

# ANNUAL REPORT 2022









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## INSIDE COVER

### **KENYA**

Francis Njoroge, a young electrical engineer, produces tree seedlings for the local government and for other farmers, with the support of an IFAD project.

©IFAD/Trans.Lieu/Samuel Nyaberi

### **TUNISIA**

Elhenia Sendesni harvests apples on a farm that has received support from the Siliana Territorial Development Value Chain Promotion Project. "People who had left have now come back. They are working and investing here in their hometown."

©IFAD/Chris McMorro

### **PERU**

Ruth Cumbia Sejekam is one of a group of women sharing their traditional knowledge to encourage visitors and local people to protect forests and value these vital natural resources.

©IFAD/Giancarlo Shibayama/Factstory

### **CÔTE D'IVOIRE**

Vegetable producer associations received certified seeds, training and equipment.

They now produce enough vegetables to sell and for their own consumption.

©IFAD/Fabrice Apithy

### **FIJI**

Subhashni Lata and Apisaki Nadalo farm side by side. Support they received from the Pacific Islands Rural and Agriculture Stimulus Facility is expected to improve their incomes and livelihoods in the years ahead.

©IFAD/Laisiasa Dave/Pacific Farmer Organizations

## FRONT COVER

### **TAJIKISTAN**

Mahbuba Yatimova heads a women's group that grows and processes rosehip. With the income earned, they are planning to add to their cultivation plot.

©IFAD/Didor Sadulloev



# 2022 IN NUMBERS

## A CHALLENGING YEAR

The 2022 edition of The State of Food Security and Nutrition in the World report gave us some sobering numbers:

Projections are that nearly 670 million people will still be facing hunger in 2030 –

**8 PER CENT**

of the world population. This is the same as the number of people who were living in hunger in 2015, when the Sustainable Development Goals (SDGs) were adopted.

**9.8 PER CENT**

of the world's people were suffering from hunger in 2021, an increase of

**150 MILLION**

since the beginning of the COVID-19 pandemic.

## REDOUBLING OUR EFFORTS TO BUILD THE RESILIENCE OF RURAL PEOPLE

In 2022:

- Assessments of IFAD's **RURAL POOR STIMULUS FACILITY** showed that at least **THREE QUARTERS OF BENEFICIARIES** maintained or increased their levels of production and income, despite the impacts of the pandemic.
- We launched our **CRISIS RESPONSE INITIATIVE** to protect livelihoods and strengthen resilience in the **22 COUNTRIES MOST IN NEED** as a consequence of the war in Ukraine.
- MORE THAN 90 PER CENT** of our climate finance is dedicated to enabling rural people to adapt to **CLIMATE CHANGE**.
- 51 PER CENT OF THE BENEFICIARIES** from IFAD-supported projects were **WOMEN**.

## HOLDING OURSELVES ACCOUNTABLE FOR ACHIEVING IMPACT

IFAD is the only international financial institution that systematically measures the impact of its investments. Between 2019 and 2021, as a result of IFAD's investments:

**MORE THAN 77 MILLION**

**PEOPLE** increased their incomes.

**MORE THAN 62 MILLION**

**PEOPLE** expanded their productive capacities.

**MORE THAN 64 MILLION**

**PEOPLE** improved their market access, and

**AROUND 38 MILLION**

**PEOPLE** strengthened their resilience.

## GOING WHERE THE NEEDS ARE GREATEST

**90 PER CENT**

**OF OUR CORE RESOURCES** are devoted to the poorest countries (low-income and lower-middle income countries).

**28 PER CENT**

**OF IFAD-SUPPORTED PROJECTS** are in fragile or conflict-affected situations.

## ENSURING WE DELIVER EVEN MORE IN THE YEARS AHEAD

Building on initiatives and innovations of recent years, in 2022:

- We began implementing our Integrated Borrowing Framework, securing **US\$675 MILLION** in borrowed resources, equivalent to **56 PER CENT OF THE OVERALL BORROWING** for the Twelfth Replenishment of IFAD's Resources (IFAD12) period (2022-2024).
- We continued to get closer to the people we serve by **EXPANDING THE NUMBERS OF STAFF** based in the field. By the end of 2022, the share of IFAD staff in the field was **39 PER CENT, UP FROM 35 PER CENT** at the end of 2021. We expect this number to reach **45 PER CENT** in 2024.
- We committed to dedicating **30 PER CENT OF OUR CLIMATE FINANCE** to nature-based solutions until 2030. **SUSTAINABLE NATURE-BASED APPROACHES** support our work on resilience and climate adaptation.

# IFAD AT A GLANCE 1978-2022<sup>a,b</sup>

OPERATIONAL ACTIVITIES <sup>c,d</sup>		2018	2019	2020	2021	2022	1978-2022
<b>LOAN AND DSF GRANT APPROVALS</b>							
Number of programmes and projects <sup>e</sup>		27	34	18	27	14	<b>1 181</b>
Amount	US\$ million	1 107.3	1 625.4	782.7	1 030.8	880.9	<b>23 241.3</b>
<b>GRANT APPROVALS</b>							
Number		49	36	25	10	4	2 918
Amount	US\$ million	68	40	35	10.2	1.4	1 316.1
<b>TOTAL IFAD LOAN AND GRANT OPERATIONS<sup>f</sup></b>							
	US\$ million	<b>1 175.3</b>	<b>1 665.4</b>	<b>817.7</b>	<b>1 041.0</b>	<b>882.3</b>	<b>24 557.4</b>
<b>COFINANCING</b>							
	US\$ million	<b>336.5</b>	<b>1 577.3</b>	<b>181.3</b>	<b>1 281.46</b>	<b>559.3</b>	<b>15 148.1</b>
Multilateral		214.3	1 436.4	102.1	1 146.2	360.3	12 393.0
Bilateral		25.3	123.4	3.5	134.6	94.9	2 160.7
NGO		1.4	13.3	3.4	0.7	99.3	239.9
Other <sup>g</sup>		95.6	4.3	72.4	-	4.8	354.6
<b>DOMESTIC CONTRIBUTIONS</b>							
	US\$ million	<b>686.7</b>	<b>1 460.3</b>	<b>934.4</b>	<b>982.9</b>	<b>452.7</b>	<b>20 271.5</b>
<b>TOTAL PROGRAMME AND PROJECT COST<sup>h</sup></b>							
	US\$ million	<b>2 198.5</b>	<b>4 703.0</b>	<b>1 933.4</b>	<b>3 305.4</b>	<b>1 894.3</b>	<b>59 977.0</b>
<b>PROGRAMMES AND PROJECTS</b>							
Number of effective programmes and projects under implementation		206	203	203	207	198	
Number of programmes and projects completed		29	32	25	26	26	984
Number of approved programmes and projects initiated by IFAD		27	29	18	24	12	1 018
Number of recipient countries/territories (current portfolio)		101	94	96	94	93	
<b>MEMBERSHIP AND ADMINISTRATION</b>							
Member States – at end of period		176	176	177	177	177	
Professional staff – at end of period <sup>i</sup>		389	441	457	502	514	

<sup>a</sup> For the reader's convenience, tables and charts use figures shown in US\$ equivalents, as per the President's report for each programme or project approved by the Executive Board. Any discrepancy in totals is the result of rounding.

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

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

<sup>d</sup> The Smallholder Commercialization Programme approved in 2011 for Sierra Leone and the Strategic Support for Food Security and Nutrition Project in the Lao People's Democratic Republic approved in 2016 are supervised by IFAD and funded by a grant from the Global Agriculture and Food Security Program. The programmes are counted under the number of programmes and projects but have no IFAD financing.

<sup>e</sup> Includes two regional lending operations.

<sup>f</sup> Includes grants allocated through the Adaptation for Smallholder Agriculture Programme Trust Fund (ASAP1).

<sup>g</sup> Includes financing under basket or similar funding arrangements and financing from private sector resources.

<sup>h</sup> Includes DSF grants, component grants, and excludes grants not related to investment projects as well as other non-regular financing managed by IFAD and IFAD's contributions to the Rural Poor Stimulus Facility, IFAD Climate Facility, Climate Finance Design Gap 2021 and the African Agricultural Transformation Initiative.

<sup>i</sup> Includes national professional officers in country offices.

## SIERRA LEONE

Julius used a loan from the Rural Finance and Community Improvement Programme to invest in his honey production business. "Now I am making a lot of money," he says. "I see an economically viable future."

©IFAD/Fatmata Jalloh







# PRESIDENT'S FOREWORD

## 2022 WAS A PARTICULARLY CHALLENGING YEAR FOR RURAL PEOPLE THE WORLD OVER.

Conflict, the impacts of climate change and the continued stresses of the COVID-19 pandemic threatened lives and livelihoods. In rural areas, communities acutely felt the effects of this triple crisis on their food systems, which are a critical source of livelihoods – as well as essential nourishment – for them, and for the millions of people who depend on them.

During 2022, IFAD's mandate became even more important – and IFAD rose to the challenge.



I was honoured to begin my term as IFAD President on 1 October 2022. At the same time, I was acutely aware of the challenges we are facing in this difficult global context.

But I know that crisis can be the impetus for positive change. At IFAD, with our unique mandate and our role as an assembler of development finance, we are always striving to do more and to bring others on board, as with the launch of the Crisis Response Initiative in May 2022. A major milestone during the year was issuing two inaugural private placement transactions for an aggregate amount of US\$ 150 million – the first time that IFAD has approached financial markets as an issuer.



# WE HAVE AN OPPORTUNITY TO HELP DRIVE THE POSITIVE CHANGE THE WORLD NEEDS AND TO BE A MAJOR CONTRIBUTOR TO FOOD SYSTEMS TRANSFORMATION.

Specifically, this means we need to support rural people to cope with present crises. But we also need to invest in building food systems that can support and nourish their families and communities, and help feed the world into the future.

A key aspect of this must be withstanding the increasing impacts of climate change. That is why more than 90 per cent of IFAD's climate finance is focused on building adaptation and resilience. And that is why we have committed to focusing on nature-based solutions, which are crucial not only for climate adaptation but also for reducing the carbon emissions that cause climate change.

We also continued to move ahead with our Private Sector Financing Programme with new non-sovereign operations (NSOs) projects. In the past two years, we have designed NSOs in Bolivia, Madagascar, Mozambique, Nigeria and Uganda, with more planned for 2023.

Throughout the year, we highlighted to global audiences the importance of the work we are doing as a strategic response to multiple crises, and the need for long-term investment to build resilience to future crises.

# WE PARTICIPATED IN WIDE-RANGING DISCUSSIONS AT KEY GLOBAL EVENTS TO INFLUENCE THE AGENDA AND ADVOCATE FOR MORE INVESTMENT IN RURAL PEOPLE.

Personal highlights included giving a keynote address at the first-ever joint meeting of G20 Finance and Agriculture Ministers in Washington, D.C. and delivering a high-level opening address at the 50<sup>th</sup> Plenary Session of the Committee on World Food Security – both shortly after I took office in October 2022. Another example of IFAD's global engagement in 2022 was our visibility at COP27 in Sharm El-Sheik, Egypt.



©IFAD/Roger Anis

In addition to convening many events to call for more investment in climate adaptation for small-scale farmers and other rural people, we signed a multibillion dollar climate agreement with the host Government of Egypt to lead the food and agriculture pillar of its first-ever national climate change strategy.

In 2022, we also started preliminary discussions with our Member States on priorities for the IFAD13 cycle (2025-2027).



©IFAD/Ibrahima Kebe Diallo

## WE ARE ENCOURAGED BY THE CONTINUED SUPPORT FOR IFAD'S CRUCIAL ROLE IN STRENGTHENING THE LONG-TERM RESILIENCE OF SMALL-SCALE FARMERS AND RURAL COMMUNITIES IN THE CONTEXT OF CLIMATE CHANGE, FRAGILITY AND FOOD INSECURITY.

Doing more to get more finance is critical; but we also have to continue to ensure that the people who need it most are the ones who benefit. This is another part of what makes IFAD unique, and we are maintaining our commitment to devote 100 per cent of our core funding to the poorest countries. More than half of the people we serve are women and girls. And in 2022 we began implementing our new Disability Inclusion Policy to ensure that rural people with disabilities are also part of IFAD-supported projects.

IFAD has achieved much and we have exceeded our past commitments, as our impact assessment reports show.



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**FOR EXAMPLE,  
77 MILLION RURAL  
PEOPLE IMPROVED  
THEIR INCOMES AS  
A RESULT OF OUR  
PROJECTS BETWEEN  
2019 AND 2021,  
AGAINST A TARGET  
OF 44 MILLION.**

But we will need to do even more, to reach more people, raise more finance and achieve greater impacts, in the years ahead.



©IFAD/David Paqui

With the continued support of our Member States, international and national development partners, and the rural communities we work with, we can find solutions to the world's most pressing challenges – hunger, poverty, conflict, climate change, inequality. We can give opportunities and hope to the world's underserved rural people. And we can help bring about the change we need for a more prosperous and sustainable world, with thriving rural communities at its heart.

Alvaro Lario  
PRESIDENT OF IFAD







# WHERE IFAD WORKS

## ASIA AND THE PACIFIC

### 49

ongoing projects in 20 countries

### US\$2,597.9 MILLION

ongoing IFAD financing

## EAST AND SOUTHERN AFRICA

### 44

ongoing projects in 17 countries

### US\$1,947.8 MILLION

ongoing IFAD financing

## LATIN AMERICA AND THE CARIBBEAN

### 25

ongoing projects in 16 countries

### US\$454.1 MILLION

ongoing IFAD financing

## NEAR EAST, NORTH AFRICA AND EUROPE

### 28

ongoing projects in 16 countries and Gaza and the West Bank

### US\$845.6 MILLION

ongoing IFAD financing

## WEST AND CENTRAL AFRICA

### 52

ongoing projects in 23 countries

### US\$2,139.4 MILLION

ongoing IFAD financing



#### TAJIKISTAN

Sarargul Saidchafarzoda (right) and Mohasafar Tachiddinova process fresh cow's milk to make dried yoghurt and other dairy products, which they sell in local markets.

©IFAD/Bob Baber

- ★ IFAD headquarters
- Regional office
- ⊙ Multi-country office
- To be decided
- Country director-led office
- Country programme officer-led office
- ▲ Satellite office

# GLOBAL OPERATIONS BY REGION

US\$2,597.9 MILLION  
INVESTED BY IFAD IN THE  
REGION'S ONGOING PORTFOLIO

## ASIA AND THE PACIFIC

US\$195.6 MILLION  
IN IFAD FINANCING  
APPROVED IN 2022

49 ONGOING PROGRAMMES AND PROJECTS IN  
PARTNERSHIP WITH 20 COUNTRIES IN THE  
REGION AT THE END OF 2022

4 NEW PROGRAMMES AND PROJECTS APPROVED  
IN 2022 IN BANGLADESH, BHUTAN, CAMBODIA  
AND THE LAO PEOPLE'S DEMOCRATIC REPUBLIC

4 NEW COUNTRY STRATEGIC OPPORTUNITIES  
PROGRAMMES IN BANGLADESH, CAMBODIA,  
INDONESIA AND PAKISTAN

### 35 COUNTRIES

Afghanistan 1  
Bangladesh ■ 7  
Bhutan ■ 1  
Cambodia 3  
China 4  
Cook Islands  
Democratic  
People's Republic of Korea  
Fiji  
India 6  
Indonesia 5  
Iran (Islamic Republic of)  
Kiribati 1  
Lao People's Democratic  
Republic 1  
Malaysia  
Maldives 1  
Marshall Islands  
Micronesia (Federated  
States of)  
Mongolia 1  
Myanmar 2  
Nauru  
Nepal 3  
Niue  
Pakistan 5  
Palau  
Papua New Guinea 1  
Philippines 1  
Samoa 1  
Solomon Islands  
Sri Lanka 3  
Thailand  
Timor-Leste  
Tonga 1  
Tuvalu  
Vanuatu  
Viet Nam 1

Numbers indicate ongoing  
projects and programmes  
■ Countries with ongoing  
ASAP grants





## HIGHLIGHTED PROJECT

# CAMBODIA

The Agricultural Services Programme for Innovation, Resilience and Extension (ASPIRE) in Cambodia aims to support small-scale farmers to establish profitable and resilient farm businesses. Through a combination of interventions, ASPIRE has built a farmer-centred, market-oriented training system in Cambodia that is now fully mainstreamed into national policy.

Improved infrastructure, irrigation and market access, coupled with training, enabled rural people to increase production and make their businesses more profitable.

©IFAD/Susan Beccio

**NEARLY 150,000 HOUSEHOLDS HAVE  
RESILIENT AND IMPROVED FARM BUSINESSES**

**THE VALUE OF HOUSEHOLD ASSETS HAS RISEN  
BY OVER 40 PER CENT**

**HOUSEHOLD NET INCOME FROM AGRICULTURE  
IS UP BY 18 PER CENT**

**OVER 88,000 HOUSEHOLDS HAVE ADOPTED  
ENVIRONMENTALLY SUSTAINABLE AND  
CLIMATE-RESILIENT PRACTICES**

Progress towards the SDGs has slowed in this region, as the COVID-19 pandemic, the economic crises related to the war in Ukraine and the escalation of climate change have exacerbated existing challenges. Recent estimates indicate that more than half of the world's undernourished people live in this region – 425 million, an increase of 84 million people since the pandemic began.

IFAD and the rural people we work with throughout the region learned a lot during the pandemic about strategies for withstanding shocks and strengthening long-term resilience. Long-term resilience must be supported by social capital, partnerships and innovation, coupled with adaptation – especially to the impacts of climate change. As a result of the multiple threats that the year brought, these areas were all central to IFAD's work in 2022.

## PROMOTING SUSTAINABLE FOOD PRODUCTION SYSTEMS

Many countries in the Asia and the Pacific region are highly vulnerable to climate change. The intensive farming and fishing practised throughout the region tends to increase the pressure on natural resources. Consequently, there is an urgent need to shift towards climate-resilient agricultural practices for sustainable local production.

Permaculture is a sustainable and self-sufficient farming approach that mimics the diversity and resilience of natural ecosystems. Permaculture can make a big difference, especially in countries that face land degradation. For example, in Nepal, where around 10 per cent of agricultural land is severely degraded, the IFAD-supported *Adaptation for Smallholders in Hilly Areas (ASHA)* project has helped small-scale farming communities apply permaculture practices. This is being achieved through practical, participatory training approaches such as farmer field schools. The results have been transformational for local farmers.



©IFAD/Sam Cole

**“Without permaculture, I would be nowhere. This is my life now.”**

Megnath, young farmer and participant in the Adaptation for Smallholders in Hilly Areas project



## BUILDING HUMAN AND SOCIAL CAPITAL

Sustainable development can only be achieved with the contributions of rural women. Yet they face many challenges, including limited access to credit, education and health care. The aqua-based business school, set up by the IFAD-supported project Fisheries, Coastal Resources and Livelihood (FishCORAL), teaches business practices to coastal communities, particularly women, and helps them add value to local products. Now, the members of the group make and market tasty, nutritious seaweed noodles — and business is booming.



©IFAD/Enrique Espejo Jr.

**“Seaweed farming... has helped us put food on the table and send our children to school.”**  
Clarita, participant in the FishCORAL project

Rural youth in the region face a similar dilemma. Without access to resources, education or finance, they struggle to make a decent living, support their families or contribute to local economies. In China, with IFAD’s support, young people contribute to finding solutions to agricultural challenges. Through the IFAD-supported project Sustaining Poverty Reduction through Agribusiness Development in South Shaanxi, young farmers are using new ways of rearing pigs to reduce environmental impact. Others have set up a fully fledged, community-supported agriculture network to train young farmers. The network is now expanding into the rural parts of Sichuan Province, where IFAD has connected it with the young agricultural entrepreneurs it now supports.

## DRIVING DIGITAL INNOVATION

Recent disruptions to trade of agrifood inputs and products, in particular as a result of conflicts and the pandemic, have underscored the need to support digital solutions. Across the region, digital innovation has created opportunities for e-commerce, agridigital financial services and climate-smart agriculture. All of these contribute to making agricultural activities more inclusive, profitable and resilient.

For example, in the province of Punjab in Pakistan, when the COVID-19 pandemic hit, agricultural extension workers could not help farmers cope with the new challenges, such as finding substitutes for agricultural inputs that were no longer available. The IFAD-supported project Digital Agricultural Advisory Services for Smallholder Farmers in the Context of COVID-19 provided digital advisory services via mobile phones to more than 1.35 million small-scale farmers in Punjab, helping to boost their productivity and resilience throughout the uncertain times of the pandemic. These digital approaches are crucial to transforming the way people farm.

