is a requirement for deficiency payments based on an assessment of the actuarial sufficiency of the Pension Fund as of the valuation date. At the time of this report, the United Nations General Assembly has not invoked this provision.

The actuarial method adopted for the UNJSPF is the Open Group Aggregate method. The cost of providing pensions is charged to the statement of comprehensive income so as to spread the regular cost over the service lives of employees, in accordance with the advice of the actuaries, who carry out a full valuation of the period plan every two years. The plan exposes participating organizations to actuarial risks associated with the current and former employees of other organizations, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and costs to individual organizations participating in the plan. IFAD, like other participating organizations, is not in a position to identify its share of the underlying financial position and performance of the plan with sufficient reliability for accounting purposes.

- After-Service Medical Coverage Scheme

IFAD participates in a multi-employer After-Service Medical Coverage Scheme (ASMCS) administered by the Food and Agriculture Organization of the United Nations (FAO) for staff receiving a United Nations pension and eligible former staff on a shared-cost basis. The ASMCS operates on a pay-as-you-go basis, meeting annual costs out of annual budgets and staff contributions. Since 2006, an independent valuation is performed on an annual basis.

In accordance with IAS19, IFAD has set up a trust fund into which it transfers the funding necessary to cover the actuarial liability. Service costs are recognized as operating expenditure. The net balance between interest costs and expected return on plan assets is recognized in profit and loss, while re-measurements on assets and liabilities are recognized as the net position in other comprehensive income. Due to the revisions to IAS19, the expected rate of return for accounting is set equal to the accounting discount rate.

(m) Provisions

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

(n) Taxation

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

(o) Revenue recognition

Service charge income and income from other sources are recognized as revenue in the period in which the related expenses are incurred (goods delivered or services provided).

(p) Tangible and Intangible assets**Fixed assets**

Major purchases of property, furniture and equipment are capitalized. Depreciation is charged on a straight-line basis over the estimated useful economic life of each item purchased as set out below:

• Permanent equipment fixtures and fittings	10 years
• Furniture	5 years
• Office equipment	4 years
• Vehicles	5 years

Intangible assets

Software development costs are capitalized as intangible assets where future economic benefits are expected to flow to the organization. Depreciation is calculated on a straight-line basis over the estimated useful life of the software (four to ten years). Leasehold improvements are capitalized as assets. Depreciation is calculated on a straight-line basis over their estimated useful life (not exceeding rental period of IFAD headquarters).

NOTE 3**CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS****(a) Critical accounting estimates and assumptions**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of

Appendix D

causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

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

For the details about the models applied for fair value calculation of loans, reference should be made to note 2.

The fair value of financial instruments that are not traded in an active market is determined by considering quoted prices for similar assets in active markets, quoted prices for identical assets in non-active markets or valuation techniques.

(ii) Financial assets and liabilities measured at fair value on the balance sheet are categorized as follows:

Level 1: Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2: Financial assets and liabilities whose values are based on quoted prices for similar assets or liabilities, or pricing models for which all significant inputs are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3: Financial assets or liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

(b) Critical judgement in applying accounting policies

(i) Fair value accounting

Fair value accounting is required in order for IFAD to comply with International Financial Reporting Standards. Reconciliations between measurement at fair value and amortized cost using the effective interest method and nominal values have been provided with respect to loans, receivables, undisbursed grants and deferred revenues.

NOTE 4

CASH AND INVESTMENT BALANCES

Analysis of balances (consolidated)

	Thousands of United States dollars	
	2014	2013
Unrestricted cash	198 218	342 385
Cash subject to restriction	4 038	4 676
Subtotal cash	202 256	347 061
Unrestricted investments at fair value	1 402 618	1 576 462
Investments at amortized cost	702 901	782 377
Investments subject to restriction	384	367
Subtotal investments	2 105 903	2 359 206
Total cash and investments	2 308 159	2 706 267

The composition of the portfolio by entity at 31 December was as follows:

	Thousands of United States dollars	
	2014	2013
IFAD	1 690 359	1 988 220
ASMCS Trust Fund	66 903	69 702
HIPC Trust Fund	4 473	11 150
Supplementary Funds	108 222	115 563
Spanish Trust Fund	319 446	399 989
Haiti Debt Relief Initiative (appendix J)	32 498	37 269
ASAP	86 258	84 374
Total cash and investments	2 308 159	2 706 267

(i) Cash and investments subject to restriction

In accordance with the Agreement Establishing IFAD, the amounts paid into the Fund by the then Category III Member States in their respective currencies on account of their initial or additional contributions are subject to restriction in usage.

IFAD has two escrow accounts which had a combined balance of US\$4.0 million as at 31 December 2014. This restricted cash has been set aside under an escrow agreement with the bank only to be utilized for purposes of meeting obligations relating to the hosting of the Global Mechanism of the United Nations Convention to Combat Desertification to cover potential damages resulting from litigation cases, payments related to disputed invoices with other United Nations agencies and a contingency provision for unforeseen obligations. These funds are to be reimbursed to the Global Mechanism in the event that such liabilities do not crystallize.

(ii) Composition of the investment portfolio by instrument (consolidated)

At 31 December 2014, cash and investments, including payables and receivables, at market value amounted to US\$2,307.0 million (2013 - US\$2,700.4 million), and comprised the following instruments:

	Thousands of United States dollars	
	2014	2013
Cash	202 256	347 061
Fixed-income instruments	1 489 922	1 764 693
Unrealized (loss)/gain on forward contracts	(6 424)	(2 251)
Time deposits and other obligations of banks	618 210	583 494
Unrealized (loss)/gain on futures	4 195	13 270
Total cash and investments	2 308 159	2 706 267
Receivables for investments sold	-	3 197
Payables for investments purchased	(1 085)	(9 033)
Total investment portfolio	2 307 074	2 700 431

Fixed-income investments and cash include US\$718.9 million at amortized cost as at 31 December 2014 (2013 - US\$824.7 million). The fair value of held-to-maturity investments as at 31 December 2014 was US\$721.7 million (2013 - US\$830.7 million).

(iii) Composition of the investment portfolio by currency (consolidated)

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

	2014	2013
Euro	978 367	1 202 095
Japanese yen	111 988	135 263
Pound sterling	200 669	246 065
United States dollar	1 016 050	1 117 008
Total cash and investment portfolio	2 307 074	2 700 431

(iv) Composition of the investment portfolio by maturity (consolidated)

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

	Thousands of United States dollars	
	2014	2013
Due in one year or less	1 066 977	1 197 610
Due after one year through five years	578 369	878 903
Due from five to ten years	471 219	454 270
Due after ten years	190 509	169 648
Total cash and investment portfolio	2 307 074	2 700 431

The average life to maturity of the fixed-income investments included in the consolidated investment portfolio at 31 December 2014 was 48 months (2013 - 42 months).

(a) Financial risk management

IFAD's investment activities are exposed to a variety of financial risks: market risk, credit risk, currency risk, custodial risk and liquidity risk, as well as capital risk as a going concern which, however, is limited to the investment portfolio.

(i) Market risk

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

Cash and investments at amortized cost are managed internally; investments at fair value are managed through seven mandates to external managers as at 31 December 2014.

Market risk on other entities included in the consolidated financial statements is not considered significant.

The actual weights and amounts of each asset class within the overall portfolio, together with the asset allocation weights as at 31 December 2014 and 2013 are shown in table 1. Disclosures relate to IFAD-only accounts, for the Net Asset Value.

Table 1

Asset class	Actual allocation		Asset allocation	
	2014	Millions of US dollars	2014	Millions of US dollars
Short-term liquidity	3.3	55.8	7.0	
Global strategic portfolio	16.7	280.7	17.0	
Global government bonds	30.6	515.3	36.0	
Global diversified fixed-income	15.1	254.2	10.0	
Global inflation-linked	21.1	355.3	20.0	
Emerging market debt	13.3	224.0	10.0	
Total	100.0	1 685.3	100.0	

Asset class	Actual allocation		Investment policy	
	2013	Millions of US dollars	2013	Millions of US dollars
Short-term liquidity	8.2	162.9	7.0	
Global strategic portfolio	15.3	303.1	17.0	
Global government bonds	34.3	678.2	36.0	
Global diversified fixed-income	12.7	251.7	10.0	
Global inflation-linked	18.9	373.7	20.0	
Emerging market debt	10.5	208.2	10.0	
Total	100.0	1 977.8	100.0	

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

1. Pre-assigned benchmarks and limits on deviations from benchmarks in terms of tracking error limits.
2. Credit floors (refer to "(ii) credit risk").

The benchmark indices used for the respective portfolios are shown in table 2.

Table 2
Benchmark indices by portfolio

Portfolio	Benchmark index
Short-term liquidity	Same as the portfolio return
Global strategic portfolio	Equally-weighted extended sector benchmark (internally calculated on a quarterly basis)
Global government bonds	Barclays Global Government Bond Index (1 year maturity)
Global diversified fixed-income bonds	Barclays Global Fixed-Income Index (A- or above)
Global inflation-linked bonds	Barclays Capital World Government Inflation-Linked Index (1-10 years maturity)
Emerging market debt bonds	Barclays Emerging Market Debt Investment Grade Index (BBB- or above)

Exposure to market risk is adjusted by modifying the duration of the portfolio, depending on the outlook for changes in securities market prices.

The upper limit for the duration is set at:

- One year above the benchmark for the global government bonds asset class.
- Two years above the benchmark for the global diversified fixed-interest asset class.
- Two years above the benchmark for the global inflation-linked bonds asset class.
- Two years above the benchmark for the emerging market debt asset class.

The average duration of IFAD's investment portfolio at 31 December 2014 and 2013 and respective benchmarks are shown in table 3.

Table 3
Average duration of portfolios and benchmarks in years (IFAD-only)

As at 31 December 2014 and 2013

Portfolio	Portfolio		Benchmark	
	2014	2013	2014	2013
Short-term liquidity	-	-	-	-
Global strategic portfolio	0.7	1.1	0.7	1.1
Global government bonds	0.7	0.9	1.0	1.0
Global diversified fixed-interest	4.0	4.4	4.6	4.3
Global inflation-linked	5.4	5.4	5.2	5.1
Emerging market debt	7.2	6.5	7.0	6.3
Total average	2.9	2.6	2.5	2.4

The sensitivity analysis of IFAD's overall investment portfolio in table 4 shows how a parallel shift in the yield curve (-300 to +300 basis points) would affect the value of the investment portfolio as at 31 December 2014 and 31 December 2013.

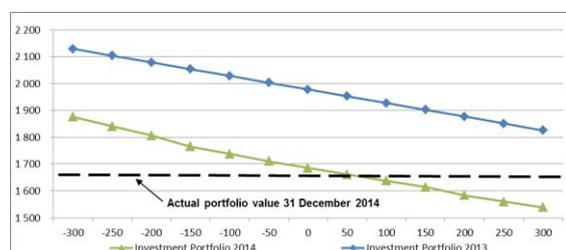
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Table 4
Sensitivity analysis on investment portfolio (IFAD-only)

Basis point shift in yield curve	2014		2013	
	Change in value of externally managed portfolio (US\$ million)	Total portfolio (US\$ million)	Change in value of externally managed portfolio (US\$ million)	Total portfolio (US\$ million)
-300	191	1 876	152	2 130
-250	155	1 840	126	2 104
-200	121	1 806	101	2 079
-150	80	1 765	76	2 054
-100	52	1 737	51	2 029
-50	25	1 711	25	2 003
0	-	1 685	-	1 978
50	(24)	1 661	(25)	1 953
100	(48)	1 637	(51)	1 927
150	(70)	1 615	(76)	1 902
200	(102)	1 583	(101)	1 877
250	(125)	1 560	(126)	1 852
300	(147)	1 539	(152)	1 826

The graph below shows the negative relationship between yields and fixed-income portfolio value.

Sensitivity analysis on investment portfolio value (IFAD-only)
(Millions of United States dollars)



At 31 December 2014, if the general level of interest rates on the global markets had been 300 basis points higher (as a parallel shift in the yield curves) the overall portfolio value would have been lower by US\$147 million as a result of the capital losses on the marked-to-market portion of the portfolio. If the general level of interest rates on the global markets had been 300 basis points lower (as a parallel shift in the yield curves) the overall portfolio value would have been higher by US\$191 million as a result of the capital gains on the marked-to-market portion of the portfolio.

Table 5 shows the tracking error limits defined by the Investment Policy Statement. Tracking error represents the annualized standard deviation of the excess return versus the benchmark, and is a measure of the active positions taken in managing a portfolio with respect to the benchmark.

Table 5
Tracking error ranges by portfolio

Portfolio	Tracking error maximum (percentage per annum)
Global government bonds	1.5
Global diversified fixed-income bonds	3.0
Global inflation-linked bonds	2.5
Emerging market debt	4.0

The investment portfolio's total tracking error at 31 December 2014 was 0.43 per cent (2013 - 0.29 per cent).

(ii) Credit risk

The Investment Policy Statement and Investment Guidelines set credit rating floors for the eligibility of securities and counterparties. The eligibility of banks and bond issues is determined on the basis of ratings by major credit rating agencies. The minimum allowable credit ratings for portfolios

within IFAD's overall investment portfolio under the Investment Policy Statement and Investment Guidelines are shown in table 6.

Table 6
Minimum credit rating floor per Investment Policy Statement as at 31 December 2014

Eligible asset classes	Credit rating floors for Standard & Poor's, Moody's and Fitch Ratings
Short-term investments	Counterparty must have a minimum short-term credit rating of A-1 (S&P) or F1 (Fitch) or P-1 (Moody's)
Government and government agencies fixed-income securities	Investment grade
Government and government agencies inflation-linked fixed-income securities	Investment grade
Supranationals	Investment grade
Asset-backed securities (only agency issued or guaranteed)	AAA
Corporate bonds	Investment grade
Currency forwards ^a	Counterparty must have a minimum short-term credit rating of A-1 (S&P) or F1 (Fitch) or P-1 (Moody's)
Exchange-traded futures and options ^{ab}	Counterparty must have a minimum short-term credit rating of A-1 (S&P) or F1 (Fitch) or P-1 (Moody's)
Interest rate swaps ^a	Counterparty must have a minimum short-term credit rating of A-1 (S&P) or F1 (Fitch) or P-1 (Moody's)
Credit default swaps ^a	Counterparty must have a minimum short-term credit rating of A-1 (S&P) or F1 (Fitch) or P-1 (Moody's)

^a Derivatives exclusively used for hedging purposes only.