## PARTNERING WITH THE PRIVATE SECTOR

The private sector plays an important role in creating jobs and contributing to investments and innovation. In this region, private partnerships offer valuable opportunities for linking small producers to markets, technology and services. In 2022, IFAD further strengthened efforts to unlock private sector potential in the region. For example, in September 2022, IFAD and Grameen Euglena, a joint venture between Japan’s Euglena Co. Ltd and Bangladesh’s Grameen Krishi Foundation, signed a partnership agreement to support Bangladesh’s small-scale farmers to cultivate mung beans, a high-value crop that will help them increase their income and tap into international markets. Across the region, increasing engagement with private investors, in line with IFAD’s Private Sector Strategy, will be fundamental in scaling up the size and reach of our portfolio.

US\$1,947.8 MILLION  
INVESTED BY IFAD IN THE  
REGION'S ONGOING PORTFOLIO

# EAST AND SOUTHERN AFRICA

US\$298.1 MILLION  
IN IFAD FINANCING  
APPROVED IN 2022

44 ONGOING PROGRAMMES AND PROJECTS IN  
PARTNERSHIP WITH 17 COUNTRIES IN THE REGION  
AT THE END OF 2022

4 NEW PROGRAMMES AND PROJECTS APPROVED IN  
2022 IN ETHIOPIA, MADAGASCAR, RWANDA AND  
ZIMBABWE

4 NEW COUNTRY STRATEGIC OPPORTUNITIES  
PROGRAMMES APPROVED IN BURUNDI, ESWATINI,  
MALAWI AND THE UNITED REPUBLIC OF TANZANIA

## 22 COUNTRIES

Angola 2  
Botswana  
Burundi 3  
Comoros ■ 1  
Eritrea 2  
Eswatini 2  
Ethiopia ■ 3  
Kenya ■ 4  
Lesotho ■ 3  
Madagascar ■ 4  
Malawi ■ 4  
Mauritius  
Mozambique 3  
Namibia  
Rwanda 4  
Seychelles  
South Africa  
South Sudan 1  
Uganda ■ 3  
United Republic of Tanzania 1  
Zambia 2  
Zimbabwe 2

Numbers indicate ongoing  
projects and programmes  
■ Countries with ongoing  
ASAP grants





## HIGHLIGHTED PROJECT

# MADAGASCAR

The Vocational Training and Agricultural Productivity Improvement Programme aims to improve agricultural productivity, and therefore rural livelihoods and resilience, through training. The project has a particular focus on youth with little education and on young women. Complementary support to further boost productivity and marketing is being provided through investments in agricultural, storage and marketing infrastructure, plus support for accessing rural finance.

**TOTAL OUTREACH IS EXPECTED TO BE CLOSE TO 500,000 PEOPLE**

**96 PER CENT OF THOSE REACHED SO FAR ARE YOUTH**

**MORE THAN 1,500 HECTARES OF LAND HAS IMPROVED WATER INFRASTRUCTURE**

During 2022, small-scale rural producers across East and Southern African countries faced many challenges, both global and local. These have included recovering their livelihoods after the impact of the COVID-19 pandemic, new threats to food input supply and affordability caused by the war in Ukraine, and intensifying climatic shocks and stresses. These threats are making small-scale agriculture increasingly challenging, and have contributed to a rise in food insecurity across the region, after 20 years of improvement. Significant local shocks include the ongoing internal conflict in Ethiopia, and poor rains for yet another rainy season in Ethiopia, Kenya, South Sudan and Uganda.

IFAD has responded by scaling up its support in the region. IFAD financing for the East and Southern Africa investment project portfolio was expected to reach US\$1,947.8 million by the end of 2022, compared with US\$1,891.5 million at the end of 2021, an increase of 26 per cent. These investments are intended to help build resilience to the growing threats and shocks by investing in small rural businesses involved in producing and distributing foods to make them more efficient, inclusive and robust.

IFAD is also emphasizing innovation as a means of building resilience into the rural transformation process. This includes investing in digital technologies that allow small-scale farmers to access markets, information and financial services, and investing in innovative models for agricultural insurance, for example for crops in Kenya and livestock in Zambia.



©IFAD/David Paqui

**“I am glad that we are being compensated because the drought affected our crops. This will be the first time I am compensated through the insurance and I am happy because I will benefit from it.”** Mwararo, a farmer benefiting from crop insurance under the Kenya Cereal Enhancement Programme Climate Resilient Livelihoods Window



## FOCUS ON MADAGASCAR: SUPPORTING RURAL PEOPLE DURING CHALLENGING TIMES

We have scaled up our investments in the most vulnerable places. One country where rural people faced particularly severe challenges in 2022 is Madagascar. While it suffered from its worst drought in 40 years in the south, six tropical storms hit the country between January and April, affecting an estimated 960,000 people and resulting in the loss of food and cash crops worth around US\$140 million.

IFAD's portfolio of four ongoing investment projects in Madagascar, totalling US\$456.5 million, is supporting small-scale producers to adapt to these threats and to continue producing and selling now and into the future. The focus of IFAD's investments across the country is promoting climate-resilient production and ensuring farmers have the inputs, infrastructure and services they need.

Through the US\$250 million Inclusive Agricultural Value Chains Development Programme, for instance, IFAD is investing in rehabilitating 135 kilometres of road to strengthen transportation of farm inputs and produce. In addition, 2022 saw the completion of the US\$1.8 million COVID-19 response grant, financed through the Rural Poor Stimulus Facility, which reached an estimated 18,000 households with investments in local storage and market infrastructure. These investments helped project participants to navigate COVID-19-related restrictions, and improved marketing channels for small-scale producers.

As a response to the drought crisis, IFAD has scaled up its support by investing a further US\$11 million in the project Recovery and Resilience of Rural Households in the South. The project, which began implementation during 2022, is a three-year response initiative to provide recovery kits to the households most affected by the drought.

Finally, the Vocational Training and Agricultural Productivity Improvement Programme is a cross-cutting initiative that aims to support the government in rolling out its nationwide training strategy for rural people.

## FOCUS ON MALAWI: RESPONDING TO CRISES WITH CLIMATE-RESILIENT AGRICULTURE

Malawi is another of the countries most severely impacted by climate change, in particular floods, cyclones and prolonged dry seasons. Combined with the effects of the Ukraine crisis on food and input prices, this has left 13 per cent of the population of Malawi experiencing high levels of acute food insecurity, a number that is predicted to rise to 20 per cent by the first quarter of 2023. IFAD continues to focus on promoting climate-resilient production in the country to overcome these threats.

Managing and regenerating natural resources is a key aspect of our approaches to building climate resilience in rural communities. For example, in Kenya, regenerating forests through the Upper Tana Catchment Natural Resource Management Project is regulating the local climate and stimulating greater rainfall, which in turn helps farmers produce more for their families.

**“There is a major difference since the trees grew. These trees attract rain so even if the sun is hot, we still get food to eat.”** Margaret Wanjeru wa Kiragu, farmer and participant in the Upper Tana Catchment Natural Resource Management Project

Through the US\$84 million Programme for Rural Irrigation Development, IFAD is supporting approximately 20,000 small-scale producers to improve the climate resilience of their production by building climate-proofed irrigation. So far, the irrigation schemes currently cover 1,000 hectares out of the final target of 3,115 hectares, and the project is also providing training in good agricultural practices to 13,660 farmers. To respond to the severe food and nutrition challenges in the country, the project has also provided 9,604 households – more than half of them headed by women – with nutrition-related support. This has included nutrition messaging, training in integrated homestead farming, and a pass-on scheme for small livestock to increase consumption of animal-source foods and supplement household incomes.

US\$454.1 MILLION  
INVESTED BY IFAD IN THE  
REGION'S ONGOING PORTFOLIO

# LATIN AMERICA AND THE CARIBBEAN

US\$38.0 MILLION IN  
IFAD FINANCING  
APPROVED IN 2022

## 32 COUNTRIES

Antigua and Barbuda  
Argentina 3  
Bahamas (The)  
Barbados  
Belize 1  
Bolivia (Plurinational State of) 2  
Brazil ■ 2  
Colombia  
Costa Rica  
Cuba ■ 2  
Dominica  
Dominican Republic 1  
Ecuador 1  
El Salvador ■ 1  
Grenada 1  
Guatemala  
Guyana 1  
Haiti 3  
Honduras 2  
Jamaica  
Mexico 1  
Nicaragua 1  
Panama  
Paraguay ■ 2  
Peru 1  
Saint Kitts and Nevis  
Saint Lucia

Saint Vincent and  
the Grenadines  
Suriname  
Trinidad and Tobago  
Uruguay  
Venezuela (Bolivarian  
Republic of)

Numbers indicate ongoing  
projects and programmes  
■ Countries with ongoing  
ASAP grants

25 ONGOING PROGRAMMES AND PROJECTS IN PARTNERSHIP  
WITH 16 COUNTRIES IN THE REGION AT THE END OF 2022

2 NEW PROGRAMMES AND PROJECTS APPROVED IN 2022  
IN BRAZIL AND ECUADOR





## HIGHLIGHTED PROJECT

# BRAZIL

The Semi-arid Sustainable Development Project in the State of Piauí has helped rural communities overcome their environmental vulnerability by enhancing their productive capacities in key value chains, such as honey, cashew, goat and handicrafts. An increase in productive capacities was coupled with skill development for small farmers to support them in accessing markets and financial services, and strengthening their rural organizations.

THE LEVEL OF EXTREME POVERTY  
WAS HALVED

PARTICIPATING FAMILIES' INCOMES  
INCREASED BY 45 PER CENT

THE PROJECT BENEFITED 36,111  
RURAL FAMILIES, OVER 40 PER CENT  
OF WHICH WERE HEADED BY WOMEN

A delegation of IFAD's Executive Board travelled to meet participants of the Viva o Semiárido Project in the Brazilian state of Ceará.

©IFAD/Manuela Cavadas

The region of Latin America and the Caribbean, as well as the rest of the world, is facing a series of crises – economic global tensions between superpowers, the COVID-19 pandemic, and now the impacts of the war in Ukraine.

Although these cumulative crises affect the whole world, some of them have particularly serious consequences for the region. For example, although this region hosts only 9 per cent of the global population, it is estimated that around 30 per cent of the deaths caused by COVID-19 occurred here.

### SHIFTING TO NATURE-BASED SOLUTIONS FOR PRODUCING FOOD

The consequences of the current global context have been diminishing economic growth, and rising poverty and food insecurity across the region. Focusing on rural areas, small farmers were hit hard by the disruption in supply and the rise in prices of fertilizer, sourced mostly from the Russian Federation and Ukraine. Approximately 78 per cent of fertilizer used in the region is imported, and its scarcity has had a negative impact on productivity — and on food prices.

A positive side effect of the rocketing prices of chemical fertilizers is that they encouraged some farming communities to prioritize organic, nature-based soil-feeding alternatives. Alternative solutions for animal feeding have also been adopted, and IFAD-funded projects have helped develop feeds based on products grown in farmers' backyards, such as maize, cassava and palm.

### PRIORITIZING DIGITAL SOLUTIONS IN A CHANGING WORLD

Rural people in Latin America and the Caribbean are also still suffering from the consequences of the COVID-19 pandemic. While a solution for the urban part of the world was to move towards digital alternatives, in rural areas the lack of (or poor) connectivity made the leap more difficult. That is why many IFAD-supported interventions went digital in a variety of ways. In 12 countries in the region, almost 50 digital solutions were adopted to enable farmers to take part in public food-purchasing programmes, carry out financial procedures or have access to climate information.

In 2022, some results of IFAD's digitalization drive became evident. In Guatemala and Honduras, the AGRIdigitalización project has allowed 132 rural saving banks to digitalize their operations, meaning that rural producers in Guatemala and Honduras can now manage their businesses from home.



©IFAD/Santiago Billy/Factstory

**“We have all the information about our savings and our loans there, and it’s much easier for us to keep track of them.” Juana Morales, a 27-year-old participant in the AGRIdigitalización project**



Another project in Guatemala, also related to rural finance, is **INSURED** (Insurance for Rural Resilience and Economic Development). The first of its kind in the region, the project funds insurance activities for family farmers to help them cope with the impacts of climate change.

Neighbouring El Salvador is also struggling with the impacts of climate change, in particular extreme weather phenomena such as tropical storms and prolonged droughts. There, the IFAD-supported Rural Adelante project has helped the El Limón cooperative establish a prosperous vegetable-growing business using hydroponics for the first time to grow plants on rocks or coconut fibre in greenhouses.



©IFAD/Luis Galdámez/Factory

**“In 5 or 10 years... I hope my children will like agriculture. They already do - since they were very little they have learned they can make a career out of it.”**  
Iris Maribel Alberto, participant in the Rural Adelante project

The current outlook in Latin America and the Caribbean points to the worsening of the climate crisis. IFAD has stepped up its efforts to provide small-scale farmers with tools to adapt to worsening climate scenarios, and this is paying off.

## FOCUSING ON SUSTAINABLE SOLUTIONS FOR COPING WITH CLIMATE CHANGE

Over the last few years, IFAD has catalysed more than US\$200 million in international funds to scale up climate interventions and initiatives in the region.

This push is allowing IFAD to be innovative and to expand its outreach. For example, in Brazil, a US\$14 million contribution from Germany to the ASAP+ Fund (Enhanced Adaptation for Smallholder Agriculture Programme) has made it possible to begin the **Amazon Sustainable Management project** (PAGES), in the state of Maranhão. PAGES will reduce deforestation in the Amazon by helping local communities – many of them indigenous peoples – to set up sustainable agroforestry production systems that take advantage of the richness of the forest without degrading it. In Haiti, IFAD launched the Inclusive Blue Economy Project to help preserve the Three Bays Protected Area in the north-east of the country.

In Bolivia, the Integral Strengthening Programme for the Camelid Value Chain in the Bolivian High Plateau (Procámélidos) is helping llama and alpaca herders to enhance the handling of their animals and make the most of the different products (meat and wool fibre) they obtain from them. Camelids can cope with very harsh climate conditions, so this is an optimal solution for a country where climate change is having a strong impact on communities.

Going back to Brazil, tools developed in multiple projects to improve water management, such as subterranean dams and the use of recycled grey water in agriculture, have proven effective in enhancing the livelihoods of small farmers living in semi-arid areas. Knowledge management initiatives such as DAKI (the Dryland Adaptation Knowledge Initiative) have made these tools accessible for small-scale farmers' organizations and policymakers throughout the region.

US\$845.6 MILLION  
INVESTED BY IFAD IN THE  
REGION'S ONGOING PORTFOLIO

# NEAR EAST, NORTH AFRICA AND EUROPE

US\$24.6 MILLION  
IN IFAD FINANCING  
APPROVED IN 2022

28 ONGOING PROGRAMMES AND PROJECTS IN  
PARTNERSHIP WITH 16 COUNTRIES IN THE REGION AND  
GAZA AND THE WEST BANK AT THE END OF 2022

1 NEW COUNTRY STRATEGIC OPPORTUNITIES PROGRAMME  
IN UZBEKISTAN

## 23 COUNTRIES

and Gaza and the  
West Bank 1

Albania

Algeria

Armenia

Azerbaijan

Bosnia and Herzegovina 1

Djibouti 2

Egypt ■ 3

Georgia 1

Iraq ■ 1

Jordan 2

Kyrgyzstan 1

Lebanon

Republic of Moldova ■ 2

Montenegro ■ 1

Morocco 2

Somalia

Sudan 2

Syrian Arab Republic 1

Tajikistan 1

Tunisia 3

Türkiye 2

Uzbekistan 2

Yemen

Numbers indicate ongoing  
projects and programmes

■ Countries with ongoing  
ASAP grants





## HIGHLIGHTED PROJECT **TAJIKISTAN**

In Tajikistan, the second phase of the Livestock and Pasture Development Project focused on enhancing the food and nutrition security of livestock farmers by boosting livestock productivity and improving the productive capacity of pastures. The project succeeded in expanding the pasture user unions, improving animal productivity and animal health services, and providing income-generating activities for community members, particularly women.

**INCOME FROM LIVESTOCK  
MORE THAN DOUBLED**

**ALMOST 100,000 HECTARES OF  
LAND IS BENEFITING FROM  
CLIMATE-RESILIENT PRACTICES**

**197 PASTURE USER UNIONS  
HAVE BEEN FORMED AND  
STRENGTHENED**

“Our pastures have been restored  
and our animals are healthier and more  
productive now.”

©IFAD/Didor Sadulloev

In 2022, the countries of the Near East, North Africa and Eastern Europe and Central Asia were among those that suffered the most severe impacts of the war in Ukraine. Ukraine and the Russian Federation are among the top exporters of grains, fertilizers and machinery to the countries of the Near East and North Africa.

Countries in the region are experiencing high food price inflation, exacerbated by their high reliance on food imports. Several countries – such as Egypt, Lebanon, Libya, Sudan, the Syrian Arab Republic and Yemen – are particularly vulnerable because of existing crises that pre-date the war in Ukraine. The resulting income shocks and price effects are predicted to push many people into extreme poverty and food insecurity, while also reducing policy options and fiscal space for governments. To compound matters, parts of the region are becoming increasingly vulnerable to climate shocks and stresses, with severe drought and water scarcity being major threats.

### **BUILDING SELF-SUFFICIENCY AND RESILIENCE WHERE NEEDS ARE GREATEST**

IFAD is well positioned to respond to this challenging context. Our focus is on building rural people's resilience to shocks, as well as reducing reliance on food imports more broadly by supporting local small-scale producers. One of our priorities is assembling climate finance. By the end of 2022, we had invested a total of US\$88.7 million in climate finance to support 17 ongoing investments across the regions. Our Crisis Response Initiative is prioritizing two of the most fragile countries: Somalia and Yemen. Funds will be dedicated to protecting livelihoods jeopardized by the war in Ukraine.

Yemen is also a priority country under IFAD's Rural Poor Stimulus Facility, which was designed in 2020 to protect rural people from the impacts of the pandemic. As part of the Protecting the Livelihoods and Agriculture Resilience (POLAR) project, ongoing activities have shown increases in income and production among many of the poorest rural households targeted by the project. Most beneficiaries reported having become more food-secure, while others highlighted that they were able to access health and education for their children that they would not have been able to afford without project support.

Similarly, in Somalia, the Resilient Livelihood Action to COVID-19 project enabled participants to resume their farming in time for the season and contributed to building their resilience to shocks by reducing post-harvest losses to less than 10 per cent for essential commodities such as millet, sorghum, maize, sesame and vegetables.

### **BOOSTING CLIMATE RESILIENCE**

Clearly, coping with climate change is a major aspect of resilience for rural people. With respect to climate resilience, the Community-based Agricultural Support Programme in Tajikistan focused on irrigation systems to provide farmers with reliable water supplies amid changing rainfall patterns. The project involved laying pipelines carrying water from snow-fed rivers in order to supply rural communities with reliable fresh water. As a consequence, previously water-starved fields are coming back to life and families are resettling in the village.

**"The project gave us water and brought hope and happiness back to our community. Now, we can think about a future here."**  
Ahmet Bekmatov, participant in the Community-based Agricultural Support Programme



Improving irrigation systems, promoting sustainable energy use and nature-based solutions are all effective ways to enable rural people to adapt to climate change across the regions. In Egypt, the [Sustainable Agriculture Investments and Livelihoods Project](#) enables local farmers to transform traditional irrigation systems into drip or sprinkler irrigation networks. Most small loans given under the project were used by recipients for this purpose, which has helped them adapt to water scarcity. Other loans for livestock, processing and the non-agricultural sector are helping communities build their resilience to [climate change impacts by diversifying their income sources](#).

Lack of water has also been an issue in Sudan, with drought contributing to conflict between herders and farmers. In response, the [Livestock Marketing and Resilience Programme](#) has set up conflict mitigation and peace-building centres to help people resolve disputes. The project has also mapped herding paths to help herders and farmers understand and negotiate effectively with each other.



©IFAD

**“With the support of IFAD and the programme, we managed to stop the disputes over natural resources.”** [Dalia Mohamed Ismail](#), participant in the Livestock Marketing and Resilience Programme

In Türkiye, the [Murat River Watershed Rehabilitation Project](#) has been successful in reversing land degradation and erosion in upland communities. About 5,680 households were provided with house insulation. This has increased energy use efficiency and resulted in a reduction of wood consumption of more than one third. The project contributed significantly to carbon sequestration – the estimated carbon sequestration and mitigation of greenhouse gas emissions is equivalent to 13,663,099 tCO<sub>2</sub> in a period of 20 years.

Enhancing biodiversity as a strategy to help rural people cope with climate change is a strategy used in many IFAD activities in the region. For example, in Morocco, the [Rural Development Programme in the Mountain Zones](#) has improved small-scale farmers’ resilience to climate change by promoting diversified tree crops such as almonds, carob and walnuts, and by introducing plants that are more resistant and better adapted to mountainous areas. Weather stations have also been set up to provide regular climate information and alerts to farmers.



US\$2,139.4 MILLION  
INVESTED BY IFAD IN THE  
REGION'S ONGOING PORTFOLIO

# WEST AND CENTRAL AFRICA

US\$324.5 MILLION  
IN IFAD FINANCING  
APPROVED IN 2022

52 ONGOING PROGRAMMES AND PROJECTS IN  
PARTNERSHIP WITH 23 COUNTRIES IN THE REGION  
AT THE END OF 2022

4 NEW PROGRAMMES AND PROJECTS APPROVED  
IN 2022 IN CAMEROON, THE DEMOCRATIC REPUBLIC  
OF THE CONGO, MALI AND MAURITANIA

## 24 COUNTRIES

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

Numbers indicate ongoing  
projects and programmes  
■ Countries with ongoing  
ASAP grants



## HIGHLIGHTED PROJECT

# SIERRA LEONE

The second phase of the Rural Finance and Community Improvement Programme aims to strengthen and broaden small-scale farmers' access to rural finance. Through a network of 76 rural financial institutions, the programme is supporting farmers to expand their business activities.

Marie Thaimu Kamara started her rice production business with a loan from an IFAD-supported project: "I have employed my husband, sent my two daughters to university and my boy to secondary school."

©IFAD/Bob Baber

**OVER 200,000 RURAL HOUSEHOLDS CAN NOW ACCESS FINANCIAL SERVICES**

**HALF OF THE FINANCIAL SERVICES' CLIENTS ARE WOMEN**

**FARMERS' AVERAGE INCOMES HAVE INCREASED BY MORE THAN ONE QUARTER**

In 2022, West and Central Africa experienced a rebound of economic activities that was well above expectations, following the devastating impact of the COVID-19 pandemic. And strong economic growth is predicted in 2023 in several countries of the region, including Benin, Côte d'Ivoire, the Democratic Republic of the Congo, Niger and Senegal. However, in other countries growth is expected to be more subdued, and the social and economic hardships endured because of the pandemic have led to an increase in poverty overall. The war in Ukraine has accelerated increases in commodity prices in the region, which had already been an issue.

Addressing the complex drivers of fragility remains at the top of the policy agenda. Currently, 10 countries in the region are in fragile and conflict-affected situations. The expansion of areas with situations of fragility in the Sahel is undermining the better-than-expected economic growth achieved, and particularly threatens livelihoods in rural areas, where poverty rates are highest.

Public policies implemented to protect livelihoods and to cope with the adverse impacts of the multiple ongoing crises have resulted in growing levels of fiscal deficit and public debt. As of December 2022, three countries in West and Central Africa were in debt distress and 10 countries were at high risk of debt distress. The high level of indebtedness in several countries in the region is curtailing the ability to borrow to finance much-needed development interventions.

Through the 52 ongoing IFAD-supported projects reaching 13 million rural people, IFAD is providing country-specific and tailored interventions to improve the food security and resilience of vulnerable rural people. In line with IFAD12 commitments, there are increased investments in mainstreaming youth, gender, nutrition and climate change in IFAD-supported operations across the region. The mobilization of resources from climate finance institutions and other partners is enabling us to invest more to support rural people to cope with climate change. Moreover, IFAD is committed to enhancing its country-level policy engagement, through the establishment of the regional office in Abidjan, Côte d'Ivoire, and by increasing its country presence.

## **PARTNERING WITH OTHERS TO REACH MORE RURAL PEOPLE**

The Joint Programme for the Sahel in Response to the Challenges of COVID-19, Conflicts and Climate Change (SD3C) in the Sahel is strengthening cross-border trade and improving fishery productivity through climate-resilient practices and technologies. The programme is being implemented with our Rome-based partners FAO and WFP, and others, and is projected to benefit more than 100,000 rural households. Another programme enabling rural people to improve their incomes in the context of climate change is the Regional Programme for the Integration of Agricultural Market (PRIMA), which is being implemented in Benin and Togo. Both SD3C and PRIMA are region-wide initiatives that adopt innovative, market-based approaches to addressing challenges related to climate change.

## **FOCUSING ON NATURE-BASED SOLUTIONS**

Nature-based approaches are crucial to IFAD's climate work across West and Central Africa. In Liberia, the Tree Crops Extension Project (TCEP) supports 10,000 cocoa farmers through the provision of productivity-enhancing farm inputs, including improved cocoa seedlings. One of TCEP's main activities consists of establishing the national cocoa seed garden on 30 hectares of land, with the goal of reducing reliance on imports of planting materials from neighbouring countries. The project has resulted in the planting of 12,287 budded cocoa stumps and the establishment of a 40,000-rootstock nursery. This will significantly reduce dependence on seed imports.





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**“Prior to the interventions of TCEP, we used to dry our cocoa on the ground where we had challenges in controlling the intrusion of domestic animals and foreign particles, including sand and stone particles. We are grateful to the project and IFAD for improving our cocoa production and processing methods.”** Emerson Dahn, beneficiary of the Tree Crops Extension Project

Sustainable, climate-resilient approaches to small-scale fisheries have been an important strategy for improving household nutrition and coping with climate change across the region. In Ghana and Nigeria, the [Promoting Sustainable Cage Aquaculture in West Africa \(ProSCAWA\)](#) project has advanced cage aquaculture – a way of raising fish inside mesh enclosures – which is more accessible to poor farmers with little land and has the advantage of being less carbon-intensive than other methods. The project has created jobs for young people – in the fisheries but also along the value chain in processing activities – and improved the availability of nutrition-rich fish in local markets.

**“ProSCAWA has brought hope to the people of Kotorkor. There will be food on our tables and money in our pockets.”** Kotorkor community chief in Ghana, participant in the ProSCAWA project

### TRANSFORMING COMMUNITIES BY EMPOWERING WOMEN

It is important that approaches to empower women and transform gender relations are embedded in approaches to empower rural communities. This is an increasing focus of IFAD’s activities throughout West and Central Africa. In Ghana, the Gender Action Learning System of the [Ghana Agricultural Sector Investment Programme](#) piloted training on gender equality, social norms and community development standards for over 800 households. The pilot has resulted in significant behaviour changes, including increased participation of women in decision-making at the household and community levels. As a consequence, men have reported being more involved in household chores such as fetching water and looking after children, resulting in greater household cooperation and harmony, including in the distribution of farm work.







SPOTLIGHT

# ADDRESSING CLIMATE CHANGE

Rural people live and work in some of the world's most fragile landscapes – from arid and desert zones to tropical grasslands, and from low-lying coastal areas to degraded hillsides. Their work in small-scale farming and related activities is closely linked to, and reliant on, the climate. Globally, they are among the people most vulnerable to the increasingly severe impacts of changing climate conditions.

**AT IFAD, INVESTING IN ENABLING RURAL PEOPLE TO ADAPT TO CLIMATE CHANGE, AND THUS STRENGTHENING THEIR RESILIENCE TO CLIMATE THREATS, IS A PRIORITY.**

We know that promoting agricultural practices that protect and sustainably use biodiversity offers opportunities to adapt to climate change. A key aspect of this is capitalizing on indigenous and traditional knowledge from rural people themselves. This is the focus of much of our climate work.

Indeed, our *Climate Action Report 2021*, published in the lead-up to the 2022 United Nations Climate Change Conference (COP27), showed that 92 per cent of IFAD climate finance was targeted to adaptation. And until 2030, 30 per cent of IFAD's climate finance is committed to nature-based solutions.

But while adaptation is our focus, we are also contributing to climate mitigation. In fact, research published in 2022 showed that our investments over the past 20 years have sequestered more carbon and more greenhouse gases than they emitted. That is, our investments are net negative with respect to greenhouse gas emissions.

## KENYA

Gerald Juma and his wife, Tabitha, supply their local community with trees from a nursery, established according to land conservation techniques learned from the Upper Tana Catchment Natural Resource Management Project.

©IFAD/Trans.Lieu/Samuel Nyaberi





That is not surprising, considering that many of our projects involve protecting and enhancing local biodiversity. As well as building rural people's resilience to the impacts of climate change, this also helps to reduce the causes of climate change because flourishing local ecosystems act as effective carbon sinks. Indigenous women in the Peruvian Amazon are demonstrating this through the IFAD-supported Avanzar Rural project. With funds awarded through IFAD's Innovation Challenge, the project team developed and tested a toolkit to adapt the principles and methodology of behavioural design to IFAD's projects.

This is just one example of how important rural women's work is for addressing climate change. We will continue to prioritize women in our climate work. In 2022, we launched a new initiative called the Gender Transformative Mechanism in the Context of Climate Adaptation (GTM). Working with the Bill & Melinda Gates Foundation and other partners, the GTM is focused on providing rural women with the information and innovations they need to adapt to climate change. With continued support, we predict this initiative can improve the lives of over 20 million rural people across 20 countries by 2030.

## **DURING 2022, WE WERE ABLE TO DO MORE IN AREAS SUCH AS NATURE-BASED SOLUTIONS, PROTECTING BIODIVERSITY AND THE SUSTAINABLE MANAGEMENT OF NATURAL RESOURCES THANKS TO OUR SUCCESS IN MOBILIZING CLIMATE FINANCE.**

Success has been largely down to the Adaptation for Smallholder Agriculture Programme and the mobilization of US\$336.5 million through the Adaptation Fund, Green Climate Fund and Global Environment Facility.

We have also been using tools such as geographical information systems (GIS) in innovative ways to effectively target the areas most in need of investment for climate adaptation, and to monitor progress and assess results. And we have been documenting success stories to share with our partners.

COP27 was an opportunity to strengthen partnerships with our Member States around climate action. During the conference, we signed a partnership agreement with Egypt, which selected IFAD to lead the multibillion-dollar food and agriculture pillar of its Nexus for Water, Food and

Energy platform. This platform is part of Egypt's plan to launch its National Climate Change Strategy 2050. The food pillar includes five projects with a combined total of US\$3.35 billion for phase 1 (2023-2030). In the lead-up to the signing, IFAD's legal team collaborated closely with the IFAD country team to agree on the modalities of the contractual arrangement, which was countersigned during COP27 in Sharm El-Sheikh.

IFAD's legal team also co-organized – alongside our Indigenous Peoples team and the International Land Coalition – an event hosted at the IFAD pavilion during COP27: The Untold Stories of Climate Justice – From indigenous peoples to land rights. The audience heard accounts from indigenous peoples and their communities about how they are being impacted by the climate crisis and climate injustice.

IFAD was prominent during COP27, organizing many events. Our participation at the conference was based around advocating for the needs of small-scale farmers and other rural people, in particular to highlight the importance of scaling up climate finance to support their adaptation needs.

In addition to the events at the IFAD pavilion, we also organized a virtual field visit to showcase, for a global audience, our work in building the climate resilience of rural people.

### **GUBA**

IFAD funding has enabled the Combate de Pacheco Cooperative to buy modern equipment to refrigerate and preserve milk produced by its cows.

©IFAD/Juan I. Cortés





SPOTLIGHT

# LEADING ON TECHNICAL EXPERTISE

With its investments in rural areas, IFAD brings the accumulated knowledge of more than four decades of working with rural people to support them to improve their livelihoods and overcome poverty. Our technical knowledge in key thematic areas – such as rural finance, markets and biodiversity – is part of what makes us unique. In 2022, we continued to strive to use this expertise to support rural people to strengthen their livelihoods and find solutions to today's challenges.

## ADVANCING TAILORED FINANCIAL SOLUTIONS FOR RURAL PEOPLE IS A CRUCIAL PART OF OUR WORK.

Through our Financing Facility for Remittances, work continued to maximize migrants' remittances and diaspora investment for the benefit of rural communities. For example, through the PRIME Africa initiative, in 2022 the Facility selected 15 innovative projects to be implemented in The Gambia, Ghana, Kenya, Morocco, Senegal, South Africa and Uganda. These projects – now being implemented – will enable rural communities to receive remittances through mobile and digital financial services. Supplementary financing for the projects provided by private sector partners is bringing in technological innovations and business models tailored to the needs of rural households that are receiving remittances.

2022 was a significant year in the continued development of IFAD's engagement with the private sector in general. In September, the Executive Board approved a loan of US\$5 million to a microfinance institution in Cambodia – the first-ever non-sovereign operation (NSO) project in the country. This adds to the list of NSOs that have been approved over the past two years for projects in Bolivia, Madagascar, Mozambique, Nigeria and Uganda. More are planned in 2023.



While these engagements with the private sector are new, innovative and offer much transformative potential, lending to private partners entails new risks and challenges that require careful management. With this in mind, IFAD's legal team organized internal training on NSOs and provided guidance on the development of an NSO Disclosure Policy that reflects IFAD's commitment to ensuring transparency. Among other steps taken under the guidance of IFAD's legal team was ensuring that this policy was consistent with our revised Social, Environmental and Climate Assessment Procedures (SECAP), and developing Guidelines for the Review of Non-Sovereign Private Sector Operations. For SECAP, we also developed an enhanced complaints procedure, which is now in force, to ensure people are able to contact IFAD directly in the event of concerns over non-compliance with the Procedures.

In addition, we developed a Quality Assurance Tool for Non-Sovereign Private Sector Operations, which is fully consistent with the guidelines.

Financial innovation has also been at the heart of the success of the Insurance for Rural Resilience and Economic Development (INSURED) technical assistance programme implemented by IFAD through the [Platform for Agricultural Risk Management](#). Through INSURED, as of 2022, an estimated 88,000 small producers have been covered by climate risk insurance in Guatemala, Kenya, Uganda and Zambia.

In 2022, INSURED successfully completed a multistep insurance intervention in Uganda in cooperation with the IFAD country programme and the Government of Uganda, and with the support of a private sector agricultural insurance and technology company. The customers targeted were small producers in northern and north-western Uganda, who benefited from an area yield index insurance product. During the initial pilot, a total of more than US\$23,000 was paid out to farmers. The project was then extended until September 2022, during which time a further 7,000 farmers received a payout from the insurance. About 270,000 farmers were already signed on for the next season by the end of INSURED's support.

**BASED ON THIS KIND OF WORK, DURING 2022, THE INSURED TEAM RELEASED MULTIPLE PUBLICATIONS THAT SHARE LESSONS AND KNOWLEDGE ON KEY TOPICS SUCH AS [ENGAGING SMALL-SCALE FARMERS IN DEVELOPING INSURANCE PRODUCTS](#).**

2022 also saw the completion of other major studies on key topics. These included a comprehensive analysis of IFAD's value chain development project portfolio. Results show that the vast majority of IFAD-supported projects follow a value chain approach, with 90 per cent of these focusing on bringing in private sector partners. Another major study published in 2022, in collaboration with the International Finance Corporation, was focused on [how to develop and scale innovative solutions to improve the livelihoods of small-scale farmers](#).

IFAD's technical expertise informed our participation in global debates and helped us provide leadership on issues relevant to our mandate. Highlights of our global engagements during the year included participation in the first-ever G20 Joint Finance and Agriculture Ministers' Meeting, a high-level opening from the IFAD President at the 50<sup>th</sup> plenary session of the Committee on World Food Security and co-leadership of the first-ever Global Forum of the United Nations Decade of Family Farming.

We also shared knowledge globally through initiatives such as IFAD's first [Innovation Day](#), which presented lessons on how to originate, pilot, test, scale and fund innovative solutions for rural development.



## SPOTLIGHT

# MEASURING IMPACT AND FOSTERING LEARNING

IFAD is the only international financial institution that measures the impact of its investments at the corporate level. We systematically conduct rigorous impact assessments on a sample of at least 15 per cent of projects that close during each three-year replenishment period.

In 2022, IFAD released the *IFAD Impact Assessment Report 2019-2021*, which shows the impact of our work between 2019 and 2021.

Despite the challenges created by the pandemic, adverse weather events and political events, we were able to conduct impact assessments on 25 per cent of our portfolio, 10 percentage points more than the 15 per cent commitment. The 24 projects assessed account for an investment of US\$3.1 billion and act as a representative sample of the total investment of US\$7.1 billion during IFAD11 (amounts include cofinancing).

Estimates show that IFAD has met targets for the number of people who benefited from improvements in their incomes, productive capacities, market access, and resilience. As a result of IFAD-supported projects:

- **MORE THAN 77 MILLION PEOPLE INCREASED THEIR INCOMES (TARGET: 44 MILLION)**
- **MORE THAN 62 MILLION PEOPLE EXPANDED THEIR PRODUCTIVE CAPACITIES (TARGET: 47 MILLION)**
- **MORE THAN 64 MILLION PEOPLE IMPROVED THEIR MARKET ACCESS (TARGET: 46 MILLION)**
- **AROUND 38 MILLION PEOPLE STRENGTHENED THEIR RESILIENCE (TARGET: 24 MILLION)**

## TAJIKISTAN

Ahad Khushvakhtov, a member of Shahrinav village organization, and Muqadas Eshbekova, the organization's accountant. Village-level participation is essential to the success of initiatives to improve access to productive infrastructure and services.

©IFAD/Didor Sadulloev



The report notes that IFAD's target for nutrition was not met during the period. This was largely because the projects assessed had been designed before 2019, when IFAD started to systematically mainstream nutrition in all its projects. The report underscores the importance of integrating activities that stimulate behavioural change into projects to achieve better results in nutrition.

The impact assessment report also generated knowledge on key topics such as the importance of investing in the middle segments of food systems (for example in food processing, transformation and marketing), the need to adapt differentiated strategies for chronic and acute shocks, and the value of targeted strategies for women's empowerment.

### Learning is a central aspect of the new Evaluation Strategy of IFAD's Independent Office of Evaluation (IOE).

The 2022-2027 multi-year strategy is aimed at contributing to IFAD's corporate culture as a transparent, learning-oriented and accountable organization. It is supported by the *2022 IFAD Evaluation Manual*, which draws on contemporary evaluation literature. The manual is also informed by progress made since the launch of the 2030 Agenda for Sustainable Development, such as the imperatives of transformative change and addressing sustainability and climate resilience. It relies on IFAD's wealth of experience in evaluating rural development and poverty reduction programmes, as well as corporate policies and processes.

In 2022, IOE also revamped its annual report with the *2022 Annual Report on the Independent Evaluation of IFAD*, which has a new structure based around promoting self-reflection and learning, as well as ensuring accountability for results.

IFAD's Quality Assurance Group (QAG) has also been active in contributing and sharing knowledge-related work. QAG is well placed to perform this role, in particular with respect to consolidating and sharing lessons and good practices from design reviews across projects, countries and regions. In 2022, this included publishing on topics such as private sector operations, designing projects to address the impacts of the COVID-19 pandemic, and embedding South-South and Triangular Cooperation (SSTC) in project design.

**SSTC HAS BEEN A FRUITFUL AREA FOR LEARNING AND KNOWLEDGE-SHARING. DURING 2022, SIX NEW COUNTRY STRATEGIES WITH A COMPREHENSIVE SSTC NARRATIVE WERE APPROVED, MORE THAN 100 KNOWLEDGE EXCHANGE AND TECHNICAL COOPERATION INITIATIVES WERE FACILITATED AND OVER US\$1 MILLION WAS MOBILIZED IN SOUTH-SOUTH INVESTMENTS.**

IFAD also supported regional and global SSTC events including the co-celebration, with the other Rome-based agencies, of the United Nations Day for South-South Cooperation, during which the agencies presented their *joint SSTC programme* for home-grown school feeding. The Fund also participated in the Global South-South Development Expo, holding a side event to share learning on the role of SSTC in crisis response.

Another advance in our learning agenda during 2022 was the launch of IFAD's Omnidata portal. The portal allows IFAD staff to work with structured data from IFAD systems, as well as unstructured data, including audio, videos and images. Omnidata provides IFAD with strategic data and visualization tools, complemented by GIS and machine learning tools, enabling IFAD staff to develop their own data and carry out advanced analytics. Moreover, through the portal, IFAD staff can access training modules tailored to IFAD's needs on data visualization and transformation, GIS and machine learning, and share their knowledge and ideas with the Omnidata community.

#### INDONESIA

Adimas Muhammad Wibisana was one of the grant winners under IFAD's Young Entrepreneurship and Employment Support Services programme. "After I took part in this competitive grant contest, my network expanded a lot, and [that] was more valuable than money," he says.

©IFAD/Jefri Tarigan





SPOTLIGHT

# EMPOWERING RURAL PEOPLE

IFAD is unique in its prioritization of the most vulnerable people: those in the most remote communities. Through our projects, we strive not only to create economic opportunities for these groups of people, but also to address the root causes of their vulnerability. That means redressing power imbalances and enabling traditionally powerless groups to empower themselves and find solutions to the problems they are facing.