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

At 31 December 2014, the average credit ratings by portfolio were in line with the minimum allowable ratings under the Investment Policy Statement and Investment Guidelines (table 7).

Table 7
Average credit ratings by portfolio (IFAD-only)
As at 31 December 2014 and 2013

Portfolio	Average credit rating ^a	
	2014	2013
Operational cash ^b	P-2	P-2
Global strategic portfolio	Aa1	Aa1
Global government bonds	Aaa	Aaa
Global diversified fixed-interest	A1	A1
Global inflation-linked	Aaa	Aaa
Emerging market debt	Baa2	Baa2

^a The average credit rating is calculated based on market values at 31 December 2014 and 2013 except for the global strategic portfolio average credit rating which is calculated on amortized cost basis. The credit ratings used are based on the best credit ratings available from either Standard and Poor's (S&P) or Moody's or Fitch ratings.

^b The operational cash portfolio contains one locally based bank that has a short-term credit rating below P-1 thereby bringing down the average credit rating to P-2. This commercial bank is within IFAD's internal policy framework.

(iii) Currency risk

The majority of IFAD's commitments relate to undisbursed loans and grants denominated in SDR. IFAD's investment portfolio is therefore used to minimize IFAD's overall currency risk deriving from those commitments. Consequently, the overall assets of the Fund are maintained, to the extent possible, in the currencies and ratios of the SDR valuation basket. Similarly, the General Reserve and commitments for grants denominated in United States dollars are matched by assets denominated in United States dollars.

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

The degree of currency alignment of IFAD's overall assets subject to SDR alignment at 31 December 2014 is shown in table 8.

Table 8
Alignment of assets to SDR basket (IFAD-only)
As at 31 December 2014

<i>Currency group</i>	<i>Net asset amount (%)</i>	<i>SDR weights</i>	<i>Difference</i>
United States dollar	44.2	45.7	(1.5)
Euro	36.2	35.4	0.8
Japanese yen	7.8	7.0	0.8
Pound sterling	11.8	11.9	(0.1)
Total	100.0	100.0	0.0

At 31 December 2014, had the United States dollar depreciated (or appreciated) by 10 per cent over the three other currencies in the SDR basket, the composition of IFAD's assets subject to SDR alignment would have been as shown in table 9.

Table 9
Sensitivity of assets aligned to SDR basket (IFAD-only)
As at 31 December 2014

<i>Currency group</i>	<i>Difference towards SDR weights</i>	
	<i>-10% of US\$ (%)</i>	<i>+10% of US\$ (%)</i>
United States dollar	(1.1)	3.9
Euro	0.9	(2.3)
Japanese yen	(0.5)	(1.1)
Pound sterling	0.6	(0.4)
Total	-	-

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

(iv) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and cash equivalents to meet loan and grant disbursements as well as other administrative outflows as they arise.

IFAD's liquidity risk is addressed through the minimum liquidity requirement (MLR). IFAD's liquidity policy, together with the revised Ninth Replenishment period (2013-2015) MLR, states that highly liquid assets in IFAD's investment portfolio should remain above 60 per cent of the projected annual gross disbursement level (outflows), including potential additional requirements due to liquidity shocks.

IFAD's latest financial model assumptions, incorporating the 2014 resources available for commitment under the sustainable cash flow approach, calculates a MLR of US\$608.0 million that is comfortably covered by IFAD's investment portfolio balance of US\$1,685.3 million.

(v) Capital risk

The overall resource policy is reviewed by Management on a regular basis. A joint review with the principal stakeholders is also carried out at least once during each replenishment process. IFAD closely monitors its resource position on a regular basis in order to safeguard its ability to continue as a going

concern. Consequently, it adjusts the amount of new commitments of loans and grants to be made during each calendar year depending on the resources available. Longer term resource forecasting is carried out within the analysis performed through IFAD's financial model.

NOTE 5**CONTRIBUTORS' PROMISSORY NOTES AND RECEIVABLES**

	<i>Thousands of United States dollars</i>	
	<i>2014</i>	<i>2013 Restated</i>
Promissory notes to be encashed		
Replenishment contributions	285 519	380 849
ASAP	214 433	174 442
Total	499 952	555 291
Fair value adjustment	(18 303)	(7 540)
Promissory notes to be encashed	481 649	547 751
Contributions receivable		
Replenishment contributions	227 078	518 870
Supplementary contributions	321 157	311 957
ASAP	25 411	83 325
Total	573 646	914 152
Fair value adjustment	(4 823)	(18 215)
Contributions receivable	568 823	895 937
Qualified Instrument of Contributions	(35 913)	(65 912)
Total Promissory Notes and Contributions receivables	1 014 559	1 377 775

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

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

Contributions not paid/encashed

As at 31 December 2014

<i>Donor</i>	<i>Thousands of United States dollars</i>	
	<i>Replenishment</i>	<i>Amount</i>
United States [*]	Sixth	459
United States [*]	Seventh	3 224
Brazil [*]	Eighth	4 455
United States [*]	Eighth	559

^{*} Cases for which Members and IFAD have agreed to special encashment schedules or subject to ratification.

(c) Ninth and Tenth Replenishment

Details of contributions and payments made for the Ninth Replenishment are shown in appendix G. The Ninth Replenishment became effective on 30 November 2012.

(d) Special Programme for Africa (SPA)

Details of contributions to the SPA under the first and second phases are shown in appendix G.

(e) Credit risk

Because of the sovereign status of its donor contributions, the Fund expects that each of its contributions for which a legally binding instrument has been deposited will ultimately be received. Collectability risk is covered by the provisions on contributions.

(f) Qualified Instrument of Contributions and Promissory Notes

At the end of December 2014, Contributions receivables and Promissory Notes still subject to national appropriation measures amounted to US\$35.9 million (US\$65.9 million as at 31 December 2013).

NOTE 6**PROVISIONS**

The fair value of the provisions is equivalent to the nominal value given that the underlying receivables/promissory notes are already due at the balance sheet date. In accordance with IFAD's policy, the Fund has established provisions at 31 December as follows:

<i>Thousands of United States dollars</i>		
	2014	2013
Balance at beginning of the year	168 448	168 448
Total movements	0	0
Balance at year end	168 448	168 448
Analysed as follows:		
Promissory notes of contributors (a)	80 861	80 861
Amounts receivable from contributors (b)	87 587	87 587
Total	168 448	168 448

(a) Provisions against promissory notes

As at 31 December 2014, IFAD replenishment contributions deposited in the form of promissory notes up to and including the Eighth Replenishment have been fully drawn down. The comparable figure is 100 per cent for the Ninth Replenishment (31 December 2013 - 65 per cent for the Ninth Replenishment).

As at 31 December 2014 and 2013, all first and second phase SPA contributions have been fully drawn down.

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

<i>Thousands of United States dollars</i>		
	2014	2013
IFAD		
Initial contributions		
Iran (Islamic Republic of)	29 358	29 358
Iraq	13 717	13 717
	43 075	43 075
First Replenishment		
Iraq	31 099	31 099
	31 099	31 099
Third Replenishment		
Democratic People's Republic of Korea	600	600
Libya	6 087	6 087
	6 687	6 687
Total	80 861	80 861

(b) Provisions against amounts receivable from contributors

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

<i>Thousands of United States dollars</i>		
	2014	2013
Initial contributions		
Comoros	10	10
Iran (Islamic Republic of)	83 167	83 167
	83 177	83 177
Second Replenishment		
Iraq	2 000	2 000
	2 000	2 000
Third Replenishment		
Iran (Islamic Republic of)	2 400	2 400
Sao Tome and Principe	10	10
	2 410	2 410
Total	87 587	87 587

NOTE 7**OTHER RECEIVABLES**

<i>Thousands of United States dollars</i>		
	2014	2013
Receivables for investments sold	0	3 197
Other receivables	15 342	24 942
Total	15 342	28 139

The amounts above are all expected to be received within one year of the balance sheet date. The balance of other receivables includes reimbursements from the host country for expenditures incurred during the year.

NOTE 8**FIXED AND INTANGIBLE ASSETS**

<i>Thousands of United States dollars</i>				
	1 Jan 2014	Increase/ (decrease)	Revaluation	31 Dec 2014
Cost				
Computer hardware	2 320	711		3 031
Computer software	12 608	1 430		14 038
Vehicles	149	290		439
Furniture and fittings	436	20	(50)*	(370)
Leasehold improvement	937	-		937
Total cost	16 450	2 451	(50)	18 851
Depreciation				
Computer hardware	(1 845)	(272)		(2 117)
Computer software	(2 235)	(1 321)		(3 556)
Vehicles	(2)	(32)		(34)
Furniture and fittings	(411)	(9)	50*	(370)
Leasehold improvement	(689)	(165)		(854)
Total depreciation	(5 182)	(1 799)	50	(6 931)
Net fixed and intangible assets	11 268	652	-	11 920

*Due to foreign exchange movements on an item of fixed assets held in a euro denominated unit.

NOTE 9**LOANS****(a) Accumulated allowance for impairment losses**

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

<i>Thousands of United States dollars</i>		
	2014	2013
Balance at beginning of year	58 325	52 702
Net increase in allowance	3 511	5 352
Revaluation	(3 680)	271
Balance at end of year at nominal value	58 156	58 325
Fair value adjustment	(53 770)	(36 912)
Total	4 386	21 413

All loans included within the accumulated allowance are 100 per cent impaired with the exception of the provision set against the Democratic People's Republic of Korea which are impaired for the instalments overdue.

In accordance with its policy, the Fund has established provisions against loans outstanding as at 31 December as follows:

Appendix D

	2014	2013
<i>Amounts in SDR</i>		
Democratic People's Republic of Korea	6 354	3 957
Somalia	17 299	17 299
Zimbabwe	16 570	16 570
Total	40 223	37 826
US\$ equivalent	58 156	58 325
Fair value adjustment	(53 770)	(36 912)
Total	4 386	21 413

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

(b) Non-accrual status

Had income from loans with overdue amounts in non-accrual status been recognized as income, income from loans as reported in the statement of comprehensive income for the year 2014 would have been higher by US\$1,281,351 (2013 - US\$1,305,051).

(c) Further analysis of loan balances

The composition of the loans outstanding balance by entity at 31 December was as follows:

	<i>Thousands of United States dollars</i>	
	2014	2013
IFAD	6 269 276	6 413 934
Spanish Trust Fund	46 485	19 030
Total	6 315 761	6 432 964
Fair value adjustment	(1 238 794)	(1 325 543)
Total	5 076 967	5 107 421
	<i>Thousands of United States dollars</i>	
	2014	2013
IFAD approved loans less cancellations less full repayments and the adjustment for movement in value of total SDR loans in terms of US\$ (appendix H) *		
Approved loans	11 249 453	11 658 275
Less: Undisbursed balance	(3 009 015)	(3 142 751)
Repayments	(2 196 610)	(2 357 224)
Interest/principal receivable	16 763	25 295
Loans outstanding at nominal value	6 060 591	6 183 595
Fair value adjustment	(1 162 213)	(1 237 140)
Loans outstanding	4 898 378	4 946 455
SPA approved loans less cancellations, less full repayments and the adjustment for movements in value of total SDR loans in terms of US\$ (appendix H)		
Approved loans	326 694	348 404
Repayments	(119 471)	(119 382)
Interest/principal receivable	1 462	1 317
Loans outstanding	208 685	230 339
Fair value adjustment	(71 385)	(84 035)
Loans outstanding	137 300	146 304
Total approved loans less cancellations, less full repayments and the adjustment for movements in value of SDR loans in terms of US\$		
Approved loans	11 576 147	12 006 679
Undisbursed balance	(3 009 015)	(3 142 751)
Repayments	(2 316 081)	(2 476 606)
Interest/principal receivable	18 225	26 612
Loans outstanding at nominal value	6 269 276	6 413 934
Fair value adjustment	(1 233 598)	(1 321 175)
Loans outstanding	5 035 678	5 092 759

* The balance includes euro denominated loans financed from the debt-financing facility.

(d) Credit risk

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

(e) Market risk

The interest rate risk associated with IFAD's loan portfolio is believed to be minimal, as 91.6 per cent (31 December 2013 - 95.5 per cent) of the current outstanding portfolio relates to borrowers on highly concessional terms, hence not subject to variation on an annual basis. An analysis of the portfolio by type of lending term is presented in appendix H, sections 4 and 9.

(f) Fair value estimation

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

NOTE 10**FINANCIAL INSTRUMENTS BY CATEGORY**

The table below provides information about the Fund's assets and liabilities classification, accounting policies for financial instruments have been applied to the line items below:

2014	<i>Thousands of United States dollars</i>		
	<i>Cash and bank deposits</i>	<i>Assets at fair value through profit and loss</i>	<i>Amortized cost</i>
Net loans outstanding			5 046 897
Investment at amortized cost			702 901
LEVEL 1		638 183	
Investments at fair value through profit and loss			
LEVEL 2		760 239	
Investments at fair value through profit and loss			
Cash and equivalents	202 256		
Total	202 256	1 398 422	5 749 798

2013	<i>Thousands of United States dollars</i>		
	<i>Cash and bank deposits</i>	<i>Assets at fair value through profit and loss</i>	<i>Amortized cost</i>
Net loans outstanding			5 053 286
Other receivables		3 197	
Amortized cost investments			782 377
Investments at fair value through profit and loss		1 187 943	
LEVEL 1		388 886	
Investments at fair value through profit and loss			

LEVEL 2			
Cash and equivalents	347 061		
Total	347 061	1 580 026	5 835 663

NOTE 11**HEAVILY INDEBTED POOR COUNTRIES (HIPC) DEBT INITIATIVE****(a) Impact of the HIPC Debt Initiative**

IFAD provided funding for the HIPC Debt Initiative in the amount of US\$171,670,000 during the period 1998-2014. Details of funding from external donors on a cumulative basis are found in appendix D1.

For a summary of debt relief reimbursed since the start of the Initiative and expected in the future, please refer to appendix I. Debt relief approved by the Executive Board to date excludes all amounts relating to the enhanced Debt Initiative for Eritrea, Somalia and the Sudan. Authorization for IFAD's share of this debt relief is expected to be given by the Executive Board in 2015-2018. At the time of preparation of the 2014 consolidated financial statements, the estimate of IFAD's share of the overall debt relief for these countries, principal and interest, was US\$170,235,985 (2013 - US\$182,385,000 for Eritrea, Somalia and the Sudan).

Gross investment income amounted to US\$8,005 (2013 - US\$12,700) from the HIPC Trust Fund balances.

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

	<i>Thousands of United States dollars</i>		
	2014	Movement	2013
IFAD contributions 1998-2014	171 670	17 000	154 670
Total contributions from external sources (appendix D1)	282 417	0	282 417
Net cumulative investment income	8 005	5	8 000
Shortfall between debt relief approved and funds available	3 334	(31 873)	35 207
Cumulative net exchange rate movements	30 865	(7 117)	37 982
Total (appendix I)	496 291	(21 985)	518 276

(b) Accumulated allowance for the HIPC Debt Initiative

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

	<i>Thousands of United States dollars</i>	
	2014	2013
Balance at beginning of year	47 111	87 271
New approvals	-	0
Change in provision	(7 567)	(39 779)
Exchange rate movements	(2 736)	(381)
Balance at end of year	36 808	47 111
Fair value adjustment	(11 124)	(14 389)
Total	25 684	32 722

NOTE 12**PAYABLES AND LIABILITIES**

	<i>Thousands of United States dollars</i>	
	2014	2013
Payable for investments purchased and impairment	1 085	9 033
ASMCS liability	95 935	70 620
Other payables and accrued liabilities	79 585	89 075
Total	176 605	168 728

Of the total above, an estimated US\$118,487,000 (2013 - US\$95,740,000) is payable in more than one year from the balance sheet date.

NOTE 13**DEFERRED REVENUE**

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

	<i>Thousands of United States dollars</i>	
	2014	2013
Total	496 755	622 430
Fair value adjustment	(20 788)	(29 387)
Deferred revenue	475 967	593 043

NOTE 14**UNDISBURSED GRANTS**

The balance of effective grants not yet disbursed to grant recipients is as follows:

	<i>Thousands of United States dollars</i>	
	2014	2013
IFAD	74 951	82 814
Supplementary funds	256 636	233 325
ASAP	57 593	
Balance at year end	389 180	316 139
Fair value adjustment	(5 456)	(2 999)
Undisbursed grants	383 724	313 140

NOTE 15**TRUST FUND BORROWING**

The amount lent by Spain for the establishment of the Spanish Food Security Cofinancing Facility Trust Fund is approximately EUR 300.0 million. This is a long-term liability of 45 years with a five-year grace period. The balance as at 31 December 2014 of US\$347.4 million (US\$395.6 million - 31 December 2013) represents the funds received from the Spanish Government plus the interest accrued.

NOTE 16**NET FOREIGN EXCHANGE GAINS/LOSSES**

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

Year	<i>United States dollars</i>
2014	1.44582
2013	1.54190
2012	1.53811

Appendix D

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

	Thousands of United States dollars	
	2014	2013
Opening balance at 1 January	890 753	873 419
Exchange movements for the year on:		
Cash and investments	(118 265)	(379)
Net receivables/payables	15 558	(3 264)
Loans and grants outstanding	(323 715)	16 153
Promissory notes and Members' receivables	(52 520)	(6 598)
Member States' contributions	32 358	11 422
Total movements in the year	(446 584)	17 334
Closing balance at 31 December	444 169	890 753

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

NOTE 17

INCOME FROM CASH AND INVESTMENTS

(a) Investment management (IFAD only)

Since 1994, a major part of IFAD's investment portfolio has been entrusted to external investment managers under investment guidelines provided by the Fund. At 31 December 2014, funds under external management amounted to US\$1,348.7 million (2013 - US\$1,511.8 million), representing 80 per cent of the Fund's total cash and investments (2013 - 76 per cent).

(b) Derivative instruments

The Fund's Investment Guidelines authorize the use of the following types of derivative instruments, primarily to ensure alignment to the SDR basket:

(i) Futures

	31 December	
	2014	2013
Number of contracts open:		
Buy	278	361
Sell	(1 464)	(1 162)
Net unrealized market gains of open contracts (US\$ '000)	(1 149)	2 365
Maturity range of open contracts (days)	65 to 90	65 to 90

The underlying instruments of future contracts open at 31 December 2014 were time deposits and currencies.

(ii) Forwards

The unrealized market value loss on forward contracts at 31 December 2014 amounted to US\$2.6 million (2013 - loss of US\$3.3 million). The maturities of forward contracts at 31 December 2014 ranged from 7 to 44 days (31 December 2013 - 7 to 58 days).

The underlying instruments of forward contracts open at 31 December 2014 were currencies.

(c) Income from cash and investments (consolidated)

Gross income from cash and investments for the year ended 31 December 2014 amounted to US\$57,004,000 (2013 - gross loss of US\$17.1 million). This figure reflects direct charges against investment income of US\$3.2 million (2013 - US\$3.1 million), which are included in expenses

	Thousands of United States dollars		
	2014		
	Fair value	Amortized cost	Total
Interest from banks and fixed-income Investments	35 130	8 029	43 159
Net expenses from futures/ options and swaps	(16 862)		(16 862)
Realized capital loss from fixed-income securities	(5 683)	(686)	(6 369)
Unrealized gain from fixed-income securities	37 076		37 076
Total	49 661	7 343	57 004

	Thousands of United States dollars		
	2013		
	Fair value	Amortized cost	Total
Interest from banks and fixed-income Investments	37 637	12 027	49 664
Net income from futures/ options and swaps	6 121		6 121
Realized capital (loss)/gain from fixed-income securities	(16 289)	(1 674)	(17 963)
Unrealized gain/(loss) from fixed-income securities	(54 945)		(54 945)
Total	(27 476)	10 353	(17 123)

For amortized cost investments, realized capital gains/(losses) relate to amortization and sales of securities.

The above figures are broken down by income for the consolidated entities, as follows:

	Thousands of United States dollars	
	2014	2013
IFAD	52 217	(20 480)
ASMCS Trust Fund	3 043	877
HIPC Trust Fund	11	13
Spanish Trust Fund	1 702	2 163
Haiti Debt Relief Initiative	177	347
ASAP	425	294
Supplementary funds	109	116
Less: income deferred/reclassified	(680)	(453)
Total	57 004	(17 123)

The annual rate of return on IFAD cash and investments in 2014 was 2.58 per cent net of investment expenses (2013 - negative 1.11 per cent net of investment expenses).

NOTE 18

INCOME FROM OTHER SOURCES

This income relates principally to reimbursement from the host Government for specific operating expenses. It also includes service charges received from entities housed at IFAD as compensation for providing administrative services. A breakdown is provided below:

Consolidated	Thousands of United States dollars	
	2014	2013
Host Government income	9 595	9 173
Income from other sources	1 361	1 705
Total	10 956	10 878

NOTE 19**INCOME FROM CONTRIBUTIONS**

	<i>Thousands of United States dollars</i>	
	2014	2013
IFAD	2 874	3 982
Spanish Trust Fund	0	18 776
ASAP	67 834	2 097
Supplementary funds	142 403	79 503
Total	213 111	104 358

From 2007, contributions to the HIPC Debt Initiative have been offset against the HIPC Debt Initiative expenses.

NOTE 20**OPERATING EXPENSES**

An analysis of IFAD-only operating expenses by principal funding source is shown in appendix L. The breakdown of the consolidated figures is set out below:

	<i>Thousands of United States dollars</i>	
	2014	2013
IFAD	171 379	170 648
Other entities	9 255	9 741
Total	180 634	180 389

The costs incurred are classified in the accounts in accordance with the underlying nature of the expense.

NOTE 21**STAFF NUMBERS, RETIREMENT PLAN AND MEDICAL SCHEMES****(a) Staff numbers**

Employees that are on IFAD's payroll are part of the retirement and medical plans offered by IFAD. These schemes include participation in the UNJSPF and in the ASMCS administered by FAO.

The number of full-time equivalent employees of the Fund and other consolidated entities in 2014 was as follows (breakdown by principal budget source):

FTE^a	<i>General</i>		
	<i>Professional</i>	<i>Service</i>	<i>Total</i>
IFAD administrative budget	262	185	447
APO/SPO ^b	11		11
Others	17	11	28
Programme funds	3	2	5
Total 2014	293	198	491
Total 2013	299	195	494

^a Full-time equivalent

^b Associate professional officer/special programme officer.

(b) Non-staff

As in previous years, in order to meet its operational needs, IFAD engaged the services of consultants, conference personnel and other temporary staff, who are also covered by an insurance plan.

(c) Retirement plan

The latest actuarial valuation for the UNJSPF was prepared as at 31 December 2013. This valuation revealed an actuarial deficit, amounting to 0.72 per cent of pensionable remuneration. Despite the actuarial deficit from the 2013 valuation, it was assessed that the UNJSPF is adequately funded. Therefore the United Nations General Assembly did not invoke the provision of article 26, requiring participating agencies to provide additional payments. IFAD makes contributions on behalf of its staff and would be liable for its share of the unfunded liability, if any (current contributions are paid as 7.9 per cent of pensionable remuneration by the employee and 15.8 per cent by IFAD). Total retirement plan contributions made for staff in 2014 amounted to US\$10,338,726 (2013 - US\$10,437,043).

(d) After-Service Medical Coverage Scheme

The latest actuarial valuation for the ASMCS was carried out as at 31 December 2014. The methodology used was the projected unit-credit-cost method with service prorates. The principal actuarial assumptions used were as follows: discount rate, 2.8 per cent; return on invested assets, 4.0 per cent; expected salary increase, 3.0 per cent; medical cost increase, 5.0 per cent; inflation, 2.5 per cent; and exchange rate EUR:US\$1.22. The results determined IFAD's liability as at 31 December 2014 to be US\$95,935,000. The 2014 and 2013 financial statements include a provision and related assets as follows as at 31 December:

	<i>Thousands of United States dollars</i>	
	2014	2013
Past service liability	(95 935)	(70 620)
Plan assets	66 854	69 643
Surplus /(deficit)	(29 081)	(977)
Yearly movements		
Opening balance	(977)	(4 730)
Surplus /(deficit)		
Interest cost	(64)	(2 845)
Current service charge	(2 909)	(3 009)
Actuarial gains /(losses)	(22 342)	6 771
Interest earned on balances	3 048	871
Exchange rate movement	(5 837)	1 965
Closing balance	(29 081)	(977)
Surplus /(deficit)		
Past service liability		
Total provision at 1 January	(70 620)	(71 537)
Interest cost	(64)	(2 845)
Current service charge	(2 909)	(3 009)
Actuarial gains /(losses)	(22 342)	6 771
Provision at 31 December	(95 935)	(70 620)
Plan assets		
Total assets at 1 January	69 643	66 807
Interest earned on balances	3 048	871
Exchange rate movement	(5 837)	1 965
Total assets at 31 December	66 854	69 643

ASMCS assets are currently invested in cash and time deposits in accordance with IFAD's investments policy.

IFAD provides for the full annual current service costs of this medical coverage, including its eligible retirees. In 2014, such costs included under staff salaries and benefits in the financial statements amounted to US\$2,306,000 (2013 - US\$4,785,000).

Based on the 2014 actuarial valuation, the level of assets necessary to cover ASMCS liabilities is US\$60.6 million, in net present value terms. As reported above, at 31 December 2014 the assets already held in the trust fund are US\$66.9 million; consequently this is more than sufficient to cover the level of liabilities.

(e) Actuarial valuation risk of the ASMCS

A sensitivity analysis of the principal assumptions of the liability and service cost contained within the group data as at 31 December 2014 is shown below:

<i>Impact on</i>	<i>Liability</i>	<i>Service cost</i>
Medical inflation:		
5.0 per cent instead of 4.0 per cent	25.3	1.7
3.0 per cent instead of 4.0 per cent	(20.1)	(1.2)

NOTE 22**GRANT EXPENSES**

The breakdown of the consolidated figures is set out below:

<i>Thousands of United States dollars</i>		
	2014	2013
IFAD grants	52 618	40 959
Supplementary funds	129 952	67 911
ASAP	65 896	0
Total	248 466	108 870

NOTE 23**DSF EXPENSES**

The DSF expenses are set out below:

<i>Thousands of United States dollars</i>		
	2014	2013
<i>IFAD-only</i>		
DSF expenses	157 342	142 665
Total	157 342	142 665

DSF financing is recognized as expenditures in the period in which conditions for the release of funds to the recipient are met.

NOTE 24**DIRECT BANK AND INVESTMENT COSTS**

<i>Thousands of United States dollars</i>		
	2014	2013
Investment management fees	2 561	2 589
Other charges	620	506
Total	3 181	3 095

NOTE 25**ADJUSTMENT FOR CHANGE IN FAIR VALUE**

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

<i>Thousands of United States dollars</i>		
	2014	2013
Loans outstanding	4 276	(62 224)
Accumulated allowance for loan impairment losses	19 162	(1 593)
Accumulated allowance for HIPC Debt Initiative	(2 369)	(9 078)
Net loans outstanding	21 069	(72 895)
Contributors' promissory notes	(10 763)	(3 376)
Contributions receivable	13 392	(6 674)
Contributions	(6 030)	(2 558)
Undisbursed grants	919	1 944
Deferred revenues	3 392	12 608
Total	21 979	(70 951)

NOTE 26**DEBT RELIEF INCOME**

This balance represents the debt relief provided during the year to HIPC eligible countries for both principal and interest. The amount represents a reduction in the overall provision for debt relief under HIPC from prior year.

NOTE 27**HOUSED ENTITY DISCLOSURE**

At 31 December liabilities owed to/(from) IFAD by the housed entities were:

<i>Thousands of United States dollars</i>		
	2014	2013
ILC	414	1 487
HLTF*	0	305
Total	414	1 792

*This entity was no longer hosted by IFAD as at 31 Dec. 2014.

NOTE 28**CONTINGENT LIABILITIES AND ASSETS****(a) Contingent liabilities**

IFAD has contingent liabilities in respect of debt relief announced by the World Bank/International Monetary Fund for three countries. See note 11 for further details of the potential cost of loan principal and interest relating to these countries, as well as future interest not accrued on debt relief already approved as shown in appendix I.