**A KEY ASPECT OF THIS WORK IN RECENT YEARS HAS BEEN BUILDING THE RESILIENCE OF RURAL PEOPLE TO THE IMPACTS OF THE COVID-19 PANDEMIC, WHICH WAS THE FOCUS OF OUR RURAL POOR STIMULUS FACILITY (RPSF).**

It is encouraging, therefore, that assessments conducted in 2022 showed that at least three quarters of beneficiaries of the RPSF maintained or increased their levels of production and income, despite the impacts of the pandemic.

Rural people such as Madame Libératrice, a potato farmer in the Nyiragongo Territory of the Democratic Republic of the Congo, have benefited from the RPSF, though old and new challenges continue to make life difficult.

Thanks to the RPSF, Madame Libératrice was able to relaunch her production, despite the impacts of the pandemic and a lava flow that devastated her farm in May 2020. But in late 2022, as a result of an armed insurgency in her region, Madame Libératrice fled her home with her children. Initiatives such as the RPSF can help people regain hope. For Madame Libératrice, the hope now is that the young people of today can help establish stable governance and a brighter future for farmers like her.

During 2022, we updated and refined several of our existing strategies so we can be even more effective in empowering vulnerable people and groups to handle the growing challenges they are facing. These included the updated [IFAD Policy on Engagement with Indigenous Peoples](#), which covers 2022-2032. The policy was jointly developed by IFAD and the Steering Committee of the Indigenous Peoples Forum at IFAD. It builds on IFAD's [successful work with indigenous peoples](#) and recognizes the importance of their contribution as partners in designing and monitoring strategies to strengthen rural livelihoods and food systems.

We also revised our Targeting Policy: [Leaving No One Behind](#). The revised policy is focused on aligning our commitments with the SDGs – in particular the cross-cutting commitment to leave no one behind. The revised policy is geared towards the current global crises that are leading to a deteriorating development situation and to guiding action to build the resilience of the most vulnerable people to their impacts.

**ONE OF THE PRIORITIES IN OUR WORK ON EMPOWERMENT IS ENSURING PEOPLE WITH DISABILITIES BENEFIT FROM OUR PROJECTS. IFAD'S DISABILITY INCLUSION STRATEGY 2022-2027 PLACES THIS CRITICAL GOAL AS CENTRAL TO THE PURSUIT OF IFAD'S MISSION.**

In recent years, IFAD has acquired experience in working with people with disabilities, and has been stepping up its efforts to become more disability inclusive. The new strategy will guide efforts to raise IFAD's standards and performance on disability inclusion.

Alongside our partners, we are also pioneering new methodologies to empower women. For example, under the [Joint Programme on Gender Transformative Approaches for Food Security, Improved Nutrition and Sustainable Agriculture](#) – which we are implementing alongside the Food and Agriculture Organization of the United Nations and the World Food Programme – the [Financial Action Learning for Sustainability at Scale](#) toolkit is providing low-income women with financial planning skills and tools.

And we have taken important steps to implement the [IFAD Strategy on Biodiversity 2022-2025](#), which will support poor rural people to protect and enhance local biodiversity. Among the steps taken during 2022 were identifying a core biodiversity indicator for IFAD-supported projects, developing a finance-tracking methodology for nature-based solutions and establishing a cross-divisional biodiversity community of practice. We have also established partnerships for increased resource mobilization, capacity-building and knowledge exchange related to biodiversity – for example, IFAD is now a partner of the United Nations Decade on Ecosystem Restoration.

In addition, we are raising the visibility of rural people and creating awareness of the urgency of investments to address growing threats to their livelihoods. The Platform for Agricultural Risk Management [Art Challenge](#) celebrated rural women and men and their important work in helping to feed the world. Works of art showcasing rural people, their activities and their lives were displayed at the Food Heroes exhibition that took place from 31 May to 21 June 2022 in the Botanical Garden of Cheikh Anta Diop University, Senegal, as part of one of the major contemporary African art exhibitions. The exhibition attracted more than 1,700 in-person visitors and over 7,600 online visitors, who participated in the virtual tour carried out on the PARM and IFAD West Africa digital platforms.





SPOTLIGHT

# ASSEMBLING DEVELOPMENT FINANCE

Investing in rural development and rural people is strategically important to accelerate progress in achieving the SDGs. This has become even more apparent in the midst of the range of threats disrupting food systems in recent years – climate change, conflict, the COVID-19 pandemic, and higher food and fuel prices.

**FINANCIAL INNOVATION HAS BEEN CENTRAL TO HOW IFAD HAS RISEN TO THESE CHALLENGES, AS HAS THE FURTHER STRENGTHENING OF PARTNERSHIPS WITH OUR MEMBER STATES.**

In 2022, the first year of the IFAD12 replenishment cycle, IFAD started to implement the Integrated Borrowing Framework. To secure the highest amount to date of borrowed funds in support of IFAD's loan portfolio, and provide the necessary security of funds for the Borrowed Resource Access Mechanism, IFAD endeavoured to pre-fund a significant share of the total amount needed – that is, approximately US\$1.2 billion.

By December 2022, IFAD had been successful in securing US\$675 million, 56 per cent of the overall borrowing for IFAD12. A major milestone on the way to this success was IFAD issuing two inaugural private placement transactions for an aggregate amount of US\$150 million in June. This was the first time IFAD had approached financial markets as an issuer, becoming the first United Nations fund and the only United Nations body and specialized agency other than the World Bank Group to enter capital markets.

#### SIERRA LEONE

Lucy and her husband, Julius, have benefited from a loan through the Rural Finance and Community Improvement Programme, which has helped them expand their honey business.

©IFAD/Bob Baber



Another milestone was a groundbreaking borrowing agreement with the European Investment Bank (EIB), signed during COP27. Under the agreement, the EIB will lend IFAD EUR 500 million in support of IFAD's programme of loans.

In 2022, both Fitch Ratings and S&P Global Ratings confirmed IFAD's AA+ rating with a stable outlook. This reflected the ongoing work to support IFAD's high credit rating, in particular through state-of-the-art loan credit risk financial reporting.

**WE ALSO WORKED CLOSELY WITH OUR MEMBER STATES TO FINANCE THE IFAD12 PROGRAMME. NEW AND ADDITIONAL PLEDGES WERE RECEIVED FROM MEMBER STATES, WITH 111 MEMBER STATES CONTRIBUTING TO IFAD12 AT THE END OF 2022, BRINGING THE TOTAL PLEDGED TO US\$1.28 BILLION.**

In addition, IFAD sought initial feedback from Member States on their priorities for the IFAD13 consultations commencing in February 2023. At the IFAD13 pre-consultation meeting in November 2022, Member States highlighted IFAD's important role in strengthening the long-term resilience of small-scale farmers and rural producers in the context of climate change, fragility and food insecurity, and reaffirmed their support to IFAD.

Over and above core contributions, we are also mobilizing additional, supplementary resources to respond to the multiple crises that beset the world in 2022 – including war, climate change and the continued impact of the COVID-19 pandemic. In total, we mobilized US\$377.4 million of supplementary resources in 2022. One priority for this funding was the Crisis Response Initiative, which we set up to protect livelihoods and build resilience in rural communities. With support from Germany, Ireland, the Netherlands and the United States, we raised over US\$51 million to address the disruptions caused by the war in Ukraine in the countries most affected.

During 2022, we mobilized additional contributions for the Enhanced Adaptation for Smallholder Agriculture Programme (ASAP+) (approximately US\$25 million from Germany and Norway) and the Private Sector Financing Programme (US\$23 million from Finland and Germany). Supplementary funds were also received from Denmark, Germany and Italy for cofinancing of IFAD investments in Bangladesh, India and Mauritania. In addition, Italy's Cassa Depositi e Prestiti and IFAD entered into a cofinancing agreement aimed at unlocking substantial parallel cofinancing for selected IFAD investment projects.

#### FIJI

With support from the Pacific Islands Rural and Agriculture Stimulus Facility, young farmers from Fiji's highlands have established a nursery where they grow cash crops.

©IFAD/Rob Rickman







SPOTLIGHT

# MANAGING RISK

Globally, the risk environment is ever changing and ever more complex. To operate effectively and deliver on our commitments to poor rural people, IFAD needs to be able to manage those risks effectively. Risk management is an ongoing process and in 2022 we took a variety of steps to enhance our capacity to identify, assess and monitor ongoing and emerging risks, taking appropriate actions to safeguard ourselves in the global contexts of today and tomorrow.

In 2022, IFAD's risk management function focused on several priorities, including enhancing its policies and tools, improving data quality and strengthening partnerships with key partners in the global risk management sphere – such as ratings agencies and the chief risk officers of multilateral development banks. We also prioritized improving risk management communication and awareness inside and outside IFAD.

**OVERALL, THIS HAS CONTRIBUTED TO IMPROVEMENTS IN THE DEGREE TO WHICH RISK MANAGEMENT IS EMBEDDED IN CORPORATE DECISION-MAKING, AS ACKNOWLEDGED BY S&P GLOBAL RATINGS IN OUR RATING REPORT, WHICH CONFIRMED OUR AA+ RATING.**

From a more day-to-day perspective, IFAD's Office of Enterprise Risk Management focuses on implementing its risk-tailored tools and processes in matters where IFAD may be running financial, operational, programme delivery, strategic, reputational or other emerging risks.



This encompasses analysing risk-related issues emerging in the ordinary operational cycle of IFAD, communicating the results of assessments, providing independent opinions and ultimately guidance for risk mitigation, and performing monitoring and reporting activities.

**MORE BROADLY, WE HAVE STRENGTHENED ORGANIZATION-WIDE RELIANCE ON THE ENTERPRISE RISK MANAGEMENT AND RISK APPETITE FRAMEWORKS. THIS HAS IMPROVED ATTENTION PAID TO RISK APPETITE, RISK TOLERANCE AND THEIR MANAGEMENT, EMPHASIZING IMPLEMENTATION SUPPORT AND HARMONIZATION WITH THE PRACTICES OF OTHER INTERNATIONAL FINANCIAL INSTITUTIONS.**

With regard to financial management, report-based disbursement, using interim financial reports, has been rolled out to all IFAD-funded investment projects. This measure rebalances fiduciary oversight and internal controls across disbursement, supervision and project auditing. The reports will also provide analysed data for financial management risk assessment, and they will serve as joint monitoring tools, both internally and externally.

Also in 2022, building on the creation of the Financial Crime Unit, IFAD launched an enhanced industry-standard financial crime software solution. This tool screens all IFAD vendor and partner master files against more than 2 billion entries in the LexisNexis databases. We also introduced robust financial crime procedures. These codify how IFAD practically – and in an automated manner – checks for financial crime (money laundering, financing terrorism or violating sanctions) on a daily basis. Specialized training on financial crime and personal data privacy was provided to 180 staff globally. As a consequence of this work, IFAD has become the first United Nations agency to have put into action a financial crime policy and procedures.

The development of basic electronic and secure digital signature guidance is another way we are safeguarding IFAD against financial crime and other risks.

The guidance will allow IFAD's staff to identify when to use basic electronic signatures, secure digital signatures or wet-ink signatures, according to the level of risk. As well as reducing the risk of financial crime, this is improving information security and adding efficiency to IFAD business processes, in particular as we shift to a decentralized operating model.

IFAD's controllership function is also supporting regional and country offices to mitigate various risks arising from decentralization. In 2022, our Financial Controller's division visited the Türkiye IFAD Country Office and completed over 10 other missions across the world, providing digital tools, advice on delegation of authority and training, and support to improve the financial health of IFAD offices globally.

In addition, IFAD's Office of Audit and Oversight has been focusing on gaining assurance regarding the decentralized office implementation and its compliance with applicable rules and procedures, as well as on the quality of fiduciary supervision in IFAD-financed projects. Our internal audit function contributes to the decentralization process by reviewing, on a rolling basis, the functioning of the different types of office – assessing issues such as delegations of authority, reporting lines, budgetary control, office set-up, business continuity, training, travel, consultancy hiring and security. It also supports risk management in the context of decentralization by reviewing the supervision of financial management, project procurement and efficiency in country programmes, and the set-up and delegations of authority in decentralized offices.







SPOTLIGHT

# BETTER PROCESSES FOR BETTER RESULTS

Constantly striving for better results necessarily implies greater efficiency. It means an ongoing commitment to refine our internal processes, to reduce costs and, ultimately, to achieve greater impact.

A key aspect of this is the way we manage our finances. One of the changes we have made has been to modify the terms of reference for external audits, to allow for a more detailed expenditure review, additional to those reviews carried out by IFAD's finance officers. A redefinition of the IFAD disbursement process is also being supported by a comprehensive review and update of IFAD internal- and external-facing IT systems. These improvements build synergies with other systems, thereby increasing efficiencies and avoiding duplication.

IFAD's disbursement process in general has benefited from streamlining. We have reduced the average time taken to approve withdrawal applications from three days to three hours. We did this by reducing required documentation submissions, decreasing the checklist of ex ante validations from a 20-point checklist to a five-point checklist, shifting to electronic submissions for faster disbursement and reallocating staff. These improvements are helping us to provide greater liquidity to projects.

ANOTHER SIGNIFICANT IMPROVEMENT THAT IS PROVIDING MORE FLEXIBILITY IN THE WAY WE OPERATE IS THE DELEGATION OF BUDGETARY AUTHORITY TO COUNTRY DIRECTORS IN TWO REGIONS (EAST AND SOUTHERN AFRICA AND WEST AND CENTRAL AFRICA).

## ZAMBIA

Through the Rural Poor Stimulus Facility, Violet Banda was provided with rabbits and training in raising them, which helped reduce the financial impact of the COVID-19 pandemic on her family.

©IFAD/Enoch Kavindele Jr

This is giving decentralized staff the authority to commit funds and to make payments on behalf of IFAD in the field for the first time. Over 30 country directors now have this authority, another of the benefits of decentralization.

With regard to budgets more broadly, in 2022 we continued working on reforms and budget management. The 2022 budget cycle played a crucial role in adequately resourcing our planned activities for a more decentralized structure. From a planning perspective and in order to address current business needs in a context of rising costs, IFAD has put in place a rigorous prioritization process to produce stronger alignment between resource allocation decisions and corporate priorities. Furthermore, building on the Enhanced Efficiency and Resource Management initiative launched in 2021, IFAD has fully implemented cost classification of the budget, segregating direct and indirect costs. This demonstrated that around 55 per cent of total administrative budget resources are direct costs – that is, those allocated and linked to projects and programmes.

We have also realized efficiency improvements by decentralizing field support functions in parallel with the decentralization of staff. New functions were created in the two regional offices established in the field in 2022 – under the leadership of decentralized positions such as corporate services managers and administrative pool coordinators, with most positions in place by the end 2022. Our continued field support in the framework of major United Nations initiatives has enabled IFAD offices to manage most corporate services locally, benefiting from business operations pooled among organizations in the system.

### **WE FURTHER IMPROVED OUR FIELD SUPPORT THROUGH THE ESTABLISHMENT OF AN ONBOARDING COORDINATION TEAM, WHICH WILL REMAIN ACTIVE IN 2023.**

Our ambitious workforce transformation agenda, with the aim of delivering better results more quickly, is another dimension of our striving for continual improvement. In 2022, IFAD's Human Resources Division consolidated progress made on this agenda, including by continuing the implementation of a multilayered recruitment reform, which is adding more clarity, transparency and efficiency to our talent acquisition practices. This reform has enabled us to complete over 89 recruitments and support our gender and geographical targets set in IFAD12: as of September 2022, over 42 per cent of women were in positions at P-5 level and above, and more than 50 per cent of staff were from List B and List C countries.

In addition, we have prioritized improving our onboarding procedures – in particular focusing on faster administration of staff benefits and entitlements – to maximize efficiency within a decentralized structure.

2022 also saw a series of actions on performance management to address underperformance and reward high performance across the organization. During 2022, 96 per cent of current IFAD supervisors were trained in performance management.

Our revised performance management process was part of the amendments we made to our staff rules in 2022, reflecting the evolution of IFAD's business model and human resources practices. Other key amendments included incorporating IFAD's mobility framework and promotion procedures and formalizing the change of jurisdiction of the tribunal approved by the Executive Board (from the Administrative Tribunal of the International Labour Organization to the United Nations Appeals Tribunal). IFAD's legal team collaborated with the Human Resources Division to bring these changes into effect.

#### **SIERRA LEONE**

Since receiving a loan from an IFAD project, Hasan (third from left) has grown a successful blacksmithing business, providing employment and training for young people. "Today, I am my own boss and the breadwinner for my family," he said.

©IFAD/Fatmata Jalloh





SPOTLIGHT

# A WORKING ENVIRONMENT WHERE ALL STAFF CAN THRIVE

A respectful, ethical and supportive working environment is crucial to enabling IFAD staff to deliver on the Fund's unique mandate during challenging times. In 2022, more was done to maintain and enhance the working environment for all staff in the organization.

**DURING 2022, IFAD'S ETHICS OFFICE PROVIDED CONFIDENTIAL ADVICE AND SUPPORT TO STAFF ON APPROXIMATELY 240 ETHICAL MATTERS AND FACILITATED INFORMAL RESOLUTION OF CONFLICTS.**

The work of IFAD's Ethics Office underscores that – wherever they are in the world – all IFAD staff are expected to conduct themselves in line with our [Code of Conduct](#) and core values.



IFAD also expects its implementing partners to abide by the same high ethical standards. Marking an important milestone, in 2022 the Ethics Office ensured that our partners' ethical obligations were included in the General Conditions for Agricultural Development Financing, approved by the Executive Board. To support our partners, we released a [Code of Conduct for Project Parties](#) to clarify their obligations and the ethical conduct required of them, including those under the IFAD Policy on Preventing and Responding to Sexual Harassment, Sexual Exploitation and Abuse. During the year, we trained over 1,200 partners on sexual harassment, sexual exploitation and abuse in classroom settings in more than 25 countries.

We continued our efforts against hate speech, racism and discrimination. During 2022, we surveyed more than 1,500 staff and other individuals contracted by IFAD to understand the incidence of hate speech, racism and discrimination in areas of our work and to develop concrete actions as part of a corporate plan to eliminate these from all aspects of IFAD's operations.

In addition, we launched a dedicated training programme on conflicts of interest to strengthen the common understanding of integrity and how it relates to the work we do.

Building a constructive work environment is also about ensuring all IFAD staff, wherever they may be, receive the support they need to thrive – professionally and personally. This is even more important in the context of the ongoing decentralization IFAD is undergoing to bring our staff closer to the people we serve.

**BY THE END OF 2022, OUR FIELD STAFF PRESENCE HAD RISEN TO 39 PER CENT, FROM 35 PER CENT AT THE BEGINNING OF THE YEAR. WE EXPECT TO REACH 45 PER CENT OF POSITIONS IN THE FIELD BY 2024. COUNTRY DIRECTOR-LED PRESENCE IN-COUNTRY WAS ALSO INCREASED. BY THE END OF 2022, THERE WERE 12 ADDITIONAL COUNTRY DIRECTOR-LED OFFICES – 2 NEW AND 10 UPGRADED FROM COUNTRY PROGRAMME OFFICER-LED TO COUNTRY DIRECTOR-LED.**

To monitor support to both staff and non-staff in the field, we ran a pilot survey in 2022 that targeted the entire field workforce to gather feedback on the effectiveness of support provided in terms of services, resources, information and implementation of the delegation of authority framework. The objective was to assess the level of satisfaction and identify potential areas for improvement. Respondent satisfaction was above 70 per cent, marginally less than the target of 80 per cent. From 2023, survey results will be reported to the Executive Board as part of the key performance indicators on transformational institutional change.

More was also done in the realm of training field staff, providing our decentralized workforce with knowledge and tools to enable them to perform their functions better and more effectively, and filling skill gaps. Within the Upskilling 2.0 and OPAC corporate training programmes, in 2022 we administered three training modules to around 80 participants in six sessions.

IFAD continues to provide flexibility for staff and extended the teleworking pilot until March 2023. So far, this pilot has benefited more than 400 staff, most of whom are teleworking from their assigned duty station.

# CONSOLIDATED FINANCIAL STATEMENTS OF IFAD



# Consolidated financial statements of IFAD

For the year ended 31 December 2022

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### Notes:

The Consolidated Financial Statements have been prepared using the symbols of the International Organization for Standardization.