IFAD has a contingent liability for DSF financing effective but not yet disbursed for a global amount of US\$715.9 million (US\$828.8 million in 2013). In particular, at the end of December 2014, DSF financing disburseable but not yet disbursed, because the conditions for the release of funds were not yet met, amounted to US\$581.8 million (US\$621.4 million in 2013) and DSF projects approved not yet effective amounted to US\$134.1 million (US\$207.4 million in 2013).

(b) Contingent assets

At the end of December 2014 the balance of qualified instrument of contributions amounted to US\$35.9 million. These contributions are subject to national appropriation measures, therefore those receivables will be considered due upon fulfilment of those conditions and considered probable at the reporting date.

The DSF for grants, approved in 2007, aims for the full recovery of principal repayments foregone through a pay-as-you-go compensation mechanism by Member States. Consequently, IFAD has gone through a review of the mechanism via which this policy would be implemented with its governing bodies. This has led to the endorsement by the Executive Board in 2013 of the underlying principles thereof. This policy has been also endorsed by Member States in the Replenishment Consultation process in 2014 and finally approved by the Governing Council in 2015. This, in effect, provides a concrete basis on which Member States will be expected to contribute towards the DSF principal reflows foregone in addition to regular contributions. The receipt of funds which have been provided as DSF grants is therefore considered probable and hence is disclosed as a contingent asset. The nominal amount of the amount so disbursed as at 31 December 2014 amounted to US\$556.1 million (US\$399.1 million as at December 2013).

NOTE 29**POST BALANCE SHEET EVENTS**

Management is not aware of any events after the balance sheet date that provide evidence of conditions that existed at the balance sheet date or indicative of conditions that arose after the reporting period that warrant adjusting the financial statements or require disclosure.

NOTE 30**RELATED PARTIES**

The Fund has identified related parties and transactions carried out in 2014. These pertain to transactions with Member States for which IAS 24, para. 25 is applicable; these transactions and related outstanding balances are reported in appendices G and H. Transactions with key Management staff are only limited to employee benefits.

NOTE 31**DATE OF AUTHORIZATION FOR ISSUE OF THE CONSOLIDATED FINANCIAL STATEMENTS**

The consolidated financial statements are issued by Management for review by the Audit Committee in April 2015 and endorsement by the Executive Board in April 2015. The 2014 consolidated financial statements will be submitted to the Governing Council for formal approval at its next session in February 2016. The 2013 consolidated financial statements were approved by the Governing Council at its thirty-eighth session in February 2015.

Statement of complementary and supplementary contributions**Statement of cumulative supplementary contributions including project cofinancing from 1978 to 2014^a**

(Thousands of United States dollars)

<i>Member States</i>	<i>Project cofinancing</i>	<i>APOs</i>	<i>Other supplementary funds</i>	<i>GEF</i>	<i>Total</i>
Algeria			85		85
Angola			7		7
Australia ^b	2 721		84		2 805
Austria	755				755
Bangladesh			48		48
Belgium	10 214	2 342	167 751		180 307
Canada	12 404		8 938		21 342
China			342		342
Colombia			25		25
Denmark	19 712	4 762	3 946		28 420
Estonia			109		109
Finland	2 844	4 730	12 784		20 358
France	1 031	1 131	7 844		10 006
Germany	46	6 703	7 996		14 745
Ghana			85		85
Greece			85		85
India			1 000		1 000
Indonesia			50		50
Ireland	6 602		912		7 514
Italy	30 072	5 849	27 087		63 009
Japan	1 692	2 026	4 131		7 849
Jordan			153		153
Kuwait			133		133
Lebanon			100		100
Luxembourg	2 112		1 402		3 514
Malaysia			28		28
Mauritania			92		92
Morocco			50		50
Netherlands	104 408	6 335	11 856		122 599
New Zealand	790		20		810
Nigeria			50		50
Norway	20 671	2 530	6 115		29 316
Pakistan			25		25
Paraguay			15		15
Portugal	142		718		860
Qatar			121		121
Republic of Korea	1 756	4 848	81		6 685
Saudi Arabia			121		121
Senegal			109		109
Sierra Leone			88		88
South Africa					
Spain	11 690		6 506		18 196
Suriname	2 000				2 000
Sweden	9 114	2 773	15 609		27 496
Switzerland	8 498	343	18 415		27 256
Turkey			47		47
United Kingdom	19 074		16 859		35 933
United States		322	86		408
Total Member States	268 349	44 694	322 108		635 151

^a Non-US\$ contributions have been translated at the year-end exchange rate.^b Australia's withdrawal from IFAD membership became effective 31 July 2007.

Statement of cumulative supplementary contributions including project cofinancing from 1978 to 2014^a
(Thousands of United States dollars)

<i>Non-Member States and other sources</i>	<i>Project cofinancing</i>	<i>APOs</i>	<i>Other supplementary funds</i>	<i>GEF</i>	<i>Total</i>
African Development Bank	2 800		1 096		3 896
AFESD	2 982				2 982
Arab Bank			25		25
Arab Gulf Programme for United Nations Development Organizations	299				299
Bill & Melinda Gates Foundation			1 244		1 244
Cassava Programme			69		69
Chief Executives Board for Coordination (CEB) Secretariat, Geneva			998		998
Congressional Hunger Center			183		183
Coopernic			3 630		3 630
European Commission	814		519 470		520 284
Food and Agriculture Organization of the United Nations	5		257		262
Global Agriculture and Food Security Program	100 000		4 915		104 915
Least Developed Countries Fund / Special Climate Change Fund (SCCF) ^b			32 991		32 991
National Agricultural Cooperative Federation					
Office of the United Nations High Commissioner for Refugees					
OFID	2 260				2 260
Other	387		2 267		2 654
United Nations Capital Development Fund	382		180		562
United Nations Development Programme	467		191		658
United Nations Fund for International Partnerships	78		145		223
UNO	3 017				3 017
World Bank	1 358		529	99 635	101 522
Total non-Member States and other sources	114 849		568 190	99 635	782 674
Total 2014	383 198	44 694	890 298	99 635	1 417 825
Total 2013	333 057	43 315	921 266	93 644	1 391 281

^a Non-United States dollars contributions have been translated at the year-end exchange rate.

^b The balance includes US\$125,000 related to Mongolia.

Statement of cumulative complementary and other contributions from 1978 to 2014

(Thousands of United States dollars)

	<i>Amount</i>
Canada	1 511
Germany	458
India	1 000
Saudi Arabia	30 000
Sweden	13 827
United Kingdom	12 002
Cumulative contributions received from Belgium for the BFFS.JP in the context of replenishments	80 002
	138 800
<i>Contributions made in the context of replenishments to the HIPC Trust Fund</i>	
Italy	4 602
Luxembourg	1 053
Netherlands	14 024
	19 679
<i>Contributions made to ASAP in the context of replenishment</i>	
ASAP	297 480
Total complementary contributions 2014	455 959
Total complementary contributions 2013	416 746

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

(Thousands of United States dollars)

	<i>Amount</i>
<i>Contributions made in the context of replenishments (see previous table)</i>	19 679
Belgium	2 713
European Commission	10 512
Finland	5 193
Germany	6 989
Iceland	250
Norway	5 912
Sweden	17 000
Switzerland	3 276
World Bank HIPC Trust Fund	210 893
	262 738
Total contributions to IFAD's HIPC Trust Fund 2014	282 417
Total contributions to IFAD's HIPC Trust Fund 2013	282 417

Statement of complementary and supplementary contributions received in 2014**Contributions received for project cofinancing in 2014**

	<i>Currency</i>	<i>Amount (thousands)</i>	<i>Thousands of US dollars equivalent</i>
Canada	US\$		4 723
Denmark	DKK	10 328	1 909
GAFFSP	US\$	10 338	10 338
European Commission	EUR	8 430	10 201
Germany	EUR	750	908
Italy	EUR	1 503	1 819
Netherlands	US\$	1 773	1 773
OFID	US\$	240	240
Total			31 911

Contributions received for associate professional officers in 2014

	<i>Currency</i>	<i>Thousands of US dollars</i>
Denmark	US\$	313
Finland	US\$	249
Germany	US\$	299
Italy	US\$	202
Netherlands	US\$	242
Republic of Korea	US\$	117
Total		1 422

Supplementary fund contributions received in 2014

	<i>Currency</i>	<i>Amount (thousands)</i>	<i>Thousands of US dollars equivalent</i>
France	EUR	1 000	1 331
European Commission	EUR	22 432	27 144
Bill & Melinda Gates Foundation	US\$		230
Estonia	EUR	45	54
GEF	US\$		15 807
Switzerland	EUR	1 570	1 900
Germany	EUR	235	284
New Zealand	USD		420
Republic of Korea	US\$		455
Netherlands	US\$		4 240
UNDP	US\$		158
Total			52 023
Grand total			85 356

Unspent project cofinancing funds
(Thousands of United States dollars)

Member States	2014	2013
Canada	4 440	2
Denmark	2 941	1 874
Finland	10	10
Ireland		0
Italy	3 422	3 489
Japan		0
Luxembourg	140	40
Netherlands	2 647	7 846
Norway	4	16
New Zealand	400	
Republic of Korea	679	
Spain	2 191	3 911
United Kingdom	142	142
Total Member States	17 016	17 330
Non-Member States		
Global Agriculture and Food Security Programme (GAFSP) Trust Fund	8 632	2 693
Organization of the Petroleum Exporting Countries	199	498
Other	26	26
United Nations Capital Development Fund	23	
United Nations Fund for International Partnerships		23
United Nations Development Programme		
World Bank	7	7
Total non-Member States	8 887	3 247
Total	25 903	20 577

Unspent associate professional officer (APO) funds
(Thousands of United States dollars)

	<i>Unspent balance as at 31 December</i>	
	<i>2014</i>	<i>2013</i>
Belgium	383	424
Denmark	361	357
Finland	104	95
France	0	5
Germany	206	98
Italy	144	3
Netherlands	232	307
Norway	(59)	(52)
Republic of Korea	254	456
Sweden	(5)	20
Total	1 630	1 713

Other unspent complementary and supplementary funds

(Thousands of United States dollars)

	<i>Unspent balance as at 31 December</i>	
	<i>2014</i>	<i>2013</i>
Member States		
Belgium	3 501	5 927
Canada	4 548	4 846
China	145	165
Denmark	130	130
Estonia	75	62
Finland	753	1 465
France	2 148	0
Germany	1 546	459
India	613	613
Ireland	171	175
Italy	3 105	2 301
Japan		94
Lebanon	99	99
Luxembourg	7	1 246
Malaysia	13	13
Netherlands	41	322
Norway	106	127
Portugal	4	24
Republic of Korea	1	865
Spain	3 384	3 334
Sweden	2 403	3 845
Switzerland	102	1 488
United Kingdom	1 188	2 138
United States		1
Total Member States	24 083	29 739
Non-Member States		
African Development Bank		376
Coopernic		0
European Commission	17 286	32 029
Food and Agriculture Organization of the United Nations	98	24
Global Agriculture and Food Security Program	2 633	3 205
Platform for Agriculture Risk Management (PARM)	2 154	2 990
Least Developed Countries Fund	24 437	15 294
Other	473	1 030
Special Climate Change Fund		19
Support to farmers' organizations in Africa programme (SFOAP) main phase	3 506	2 835
Technical Assistance Facility	412	470
United Nations Capital Development Fund	90	115
World Bank	13	13
Total non-Member States	51 102	58 400
Total	75 185	88 139

Global Environment Facility
(Thousands of United States dollars)

<i>Recipient country</i>	<i>Cumulative contributions received as at 31 December 2014</i>	<i>Unspent at 1 January 2014</i>	<i>Received from donors</i>	<i>Expenses</i>	<i>Unspent at 31 December 2014</i>
ASEAN ^a regional	4 639	-	-	-	-
Brazil	5 931	-	-	-	-
Burkina Faso	2 016	-	-	-	-
China	4 895	-	-	-	-
Comoros	1 000	-	-	-	-
Ecuador	2 783	-	-	-	-
Eritrea	4 477	-	-	-	-
Ethiopia	4 750	-	-	-	-
Gambia (The)	96	-	-	-	-
Global supplement for UNCCD ^b	457	-	-	-	-
Indonesia	100	-	100	(18)	82
Jordan	7 886	15	-	-	15
Kenya	4 700	-	-	-	-
Mali	6 315	-	-	-	-
Mauritania	4 350	-	-	-	-
MENARID ^c monitoring and evaluation	705	-	-	-	-
Mexico	5 100	5 000	-	-	5 000
Morocco	331	-	-	-	-
Niger	4 326	-	-	-	-
Panama	1 577	1 500	-	(1500)	-
Peru	7 790	-	5 890	-	5 890
Sao Tome and Principe	2 500	-	-	-	-
Sri Lanka	7 270	-	-	-	-
Sudan	3 750	3 652	-	-	3 652
Swaziland	2 051	-	-	-	-
Tunisia	5 350	-	-	-	-
Venezuela	3 735	3 636	-	(3 616)	19
Viet Nam	755	-	-	-	-
Total	99 635	13 803	5 990	(5 134)	14 658

^a Association of Southeast Asian Nations.

^b United Nations Convention to Combat Desertification.

^c US\$326,000 received before the signature of the financial procedure agreement between IFAD and the GEF trustee.

Summary of the Adaptation for Smallholder Agriculture Programme Trust Fund

As at 31 December 2014

Complementary contributions				
<i>Member States</i>	<i>Local currency</i>	<i>Pledges (Thousands of United States dollars)^a</i>	<i>Payment Promissory^b Notes</i>	<i>Payment cash^b</i>
Belgium	EUR 6 000	8 584		7 855
Canada	CAD 19 849	20 347		19 879
Finland	EUR 5 000	7 153		6 833
Netherlands	EUR 40 000	57 225		26 519
Norway	NOK 42 000	7 720		6 541
Sweden	SEK 30 000	4 729		4 471
Switzerland	CHF 10 000	11 844		10 949
United Kingdom	GBP 147 500	239 176	214 433	
Total complementary contributions		356 778	214 433	83 047
Supplementary Funds				
Donor				
Flemish Department for Foreign Affairs	EUR 2 000	2 486		1 276
TOTAL		359 246	214 433	84 323

^a Pledges counter-valued at replenishment exchange rate.^b Payments counter-valued at exchange rate prevailing at receipt date.**Grants**

<i>Grant recipient</i>	<i>Approved grants less cancellations</i>	<i>Disbursable</i>	<i>Disbursements 2014</i>	<i>Undisbursed portion of disbursable grants</i>	<i>Grants not yet disbursable as at 31 December 2014</i>
SDR grants (expressed in thousands)					
Bangladesh	9 900	(9 900)	(1 024)	8 876	0
Bolivia (Plurinational State of)	6 500	(6 500)	(888)	5 612	0
Cambodia	10 150	0	0	0	10 150
Chad	3 240	0	0	0	3 240
Cote D'Ivoire	4 520	0	0	0	4 520
Djibouti	4 000	0	0	0	4 000
Egypt	3 380	0	0	0	3 380
Ghana	6 500	0	0	0	6 500
Kyrgyzstan	6 500	0	0	0	6 500
Lesotho	4 610	0	0	0	4 610
Mali	6 500	(6 500)	(550)	5 950	0
Morocco	1 295	0	0	0	1 295
Mozambique	3 260	(3 260)	(66)	3 194	0
Nepal	9 710	0	0	0	9 710
Nicaragua	5 310	(5 310)	(546)	4 764	0
Nigeria	9 800	0	0	0	9 800
Rwanda	4 510	(4 510)	(675)	3 835	0
Sudan	4 730	0	0	0	4 730
Uganda	6 770	0	0	0	6 770
Viet Nam	7 820	(7 820)	(217)	7 603	0
Yemen	6 630	0	0	0	6 630
Total SDR	125 635	(43 800)	(3 966)	39 834	81 835
US\$ equivalent	181 645	(65 896)	(5 734)	57 593	118 319

As at December 2013 the grants approved (US\$93.9 million) were not yet disbursable.



Investing in rural people

Management's Report Regarding the Effectiveness of Internal Controls Over Financial Reporting

Management of the International Fund for Agricultural Development (IFAD) (the "Fund") is responsible for the preparation, fair presentation and overall integrity of its consolidated financial statements. The financial statements of the Fund have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board (IASB).

According to the Agreement Establishing IFAD, the President is responsible for establishing and maintaining adequate internal controls of the Fund including those over external financial reporting.

The Executive Board of the Fund established an Audit Committee, whose terms of reference, among other things, is to assist the Board in exercising supervision over the financial administration and internal oversight of the Fund, including effectiveness of internal controls over financial reporting. The Audit Committee is comprised entirely of selected members of the Executive Board and oversees the process for the selection of external auditors and makes a recommendation for such selection to the Executive Board for its approval. The external and internal auditors meet with the Audit Committee of the Executive Board to discuss their work plans and approach which covers review of the adequacy of internal controls over financial reporting and any other matter that may require the Audit Committee's attention.

The system of internal controls over financial reporting contains monitoring mechanisms and actions that are meant to detect, prevent and facilitate correction of deficiencies identified that may result in material weaknesses in internal controls over financial reporting. There are inherent limitations to the effectiveness of any system of internal control, including the possibility of human error and the circumvention or overriding of controls. Accordingly, an effective internal control system can only provide reasonable, as opposed to absolute assurance with respect to financial statements. Furthermore, the effectiveness of an internal control system can change with circumstances.

The Fund's Management assessed the effectiveness of internal controls over financial reporting for the Financial Statements presented in conformity with International Financial Reporting Standards (IFRS) as of **31st December 2014**. The assessment was based on the criteria for effective internal controls over financial reporting described in the *Internal Controls-Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). A report was provided to Management providing reasonable assurance as to the operational effectiveness of these controls. Based on the work performed, Management believes that the Fund maintained an effective system of internal controls over financial reporting as of 31st December 2014, and is not aware of any material control weakness that could affect the reliability of the 2014 financial statements. IFAD's independent audit firm Deloitte, has audited the financial statements and has issued an attestation report on Management's assertion on the Fund's Internal controls over financial reporting.


Kanayo F. Dwanze
President


Iain M. Kellet
Chief Financial Officer


Ruth Farrant
Director and Controller

INDEPENDENT AUDITOR'S REPORT

To the International Fund for Agricultural Development

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of the International Fund for Agricultural Development, which comprise the consolidated and IFAD-only balance sheets as at 31 December 2014, the consolidated and IFAD-only statements of comprehensive income and changes in retained earnings and the consolidated cash-flow statement for the year then ended, the statement of complementary and supplementary contributions and unspent funds, the summary of the Adaption for Smallholder Agriculture Programme Trust Fund and a summary of significant accounting policies and other explanatory information.

President's Responsibility for the Financial Statements

The President is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB), and for such internal control as the President determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova
Palermo Parma Roma Torino Treviso Verona

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Partita IVA: IT 03049560166

Member of Deloitte Touche Tohmatsu Limited

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the International Fund for Agricultural Development as at December 31, 2014, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

DELOITTE & TOUCHE S.p.A.



Enrico Pietrarelli
Partner

Rome, March 20, 2015

INDEPENDENT AUDITOR'S REPORT

To the International Fund for Agricultural Development

We have examined management's assessment that the International Fund for Agricultural Development ("IFAD") maintained effective internal controls over financial reporting as of December 31, 2014, based on the criteria for effective internal controls over financial reporting described in the "Internal Control – Integrated Framework (2013)" issued by the Committee of Sponsoring Organisations of the Treadway Commission. IFAD's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Consolidated financial statements of IFAD as at 31 December 2014. Our responsibility is to express an opinion on management's assertion over the effectiveness of IFAD's internal control over financial reporting based on our examination.

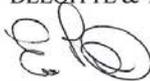
We conducted our examination in accordance with the International Standard on Assurance Engagements (ISAE) 3000. Our examination included obtaining an understanding of internal control over financial reporting, evaluating management's assessment and performing such other procedures as we considered necessary in the circumstances. We believe that our work provides a reasonable basis for our opinion.

An entity's internal control over financial reporting is a process designed by, or under the supervision of, the entity's principal executive and principal financial officers, or persons performing similar functions, and effected by the entity's board, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. An entity's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the entity; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of the entity's management; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the entity's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, management's assertion that IFAD maintained effective internal control over financial reporting, included within the Consolidated financial statements of IFAD as at 31 December 2014, is fairly stated, in all material respects, based on the criteria for effective internal controls over financial reporting described in the "Internal Control – Integrated Framework (2013)" issued by the Committee of Sponsoring Organisations of the Treadway Commission.

DELOITTE & TOUCHE S.p.A.



Enrico Pietrarelli
Partner

Rome, March 20, 2015

IFAD-only balance sheet at nominal value in United States dollars and retranslated in special drawing rights
(as at 31 December 2014 and 2013)

<i>Assets</i>	<i>Thousands of US dollars</i>		<i>Thousands of special drawing rights</i>	
	<i>2014</i>	<i>2013 restated</i>	<i>2014</i>	<i>2013 restated</i>
Cash on hand and in banks (note 4)	82 498	186 304	57 059	120 828
Investments (note 4)	1 607 861	1 801 917	1 112 077	1 168 633
Contributors' promissory notes (note 5)	285 519	380 849	197 479	247 000
Contributions receivable (note 5)	227 078	518 871	157 058	336 514
Less: provisions and Qualified Instrument of Contributions	(204 361)	(234 360)	(141 344)	(151 994)
Net contribution and promissory notes receivables	308 236	665 360	213 193	431 520
Other receivables	148 747	148 304	102 878	96 181
Fixed assets	11 920	11 268	8 245	7 308
Loans outstanding (note 9 and appendix H)	6 269 276	6 413 934	4 336 139	4 159 757
Less: accumulated allowance for loan impairment losses (note 9(a))	(58 156)	(58 325)	(40 223)	(37 826)
Less: accumulated allowance for the HIPC Debt Initiative (note 11(b) and appendix I)	(36 808)	(47 111)	(25 458)	(30 554)
Net loans outstanding	6 174 312	6 308 498	4 270 458	4 091 377
Total assets	8 333 574	9 121 651	5 763 910	5 915 847

<i>Liabilities and equity</i>	<i>Thousands of US dollars</i>		<i>Thousands of special drawing rights</i>	
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
Liabilities				
Payables and liabilities	187 754	177 908	129 859	115 382
Undisbursed grants	74 951	82 814	51 839	53 709
Deferred revenues	68 449	79 371	47 343	51 476
Total liabilities	331 154	340 093	229 041	220 567
Equity				
Contributions				
Regular	7 254 395	7 237 478	6 417 836	6 031 746
Special	20 349	20 349	15 219	15 219
Total contributions (appendix G)	7 274 744	7 257 827	6 433 055	6 046 965
General Reserve	95 000	95 000	65 707	61 612
Retained earnings	632 676	1 428 731	(963 888)	(413 297)
Total equity	8 002 420	8 781 558	5 534 874	5 695 280
Total liabilities and equity	8 333 574	9 121 651	5 763 910	5 915 847

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

Statement of contributions

For the period 1 January to 31 December 2014

Summary of contributions

	<i>Thousands of United States dollars</i>	
	2014	2013
Initial contributions	1 017 373	1 017 373
First Replenishment	1 016 564	1 016 372
Second Replenishment	567 053	566 560
Third Replenishment	553 881	553 856
Fourth Replenishment	361 421	361 421
Fifth Replenishment	441 401	441 401
Sixth Replenishment	567 021	567 021
Seventh Replenishment	654 640	654 640
Eighth Replenishment	962 978	962 341
Ninth Replenishment	964 947	979 621
Tenth Replenishment	244	0
Total IFAD	7 107 523	7 120 606
SPA Phase I	288 868	288 868
SPA Phase II	62 364	62 364
Total SPA	351 232	351 232
Special contributions ^a	20 349	20 349
Total replenishment contributions	7 479 104	7 492 188
Statement of complementary contributions		
Belgian Survival Fund	80 002	80 002
HIPC Debt Initiative	19 679	19 679
ASAP complementary contributions	297 480	258 267
Other complementary contributions	58 798	58 798
Total complementary contributions	455 959	416 746
HIPC contributions not made in the context of replenishment resources	262 738	262 738
Belgian Survival Fund contributions not made in the context of replenishment resources	63 836	63 836
Statement of supplementary contributions^b		
Project cofinancing	383 198	333 057
Associate professional officer funds	44 694	43 315
Other supplementary funds	890 298	921 266
Global Environment Facility	99 635	93 644
Total supplementary contributions	1 417 825	1 717 856
Total contributions	9 626 462	9 626 789
Total contributions include the following:		
Total replenishment contributions (as above)	7 479 104	7 492 188
Less provisions	(168 448)	(168 448)
Less Qualified Instrument of Contribution	(35 912)	(65 912)
Total net replenishment contributions	7 274 744	7 257 828
Less fair value adjustment	(1 877)	(7 908)
Total replenishment contributions at fair value	7 272 867	7 249 920

^a Including Iceland's special contribution prior to membership and US\$20 million from OFID.^b Includes interest earned according to each underlying agreement.

Statement of contributions

For the period 1 January to 31 December 2014

Statement of Members' contributions^a

	<i>Initial, First, Second, Third, Fourth, Fifth, Sixth, Seventh, and Eighth Replenishments (thousands of US dollars equivalent)</i>	<i>Ninth Replenishment</i>					<i>Total</i>
		<i>Currency</i>	<i>Amount (thousands)</i>	<i>Thousands of US dollars equivalent</i>	<i>Payments (thousands of US dollars equivalent)</i>		
					<i>Instruments deposited</i>	<i>Cash</i>	
Member States							
Afghanistan	0						
Albania	50	US\$	10	10	10	0	10
Algeria	62 430	US\$	10 000	10 000	6 500	0	6 500
Angola	2 360	US\$	1 900	1 900	1 900	0	1 900
Argentina	12 400		0	0		0	
Armenia	35	US\$	10	10	10	0	10
Australia ^b	37 247		0	0		0	
Austria	69 995	EUR	16 000	20 688	14 235	6 453	20 688
Azerbaijan	200	US\$	100	100	100	0	100
Bangladesh	4 956	US\$	650	650	423	228	650
Barbados	10		0	0		0	
Belgium	120 625	EUR	24 000	30 189	20 509	0	20 509
Belize	205		0	0		0	
Benin	325	US\$	104	104	104	0	104
Bhutan	165	US\$	30	30	30	0	30
Bolivia (Plurinational State of)	1 500		0	0		0	
Bosnia and Herzegovina	165		0	0		0	
Botswana	560	US\$	90	90	90	0	90
Brazil ^c	65 296	US\$	16 700	16 700	0	16 700	16 700
Burkina Faso	359	US\$	125	125	125	0	125
Burundi	90	US\$	10	10	10	0	10
Cabo Verde	26	US\$	20	20	20	0	20
Cambodia	840	US\$	210	210	210	0	210
Cameroon	2 439		0	0		0	
Canada	277 706	CAD	75 000	72 575	72 575	0	72 575
Central African Republic	11	EUR	2	3	3	0	3
Chad	62	EUR	250	329	329	0	329
Chile	860		0	0		0	
China	78 839	US\$	27 000	27 000	20 000	0	20 000
Colombia	840		0	0		0	
Comoros ^d	32		0	0		0	
Congo	818		0	0		0	
Cook Islands	5		0	0		0	
Côte d'Ivoire	1 559	US\$	70	70	70	0	70
Cuba	9		0	0		0	
Cyprus	252	US\$	60	60	0	0	0
Democratic Republic of the Congo	1 580	US\$	290	290	290	0	290
Denmark	138 210	DKK	85 000	14 687	10 137	0	10 137
Djibouti	31		0	0		0	
Dominica	51		0	0		0	
Dominican Republic	88		0	0		0	
Ecuador	841	US\$	400	400	300	0	300
Egypt	20 409	US\$	3 000	3 000	3 000	0	3 000
El Salvador	100		0	0		0	
Eritrea	40	US\$	30	30	30	0	30
Estonia	59		0	0		0	
Ethiopia	251	US\$	40	40	40	0	40
Fiji	204	US\$	70	70	70	0	70
Finland	56 538	EUR	12 000	15 638	10 798	0	10 798

Statement of contributions

For the period 1 January to 31 December 2014

Statement of Members' contributions^a (cont.)