## Acronyms and abbreviations

AATI	African Agricultural Transformation Initiative
ABC Fund	Agribusiness Capital Fund
APO	associate professional officer
ASMCS	After-Service Medical Coverage Scheme
ASAP	Adaptation for Smallholder Agriculture Programme
BFFS.JP	Belgian Fund for Food Security Joint Programme
CPL	concessional partner loan
CRI	Crisis Response Initiative
DSF	Debt Sustainability Framework
DC	deployable capital
EAD	exposure at default
ECL	expected credit loss
FAO	Food and Agriculture Organization of the United Nations
FVTPL	fair value through profit and loss
FGWB	IFAD Fund for Gaza and the West Bank
FAO	Food and Agriculture Organization of the United Nations
GEF	Global Environment Facility
GCF	Green Climate Fund
IAS	International Accounting Standard (superseded by IFRS)
IFAD11	Eleventh Replenishment of IFAD's Resources
IFAD12	Twelfth Replenishment of IFAD's Resources
IFRS	International Financial Reporting Standards
HIPC	Heavily Indebted Poor Countries
LGD	loss given default
MLR	minimum liquidity requirement
OFID	OPEC Fund for International Development
PCS	preferred creditor status
PD	probability of default
PIT	point-in-time
RAMP	Reserves Advisory and Management Program
RPSF	Rural Poor Stimulus Facility
PSTF	Private Sector Trust Fund
Spanish Trust Fund	Spanish Food Security Cofinancing Facility Trust Fund
SPA	Special Programme for sub-Saharan African Countries Affected by Drought and Desertification
SDR	special drawing rights
S&P	Standard & Poor's
TTC	through-the-cycle
UNJSPF	United Nations Joint Staff Pension Fund



## Consolidated and IFAD-only balance sheet

As at 31 December 2022 and 2021  
(Thousands of United States dollars)

	Note	Consolidated			IFAD-only		
		31 Dec 2022	31 Dec 2021 Restated	1 Jan 2021 Restated	31 Dec 2022	31 Dec 2021 Restated	1 Jan 2021 Restated
<b>Assets</b>							
Cash on hand and in banks	4	642 328	702 563	472 298	413 167	474 924	325 778
Investments	4	1 343 614	1 250 126	1 240 846	1 031 689	929 821	839 564
Share investments at fair value through profit and loss	5	5 811	6 842	8 211	-	-	-
<b>Contributions and promissory notes receivables</b>							
Contributors' promissory notes	6	166 693	122 256	153 412	166 693	122 256	153 412
Contributions receivable	6	991 175	1 313 269	691 508	660 237	998 582	413 933
Less: qualified contribution receivables	6	(156 034)	(155 522)	(61 406)	(156 034)	(155 522)	(61 406)
Less: accumulated allowance for contribution impairment loss	7	(120 145)	(123 145)	(120 568)	(120 145)	(123 145)	(120 568)
<b>Net contribution and promissory notes receivables</b>		<b>881 689</b>	<b>1 156 858</b>	<b>662 946</b>	<b>550 751</b>	<b>842 171</b>	<b>385 371</b>
Other receivables	8	20 400	15 476	27 320	155 947	142 401	169 715
Fixed and intangible assets	9	12 014	13 121	14 935	12 014	13 121	14 935
Right-of-use assets	9	78 423	83 262	98 086	78 423	83 262	98 086
<b>Loans outstanding</b>							
Loans outstanding	10	8 485 024	8 479 524	8 448 098	8 258 159	8 234 060	8 176 704
Less: accumulated allowance for loan impairment losses	10	(154 170)	(120 860)	(122 747)	(151 352)	(118 701)	(120 032)
Less: accumulated allowance for the Heavily Indebted Poor Countries (HIPC) Initiative	11	(108 893)	(4 734)	(6 734)	(108 893)	(4 734)	(6 734)
<b>Net loans outstanding</b>		<b>8 221 961</b>	<b>8 353 930</b>	<b>8 318 617</b>	<b>7 997 914</b>	<b>8 110 625</b>	<b>8 049 938</b>
<b>Total assets</b>		<b>11 206 240</b>	<b>11 582 178</b>	<b>10 843 259</b>	<b>10 239 905</b>	<b>10 596 325</b>	<b>9 883 387</b>
<b>Liabilities and equity</b>							
	Note	31 Dec 2022	31 Dec 2021 Restated	1 Jan 2021 Restated	31 Dec 2022	31 Dec 2021 Restated	1 Jan 2021 Restated
<b>Liabilities</b>							
Payables and liabilities	13	190 423	241 754	249 315	181 202	248 183	244 322
Undisbursed grants	14	317 100	377 094	390 767	74 955	103 516	119 751
Deferred revenues	15	434 639	419 323	396 911	47 245	49 652	63 915
Lease liabilities	9	79 143	83 411	98 079	79 143	83 411	98 079
Borrowing liabilities	16	2 119 204	1 792 451	1 465 676	1 882 706	1 527 449	1 154 525
Other financial liabilities	17	8 944			8 944	0	0
<b>Total liabilities</b>		<b>3 149 453</b>	<b>2 914 033</b>	<b>2 600 748</b>	<b>2 274 195</b>	<b>2 012 211</b>	<b>1 680 592</b>
<b>Equity</b>							
Contributions							
Regular		10 164 382	10 083 593	9 149 445	10 164 382	10 083 593	9 149 445
Special		20 369	20 369	20 369	20 369	20 369	20 369
<b>Total contributions</b>	H	<b>10 184 751</b>	<b>10 103 962</b>	<b>9 169 814</b>	<b>10 184 751</b>	<b>10 103 962</b>	<b>9 169 814</b>
<b>Retained earnings</b>							
General Reserve		95 000	95 000	95 000	95 000	95 000	95 000
Accumulated deficit		(2 222 964)	(1 530 817)	(1 022 303)	(2 314 041)	(1 614 848)	(1 062 019)
<b>Total retained earnings</b>		<b>(2 127 964)</b>	<b>(1 435 817)</b>	<b>(927 303)</b>	<b>(2 219 041)</b>	<b>(1 519 848)</b>	<b>(967 019)</b>
<b>Total equity</b>		<b>8 056 787</b>	<b>8 668 145</b>	<b>8 242 511</b>	<b>7 965 710</b>	<b>8 584 114</b>	<b>8 202 795</b>
<b>Total liabilities and equity</b>		<b>11 206 240</b>	<b>11 582 178</b>	<b>10 843 259</b>	<b>10 239 905</b>	<b>10 596 325</b>	<b>9 883 387</b>

## Consolidated statement of comprehensive income

For the years ended 31 December 2022 and 2021  
(Thousands of United States dollars)

	Note	2022	2021 Restated
<b>Revenue</b>			
Income from loans	18	82 173	72 391
Income/(losses) from cash and investments	19	4 273	6 970
Income from other sources	20	10 988	12 529
Income from contributions	21	202 057	192 887
Net (loss)/gain from share investments	5	(593)	(823)
<b>Total revenue</b>		<b>298 898</b>	<b>283 954</b>
<b>Operating expenses</b>			
Staff salaries and benefits	23	(116 504)	(116 156)
Office and general expenses		(29 699)	(26 791)
Consultants and other non-staff costs		(65 174)	(59 871)
Direct bank and investment costs	24	(6 273)	(4 164)
<b>Subtotal operating expenses</b>	<b>22</b>	<b>(217 650)</b>	<b>(206 982)</b>
<b>Other expenses</b>			
Interest expenditures on financial liabilities and leases	28	(17 028)	(3 346)
Allowance for loan impairment losses	10	(35 739)	1 712
HIPC Initiative expenses	27	(106 165)	(2 497)
Grant expenses	25	(140 398)	(187 705)
Grant expenses countries in debt distress	25	(165 076)	(163 942)
Depreciation	9	(12 236)	(12 914)
<b>Subtotal other expenses</b>		<b>(476 642)</b>	<b>(368 692)</b>
<b>Total expenses</b>		<b>(694 292)</b>	<b>(575 674)</b>
<b>(Deficit)/Surplus before foreign exchange adjustments and change in fair value hedges</b>		<b>(395 394)</b>	<b>(291 720)</b>
Change in fair value for hedge accounting	29	(526)	
(Losses)/gains from currency exchange movements of IFAD-only	26	(339 637)	(215 274)
<b>Net (loss)/profit</b>		<b>(735 557)</b>	<b>(506 994)</b>
<b>Other comprehensive income/(loss):</b>			
(Losses)/gains from currency exchange movements and retranslation of consolidated entities	26	(18 796)	(13 050)
Change in provision for After-Service Medical Coverage Scheme (ASMCS) benefits	23	62 206	11 530
<b>Total other comprehensive (loss)/income</b>		<b>43 410</b>	<b>(1 520)</b>
<b>Total comprehensive (loss)/income</b>		<b>(692 147)</b>	<b>(508 514)</b>

## IFAD-only statement of comprehensive income

For the years ended 31 December 2022 and 2021  
(Thousands of United States dollars)

	<i>Note</i>	<i>2022</i>	<i>2021 Restated</i>
<b>Revenue</b>			
Income from loans	18	79 638	70 158
Income /(losses) from cash and investments	19	11 320	7 296
Income from other sources	20	14 691	17 296
Income from contributions	21	8 436	22 625
<b>Total revenue</b>		<b>114 085</b>	<b>117 375</b>
<b>Operating expenses</b>			
Staff salaries and benefits	23	(108 685)	(108 546)
Office and general expenses		(26 964)	(23 423)
Consultants and other non-staff costs		(49 813)	(48 338)
Direct bank and investment costs		(5 411)	(3 490)
<b>Subtotal operating expenses</b>	<b>22</b>	<b>(190 873)</b>	<b>(183 797)</b>
<b>Other expenses</b>			
Interest expenditures on financial liabilities and leases	28	(17 028)	(3 346)
Allowance for loan impairment losses	10	(34 949)	1 334
HIPC Initiative expenses	27	(106 165)	(2 497)
Grant expenses	25	(8 994)	(101 297)
Grant expenses to countries in debt distress	25	(165 076)	(163 942)
Depreciation	9	(12 236)	(12 914)
<b>Subtotal other expenses</b>		<b>(344 448)</b>	<b>(282 662)</b>
<b>Total expenses</b>		<b>(535 321)</b>	<b>(466 459)</b>
<b>(Deficit)/Surplus before foreign exchange adjustments and change in fair value hedges</b>		<b>(421 236)</b>	<b>(349 084)</b>
Change fair value for hedge accounting	29	(526)	
(Losses)/gains from currency exchange movements of IFAD-only	26	(339 637)	(215 274)
<b>Net (loss)/profit</b>		<b>(761 399)</b>	<b>(564 358)</b>
<b>Other comprehensive income/(loss):</b>			
Change in provision for ASMCS benefits	23	62 206	11 530
<b>Total other comprehensive (loss)/income</b>		<b>62 206</b>	<b>11 530</b>
<b>Total comprehensive (loss)/income</b>		<b>(699 193)</b>	<b>(552 828)</b>



## Consolidated statement of changes in equity

For the years ended 31 December 2022 and 2021  
(Thousands of United States dollars)

	<i>Contributions</i>	<i>Accumulated deficit</i>	<i>General Reserve</i>	<i>Total equity</i>
<b>Balances as at 1 January 2021 restated</b>	<b>9 169 814</b>	<b>(1 022 303)</b>	<b>95 000</b>	<b>8 242 511</b>
<b>2021</b>				
Instruments of Contributions	1 052 428			1 052 428
Foreign exchange and other movements	(118 280)			(118 280)
Net Profit and Loss		(506 994)		(506 994)
Total other comprehensive profit or (loss)		(1 520)		(1 520)
<b>Balances as at 31 December 2021 restated</b>	<b>10 103 962</b>	<b>(1 530 817)</b>	<b>95 000</b>	<b>8 668 145</b>
<b>2022</b>				
<b>Balances as at 1 January 2022 restated</b>	<b>10 103 962</b>	<b>(1 530 817)</b>	<b>95 000</b>	<b>8 668 145</b>
Instruments of Contributions	129 345			129 345
Foreign exchange and other movements	(48 556)			(48 556)
Net Profit and Loss		(735 557)		(735 557)
Total other comprehensive profit or (loss)		43 410		43 410
<b>Balances as at 31 December 2022</b>	<b>10 184 751</b>	<b>(2 222 964)</b>	<b>95 000</b>	<b>8 056 787</b>

## IFAD-only statement of changes in equity

For the years ended 31 December 2022 and 2021  
(Thousands of United States dollars)

	<i>Contributions</i>	<i>Accumulated deficit</i>	<i>General Reserve</i>	<i>Total equity</i>
<b>Balances as at 1 January 2021 restated</b>	<b>9 169 814</b>	<b>(1 062 020)</b>	<b>95 000</b>	<b>8 202 794</b>
<b>2021</b>				
Instruments of Contributions	1 052 428			1 052 428
Foreign exchange and other movements	(118 280)			(118 280)
Net Profit and Loss		(564 358)		(564 358)
Total other comprehensive profit or (loss)		11 530		11 530
<b>Balances as at 31 December 2021 restated</b>	<b>10 103 962</b>	<b>(1 614 848)</b>	<b>95 000</b>	<b>8 584 114</b>
<b>2022</b>				
<b>Balances as at 1 January 2022 restated</b>	<b>10 103 962</b>	<b>(1 614 848)</b>	<b>95 000</b>	<b>8 584 114</b>
Instruments of Contributions	129 345			129 345
Foreign exchange and other movements	(48 556)			(48 556)
Net Profit and Loss		(761 399)		(761 399)
Total other comprehensive profit or (loss)		62 206		62 206
<b>Balances as at 31 December 2022</b>	<b>10 184 751</b>	<b>(2 314 041)</b>	<b>95 000</b>	<b>7 965 710</b>

## Consolidated and IFAD-only cash flow statement

For the years ended 31 December 2022 and 2021  
(Thousands of United States dollars)

	Consolidated		IFAD-only	
	2022	2021	2022	2021
<b>Cash flows from operating activities</b>				
Interest received from loans	73 401	73 356	71 303	71 003
Receipts for non-replenishment contributions	216 973	209 791	13 471	8 879
Payments for operating expenses and other payments	(236 704)	(223 126)	(202 096)	(196 899)
Grant disbursements	(174 329)	(188 771)	(33 348)	(44 365)
DSF disbursements	(165 076)	(163 942)	(165 076)	(163 942)
<b>Net cash flows used in operating activities</b>	<b>(285 735)</b>	<b>(292 692)</b>	<b>(315 745)</b>	<b>(325 324)</b>
<b>Cash flows from investing activities</b>				
Loan disbursements	(743 806)	(669 719)	(735 548)	(662 772)
Loan principal repayments	368 558	375 370	356 456	361 522
Receipts from investments	3 937	5 573	10 665	6 905
<b>Net cash flows used in investing activities</b>	<b>(371 311)</b>	<b>(288 776)</b>	<b>(368 427)</b>	<b>(294 345)</b>
<b>Cash flows from financing activities</b>				
Receipts for replenishment contributions	366 086	466 941	366 086	466 941
Receipts of borrowed funds	459 753	477 664	459 753	477 664
Payments for borrowing liabilities principal	(45 801)	(51 588)	(33 803)	(26 500)
Payments for borrowing liabilities interest	(10 904)	(4 660)	(10 904)	(4 660)
<b>Net cash flows from financing activities</b>	<b>769 134</b>	<b>888 358</b>	<b>781 132</b>	<b>913 445</b>
<b>Effects of exchange rate movements on cash and cash equivalents</b>	<b>(79 742)</b>	<b>65 034</b>	<b>(56 367)</b>	<b>(53 293)</b>
<b>Net (decrease) in unrestricted cash and cash equivalents</b>	<b>32 346</b>	<b>241 855</b>	<b>40 592</b>	<b>240 483</b>
Unrestricted cash and cash equivalents at beginning of year	1 953 291	1 711 436	1 404 117	1 163 634
<b>Unrestricted cash and cash equivalents at end of year</b>	<b>1 985 637</b>	<b>1 953 291</b>	<b>1 444 709</b>	<b>1 404 117</b>
<b>Composed of:</b>				
Unrestricted cash	642 247	702 477	413 086	474 838
Unrestricted investments, excluding held-to-maturity and payables control accounts	1 343 390	1 250 815	1 031 623	929 279
<b>Cash and cash equivalents at end of year</b>	<b>1 985 637</b>	<b>1 953 291</b>	<b>1 444 709</b>	<b>1 404 117</b>

## 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.

As an international financial institution, IFAD enjoys a de facto preferred creditor status (PCS). As is the case for other international financial institutions, PCS is not a legal status, but is embodied in practice and granted by the Fund's stakeholders (177 Member States). The concept of PCS receives consistent universal recognition from entities such as bank regulators, the Bank for International Settlements and rating agencies.

Membership in the Fund is open to any Member State of the United Nations or any of its specialized agencies, or the International Atomic Energy Agency. 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 or otherwise accruing to the Fund, including by borrowing from Members and other sources.

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 nutrition of the poorest populations in developing countries and the conditions of their lives. IFAD mobilizes resources and knowledge through a dynamic coalition of the rural poor, governments, financial and development institutions, intergovernmental organizations, non-governmental organizations and the private sector, including cofinancing. Financing from non-replenishment sources in the form of supplementary funds and human resources forms is an integral part of IFAD's operational activities.

In 2022 the external context was characterized by the negative impacts of climate change coupled, with other challenges such as the continuing effects of the pandemic and the war in Ukraine.

To respond to these challenges and the devastating impact of the food crisis; during 2022 IFAD:

- Continued implementing interventions focused on food security, climate adaptation and biodiversity;
- Established the Crisis Response Initiative (CRI) to support countries affected by the food crisis through grant resource; and
- Continued implementing the projects financed under the Rural Poor Stimulus Facility (RPSF).

### 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) and on a going concern basis, based on the current financial situation and cash flow forecast. Information is provided separately in the Financial Statements for entities where this is deemed of interest to 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 judgment in the process of applying accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Consolidated Financial Statements are disclosed in note 3.

##### New and amended IFRS mandatorily effective

During 2022, there were no new or amended IFRS standards or pronouncements with a material impact on IFAD.

In January 2021 the requirements relating to the "Interest Rate Benchmark Reform – phase 2 amendments" become effective. The publication of United States dollar LIBOR will continue to be published until 2023, while the publication of all other LIBOR rates ceased at the end of December 2021. Although new transactions may not reference the United States dollar LIBOR after 2021, rates will be available for the purposes of legacy transactions until 2023. In line with IFRS requirements, the change will be accounted for by updating the effective interest rate. During 2022, in the absence of substitute indices identified pursuant to the law and the guidance of regulatory authorities, financial instruments (loans, borrowings and other securities) have been aligned with the Secured Overnight Funding Rate (SOFR) conventions with no material impact.

##### IFRS not yet mandatorily effective

There are no IFRS standards or interpretations that are not yet effective that would be expected to have a material impact on the Fund.

##### (b) Changes in accounting policy and disclosure adopted

In 2022 IFAD adopted a voluntary change in accounting policy for loans, contributions and grants. According to International Accounting Standard (IAS) 8, IFAD restated the financial statements of the prior years to reflect the change in the accounting policy.

The new accounting policy and the effects on last year's figures are described below.

##### Loans

Loan transactions are recognized in the statement of financial position at the time the funds are disbursed



to the borrower. Loans are recognized initially at fair value, which corresponds to the transaction price (amount disbursed including transaction costs – “nominal balance”). Loans outstanding are subsequently carried at amortized cost using the effective interest method. Previously loans were 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 day one fair value was 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 were denominated.

This change in policy – adopting the disbursed balance as initial recognition value – better reflects the economic substance of underlying transactions. IFAD’s lending terms are concessional in line with the Fund’s purposes, and the resource allocation mechanism is not linked to return/profit considerations. Even though the previous accounting policy was also acceptable, IFAD Management believes that the adoption of this policy improves the quality of presentation of IFAD’s financial position and performance, and offers more reliable and relevant information to the economic decision-making process as it provides a true and fair view of IFAD’s financial transactions. It also gives a clear and transparent indication of resource availability and deployment of funds for the intended purposes. This change in accounting policy also enhances comparability with other international financial institutions because the values so derived reflect the uniqueness of the development finance market in which IFAD and other multilateral development banks are operating.

### Contributions

A contribution to IFAD’s replenishment resources is recorded in full as equity and as receivable when a Member deposits an instrument of contribution, except for qualified instruments of contribution, which are subject to national appropriation measures and which will be proportionally reduced upon fulfilment of those conditions. The impact of the change in accounting policy is deemed not material. Previously amounts receivable from Member States as contributions and other receivables including promissory notes, were initially recognized in the balance sheet at their fair value in accordance with IFRS 9.

### 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 the disburseable date for the approved amount and as a liability for undisbursed amounts. Following approval by the Executive Board of the revisions to the General Conditions for Agricultural Development Financing, grants become disburseable when a recipient has the right to incur an eligible expenditure.