	<i>Initial, First, Second, Third, Fourth, Fifth, Sixth, Seventh, and Eighth Replenishments (thousands of US dollars equivalent)</i>	<i>Ninth Replenishment</i>					
		<i>Instruments deposited</i>			<i>Payments (thousands of US dollars equivalent)</i>		
		<i>Currency</i>	<i>Amount (thousands)</i>	<i>Thousands of US dollars equivalent</i>	<i>Cash</i>	<i>Promissory notes</i>	<i>Total</i>
France	285 024	EUR	35 000	45 696	31 660	0	31 660
Gabon	3 704	US\$	20	20	20	0	20
Gambia (The)	75	US\$	15	15	15	0	15
Germany	394 940	EUR	52 389	68 004	45 817	22 187	68 004
Ghana	2 066	US\$	400	400	120	0	120
Greece	4 196		0	0		0	
Grenada	75		0	0		0	
Guatemala	1 043		0	0		0	
Guinea	410	US\$	80	80	80	0	80
Guinea-Bissau	30		0	0		0	
Guyana	1 118	US\$	718	718	718	0	718
Haiti	107	US\$	90	90	90	0	90
Honduras	801		0	0		0	
Hungary	0	US\$	100	100	100	0	100
Iceland	350	US\$	25	25	25	0	25
India	105 497	US\$	30 000	30 000	30 000	0	30 000
Indonesia	51 959	US\$	10 000	10 000	2 439	0	2 439
Iran (Islamic Republic of) ^d	128 750		0	0		0	
Iraq ^d	56 099		0	0		0	
Ireland ^e	23 831	EUR	4 000	5 219	5 219	0	5 219
Israel	300	EUR	113	151	151	0	151
Italy	347 462	EUR	58 017	73 578	49 377	0	49 377
Jamaica	326		0	0		0	
Japan	434 908	JPY	5 930 003	51 585	14 490	37 095	51 585
Jordan	940	US\$	100	100	100	0	100
Kazakhstan	0	US\$	20	20	20	0	20
Kenya	4 718	US\$	118	118	118	0	118
Kiribati	5	EUR	10	14	14	0	14
Korea, Democratic People's Republic	800		0	0		0	
Kuwait	173 041	US\$	15 000	15 000	9 750	5 250	15 000
Lao People's Democratic Republic	306	US\$	51	51	51	0	51
Lebanon	495		0	0		0	
Lesotho	489	US\$	100	100	100	0	100
Liberia	39	US\$	25	25	25	0	25
Libya ^d	52 000		0	0		0	
Luxembourg	5 510	EUR	1 678	2 168	1 457	0	1 457
Madagascar	574	US\$	50	50	50	0	50
Malawi	123		0	0		0	
Malaysia	1 175		0	0		0	
Maldives	51		0	0		0	
Mali	286	EUR	71	92	92	0	92
Malta	55		0	0		0	
Mauritania	135		0	0		0	
Mauritius	275	US\$	5	5	5	0	5
Mexico	33 131	US\$	5 000	5 000	5 000	0	5 000
Moldova (Republic of)	45	US\$	30	30	30	0	30
Mongolia	12	US\$	3	3	3	0	3
Morocco	7 244	US\$	700	700	350	350	700
Mozambique	485	US\$	85	85	85	0	85
Myanmar	250	EUR	4	5	5	0	5
Namibia	360		0	0		0	

Statement of contributions

For the period 1 January to 31 December 2014

Statement of Members' contributions^a (cont.)

	<i>Initial, First, Second, Third, Fourth, Fifth, Sixth, Seventh, and Eighth Replenishments (thousands of US dollars equivalent)</i>	<i>Ninth Replenishment</i>					
		<i>Instruments deposited</i>			<i>Payments (thousands of US dollars equivalent)</i>		
		<i>Currency</i>	<i>Amount (thousands)</i>	<i>Thousands of US dollars equivalent</i>	<i>Cash</i>	<i>Promissory notes</i>	<i>Total</i>
Nepal	210	US\$	60	60	60	0	60
Netherlands	344 656	US\$	75 000	75 000	50 000	25 000	75 000
New Zealand	7 995	NZD	4 500	3 589	2 416		2 416
Nicaragua	119	US\$	150	150	100	0	100
Niger	275		0	0		0	
Nigeria	121 459		0	0		0	
Norway	221 787	NOK	270 000	43 366	31 362	0	31 362
Oman	300	US\$	50	50	50	0	50
Pakistan	22 934	US\$	8 000	8 000	5 333	2 667	8 000
Panama	224	US\$	17	17	17	0	17
Papua New Guinea	170		0	0		0	
Paraguay	1 206	US\$	150	150	150	0	150
Peru	1 260	US\$	375	375	375	0	375
Philippines	1 978	US\$	200	200	100	0	100
Portugal	4 384		0	0		0	
Qatar	39 980		0	0		0	
Republic of Korea	19 239	US\$	4 000	4 000	4 000	0	4 000
Romania	250		0	0		0	
Russian Federation	0	US\$	6 000	6 000	3 000	0	3 000
Rwanda	221	US\$	50	50	50	0	50
Saint Kitts and Nevis	20		0	0		0	
Saint Lucia	22		0	0		0	
Samoa	50		0	0		0	
Sao Tome and Principe	10		0	0		0	
Saudi Arabia	409 778	US\$	23 000	23 000	12 000	11 000	23 000
Senegal	564	EUR	140	190	190	0	190
Seychelles	20	US\$	50	50	50	0	50
Sierra Leone	37		0	0		0	
Solomon Islands	10		0	0		0	
Somalia	10		0	0		0	
South Africa	1 413	US\$	500	500	500	0	500
Southern Sudan	0	EUR	8	10	10	0	10
Spain	101 664		0	0		0	
Sri Lanka	8 886	US\$	1 001	1 001	668	0	668
Sudan	1 139	EUR	175	233	233	0	233
Swaziland	273	US\$	20	20	20	0	20
Sweden	255 168	SEK	460 560	67 071	47 460	19 611	67 071
Switzerland	139 448	CHF	28 500	30 736	21 176	0	21 176
Syrian Arab Republic	1 817		0	0		0	
Tajikistan ^a	1	US\$	1	1	1	0	1
Thailand	1 200	US\$	300	300	300	0	300
Togo	35	EUR	76	98	98	0	98
Tonga	55		0	0		0	
Tunisia	3 778	US\$	750	750	485	0	485
Turkey	17 436	US\$	1 200	1 200	1 074	0	1 074
Uganda	380	US\$	50	50	50	0	50
United Arab Emirates	53 180	US\$	1 000	1 000	650	0	650
United Kingdom	272 907	GBP	51 133	81 454	54 878	26 576	81 454
United Republic of Tanzania	444	US\$	120	120	120	0	120
United States ^c	791 674	US\$	90 000	90 000	36 000	22 481	58 481
Uruguay	525	US\$	200	200	200	0	200
Uzbekistan	10	US\$	10	10	10	0	10
Venezuela (Bolivarian Republic of)	196 258		0	0		0	

Statement of contributions

For the period 1 January to 31 December 2014

Statement of Members' contributions^a (cont.)

	<i>Initial, First, Second, Third, Fourth, Fifth, Sixth, Seventh, and Eighth Replenishments (thousands of US dollars equivalent)</i>	<i>Ninth Replenishment</i>					
		<i>Instruments deposited</i>			<i>Payments (thousands of US dollars equivalent)</i>		
		<i>Currency</i>	<i>Amount (thousands)</i>	<i>Thousands of US dollars equivalent</i>	<i>Cash</i>	<i>Promissory notes</i>	<i>Total</i>
Viet Nam	2 103	US\$	600	600	400	0	400
Yemen	3 377	US\$	972	97	972	0	972
The former Yugoslav Republic of Macedonia	108		0	0		0	
Zambia	494	US\$	100	100	100	0	100
Zimbabwe	2 103		0			0	
Total contributions 31 December 2014	6 142 332			964 947	634 150	195 598	829 748
Prior year				979 621	300 585	252 075	552 661

^a Payments include cash and promissory notes. Amounts are expressed in thousands of United States dollars, therefore payments received for less than US\$500 are not shown in appendix G. Consequently, contributions from Afghanistan (US\$93) and Tajikistan (US\$400) do not appear above.

^b Australia's withdrawal from membership of IFAD became effective on 31 July 2007.

^c See appendix D, note 5(a).

^d See appendix D, notes 6(a) and (b).

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

Statement of contributions

For the period 1 January to 31 December 2014

Special Programme for Africa

	<i>Currency</i>	<i>First phase</i>		<i>Second phase</i>		<i>Total</i>
		<i>Instruments deposited</i>		<i>Instruments deposited</i>		
		<i>Amount</i>	<i>Thousands of US dollars equivalent</i>	<i>Amount</i>	<i>Thousands of US dollars equivalent</i>	
Australia	AUD	500	389			389
Belgium	EUR	31 235	34 975	11 155	12 263	47 238
Denmark	DKK	120 000	18 673			18 673
Djibouti	US\$	1	1			1
European Union	EUR	15 000	17 619			17 619
Finland	EUR	9 960	12 205			12 205
France	EUR	32 014	37 690	3 811	4 008	41 698
Germany	EUR	14 827	17 360			17 360
Greece	US\$	37	37	40	40	77
Guinea	US\$	25	25			25
Ireland	EUR	380	418	253	289	707
Italy	EUR	15 493	23 254	5 132	6 785	30 039
Italy	US\$	10 000	10 000			10 000
Japan	JPY	2 553 450	21 474			21 474
Kuwait	US\$		0	15 000	15 000	15 000
Luxembourg	EUR	247	266			266
Mauritania	US\$	25	25			25
Netherlands	EUR	15 882	16 174	8 848	9 533	25 707
New Zealand	NZD	500	252			252
Niger	EUR	15	18			18
Nigeria	US\$		0	250	250	250
Norway	NOK	138 000	19 759			19 759
Spain	US\$	1 000	1 000			1 000
Sweden	SEK	131 700	19 055	25 000	4 196	23 251
Switzerland	CHF	25 000	17 049			17 049
United Kingdom	GBP	7 000	11 150			11 150
United States	US\$	10 000	10 000	10 000	10 000	20 000
31 December 2014			288 868		62 364	351 232
31 December 2013			288 868		62 364	351 232

Statement of contributions

As at 31 December 2014 and 2013

Statement of Members' replenishment contributions received in 2014^a

(Thousands of United States dollars)

<i>Member States</i>	<i>Instruments deposited^{b,c}</i>	<i>Promissory note deposit^c</i>	<i>Payments</i>	
			<i>Cash</i>	<i>Promissory note encashment</i>
Replenishment 1				
India			69	
Total IFAD 1	-	-	69	-
Replenishment 2				
India			178	
Total IFAD 2	-	-	178	-
Replenishment 3				
Djibouti			25	
Total IFAD 3	-	-	25	-
Replenishment 8				
Benin			26	
Indonesia			30	
Japan				15 578
Kenya			19	
Saudi Arabia				5 000
Senegal			178	
United States of America				17 440
Total IFAD 8	0	0	253	38 018
Replenishment 9				
Albania			10	
Algeria			3 500	
Armenia			5	
Austria				7 302
Bangladesh				228
Belgium			9 922	
Benin			104	
Bhutan			30	
Botswana			45	
Burkina Faso			5	
Canada		22 550		22 432
Cabo Verde			20	
China			10 000	
Cote d'Ivoire			70	
Denmark			5 087	
Ecuador			100	
Egypt		3 000		3 000
Ethiopia			40	
Fiji			27	
Finland			5 458	
France			15 778	
Germany		22 859		25 448
Guyana			358	
Haiti			90	
India			10 000	
Indonesia			2 439	
Ireland			2 481	
Israel			49	
Italy			23 721	
Japan				14 490
Jordan			100	

Appendix G

Statement of contributions

As at 31 December 2014 and 2013

Kazakhstan			10	
Kenya			118	
Kiribati			14	
Korea, Republic of			2 000	
Liberia			25	
Luxembourg			802	
Mexico			1 667	
Morocco	700	700		350
Mozambique			85	
Netherlands				25 000
New Zealand	2 500		1 256	
Nicaragua			51	
Norway			14 791	
Pakistan				5 334
Panama			8	
Paraguay			150	
Peru	375		375	
Philippines			100	
Russian Federation	6 000		3 000	
Saudi Arabia				6 000
Senegal			190	
South Africa			196	
Sri Lanka			668	
Sudan			10	
Swaziland			20	
Sweden				23 651
Switzerland			10 886	
Tajikistan ^a			0	
Thailand			300	
Tunisia			232	
Turkey			423	
United Arab Emirates			350	
United Kingdom		82 600		54 878
United States of America		30 000		18 000
Uzbekistan			5	
Viet Nam			200	
Zambia			100	
Total IFAD 9	9 575	161 709	127 471	206 113
Replenishment 10				
Côte d'Ivoire			6	
Djibouti			6	
Georgia			30	
Senegal			43	
Timor-Leste			50	
United Republic of Tanzania			108	
Total IFAD 10			243	
Grand total	9 575	161 709	128 239	244 131

^a Amounts are expressed in thousands of United States dollars, therefore the payment from Tajikistan (US\$200) for the Ninth Replenishment does not appear.

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

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

1. IFAD: Statement of outstanding loans

As at 31 December 2014 and 2013

<i>Borrower or guarantor</i>	<i>Approved loans less cancellations</i>	<i>Disbursed portion</i>	<i>Undisbursed portion</i>	<i>Repayments</i>	<i>Outstanding loans</i>
US\$ loans (expressed in thousands)					
Bangladesh	30 000	30 000	0	19 500	10 500
Cabo Verde	2 003	2 003	0	1 302	701
Haiti	3 500	3 500	0	2 319	1 181
Nepal	11 538	11 538	0	7 506	4 032
Sri Lanka	12 000	12 000	0	8 100	3 900
United Republic of Tanzania	9 488	9 488	0	6 285	3 203
Subtotal^a	68 529	68 529		45 012	23 517
Euro loans (expressed in thousands)					
China	34 350	0	34 350	0	0
Egypt	50 250	0	50 250	0	0
Total euro	84 600	0	84 600	0	0
US\$ equivalent	102 370	0	102 370	0	0
SDR loans^a (expressed in thousands)					
Albania	35 080	34 175	905	6 230	27 945
Angola	16 981	14 467	2 514	3 197	11 270
Argentina	31 400	28 146	3 254	10 597	17 549
Armenia	61 562	48 761	12 801	5 379	43 382
Azerbaijan	44 907	40 697	4 210	2 603	38 094
Bangladesh	412 493	306 073	106 420	76 431	229 642
Belize	3 067	2 383	684	1 363	1 020
Benin	83 507	73 248	10 259	22 175	51 073
Bhutan	32 606	31 344	1 262	6 287	25 057
Bolivia (Plurinational State of)	59 702	46 099	13 603	13 721	32 378
Bosnia and Herzegovina	48 304	37 275	11 029	5 279	31 996
Botswana	2 600	255	2 345	173	82
Brazil	141 337	58 786	82 551	35 581	23 205
Burkina Faso	88 255	69 113	19 142	13 799	55 314
Burundi	41 288	40 859	429	12 479	28 380
Cabo Verde	20 191	13 900	6 291	2 829	11 071
Cambodia	61 008	33 094	27 914	3 215	29 879
Cameroon	67 260	41 972	25 288	7 270	34 702
Central African Republic	26 494	24 437	2 057	9 648	14 789
Chad	18 139	15 552	2 587	1 517	14 035
China	519 795	420 774	99 021	90 083	330 691
Colombia	32 680	14 359	18 321	2 680	11 679
Comoros	4 182	4 182	0	1 654	2 528
Congo	20 425	14 738	5 687	2 920	11 818
Côte d'Ivoire	27 645	16 365	11 280	3 691	12 674
Cuba	20 838	14 332	6 506	2 598	11 734
Democratic People's Republic of Korea	50 496	50 496	0	10 510	39 986
Democratic Republic of the Congo	39 693	38 344	1 349	10 623	27 721
Djibouti	7 146	4 396	2 750	1 127	3 269
Dominica	2 902	2 902	0	2 273	629
Dominican Republic	27 444	14 377	13 067	7 067	7 310
Ecuador	38 204	24 536	13 668	7 543	16 993
Egypt	199 726	119 278	80 448	47 128	72 150
El Salvador	83 983	72 638	11 345	36 028	36 610
Equatorial Guinea	5 794	5 794	0	4 756	1 038
Eritrea	24 643	23 896	747	3 463	20 433
Ethiopia	245 116	182 970	62 146	33 567	149 403
Gabon	3 800	2 928	872	887	2 041
Gambia (The)	29 214	29 177	37	7 669	21 508
Georgia	32 569	22 583	9 986	1 942	20 641
Ghana	156 776	107 198	49 578	21 203	85 995
Grenada	4 400	3 127	1 273	1 544	1 583
Guatemala	42 686	23 790	18 896	18 646	5 144
Guinea-Bissau	5 117	5 117	0	2 829	2 288
Guinea	64 283	64 160	123	17 952	46 208
Guyana	8 523	8 271	252	1 812	6 459
Haiti	60 221	55 866	4 355	15 972	39 894
Honduras	89 240	68 091	21 149	14 832	53 259
India	588 393	388 106	200 287	128 018	260 088

<i>Borrower or guarantor</i>	<i>Approved loans less cancellations</i>	<i>Disbursed portion</i>	<i>Undisbursed portion</i>	<i>Repayments</i>	<i>Outstanding loans</i>
Indonesia ^b	161 436	121 729	39 707	20 822	100 907
Jordan	39 578	30 432	9 146	23 183	7 249
Kenya	121 169	84 545	36 624	10 943	73 602
Kyrgyzstan	20 797	8 155	12 642	1 797	6 358
Lao People's Democratic Republic	49 569	48 561	1 008	10 114	38 447
Lebanon	9 222	4 347	4 875	3 360	987
Lesotho	30 852	24 265	6 587	5 675	18 590
Liberia	22 340	15 475	6 865	8 418	7 057
Madagascar ^b	131 420	105 221	26 199	20 881	84 340
Malawi ^b	83 980	68 028	15 952	21 986	46 042
Maldives	10 892	9 595	1 297	2 336	7 259
Mali	128 441	87 938	40 503	22 258	65 680
Mauritania	49 975	43 060	6 915	9 796	33 264
Mauritius	8 527	8 527	0	5 834	2 693
Mexico	48 232	34 702	13 530	20 027	14 675
Mongolia	20 689	16 467	4 222	1 439	15 028
Morocco	84 731	38 952	45 779	23 870	15 082
Mozambique	137 065	103 012	34 053	22 028	80 984
Myanmar	12 150	0	12 150	0	0
Nepal	94 407	70 708	23 699	25 165	45 543
Nicaragua	49 620	41 288	8 332	6 711	34 577
Niger	56 629	49 606	7 023	9 128	40 478
Nigeria	179 949	73 106	106 843	9 996	63 110
Pakistan	254 626	194 398	60 228	52 707	141 691
Panama	16 134	14 366	1 768	14 140	226
Papua New Guinea	27 351	7 188	20 163	3 900	3 288
Paraguay	16 319	11 067	5 252	0	11 067
Peru	61 083	46 693	14 390	25 972	20 721
Philippines	95 161	73 693	21 468	17 578	56 115
Republic of Moldova	56 058	43 774	12 284	1 307	42 467
Romania	12 400	12 400	0	9 093	3 307
Rwanda ^b	109 940	95 401	14 539	18 591	76 810
Saint Lucia	1 242	1 242	0	1 133	109
Samoa	1 908	1 908	0	816	1 092
Sao Tome and Principe	13 761	13 761	0	3 269	10 492
Senegal	113 738	75 780	37 958	11 126	64 654
Seychelles	2 804	1 119	1 685	824	295
Sierra Leone	45 835	35 196	10 639	11 320	23 876
Solomon Islands	2 519	2 519	0	1 187	1 332
Somalia	17 710	17 710	0	411	17 299
Sri Lanka	141 731	113 567	28 164	24 195	89 372
Sudan	128 666	120 875	7 791	25 826	95 049
Swaziland	15 950	13 401	2 549	6 085	7 316
Syrian Arab Republic	64 664	33 451	31 213	18 257	15 194
The former Yugoslav Republic of Macedonia	11 721	11 721	0	2 398	9 323
Togo	24 583	17 565	7 018	7 704	9 861
Tonga	4 837	4 837	0	1 827	3 010
Tunisia	61 318	36 943	24 375	22 506	14 437
Turkey	55 579	29 488	26 091	11 574	17 914
Uganda	251 033	162 744	88 289	31 871	130 873
United Republic of Tanzania	223 428	168 966	54 462	18 855	150 111
Uruguay	12 902	10 292	2 610	7 433	2 859
Uzbekistan	6 190	647	5 543	0	647
Venezuela (Bolivarian Republic of)	19 257	15 121	4 136	11 531	3 590
Viet Nam	209 781	152 614	57 167	12 322	140 292
Yemen	138 691	138 384	307	44 202	94 182
Zambia	125 088	87 435	37 653	25 398	62 037
Zimbabwe	32 176	32 176	0	15 605	16 571
Total	7 659 969	5 649 588	2 010 381	1 487 520	4 162 068
Fund for Gaza and the West Bank ^c	2 513	2 513	0	633	1 880
Total SDR	7 662 482	5 652 101	2 010 381	1 488 153	4 163 948
US\$ equivalent	11 078 554	8 171 909	2 906 645	2 151 598	6 020 311
Total loans 31 December 2014 US\$ at nominal value	11 249 453	8 240 438	3 009 015	2 196 610	6 043 828
Other receivables					16 763
Fair value adjustment					(1 162 213)
31 December 2014 US\$ at fair value					4 897 378
Total loans 31 December 2013 US\$ at nominal value	11 658 273	8 516 516	3 142 751	2 357 218	6 158 298
Fair value adjustment					(1 237 140)
December 2013 US\$ at fair value					4 921 158

- ^a Loans approved in 1978 were denominated in United States dollars and are repayable in the currencies in which withdrawals are made. Since 1979, loans have been denominated in SDRs and, for purposes of presentation in the balance sheet, the accumulated amount of loans denominated in SDRs has been valued at the US\$/SDR rate of 1.44582 at 31 December 2014. During 2014, IFAD entered into a debt-financing facility to borrow funds in euro which are then on-lent in the same currency. The accumulated amount of loans denominated in euros has been valued at the US\$/EUR rate of 0.82641 at 31 December 2014.
- ^b Repayment amounts include participation by the Netherlands and Norway in specific loans to these countries, resulting in partial early repayment and a corresponding increase in committable resources.
- ^c The amount of the loan to the Fund for Gaza and West Bank is included in the above balance. See appendix D, note 2(e)(ii).

2. IFAD: Summary of loans approved at nominal value

As at 31 December 2014

		<i>Approved loans in thousands of SDR</i>				<i>Value in thousands of United States dollars</i>				
		<i>As at 1 January 2014</i>	<i>Loans cancelled</i>	<i>Loans fully repaid</i>	<i>As at 31 December 2014</i>	<i>As at 1 January 2014</i>	<i>Loans cancelled</i>	<i>Loans fully repaid</i>	<i>Exchange rate movement SDR/US\$</i>	<i>As at 31 December 2014</i>
1978	US\$	68 530	-	-	68 530	68 530	-	-	-	68 530
1979	SDR	201 485	-	-	201 485	310 669	-	-	(19 359)	291 310
1980	SDR	187 228	-	(10 581)	176 647	288 688	-	(16 315)	(16 973)	255 400
1981	SDR	193 026	-	-	193 026	297 627	-	-	(18 547)	279 081
1982	SDR	103 109	-	-	103 109	158 984	-	-	(9 907)	149 077
1983	SDR	146 412	-	-	146 412	225 753	-	-	(14 068)	211 685
1984	SDR	131 907	-	-	131 907	203 387	-	-	(12 674)	190 713
1985	SDR	60 332	-	-	60 332	93 026	-	-	(5 797)	87 229
1986	SDR	23 663	-	-	23 663	36 486	-	-	(2 274)	34 212
1987	SDR	60 074	-	-	60 074	92 629	-	-	(5 772)	86 857
1988	SDR	52 100	-	-	52 100	80 334	-	-	(5 006)	75 328
1989	SDR	98 066	-	-	98 066	151 208	-	-	(9 422)	141 785
1990	SDR	47 203	-	-	47 203	72 782	-	-	(4 535)	68 246
1991	SDR	98 025	-	-	98 025	151 145	-	-	(9 419)	141 727
1992	SDR	98 917	-	-	98 917	152 520	-	-	(9 504)	143 016
1993	SDR	138 408	-	(5 645)	132 763	213 411	-	(8 705)	(12 756)	191 951
1994	SDR	159 437	-	(35 649)	123 788	245 836	-	(54 967)	(11 894)	178 975
1995	SDR	214 785	-	(21 442)	193 343	331 178	-	(33 062)	(18 577)	279 539
1996	SDR	226 735	-	(21 290)	205 445	349 603	-	(32 828)	(19 740)	297 036
1997	SDR	260 836	-	-	260 836	402 183	-	-	(25 062)	377 121
1998	SDR	267 020	-	-	267 020	411 719	-	-	(25 656)	386 062
1999	SDR	288 087	(168)	(12 800)	275 119	444 202	(259)	(19 736)	(26 434)	397 772
2000	SDR	274 344	(1 425)	-	272 919	423 011	(2 196)	-	(26 223)	394 591
2001	SDR	258 542	(138)	-	258 403	398 646	(213)	-	(24 828)	373 604
2002	SDR	241 532	(4 523)	-	237 009	372 418	(6 975)	-	(22 773)	342 671
2003	SDR	228 504	(3 511)	-	224 993	352 331	(5 414)	-	(21 618)	325 299
2004	SDR	259 416	(2 317)	-	257 099	399 994	(3 573)	-	(24 703)	371 718
2005	SDR	316 618	(1 464)	-	315 154	488 194	(2 257)	-	(30 281)	455 656
2006	SDR	341 290	(2 145)	-	339 145	526 235	(3 308)	-	(32 586)	490 341
2007	SDR	275 250	(1 752)	-	273 498	424 408	(2 702)	-	(26 279)	395 428
2008	SDR	280 236	(11 309)	(494)	268 433	432 097	(17 438)	(761)	(25 792)	388 105
2009	SDR	277 762	(31)	-	277 731	428 281	(48)	-	(26 685)	401 548
2010	SDR	426 960	(474)	-	426 485	658 330	(732)	-	(40 978)	616 620
2011	SDR	459 940	-	-	459 940	709 182	-	-	(44 193)	664 990
2012	SDR	412 610	(1 530)	-	411 080	636 204	(2 359)	-	(39 498)	594 347
2013	SDR	353 686	-	-	353 686	545 348	-	-	(33 983)	511 365
2014	SDR	-	-	-	337 625	-	-	-	-	488 146
2014	Euro	-	-	-	84 600	-	-	-	-	102 370
Total	US\$	68 530			68 530	68 530				68 530
Total	SDR	7 463 545	(30 789)	(107 902)	7 662 481	11 508 049	(47 474)	(166 374)	(703 794)	11 078 553
Total	Euro	-	-	-	84 600	-	-	-	-	102 370
Total						11 576 579	(47 474)	(166 374)	(703 794)	11 249 453

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

As at 31 December 2014 and 2013 (Thousands of United States dollars)

<i>Period due</i>	<i>2014</i>	<i>2013</i>
Less than 1 year	292 216	283 368
1-2 years	244 651	238 264
2-3 years	262 666	250 809
3-4 years	271 485	261 334
4-5 years	274 127	270 477
5-10 years	1 376 767	1 360 188
10-15 years	1 214 643	1 231 936
15-20 years	981 025	1 019 645
20-25 years	712 754	763 720
More than 25 years	413 494	478 477
Total	6 043 828	6 158 217

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

As at 31 December 2014 and 2013(Thousands of United States dollars)

	<i>2014</i>	<i>2013</i>
Highly concessional terms	5 518 388	5 679 829
Hardened terms	19 810	9 794
Intermediate terms	234 858	257 405
Ordinary terms	266 106	211 189
Blended terms	4 666	0
Total	6 043 828	6 158 217

5. Disbursement structure of undisbursed loans at nominal value

Projected as at 31 December 2014 and 2013 (Thousands of United States dollars)