Cancellations of undisbursed balances are recognized as an offset to the expense in the period in which they occur. The impact of the change in accounting policy is deemed not material. Previously, undisbursed amounts were measured at fair value in accordance with IFRS 9.

The impact of this change is shown below:

(Millions of United States dollars)

<i>IFAD-only balance sheet</i>	<i>31 Dec 2021 previously reported</i>	<i>31 Dec 2021 restated</i>	<i>Diff.</i>
Contributions receivables	829.2	842.2	13.0
Total contribution equity	(10 091.0)	(10 104.0)	(13.0)
Net loan outstanding	6 883.8	8 110.6	1 226.8
Undisbursed grants	(101.3)	(103.5)	(2.2)
Accumulated deficit	(2 839.4)	(1 614.8)	1 224.6
	<i>1 Jan 2021 previously Reported</i>	<i>1 Jan 2021 restated</i>	<i>Diff.</i>
Contributions receivables	382.7	385.4	2.7
Total contribution equity	(9 167.1)	(9 169.8)	(2.7)
Net loan outstanding	6 775.3	8 049.9	1 274.6
Undisbursed grants	(119.2)	(119.8)	(0.6)
Accumulated deficit	2 336.1	1 062.1	(1 274.0)
	<i>31 Dec 2021 previously reported</i>	<i>31 Dec 2021 restated</i>	<i>Diff.</i>
<i>Consolidated balance sheet</i>			
Contributions receivables	1 141.7	1 156.9	15.2
Deferred revenues	(417.1)	(419.3)	(2.2)
Total contribution equity	(10 091.0)	(10 104.0)	(13.0)
Undisbursed grants	(372.6)	(377.1)	(4.5)
Net loan outstanding	7 110.3	8 353.9	1 243.6
Accumulated deficit	2 769.9	1 530.8	(1 239.1)
	<i>1 Jan 2021 previously Reported</i>	<i>1 Jan 2021 restated</i>	<i>Diff.</i>
Contributions receivables	660.7	662.9	2.2
Deferred revenues	(397.4)	(396.9)	0.5
Total contribution equity	(9 167.1)	(9 169.8)	(2.7)
Undisbursed grants	(390.3)	(390.8)	(0.5)
Net loan outstanding	7 027.7	8 318.6	1 290.9
Accumulated deficit	2 312.7	1 022.3	(1 290.4)
	<i>31 Dec 2021 previously reported</i>	<i>31 Dec 2021 restated</i>	<i>Diff.</i>
<i>IFAD-only statement comprehensive income</i>			
Fair value adj.	12.4	0	(12.4)
(losses)/Gains from currency exchange movements	(178.2)	(215.2)	(37.0)
Total comprehensive income/(loss)	(503.4)	(552.8)	(49.4)
	<i>31 Dec 2021 previously reported</i>	<i>31 Dec 2021 restated</i>	<i>Diff.</i>
<i>Consolidated statement comprehensive income</i>			
Fair value adj.	12.9	0	(12.9)
Net foreign exchange movement	(189.9)	(228.3)	(38.4)
Total comprehensive income/(loss)	(457.2)	(508.5)	(51.3)

### (c) Area of consolidation

Financing in the form of supplementary funds and other non-core funding forms are an integral part of IFAD’s operations. The Fund prepares consolidated accounts that 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), programmatic and thematic supplementary funds, the Belgian Fund for Food Security Joint Programme (BFFS.JP) and the Global Environment Facility (GEF); and the RPSF launched in 2020 in response to the COVID-19 pandemic.
- IFAD’s Trust Fund for the HIPC Initiative;
- IFAD’s ASMCS Trust Fund;
- Administrative account for Haiti Debt Relief Initiative;

- Spanish Trust Fund;
- Rural Resilience Programme (former ASAP Trust Fund);
- Private Sector Trust Fund (PSTF); and
- African Agricultural Transformation Initiative (AATI), approved by the Executive Board in August 2021.

These entities have a direct link with IFAD's core activities and are controlled by IFAD in accordance with IFRS 10. In line with the underlying agreements and recommendations establishing these entities, IFAD has the power to govern the related financial and operating policies. IFAD is exposed or has rights, at a minimum, to the residual results of its involvement with these entities, and has the ability to affect those results through its power over the components. Accordingly, these entities are consolidated in IFAD's Financial Statements. All transactions and balances among these entities have been eliminated. Additional financial data for the funds are provided upon request to meet specific donor requirements. All entities included in the consolidation area have a fiscal period corresponding to the solar year.

#### **Entities housed and other facilities**

These entities do not form part of the core activities of the Fund and IFAD does not have power to govern the related financial and operating policies. As such, they are not consolidated as they are not substantially controlled. As at 31 December 2022 the only entity hosted by IFAD is the International Land Coalition (formerly known as the Popular Coalition to Eradicate Hunger and Poverty).

The Fund is an accredited entity of the Green Climate Fund (GCF), and in 2020 signed the first contribution agreement with the GCF. As an accredited entity of the GCF, IFAD does not have the power to govern the related financial and operating policies and is not exposed to nor has rights to the results of its involvement in GCF-financed activities.

#### **(d) Investments in private sector initiatives**

Since 2018, IFAD has partnered with the European Union, the Government of Luxembourg, and the Alliance for the Green Revolution in Africa to establish the Agribusiness Capital Fund (ABC Fund), a private sector fund that aims to boost investments in small rural agribusinesses across emerging markets. IFAD acted as sponsor in the establishment of the ABC Fund, which is a separate legal entity. IFAD has subscribed share investments through supplementary funds – both on behalf of third parties and directly on its own account (with support from the Swiss Agency for Development and Cooperation). In accordance with IFRS 10, IFAD does not exercise control over decision-making in respect of investments made by the ABC Fund.

#### **(e) Translation and conversion of currencies**

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

Foreign currency transactions are translated into the functional currency using the exchange rates

prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the net profit or loss of the period in which they arise except for promissory contributions, which are recognized in equity.

The results and financial position of the entities/funds consolidated that have a functional currency different from the presentation currency are translated into the presentation currency and are reported under other comprehensive income/loss as follows:

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

#### **(f) Measurement of financial assets and liabilities**

##### **Financial assets at amortized cost**

Pursuant to the IFRS, a financial asset is classified as "amortized cost" only if both of the following criteria are met: (i) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. As it relates to loans receivable, both of these conditions are considered to be met for IFAD.

##### **Financial assets at fair value**

If the criteria is not met, the asset cannot be classified in the amortized cost category and must be classified at fair value through profit and loss (FVTPL). The fair value through other comprehensive income category is not used by the Fund. All other financial assets not classified at amortized cost are classified as FVTPL.

##### **Financial liabilities**

Financial liabilities measured at amortized cost comprise financial instruments (other than liabilities held for trading or those designated at fair value) representing the various forms of third-party funding.

These financial liabilities are recognized at settlement date initially at fair value, which is normally the consideration received less transaction costs directly attributable to the financial liability. Subsequently these instruments are measured at amortized cost using the effective interest method.

When IFRS 9 conditions for hedge accounting are met, financial liabilities are recognized at trade date at amortized cost, adjusted for the fair value movements attributable to the risks being hedged.

Interest is accrued and recognized in profit and loss under loan interest expenditures.

##### **Derivative instruments and hedge accounting**

Derivative instruments are used to manage interest rate risk and are recognized in the financial statements at trade date at their fair value as "other assets or other liabilities". IFAD applies IFRS 9 hedge accounting treatment to individual identified hedge relationships when conditions set out by the standard are met.

## (g) Equity

This comprises the following three elements:

(i) contributions (equity); (ii) General Reserve; and (iii) retained earnings.

### (i) Contributions (equity)

#### 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 contribution, which are subject to national appropriation measures and which will be proportionally reduced upon fulfilment of those conditions. Amounts receivable from Member States as contributions and other receivables including promissory notes are represented as the balance subscribed but not yet encashed.

Concessional partner loans (CPLs) have been introduced with the adoption of the Eleventh Replenishment of IFAD's Resources (IFAD11) resolution. Borrowing terms of CPLs are concessional: the maturities are either 25 or 40 years with a grace period of 5 years for a 25-year loan and 10 years for a 40-year loan. Voting rights are allocated to Member States that provide CPLs in an amount proportionate to the grant element embedded in such loans. Proceeds received as CPLs consists of two components: a borrowing component and an equity component. The equity component is the derived grant element, computed on the basis of the loan terms and the discount rate agreed over the replenishment consultations. The grant element is recorded as equity.

#### Allowance for contribution impairment losses

The Fund has established a policy on provisions against overdue Member States' contributions while still maintaining PCS as follows:

If there is evidence that an identified asset is impaired, a specific provision for impairment is recognized as a reduction to equity. 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:

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

In the absence of such evidence, provisions will be set up as follows:

- 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.

- 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).
- The end of the financial year is currently used for determining the 24- and 48-month periods.

### (ii) General Reserve

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

As per Financial Regulation XIII, "annual transfers from the accumulated surplus to the General Reserve shall be determined by the Executive Board after taking into account the Fund's financial position in the context of the review/approval of yearly audited financial statements of the Fund".

### (iii) Retained earnings

Retained earnings represent the cumulative deficit of revenue as compared to expenses inclusive of the effects of changes in foreign exchange rates.

## (h) Loans

### (i) Loans to Member States

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 enters into force on the date that both the Fund and the borrower have signed it, unless the financing agreement states that it is subject to ratification. In this case, the financing agreement shall enter into force on the date the Fund receives an instrument of ratification. All IFAD loans are approved and loan repayments and interest are payable in the currency specified in the loan agreement. Loans approved are disbursed to borrowers in accordance with the provisions of the loan agreement.

Lending terms of the Fund are published on IFAD site <https://www.ifad.org/en/financial-products-and-terms>.

### (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 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.



At its 129<sup>th</sup> session, the Executive Board approved document EB 2020/129/R.11/Rev.1, setting forth the framework for IFAD non-sovereign private sector operations.

### **(iii) Measurement of loans**

Loan transactions are recognized in the statement of financial position at the time the funds are disbursed to the borrower. Loans are recognized initially at fair value, which corresponds to the transaction price (amount disbursed including transaction costs - nominal balance). Loans outstanding are subsequently carried at amortized cost using the effective interest method.

### **(iv) Heavily Indebted Poor Countries (HIPC) Initiative**

IFAD participates in the International Monetary Fund/World Bank original and enhanced HIPC 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 HIPC 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 Initiative, and as a charge to the HIPC Initiative expenses in the statement of comprehensive income. The assumptions underlying these estimates are subject to periodic revision. Significant judgment has been used in the computation of the estimated value of allowances for the HIPC 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 Initiative is reduced when debt relief is provided.

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. Compensation from the World Bank HIPC Trust Fund is received based on net present value calculation of future debt relief flows as determined by the World Bank based on IFAD data.

### **(v) Accumulated allowance for impairment losses**

According to IFRS 9 IFAD has established the forward-looking expected credit loss (ECL) methodology to calculate an allowance for loan impairment. The methodology embeds preferred creditor status (PCS) features. It is applied to financial assets recorded at amortized cost such as loans receivables. The Fund is required to recognize an allowance for either 12 months or lifetime ECLs, depending on whether there has been a significant increase in credit risk since initial recognition.

ECL reflects a probability-weighted outcome, time value of money and the best available forward-looking information through the inclusion of macroeconomic factors.

ECL comprises a three-stage model based on changes in credit quality since initial recognition/origination of the financial instrument. Origination is the date on which disbursement conditions have been met. Impairments are reported based on either 12-month or lifetime ECLs, depending on the stage allocation of the financial instrument. The stage allocation also determines if interest income for the financial instrument is reported on the gross carrying amount, as for stage 1 and 2, or the net of impairment allowance, as for stage 3.

The staging model relies on a relative assessment of credit risk (i.e. a loan with the same characteristics could be included in stage 1 or stage 2, depending on its credit risk at origination). As a result, the same counterpart could have loans classified in different stages.

**Stage 1** includes "performing" financial instruments that have not had a significant deterioration in credit quality since initial recognition or have a low credit risk at reporting date. For these instruments, the ECL is a probability-weighted result of default events that are possible within the next 12 months after the reporting date. Low-risk assets (investment grade) are classified as stage 1.

**Stage 2** includes "under-performing" financial instruments that have had a significant increase in credit risk since initial recognition. For these assets, the lifetime ECL results from all possible default events over the expected lifetime, weighted with the probability of default. Interest income is computed on the gross carrying amount.

**Stage 3** includes "non-performing" financial instruments when there is objective evidence of impairment/default at the reporting date (probability of default at 100 per cent). For these instruments, lifetime ECLs are recognized. According to IFRS 9, interest is computed on the net carrying amount. Considering that the Fund fully provides for the interest accrued, the calculation is determined on the gross basis.

Movements between stages depend on the evolution of the financial instrument's credit risk from initial recognition to reporting date. Movements, whether improvements or deterioration, may therefore cause volatility in the impairment allowance balances.

In accordance with IFRS 9, section 5.5 "Impairment", IFAD has adopted some rebuttable presumptions associated with days past due. In line with the debt servicing procedures, financial instruments overdue by more than 75 days are classified at stage 2 while financial instruments overdue by more than 180 days are classified at stage 3.

The carrying amount of the financial instrument is reduced through an allowance account and the loss amount is recognized in the income statement.

Interest and service charges for financial instruments classified at stages 1 and 2 are recognized following the accrual basis, while for financial instruments classified at stage 3, interest and service charges are recognized as income only when actually received.

## **(i) Investments**

### **(i) Classification and Measurement**

The Fund's investments could be classified at FVTPL 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 FVTPL. Fair value is determined in accordance with the hierarchy set in note 3. For securities at FVTPL, 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 remeasured 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. IFAD's portfolio is currently classified in full as FVTPL.

### **(ii) Accumulated allowance for securities held at amortized cost**

In case of a portfolio with securities held at amortized cost are subject to an impairment allowance calculated based on an ECL methodology. A three-stage model for impairment is applied based on changes in the credit quality of the financial instrument since origination. The origination of the financial instrument is the date on which the instrument was purchased by the Fund. Considering the Investment Policy requirements adopted by the Fund, the investment portfolio held at amortized cost is classified at stage 1 since the financial instruments are investment grade, and therefore the low credit risk instruments exemption applies.

### **(j) 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 at amortized cost are excluded from readily convertible investments for cash flow purposes.

### **(k) Share investments**

The Fund, through supplementary fund contributions, held equity investments in the private sector. Such investments are accounted for at FVTPL. Share investments have been recognized at day one at settlement date for the subscribed value. Realized gains and losses are recognized in the profit and loss in the proper period based on settlement date and value. Fair value changes may generate unrealized gains and losses which are accounted for in the profit and loss. The fair value of the share investment derives from the net asset value, incorporating a liquidity adjustment on a case-by-case basis. As these investments do not meet IFRS 10, IFRS 11 and IAS 28 requirements, they are not considered controlled, joint ventures or associated entities, and thus are not wholly or proportionally consolidated, nor accounted for under the equity method. In line with IFRS 9 requirements, as share investments do not meet the requirements to be

accounted for at amortized cost, they are accounted for at fair value.

## **(l) 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 disburseable. 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 for 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 E.

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.

## **(m) Grants**

### **(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 disburseable date for the approved amount and as a liability for undisbursed amounts. In accordance 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.

### **(ii) Grants to countries in debt distress**

Under the Debt Sustainability Framework (DSF), countries eligible for highly concessional lending receive financial assistance on a grant rather than a loan basis. 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.

## **(n) Borrowing**

Financial liabilities are accounted for at amortized cost. IFAD has signed several borrowing agreements with sovereign institutions at variable rate debt. Maturity could vary from 20 years to 40 years. IFAD may not prepay loans outstanding without incurring penalties. Interest rates are variable (linked to EURIBOR plus a spread). Borrowing activities are subject to the Integrated Borrowing Framework as approved by the Executive Board in 2020 (EB 2020/131/(R)/R.21/Rev.1). Borrowed funds are deployed in accordance with IFAD's policies and procedures (with the exception of DSF countries).

The Fund's borrowings include loans from Member States in the form of CPLs. These borrowings are carried and reported at amortized cost.

In 2022 IFAD issued bonds through private placements. Considering that such transactions, together with the related derivative instruments, met IFRS 9 conditions for hedge accounting, such financial liabilities are recognized at trade date at amortized cost, adjusted for the fair value movements attributable to the risks being hedged.

### **(o) Hedge Accounting - Fair Value Hedge**

IFAD applies IFRS 9 hedge accounting treatment to each individual identified hedge relationship, when conditions set out by the standard are met. IFAD documents the relationship between the hedging instrument (derivative) and hedged items (bond) upon initial recognition of the transaction and on an ongoing basis. In particular, IFAD assesses the specific relationships between two or more financial instruments in which the change in value of one instrument (the hedging instrument) is highly negatively correlated to the change in value of the other (the hedged item).

IFAD mitigates interest rate risk by using interest rate swaps to convert the interest rate profile of the liabilities from fixed to floating rate in line with the rate applied to loan assets at ordinary terms.

Such derivatives are recognized on trade date as "Other Financial Assets" or "Other Financial Liabilities".

Changes in fair value of the derivatives are included in the income statement along with corresponding changes in the hedge fair value of the liability that is attributable to the specific hedge risk.

If the hedging derivative expires or is sold, terminated or exercised, or the hedge no longer meets the criteria for fair value hedge accounting under IFRS 9, then hedge accounting is discontinued prospectively. Any adjustment up to the point of discontinuation to a hedged item for which the effective interest method is used is amortized to profit or loss as part of the recalculated effective interest rate of the item over its remaining life. If the hedged item is derecognized, the related unamortized fair value is recognized immediately in profit or loss.

### **(p) 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 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. An independent valuation is performed on an annual basis.

In accordance with IAS 19R, IFAD has set up a trust fund into which it transfers the funding necessary to cover the actuarial liability. Service costs are recognized as operating expenditure. The net balance between interest costs and expected return on plan assets is recognized in net profit or loss, while actuarial gains or losses are recognized in other comprehensive income.

### **(q) Accruals for long-service entitlements**

Employee entitlements to annual leave and long-service entitlements are recognized when they accrue to employees. An accrual 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.

### **(r) Taxation**

As a specialized agency of the United Nations, IFAD enjoys direct tax-exemption status under the Convention on Privileges and Immunities of Specialized United Nations Agencies of 1947 and the Agreement Establishing IFAD; and direct and indirect tax-exemption status under the Agreement between the Italian Republic and IFAD regarding the provisional headquarters of IFAD.

### **(s) 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).

### **(t) 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 & fittings	10 years
Furniture	5 years
Office equipment	4 years
Vehicles	5 years



**Right-of-use assets**

The Fund recognizes right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at, or before, the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term. In order to determine the lease term, the Fund considers the non-cancellable period established in the contract, in which the lessee is entitled to use the underlying asset taking also into account potential renewal options if the lessee is reasonably certain to renew. In particular, with reference to those contracts that allow the lessee to tacitly renew the lease contract after a first set of years, the lease term is determined taking into account factors such as the length of the first period, the existence of dismissal plans for the asset leased and any other circumstance indicating a reasonable certainty of the renewal. It should be noted that, as allowed by the standard, IFAD has decided not to recognize any right-of-use asset or lease liability with reference to the following lease contracts:

- Short-term leases, lower than 12 months; and
- Low-value assets leases. For this purpose an asset is considered as "low value" when its fair value as new is equal to or lower than US\$5,000.

**Lease liabilities**

At the commencement date of the lease, lease liabilities are measured at the present value of the remaining lease payments, discounted at IFAD's average cost of funding for IFAD financial liabilities.

**Intangible assets**

Software development costs are capitalized as intangible assets where future economic benefits are expected to flow to the organization. Amortization is calculated on a straight-line basis over the estimated useful life of the software (four to 10 years). Leasehold improvements are capitalized as assets. Amortization 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 JUDGMENTS****(a) Critical accounting estimates and assumptions**

Estimates and judgments 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. It is reasonably possible that outcomes within the next financial year are different from the assumptions made based on existing knowledge. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

**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 inputs are substantially and significantly observable, either directly or indirectly, for substantially the full term of the asset or liability.

**Level 3.** Financial assets and liabilities whose values are based on prices or valuation techniques requiring inputs that are both unobservable and significant to the overall fair value measurement.

**(b) Critical judgment in applying accounting policies****Hedge accounting**

For instruments designated for hedge accounting for the hedging instrument-derivatives and hedged items-borrowing liabilities, IFAD calculates the fair value using a discounted cash flow model based on underlying prevailing market interest rates.

**Allowance for impairment losses: Impairment Methodology***Governance*

IFAD calculates and reports its impairments based on an individual ECL method. The ECL framework is based on the requirements of IFRS 9's financial instruments section and validated by IFAD's Financial Controller's Division and Office of Enterprise Risk Management. The impairment allowances and ECL methodology have been approved by the Associate Vice-President Chief Financial Officer and Chief Controller, Financial Operations Department.

*Three-stage model*

IFAD recognizes a loss allowance for ECL on financial instruments measured at amortized cost and for loan commitments. The ECL comprises a three-stage model based on changes in the credit quality since initial recognition as described in note 2h(v) above. Impairments are reported based on either 12-month or lifetime ECL, depending on the stage allocation of the financial instrument. The stage allocation also determines if interest income for the financial instrument is reported on the gross carrying amount or the net of impairment allowance.

In order to determine whether there has been a significant increase in the credit risk since origination – and therefore transition to or from stage 2 – a combination of quantitative and qualitative risk metrics are employed.

The Fund has established an internal rating methodology by leveraging public ratings available in the market and by calculating proxies derived from macroeconomic conditions (income level and level of debt distress) and geographical area.

A loan's migration across the Fund's internal credit rating scale is monitored from the instrument's origination date to the reporting date. Following a significant deterioration in its counterparty's creditworthiness, the loan is classified at stage 2.

Depending on qualitative assessments, loans may be placed on a watch list and transitioned between stages.

### Inputs

The ECL calculation is performed at the level of individual financial instruments. Expected losses are determined according to an individual process based on certain risk parameters represented by probability of default, loss given default rate, exposure value and discount factor. The model is forward-looking: current and future macroeconomic conditions are incorporated into the model through macro-financial scenarios. A number of critical accounting estimates and judgments are also factored into the model.

#### Probability of default (PD)

The Fund uses forward-looking point-in-time (PIT) PD rates to calculate ECL. The PIT PD rates are derived from through-the-cycle (TTC) PD rates adjusted for projected macroeconomic conditions.

TTC PD rates express the likelihood of a default based on long-term credit risk trend rates. TTC PD rates are based on PDs associated to external ratings and are calibrated to reflect IFAD's default experience and PCS. On a yearly basis, TTC PD is reviewed based on IFAD's loss experience.

The cumulative TTC PD rates used in 2022 are set out by internal rating grade according to the methodology detailed below:

Each instrument in the Fund's portfolio has an internal PD associated with it. To calculate ECLs for both stage 1 and stage 2 instruments, a default probability has been retrieved from the PD embedded in the official observable ratings calibrated to the Fund's experience based on IFAD-specific historical default data.

For unrated exposures, a methodology has been developed starting from the rated portfolio and calculating proxies based on indicators such as income level, region and level of debt distress. For financial instruments at stage 3, the PD has been set at 100 per cent.

**Loss given default (LGD)** is the magnitude of the likely loss if a default would occur. An LGD is assigned to individual instruments, indicating how much the Fund expects to lose on each facility if the borrower defaults. For financial instruments at stages 1 and 2 the LGD has been determined in relation to the sovereign sector and calibrated in order to benefit from the Fund's recovery experience and PCS. For financial instruments at stage 3, the LGD has been informed by IFAD's historical data as well as the experience of other multilateral development institutions, currently set at 30 per cent.

**Exposure at default (EAD)** represents the expected exposure in the event of a default. It is measured from discounted contractual cash flows. The **discount factor** is the contractual effective interest rate of the financial instrument since IFAD's lending terms currently do not foresee any additional charge (i.e. commitment fee). Since EAD is modelled at an individual instrument level, all future expected cash flows, including disbursements, cancellations, prepayments and interest, are considered. EAD combines actual and contractual cash flows for loans outstanding, and models future disbursements and repayments based on the Fund's own experience for undrawn commitments.

**Macroeconomic scenarios.** IFRS 9 impairment methodology is forward-looking. The starting point is IFAD's view of current and future macroeconomic conditions, and the credit environment. IFAD considers a range of outcomes in a probability-weighted manner. The purpose is to capture possible

non-linear behaviour in the dependence of the ECL on economic conditions. Forward-looking macroeconomic simulations consist of neutral, positive and pessimistic scenarios. Each scenario is assigned a probability of occurrence based on expert judgment and best practices. The probabilities assigned to the pessimistic and optimistic scenarios indicate either a balance or skew in either direction in order to capture the perceived distribution of risks in a forward-looking manner.

Based on expert judgment, Management may adopt temporary adjustments (overlays) to the model-based ECL impairment allowance in order to reflect additional factors that are not explicitly incorporated into the modelling of ECL or the credit risk ratings and therefore the staging allocation (e.g. significant scenarios or events representative of the Fund's particular experience).

Based on expert judgment, IFAD Management may assign a different stage to specific loans that require a manual override in respect of their ratings at origination, because of different credit risk ratings assigned to the counterparty on a quarterly basis.

## NOTE 4

### CASH AND INVESTMENT BALANCES

#### Analysis of balances (consolidated)

Table 1  
As at 31 December

	US\$ thousands	
	2022	2021
Unrestricted cash	642 247	702 477
Cash subject to restriction	81	86
<b>Subtotal cash</b>	<b>642 328</b>	<b>702 563</b>
Unrestricted investments at fair value	1 343 444	1 249 907
Investments subject to restriction	170	219
<b>Subtotal investments</b>	<b>1 343 614</b>	<b>1 250 126</b>
<b>Total cash and investments</b>	<b>1 985 942</b>	<b>1 952 689</b>

The composition of the portfolio by entity was as follows:

Table 2  
As at 31 December

Entity	US\$ thousands	
	2022	2021
IFAD	1 444 857	1 404 745
ASMCS Trust Fund	84 212	94 129
HIPC Trust Fund	2 320	1 357
Supplementary funds	258 713	255 335
Spanish Trust Fund	42 238	47 608
Haiti Debt Relief Initiative	13 794	16 409
Rural Resilience Programme	111 399	126 981
PSTF	23 510	3 025
AATI	4 899	3 100
<b>Total cash and investments</b>	<b>1 985 942</b>	<b>1 952 689</b>

#### (a) 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.

### (b) Composition of the investment portfolio by instrument (consolidated)

As at 31 December 2022, cash and investments, including payables for investment purchased and receivables, amounted to US\$1,986 million (2021 – to US\$1,953 million) comprised of the following instruments:

Table 3

	US\$ thousands	
	2022	2021
Cash	642 247	702 563
Fixed-income instruments	1 214 040	1 191 047
Unrealized (loss)/gain on forward contracts	137	(725)
Time deposits and other obligations of banks	77 057	54 256
Unrealized (loss)/gain on futures	519	326
Unrealized (loss)/gain on swaps	51 691	5 222
<b>Total cash and investments</b>	<b>1 985 691</b>	<b>1 952 689</b>
Receivables for investments sold and taxes receivable	3 461	13
Payables for investments purchased	(3 399)	-
<b>Total investment portfolio</b>	<b>1 985 753</b>	<b>1 952 702</b>

### (c) Composition of the investment portfolio by currency (consolidated)

The currency composition of cash and investments as at 31 December was as follows:

Table 4

Currency	US\$ thousands	
	2022	2021
Chinese renminbi	163	11 025
Euro	788 371	1 003 815
Japanese yen*	36	7 022
Pound sterling*	1 490	12 457
United States dollar	1 195 693	918 383
<b>Total cash and investment portfolio</b>	<b>1 985 753</b>	<b>1 952 702</b>

\* This balance includes open positions on foreign exchange forward contracts offset by open positions in United States dollars for the equivalent amount.

### (d) Composition of the investment portfolio by maturity (consolidated)

The composition of cash and investments by maturity as at 31 December was as follows:

Table 5

	US\$ thousands	
	2022	2021
Due in one year or less	1 074 451	947 721
Due after one year through five years	858 827	903 809
Due from five to 10 years	51 515	99 112
Due after 10 years	960	2 060
<b>Total cash and investment portfolio</b>	<b>1 985 753</b>	<b>1 952 702</b>

The average life to maturity of the fixed-income investments included in the consolidated investment portfolio at 31 December 2022 was 16 months (2021 – 25 months).

### (e) Financial risk management

IFAD's investment activities are exposed to a variety of financial risks: market risk, credit risk, custodial risk and liquidity risk.

IFAD's portfolio is managed in accordance with its Investment Policy Statement and Investment Guidelines, which address a variety of financial risks through restrictions on the eligibility of instruments and other limitations:

1. Benchmarks and limits on deviations from benchmarks;
2. Credit floors (refer to note 4[g], credit risk);
3. Conditional value at risk limitation, which measures the expected loss under extreme conditions, providing an indication of how much value a portfolio could lose over a forward-looking period; and
4. Duration, which measures the sensitivity of the market price of a fixed-income investment to a change in interest rates.

The benchmark indices used for the respective portfolios are shown in table 8.

### (f) Market risk

The actual weights and amounts of each asset class within the overall portfolio, together with the asset allocation weights as of 31 December 2022 and 2021, are shown in tables 6 and 7. Disclosures for the net asset value relate to IFAD-only accounts.

Table 6

2022	Actual allocation	
	%	US\$ millions
Asset class		
Cash	28.8	413.2
Swaps	3.4	49.6
Time deposit	0.2	2.8
Global government bonds/agencies	51.5	744.0
Corporate bonds	16.3	235.3
<b>Total</b>	<b>100.0</b>	<b>1 444.9</b>
Fixed-income receivables	0.0	0.7
<b>Total</b>		<b>1 445.6</b>



Table 7

2021	Actual allocation	
	%	US\$ millions
Asset class		
Cash	33.8	475.1
Swaps	0.4	5.1
Time deposit	-	0.1
Global government bonds/agencies	45.6	640.6
Global credit bonds	20.2	283.8
<b>Total</b>	<b>100.0</b>	<b>1 404.7</b>

Table 8

**Benchmark indices by portfolio**

Portfolio	Benchmark index
Operational cash	Same as the portfolio return
Investment tranche (USD)	ICE BofAML 0-1 Year US Treasury Index (AAA)
Chinese renminbi portfolio	Zero
Investment tranche (EUR)	Liability repayment rate of return
World Bank Reserves	IICE BofAML 0-1 Year US Treasury Index (AAA)
Advisory and Management Program (RAMP)	
Hedging portfolio	No benchmark

Exposure to market risk is managed by modifying the duration of the portfolio.

The upper limit for the duration is set at:

- Global liquidity portfolio: Effective duration shall remain within a maximum range of 0.5 of one year in comparison to the benchmark; and
- Asset liability portfolio: Effective duration shall not exceed two years.

The effective duration of the IFAD-only investment portfolio as of 31 December 2022 and 2021, and respective benchmarks are shown in table 9.

Table 9

**Average duration of portfolios and benchmarks in years (IFAD-only)**

As of 31 December

Portfolio	Portfolio		Benchmark	
	2022	2021	2022	2021
Operational cash	-	-	-	-
Investment tranche (USD)	0.1	0.3	0.4	0.4
Chinese renminbi portfolio	0.0	0.0	0.0	0.0
Investment tranche (EUR)	0.4	0.3	0.5	0.5
Hedging	n.a	n.a.	n.a	n.a.
World Bank RAMP	n.a	n.a.	n.a	n.a.
<b>Total average</b>	<b>0.2</b>	<b>0.6</b>	<b>0.4</b>	<b>0.5</b>

The sensitivity analysis of IFAD's portfolio in table 10 shows how a parallel shift in the yield curve (-300 to +300 basis points) would affect the value of the liquidity portfolio as at 31 December 2022 and 31 December 2021.

Table 10

**Sensitivity analysis on IFAD's portfolio**

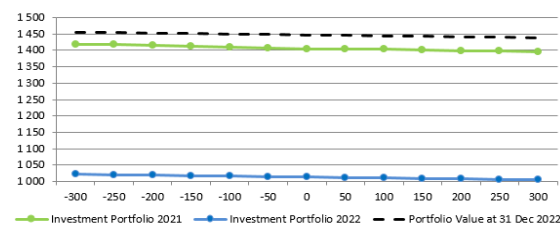
Basis point shift in yield curve	2022		2021	
	Change in portfolio value (US\$ million)	Total portfolio (US\$ million)	Change in value of portfolio (US\$ million)	Total portfolio (US\$ million)
-300	9	1 456	14	1 419
-250	7	1 455	11	1 417
-200	6	1 453	8	1 414
-150	4	1 452	6	1 412
-100	3	1 450	4	1 409
-50	1	1 449	2	1 407
<b>0</b>		<b>1 446</b>		<b>1 405</b>
50	-1	1 445	-2	1 404
100	-3	1 444	-3	1 403
150	-4	1 443	-4	1 401
200	-6	1 441	-6	1 399
250	-8	1 440	-8	1 398
300	-9	1 438	-9	1 396

The graph below shows the negative relationship between yields and fixed-income portfolio value.

Graph 1

**Sensitivity analysis on investment portfolio value (IFAD-only)**

(Millions of United States dollars)



As at 31 December 2022, 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\$9 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\$9 million as a result of the capital gains on the marked-to-market portion of the portfolio.

**(g) 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 11.

Table 11  
**Minimum credit rating floor as per Investment Policy Statement** as at 31 December 2022

Eligible asset classes	Credit rating floors for Standard & Poor's, and Moody's
<b>Money market</b>	A- <sup>a</sup>
<b>Fixed-income securities:</b> both nominal and inflation-linked	
<ul style="list-style-type: none"> <li>• Government and government agencies fixed-income securities at the national or subnational level</li> </ul>	A-
<ul style="list-style-type: none"> <li>• Supra-nationals</li> </ul>	A-
<ul style="list-style-type: none"> <li>• Asset-backed securities (only agency-issued or guaranteed)</li> </ul>	AAA
<ul style="list-style-type: none"> <li>• Covered bonds</li> </ul>	A-
<ul style="list-style-type: none"> <li>• Corporate bonds</li> </ul>	A-
<ul style="list-style-type: none"> <li>• Callable bonds</li> </ul>	A-
<b>Derivatives:</b> for hedging purposes only	
<ul style="list-style-type: none"> <li>• Currency forwards</li> </ul>	
<ul style="list-style-type: none"> <li>• Exchange-traded futures and options</li> </ul>	Counterparty must have a minimum credit rating of A- (S&P) or A- (Fitch) or A3 (Moody's) <sup>b</sup>
<ul style="list-style-type: none"> <li>• Interest rate swaps</li> </ul>	
<ul style="list-style-type: none"> <li>• Cross currency swaps</li> </ul>	
<ul style="list-style-type: none"> <li>• Credit default swaps</li> </ul>	
<ul style="list-style-type: none"> <li>• Asset swaps</li> </ul>	

<sup>a</sup> Any additional eligibility criteria, as approved by the President, also apply.

<sup>b</sup> The rating that is compared to the rating floor is the second best rating of three agencies, Standard & Poor's, Moody's<sup>1</sup> or Fitch.

As at 31 December 2022, the average credit ratings by portfolio were in line with the minimum allowable ratings under the Investment Policy Statement and Investment Guidelines (table 12).

Table 12  
**Average<sup>a</sup> credit ratings by IFAD's portfolio**  
 As at 31 December 2022 and 2021

Portfolio	Average credit rating <sup>a</sup>	
	2022	2021
Operational cash	P-1	P-1
Investment tranche (EUR) <sup>b</sup>	A2	A1
Investment tranche (USD)	Aa2	Aa2

<sup>a</sup> The average credit rating is calculated based on market values as at 31 December 2022 and 2021.

<sup>b</sup> Approximately 11 per cent of the asset liability portfolio is in operational cash (including EUR 200 million in respect of the Agence Française Développement loan) with an IFAD-approved commercial bank that has a credit rating at least P3 or BBB as reported by S&P.

### (h) Currency risk

Currency risk arises from the potential for losses stemming from changes in foreign exchange rates. IFAD's Asset and Liability Management Framework is guided by the principle of adequately managing the currency composition of its assets and liabilities, so as to limit losses deriving from fluctuations or an adverse reduction in IFAD's financing capacity.

In the case of misalignments that are considered persistent and significant, IFAD undertakes a realignment procedure by changing the currency

composition of its projected inflows to align them to its outflows over a 24-month horizon.

### (i) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and cash equivalents to meet loan and grant disbursements as well as debt repayments and administrative expenses as they arise.

IFAD's liquidity risk is addressed through IFAD's minimum liquidity ratio (MLR). During 2022, IFAD's liquidity policy stated that highly liquid assets in IFAD's portfolio should remain above 100 per cent of the projected amount of 12 months' disbursements of loans and grants and scheduled repayments of debt.

IFAD's latest financial model assumptions, incorporating the 2022 resources available for commitment under IFAD's sustainable cash flow approach, calculates a MLR of US\$1,001 million that is covered by IFAD's portfolio balance of US\$1,446 million.

### (j) Capital adequacy

The Fund's main internal capital adequacy metric is the deployable capital (DC) ratio. The DC ratio assesses IFAD's capital utilization and the availability of resources to support future commitments. To ensure that the Fund is well capitalized and maintains strong credit ratings at all times, the capital utilization trajectory is managed within appropriate tolerance levels, indicating that IFAD has enough capital to cover expected and unexpected losses derived from core and non-core risks embedded within the Fund's operations. As at December 2022, IFAD's DC ratio was within the parameters established in its Capital Adequacy Policy.

## NOTE 5

### SHARE INVESTMENTS

	US\$ thousands	
	2022	2021
IFAD	-	-
Supplementary funds	8 985	9 574
Unrealized (losses)/gains	(3 174)	(2 732)
<b>Share investments</b>	<b>5 811</b>	<b>6 842</b>

<sup>1</sup> For Moody's ratings, the equivalent rating scale applies.

**NOTE 6****CONTRIBUTORS' PROMISSORY NOTES AND RECEIVABLES**

Table 1

	US\$ thousands	
	2022	2021
<b>Promissory notes to be encashed</b>		
Replenishment contributions	166 693	122 256
<b>Promissory notes to be encashed</b>	<b>166 693</b>	<b>122 256</b>
<b>Contributions receivable</b>		
Replenishment contributions	660 237	998 152
Supplementary contributions	330 938	315 116
<b>Total</b>	<b>991 175</b>	<b>1 313 268</b>
<b>Qualified instruments of contribution</b>	<b>(156 034)</b>	<b>(155 522)</b>
<b>Total promissory notes and contributions receivables</b>	<b>1 001 834</b>	<b>1 280 002</b>

**(a) Replenishment**

Details of contributions and payments are shown in appendix H. IFAD12 became effective on 18 August 2021.

**(b) Special Programme for Africa (SPA)**

Details of contributions to the SPA under the first and second phases are shown in appendix G, table 3.

**(c) 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.

**(d) Qualified instruments of contribution and promissory notes**

At the end of December 2022, contributions receivables and promissory notes still subject to national appropriation measures amounted to US\$156.0 million (US\$155.5 million as at 31 December 2021).

**NOTE 7****ALLOWANCES FOR CONTRIBUTIONS IMPAIRMENT**

The fair value of the allowance is equivalent to the nominal value, given that the underlying receivables/promissory notes are already due at the balance sheet date. In accordance with its policy, IFAD has established allowances at 31 December as follows:

Table 1

	US\$ thousands	
	2022	2021
Balance at beginning of the year	(123 145)	(120 569)
Net increase/(decrease) in allowance	3 000	(2 576)
<b>Balance at year-end</b>	<b>(120 145)</b>	<b>(123 145)</b>
<b>Analysed as follows:</b>		
Promissory notes of contributors (a)	(31 993)	(34 993)
Amounts receivable from contributors (b)	(88 152)	(88 152)
<b>Total</b>	<b>(120 145)</b>	<b>(123 145)</b>

**(a) Allowances against promissory notes**

As at 31 December 2022, IFAD replenishment contributions deposited in the form of promissory notes up to and including IFAD10 have been fully drawn down.