<i>Disbursements in</i>	<i>2014</i>	<i>2013</i>
Less than 1 year	634 006	649 581
1-2 years	572 502	595 369
2-3 years	493 453	507 976
3-4 years	425 205	425 760
4-5 years	339 102	359 493
5-10 years	544 747	604 571
Total	3 009 015	3 142 751

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

As at 31 December 2014 and 2013

<i>Borrower or guarantor</i>	<i>Approved loans less cancellations</i>	<i>Undisbursed portion</i>	<i>Disbursed portion</i>	<i>Repayments</i>	<i>Outstanding loans</i>
SDR loans (expressed in thousands)					
Angola	2 714	-	2 714	855	1 859
Burkina Faso	10 546	-	10 546	4 047	6 499
Burundi	4 494	-	4 494	1 307	3 187
Cabo Verde	2 183	-	2 183	796	1 387
Chad	9 617	-	9 617	3 377	6 240
Comoros	2 289	-	2 289	765	1 524
Djibouti	114	-	114	44	70
Ethiopia	6 660	-	6 660	2 854	3 806
Gambia (The)	2 638	-	2 638	989	1 649
Ghana	22 321	-	22 321	7 949	14 372
Guinea-Bissau	2 126	-	2 126	956	1 170
Guinea	10 762	-	10 762	4 305	6 457
Kenya	12 241	-	12 241	4 028	8 213
Lesotho	7 481	-	7 481	2 712	4 769
Madagascar	1 098	-	1 098	348	750
Malawi	5 777	-	5 777	1 589	4 188
Mali	10 193	-	10 193	4 265	5 928
Mauritania	19 020	-	19 020	7 343	11 677
Mozambique	8 291	-	8 291	3 627	4 664
Niger	11 119	-	11 119	4 646	6 473
Senegal	23 234	-	23 234	8 304	14 930
Sierra Leone	1 505	-	1 505	451	1 054
Sudan	26 012	-	26 012	7 438	18 574
Uganda	8 124	-	8 124	3 455	4 669
United Republic of Tanzania	6 789	-	6 789	2 546	4 243
Zambia	8 607	-	8 607	3 634	4 973
Total	225 955	-	225 955	82 630	143 325
US\$ equivalent	326 694	-	326 694	119 471	207 223
Other receivables					1 462
Fair value adjustment					(71 385)
31 December 2014 US\$ at fair value					137 300
31 December 2013 US\$ at nominal value	348 404	-	348 404	119 382	229 022
Fair value adjustment					(84 035)
31 December 2013 US\$ at fair value					144 987

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

As at 31 December 2014 (Thousands of United States dollars)

		<i>Approved loans in thousands of SDRs</i>			<i>Value in thousands of United States dollars</i>			
		<i>As at 1 January 2014</i>	<i>Loans cancelled</i>	<i>As at 31 December 2014</i>	<i>As at 1 January 2014</i>	<i>Loans cancelled</i>	<i>Exchange rate movement SDR/US\$</i>	<i>As at 31 December 2014</i>
1986	SDR	24 902	-	24 902	38 396	-	(2 391)	36 005
1987	SDR	41 292	-	41 292	63 669	-	(3 969)	59 700
1988	SDR	34 770	-	34 770	53 612	-	(3 342)	50 270
1989	SDR	25 756	-	25 756	39 713	-	(2 475)	37 238
1990	SDR	17 370	-	17 370	26 783	-	(1 670)	25 113
1991	SDR	18 246	-	18 246	28 135	-	(1 751)	26 384
1992	SDR	6 952	-	6 952	10 719	-	(668)	10 051
1993	SDR	34 268	-	34 268	52 838	-	(3 293)	49 545
1994	SDR	16 320	-	16 320	25 164	-	(1 568)	23 596
1995	SDR	6 079	-	6 079	9 377	-	(584)	8 793
Total	SDR	225 955	-	225 955	348 406	-	(21 712)	326 694

8. Special Programme for Africa: Maturity structure of outstanding loans by period at nominal value
As at 31 December 2014 and 2013 (Thousands of United States dollars)

<i>Period due</i>	<i>2014</i>	<i>2013</i>
Less than 1 year	11 429	11 260
1-2 years	8 399	8 957
2-3 years	8 399	8 957
3-4 years	8 399	8 957
4-5 years	8 399	8 957
5-10 years	41 995	44 786
10-15 years	41 995	44 786
15-20 years	41 676	44 786
20-25 years	29 260	36 003
More than 25 years	7 272	11 572
Total	207 223	229 022

9. Special Programme for Africa: Summary of outstanding loans by lending type at nominal value
As at 31 December 2014 and 2013 (Thousands of United States dollars)

	<i>2014</i>	<i>2013</i>
Highly concessional terms	207 223	229 022
Intermediate terms	0	0
Ordinary terms	0	0
Total	207 223	229 022

IFAD-only statement of grants

As at 31 December 2014 and 2013 (Thousands of United States dollars)

	<i>Undisbursed as at 1 January 2014</i>	<i>2014 movements</i>				<i>Undisbursed as at 31 December 2014</i>
		<i>Disbursable</i>	<i>Disbursements</i>	<i>Cancellations</i>	<i>Exchange rate</i>	
Other grants	82 814	53 389	(56 159)	(3 645)	(1 448)	74 951
Fair value adjustment						(1 418)
Total 2014 at fair value						73 533
Total 2013	91 044	39 861	(45 281)	(2 912)	102	82 814
Fair value adjustment						(1 349)
Total 2013 at fair value						81 465

IFAD-only Debt Sustainability Framework

As at 31 December 2014 and 2013 (Thousands of United States dollars)

<i>Borrower or guarantor</i>	<i>Undisbursed as at 1 January 2014</i>	<i>Effective/ (Cancellations) 2014</i>	<i>Disbursements 2014</i>	<i>Exchange difference</i>	<i>Undisbursed as at 31 December 2014</i>
DSF projects denominated in US\$	711	1 428	(363)	-	1 776
SDR Debt Sustainability Framework					
Afghanistan	39 003	-	(5 843)		33 160
Benin	3 725	8 750	(2 215)		10 260
Burkina Faso	4 744	42 875	(1 463)		46 156
Burundi	29 443	-	(9 887)		19 556
Cambodia	13 257	-	(5 998)		7 259
Central African Republic	2 470	-	(412)		2 058
Chad	7 817	-	(3 427)		4 390
Comoros	567	-	(441)		126
Congo	2 506	-	(957)		1 549
Côte d'Ivoire	15 270	-	(3 993)		11 277
Democratic Republic of the Congo	55 788	-	(4 587)		51 201
Djibouti	767	-	(704)		63
Eritrea	17 879	-	(3 762)		14 117
Ethiopia	34 509	-	(14 946)		19 563
Gambia (The)	13 127	-	(2 331)		10 796
Guinea-Bissau	957	-	32		989
Guinea	6 020	-	(3 291)		2 729
Guyana	708	-	(456)		252
Haiti	10 741	-	(942)		9 799
Kyrgyzstan	6 043	7 200	(719)		12 524
Lao People's Democratic Republic	10 606	6 470	(5 544)		11 532
Lesotho	3 488	-	(730)		2 758
Liberia	425	-	(377)		48
Malawi	16 798	-	(1 728)		15 070
Maldives	1 456	-	(33)		1 423
Mali	-	10 800	(390)		10 410
Mauritania	8 223	-	(1 312)		6 911
Nepal	16 592	-	(1 475)		15 117
Nicaragua	5 737	5 350	(2 774)		8 313
Niger	377	(366)	148		159
Rwanda	12 301	8 770	(6 575)		14 497
Sao Tome and Principe	1 038	1 950	(648)		2 340
Sierra Leone	6 403	7 375	(3 604)		10 174
South Sudan	4 402	-	(1 187)		3 215
Sudan	16 822	600	(4 925)		12 497
Tajikistan	14 776	(1 700)	(2 076)		11 000
Timor-Leste	1 869	-	(1 698)		171
Togo	3 254	-	(1 882)		1 372
Tonga	2 199	-	(469)		1 730
Yemen	14 635	(34)	22		14 623
Subtotal SDR DSF	406 742	98 040	(103 599)		401 183
Subtotal SDR DSF (US\$ equivalent)	588 076	141 748	(149 785)		580 039
2014 Total US\$ and SDR DSF	588 787	143 176	(150 148)		581 815
Exchange difference			7 194		
Total 2014 disbursements			(157 342)		
2013 Total US\$ and SDR DSF	529 618	236 475	(144 724)	100	621 469

Summary of the Heavily-Indebted Poor Countries Debt Initiative

As at 31 December 2014, the cumulative position of the debt relief provided and estimated to be provided under both the original and the enhanced Heavily-Indebted Poor Countries Debt Initiative is as follows:

(Thousands of United States dollars)

	<i>Debt relief provided to 31 December 2014</i>		<i>Debt relief to be provided as approved by the Executive Board</i>			<i>Total debt relief</i>
	<i>Principal</i>	<i>Interest</i>	<i>To be covered by IFAD</i>		<i>World Bank contribution</i>	
			<i>Principal</i>	<i>Interest</i>		
Completion point countries						
Benin	4 568	1 643	0	0		6 211
Bolivia (Plurinational State of)	5 900	1 890	0	0		7 790
Burkina Faso	6 769	2 668	0	0		9 437
Burundi	5 354	1 584	3 348	568	4 365	15 219
Cameroon	2 887	701	29	5	35	3 657
Comoros	376	76	700	100	1 096	2 348
Central African Republic	8 091	2 620	608	129	934	12 382
Congo	0	99	0	0		99
Côte d'Ivoire	1 409	256	133	24	230	2 052
Democratic Republic of the Congo	7 397	2 594	2 544	251	2 266	15 052
Ethiopia	20 569	5 905	0	0		26 474
Gambia (The)	2 508	619	0	0		3 127
Ghana	15 585	5 003	0	0		20 588
Guinea	4 140	871	2 594	470	2 372	10 447
Guinea-Bissau	2 965	975	1 089	112	709	5 850
Guyana	1 526	299	0	0		1 825
Haiti	1 946	635	0	0		2 581
Honduras	1 077	767	0	0		1 844
Liberia	8 416	6 149	367	49	455	15 436
Madagascar	7 810	2 096	0	0		9 906
Malawi	10 628	2 699	3 215	577	4 412	21 531
Mali	6 211	2 431	0	0		8 642
Mauritania	8 484	2 601	0	0		11 085
Mozambique	12 521	3 905	0	0		16 426
Nicaragua	7 259	943	0	0		8 202
Niger	8 276	2 293	905	171	1 214	12 859
Rwanda	12 087	4 260	4 697	951		21 995
Sao Tome and Principe	1 094	304	841	129	764	3 132
Senegal	2 247	882	0	0		3 129
Sierra Leone	7 106	1 797	1 272	182	1 141	11 498
United Republic of Tanzania	12 691	4 293	0	0		16 984
Togo	2 008	759	0	0		2 767
Uganda	12 449	4 654	0	0		17 103
Zambia	16 590	4 429	852	160	904	22 935
Decision point countries						
Chad	0	0	2 266	411	0	2 677
31 December 2014 SDR	228 944	73 700	25 460	4 289	20 897	353 290
Less future interest on debt relief not accrued (including interest covered by the World Bank contribution)						(10 030)
Total cumulative cost of debt relief as at 31 December 2014 (thousands of SDR)						343 260
31 December 2014 US\$	331 016	106 556	36 808	6 202	30 213	496 292
Total less future interest on debt relief not accrued (including World Bank)						
Total cumulative cost of debt relief as at 31 December 2014 (thousands of SDR)						
Fair value adjustment			(11 124)			
31 December 2014 at fair value			25 684			
31 December 2013 SDR	216 164	71 003	30 554	5 384	25 843	348 948
Less future interest on debt relief not accrued						(12 820)
Total cumulative cost of debt relief as at 31 December 2013 (thousands of SDR)						336 128
31 December 2013 US\$	333 303	109 480	47 111	8 302	39 847	518 276
Total less future interest on debt relief not accrued (including World Bank)						
Total cumulative cost of debt relief as at 31 December 2013 (thousands of US dollars)						
Fair value adjustment			(14 389)			
31 December 2013 at fair value			32 722			

Summary of the Haiti Debt Relief Initiative

As at 31 December 2014

<i>Member States</i>	<i>Thousands of US dollars</i>	<i>Thousands of SDR</i>
Austria	685	438
Belgium	775	509
Canada	3 500	2 303
Denmark	513	339
France	1 700	1 080
Germany	2 308	1 480
Japan	2 788	1 743
Luxembourg	280	178
Mauritius	5	3
Norway	1 626	1 066
Sweden	1 718	1 115
Switzerland	962	637
United Kingdom	2 700	1 717
United States	8 000	5 217
Total contribution received by Member States	27 560	17 825
Interest earned	678	
Debt relief provided	(9 963)	
Total administrative account Member States	18 275	
IFAD contribution	15 200	10 088
Interest earned	493	
Debt relief provided	0	
Total administrative account IFAD	15 693	
Grand total	36 688	
<i>Exchange rate movement</i>	584	
Haiti Debt Relief Initiative cash and investments	37 269	

IFAD-only statement of operating expenses

An analysis of IFAD operating expenses by principal sources of funding
For the years ended 31 December 2014 and 2013 (Thousands of United States dollars)

	<i>Administrative expenses^a</i>	<i>Direct charges^b</i>	<i>Other sources^c</i>	<i>Total</i>
Staff salaries and benefits	90 762	0	1 426	92 188
Office and general expenses	25 360	436	10 363	36 159
Consultants and other non-staff costs	34 725	134	3 000	37 859
Cooperating institutions	2 049	0	162	2 211
Direct bank and investment costs	0	2 962	0	2 962
Total 2014	152 896	3 532	14 951	171 379
Total 2013	149 567	3 529	17 556	170 652

^a These refer to IFAD's regular budget, the budget of the Independent Office of Evaluation of IFAD, carry-forward and ASMCS costs.

^b Direct charges against investment income.

^c Includes Government of Italy's reimbursable expenses, voluntary separation leave expenditures and positions funded from service charges.

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Cover:

Ahlam Ali Muftah on her pigeon farm in El Shohada village. She lives in a region that used to be desert before it was reclaimed by a development project that started work with funding from IFAD, the Government of Egypt and partners in 2002.

Egypt: West Noubaria Rural Development Project

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