In accordance with the policy, the Fund has established allowances against promissory notes as at 31 December:

Table 2

	US\$ thousands	
	2022	2021
<b>Initial contributions</b>		
Iran (Islamic Republic of)	(29 358)	(29 358)
	(29 358)	(29 358)
<b>Third Replenishment</b>		
Democratic People's Republic of Korea	(600)	(600)
Libya	(2 035)	(5 035)
	(2 635)	(5 635)
<b>Total</b>	<b>(31 993)</b>	<b>(34 993)</b>

**(b) Allowances against amounts receivable from contributors**

In accordance with its policy, the Fund has established allowances against some of these amounts:

Table 3

	US\$ thousands	
	2022	2021
<b>Initial contributions</b>		
Comoros	(9)	(9)
Iraq	(2 576)	(2 576)
Iran (Islamic Republic of)	(83 167)	(83 167)
	(85 752)	(85 752)
<b>Third Replenishment</b>		
Iran (Islamic Republic of)	(2 400)	(2 400)
<b>Total</b>	<b>(88 152)</b>	<b>(88 152)</b>

**NOTE 8****OTHER RECEIVABLES**

	US\$ thousands	
	2022	2021
Receivables for investments sold	3 461	13
Receivables for reimbursement headquarter expenditures	9 389	8 544
Other receivables	7 550	6 920
<b>Total</b>	<b>20 400</b>	<b>15 477</b>



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 9

### (a) Fixed and intangible assets

Table 1

	US\$ million		
	1 Jan 2022	Increase/ (decrease)	31 Dec 2022
<b>Cost</b>			
Computer hardware	6.8	0.2	7.0
Computer software	30.5	1.2	31.7
Vehicles	1.5	0.1	1.6
Furniture and fittings	0.8	0.2	1.0
Leasehold improvement	2.0	-	2.0
<b>Total cost</b>	<b>41.6</b>	<b>1.7</b>	<b>43.3</b>
<b>Accumulated Depreciation</b>			
Computer hardware	(5.5)	(0.4)	(5.9)
Computer software	(20.1)	(2.1)	(22.2)
Vehicles	(1.1)	(0.1)	(1.2)
Furniture and fittings	(0.5)	(0.1)	(0.6)
Leasehold improvement	(1.3)	(0.1)	(1.4)
<b>Total depreciation</b>	<b>(28.5)</b>	<b>(2.8)</b>	<b>(31.3)</b>
<b>Net fixed and intangible assets</b>	<b>13.1</b>	<b>(1.1)</b>	<b>12.0</b>

### (b) Right-of-use assets and lease liabilities

The recognition of right-of-use assets refers mainly to the operating lease agreement for the headquarter building with a 12-year contract period.

Table 2

	US\$ million			
	1 Jan 2022	Increase/ (decrease)	Foreign exchange movement	31 Dec 2022
<b>Cost</b>				
Right-of-use assets	109.8	13.0	(10.2)	112.6
<b>Accumulated depreciation</b>				
Right-of-use assets	(26.5)	(12.3)	4.6	(34.2)
<b>Net right-of-use assets</b>	<b>83.3</b>	<b>0.7</b>	<b>(5.6)</b>	<b>78.4</b>
<b>Lease liabilities</b>	<b>(83.4)</b>	<b>0.8</b>	<b>3.5</b>	<b>79.1</b>

2021

	US\$ million			
	1 Jan 2021	Increase/ (decrease)	Foreign exchange movement	31 Dec 2021
<b>Cost</b>				
Right-of-use assets	116.8	0.1	(7.1)	109.8
<b>Accumulated Depreciation</b>				
Right-of-use assets	(17.8)	(9.4)	0.7	(26.5)
<b>Net right-of-use assets</b>	<b>99.0</b>	<b>(9.3)</b>	<b>(6.4)</b>	<b>83.3</b>
<b>Lease liabilities</b>	<b>(98.1)</b>	<b>7.8</b>	<b>6.9</b>	<b>(83.4)</b>

## NOTE 10

### LOANS

#### (a) Analysis of loan balances

The composition of the loans outstanding balance by entity as at 31 December is as follows:

Table 1

Consolidated	US\$ thousands	
	2022	2021
IFAD	8 258 159	8 234 060
Spanish Trust Fund	222 909	245 454
Private Sector Trust Fund	3 956	10
<b>Total</b>	<b>8 485 024</b>	<b>8 479 524</b>

The tables below provide details of approved loans (net of cancellations), undisbursed balances and repayments.

#### (b) Sovereign Loans

Table 2

IFAD and SPA	US\$ thousands	
	2022	2021
Approved loans	16 490 743	16 425 061
Undisbursed balance*	(4 409 834)	(4 476 462)
Repayments	(3 848 911)	(3 733 276)
	<b>8 231 998</b>	<b>8 215 323</b>
Interest/principal receivable	26 161	18 737
<b>Loans outstanding</b>	<b>8 258 159</b>	<b>8 234 060</b>

\* This balance comprises US\$3.07 billion (in 2021, US\$3.25 billion) pertaining to commitments for disbursing loans and US\$1.34 billion (in 2021, US\$1.23 billion) pertaining to approved loans, which have not yet met disbursement conditions.

Details of loans approved and disbursed, and of loan repayments, are presented in appendix H.

Table 3

Spanish Trust Fund	US\$ thousands	
	2022	2021
Approved loans	291 589	317 880
Undisbursed balance	(65 879)	(15 882)
Repayments	(3 689)	(57 081)
	<b>222 021</b>	<b>244 917</b>
Interest/principal receivable	888	537
<b>Loans outstanding</b>	<b>222 909</b>	<b>245 454</b>

#### (c) Non-Sovereign Loans

Table 4

Private Sector Trust Fund	US\$ thousands	
	2022	2021
Approved loans	25 735	
Undisbursed balance	(21 886)	
Repayments	0	
	<b>3 849</b>	<b>0</b>
Interest/principal receivable	107	10
<b>Loans outstanding</b>	<b>3 956</b>	<b>10</b>

#### (d) Accumulated allowance for impairment losses

An analysis of the accumulated allowance for loan impairment losses by entity is shown below:

Table 5a

Consolidated	US\$ thousands	
	2022	2021
IFAD	(138 518)	(103 501)
Spanish Trust Fund (STF)	(1 986)	(2 159)
Private Sector Trust Fund	(832)	0
<b>Accumulated allowance for impairment losses</b>	<b>(141 336)</b>	<b>(105 660)</b>
Provision for Haiti Debt Relief	(12 834)	(15 200)
<b>Total</b>	<b>(154 170)</b>	<b>(120 860)</b>

The balances for the two years ending on 31 December are summarized below:

Table 5b

Consolidated	US\$ thousands	
	2022	2021
<b>Balance at beginning of year</b>	<b>(120 860)</b>	<b>(122 747)</b>
Change in provision	(35 739)	(1 167)
Exchange rate movements	2 429	3 056
<b>Balance at end of year</b>	<b>(154 170)</b>	<b>(120 860)</b>

For the purpose of calculating impairment in accordance with IFRS 9, loans at amortized cost are grouped in three stages.

*Stage 1:* impairment is calculated on a portfolio basis and equates to a 12-month ECL of these assets.

*Stage 2:* impairment is calculated on a portfolio basis and equates to the full lifetime ECL of these assets.

*Stage 3:* impairment is calculated on the full lifetime ECL calculated for each individual asset.

The following tables provide details of the accumulated allowance by stage and by entity for sovereign loans.

Table 6

Sovereign Loans	2022 US\$ millions		
	IFAD	STF	Total
Stage 1	(8.8)	(0.1)	(8.9)
Stage 2	(76.7)	(1.4)	(78.1)
Stage 3	(53.0)	(0.4)	(53.4)
<b>Allowance impairment losses</b>	<b>(138.5)</b>	<b>(1.9)</b>	<b>(140.4)</b>
Haiti Debt relief	(12.8)	-	(12.8)
<b>Total</b>	<b>(151.3)</b>	<b>(1.9)</b>	<b>(153.2)</b>

Table 7

Sovereign Loans	2021 US\$ millions		
	IFAD	STF	Total
Stage 1	(5.0)	(0.1)	(5.1)
Stage 2	(36.9)	(1.6)	(38.5)
Stage 3	(61.6)	(0.5)	(62.1)
<b>Allowance impairment losses</b>	<b>(103.5)</b>	<b>(2.2)</b>	<b>(105.7)</b>
Haiti Debt relief	(15.2)	-	(15.2)
<b>Total</b>	<b>(118.7)</b>	<b>(2.2)</b>	<b>(120.9)</b>

The tables below provide a summary of the loan portfolio by stage and exposure (loans outstanding and undrawn commitments) as at 31 December 2022.

Table 8

Sovereign Loans	2022 US\$ millions	
	Exposure	Allowance
Stage 1	8 146.5	8.9
Stage 2	3 180.4	78.1
Stage 3	197.1	53.4
<b>Total</b>	<b>11 524.0</b>	<b>140.4</b>
Exposure:		
Loans outstanding	8 454.0	
Loan commitments	3 070.0	
<b>Total</b>	<b>11 524.0</b>	

Table 9

Sovereign Loans	2021 US\$ millions	
	Exposure	Allowance
Stage 1	9 215.2	5.1
Stage 2	2 302.0	38.5
Stage 3	206.9	62.1
<b>Total</b>	<b>11 724.1</b>	<b>105.7</b>
Exposure:		
Loans outstanding	8 460.3	
Loan commitments	3 263.8	
<b>Total</b>	<b>11 724.1</b>	

The table below provides indications of transfers between stages during the year.

Table 10

Sovereign Loans	2022 US\$ millions			
	Stage 1	Stage 2	Stage 3	Total
<b>Exposure at 1 January 2022</b>	<b>9 215.2</b>	<b>2 302.0</b>	<b>206.9</b>	<b>11 724.1</b>
Transfer to Stage 1	85.1	(85.1)		-
Transfer to Stage 2	(1 252.8)	1 252.8		-
Transfer to Stage 3		(1.6)	1.6	-
New assets originated or purchased	771.9			771.9
Amortization	(346.3)	(144.2)	(1.5)	(492.0)
Forex	(326.6)	(143.5)	(9.9)	(480.0)
<b>Exposure as at 31 December 2022</b>	<b>8 146.5</b>	<b>3 180.4</b>	<b>197.1</b>	<b>11 524.0</b>

The table below provides a sensitivity analysis of the loan portfolio provisioning to the variation of macroeconomic scenarios used in determining the level of impairment.

Table 11

US\$ million	Probability-weighted scenario			Probability-weighted scenario
	Neutral	Optimistic	Pessimistic	
Stage 1	6.9	5.8	15.0	9.0
Stage 2	76.7	71.9	86.8	78.3
Stage 3	53.4	53.4	53.4	53.4
<b>Total</b>	<b>136.9</b>	<b>131.1</b>	<b>155.1</b>	<b>140.6</b>

The accumulated allowance for loan impairment losses for loans in the private sector portfolio amounted to US\$0.8 million (stage 1 - US\$0.2 million and stage 2 - US\$0.6 million) over a total exposure of US\$6.9 million.

## (e) Non-accrual status

Had income from loans in stage 3 amounts in non-accrual status been recognized as income, income from loans as reported in the statement of

comprehensive income for 2022 would have been higher by US\$1.7 million (2021 – US\$2.0 million).

## (f) Market risk

IFAD's loan portfolio is well diversified. Loans are provided to Member States according to the performance-based allocation system. Appendix I provides a summary of the geographical distribution, an analysis of the portfolio by lending terms and details about the maturity structure.

## NOTE 11

### HIPC INITIATIVE

#### (a) Impact of the HIPC Initiative

IFAD provided funding for the HIPC Initiative in the amount of US\$253.3 million during the period 1998-2022. Details of funding from external donors on a cumulative basis are found in appendix E2. Investment income amounted to US\$8.4 million (2021 – US\$8.4 million) from the HIPC Trust Fund balances.

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 Initiative for Eritrea. During 2022 the Executive Board approved Decision Point for Sudan and Somalia. At the time of preparation of the 2022 Consolidated Financial Statements, the estimate of IFAD's share of the overall debt relief for these countries, including principal and interest, was US\$19.0 million (2021 – US\$19.9 million for Eritrea).

#### (b) Accumulated allowance for the HIPC Initiative

The balances for the two years ended 31 December are summarized below:

	US\$ thousands	
	2022	2021
<b>Balance at beginning of year</b>	<b>(4 734)</b>	<b>(6 734)</b>
Change in provision	892	1 816
Decision Point in the year	(104 914)	
Exchange rate movements	(137)	184
<b>Balance at end of year</b>	<b>(108 893)</b>	<b>(4 734)</b>

## NOTE 12

### FINANCIAL INSTRUMENTS BY CATEGORY

Tables 1 and 2 provide information about the Fund's assets and liabilities classification, accounting policies for financial instruments have been applied to the line items below:

Table 1

2022	US\$ millions		
	Cash and bank deposits	Investments at FVTPL	Loans at amortized cost
<b>Level 1</b>			
Cash and bank balances	642		
Investments at FVTPL		1 292	
<b>Level 2</b>			
Investments at FVTPL		52	
Loans outstanding			8 222
Share investments at FVTPL		6	
<b>Total</b>	<b>642</b>	<b>1 350</b>	<b>8 222</b>

Table 2

2021	US\$ millions		
	Cash and bank deposits	Investments at FVTPL	Loans at amortized cost restated
<b>Level 1</b>			
Cash and bank balances	703	-	-
Investments at FVTPL	-	1 246	-
<b>Level 2</b>			
Investments at FVTPL	-	4	-
Loans outstanding	-	-	8 354
Share investments at FVTPL	-	7	-
<b>Total</b>	<b>703</b>	<b>1 257</b>	<b>8 354</b>

Contributions, borrowing liabilities, undisbursed grants, deferred revenues and share investments are classified at fair value level 2.

## NOTE 13

### PAYABLES AND LIABILITIES

	US\$ thousands	
	2022	2021
Payable for investments purchased	(3 399)	-
ASMCS liability	(102 872)	(156 462)
Other payables and accrued liabilities	(84 152)	(85 293)
<b>Total</b>	<b>(190 423)</b>	<b>(241 755)</b>

Of the total above, an estimated US\$146.0 million (2021 – US\$199.2 million) is payable in more than one year from the balance sheet date.

## NOTE 14

### UNDISBURSED GRANTS

The balance of effective grants not yet disbursed to grant recipients is as follows:

	US\$ thousands	
	2022	2021
IFAD	(74 955)	(103 516)
Supplementary funds	(190 419)	(216 198)
Rural Resilience Programme	(51 726)	(57 379)
<b>Undisbursed grants</b>	<b>(317 100)</b>	<b>(377 093)</b>



**NOTE 15****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.

	US\$ thousands	
	2022	2021
IFAD	(47 245)	(49 652)
Supplementary funds	(331 460)	(308 107)
Rural Resilience Programme	(110 944)	(106 971)
PSTF	(26 054)	(27 309)
AATI	(11 483)	(11 752)
Consolidation entries	92 547	84 468
<b>Deferred revenue</b>	<b>(434 639)</b>	<b>(419 323)</b>

**NOTE 16****BORROWING LIABILITIES**

The balance represents the funds received for borrowing activities plus interest accrued. For private placements covered by interest rate swap derivatives that qualify for IFRS 9 fair value hedge accounting, the balance represents the fair value of borrowing liabilities.

Table 1

	US\$ thousands	
	2022	2021
<b>Borrowing Liabilities at amortized costs</b>		
IFAD	(1 740 805)	(1 527 449)
Spanish Trust Fund	(236 498)	(265 002)
<b>Subtotal Borrowing liabilities at amortized costs</b>	<b>(1 977 303)</b>	<b>(1 792 451)</b>
<b>Borrowings Liabilities Hedge Accounting</b>		
IFAD	(141 901)	0
<b>Total Borrowing Liabilities</b>	<b>(2 119 204)</b>	<b>(1 792 451)</b>

Additional details regarding bonds covered by interest rate swap derivatives that qualify for fair value hedge accounting are provided in table 2 below.

Table 2

	US\$ thousands	
	2022	2021
<b>Borrowing Liabilities Hedge accounting</b>		
<b>Opening Balance</b>	<b>0</b>	<b>0</b>
Private placement in the year	(150 000)	0
Interest Payable	(235)	
Hedge accounting adjustment	8 334	
<b>Subtotal Borrowing liabilities at amortized costs</b>	<b>(141 901)</b>	<b>0</b>

The maturity structure of IFAD's borrowing liabilities was as follows:

Table 3

Borrowing Liabilities amortized cost	US\$ thousands	
	2022	2021
<b>IFAD</b>		
0-1 years	(47 592)	(37 009)
1-2 years	(41 772)	(44 510)
2-3 years	(42 566)	(44 510)
3-4 years	(78 564)	(45 304)
4-10 years	(496 898)	(394 078)
More than 10 years	(1 033 413)	(962 038)
<b>Subtotal</b>	<b>(1 740 805)</b>	<b>(1 527 449)</b>
<b>Borrowing Liabilities hedge accounting</b>		
0-1 years	(235)	
1-5 years		
5-10 years	(100 000)	
More than 10 years	(50 000)	
<b>Subtotal</b>	<b>(150 235)</b>	
<b>Borrowings hedge accounting adjustment</b>	<b>8 334</b>	
<b>Subtotal</b>	<b>(141 901)</b>	
<b>Total</b>	<b>(1 882 706)</b>	<b>(1 527 449)</b>

**NOTE 17****OTHER FINANCIAL LIABILITIES**

This balance represents the fair value of derivatives designated as fair value hedges of derivatives held in relation to borrowings liabilities.

Table 1

	US\$ thousands	
	2022	2021
Fair value held in relation to borrowing liabilities	(8 944)	
<b>Total</b>	<b>(8 944)</b>	

Table 2 provides information regarding instruments designated hedge relationship.

Table 2

	US\$ thousands		
	Notional	Carrying Amount	Hedge Adjustment
<b>Fair Value Hedges</b>			
interest rate risk	(150 000)	(8 944)	8 334
<b>Total</b>	<b>(150 000)</b>	<b>(8 944)</b>	<b>8 334</b>

**NOTE 18****INCOME FROM LOANS**

This balance represents amounts accrued and received as the interest component on the loan portfolio.

	US\$ thousands	
	2022	2021
IFAD	79 638	70 158
STF	2 356	2 197
PSTF	179	36
<b>Total</b>	<b>82 173</b>	<b>72 391</b>

**NOTE 19****INCOME FROM CASH AND INVESTMENTS****(a) Investment management (IFAD-only)**

As at 31 December 2022, funds under management in IFAD's portfolio amounted to US\$1,446 million (2021 – US\$1,405 million).

**(b) Derivative instruments**

IFAD's portfolio invests in derivative instruments for risk mitigation purposes, primarily to manage the duration of the global liquidity portfolio and asset and liability portfolio, and to ensure alignment to the currency composition of IFAD's commitments. Accordingly, such investments are not considered hedge accounting.

**(i) Futures**

IFAD had no outstanding futures at 31 December 2022. During fiscal year 2022, realized gains on futures amounted to US\$0 million (2021: realized losses US\$0 million).

**(ii) Swaps**

IFAD's asset portfolios use derivative instruments such as swaps to immunize positions from interest rate risk. Positions hedged are of medium- to long-term maturities, fixed-rate coupon bonds, effectively converted to variable rate instruments. The following tables provide information regarding instruments and designated hedge relationship.

Table 1

	US\$ thousands
	2022
<b>Outstanding swaps notional</b>	740 890
<b>Derivative assets</b>	
Interest rate swaps	-
<b>Derivative liabilities</b>	
Interest rate swaps	51 690
<b>Net unrealized market (losses)/ gains of swap contracts</b>	51 690
Maturity range of swap contracts	0.5 to 14.5 years

The following table summarizes the notional amount of the hedging instrument, profiled by timing of repayments.

Table 2

	US\$ thousands			
	Less than 1 year	1-2 years	2-5 years	More than 5 years
Interest Rates Swaps 2022	52 650	93 877	422 417	171 945
Interest Rates Swaps 2021	25 014	64 678	573 599	68 788

**(iii) Forwards**

The unrealized market value loss on forward contracts as of 31 December 2022 amounted to US\$0.1 million (2021 – US\$0.7 million). The maturities of forward contracts of 31 December 2022 was 0 days (31 December 2021 – 0 days).

**(c) Income from cash and investments (consolidated)**

Gross income from cash and investments for the year ending 31 December 2022 amounted to US\$4.3 million (2021 gross income of US\$7.0 million).

Table 3

Fair value	2022	2021
Interest from banks and fixed-income investments	23 079	12 198
Net realized and unrealized (losses)/gains from futures/options/ swaps	73 973	12 114
Realized capital gain/(loss) from fixed-income securities	(27 442)	(1 001)
Unrealized gain/(loss) from fixed-income securities	(65 337)	(16 342)
<b>Total</b>	<b>4 273</b>	<b>6 969</b>

The figures above are broken down by income for the consolidated entities, as follows:

Table 4

	US\$ thousands	
	2022	2021
IFAD	11 320	7 294
ASMCS Trust Fund	(7 585)	(986)
HIPC Trust Fund	18	0.5
Spanish Trust Fund	(123)	368
Haiti Debt Relief Initiative	19	29
ASAP	195	166
Private Sector Trust Fund	162	(35)
Supplementary funds	267	132
<b>Total</b>	<b>4 273</b>	<b>6 969</b>

The annual rate of return on IFAD-only cash and investments in 2022 was 0.28 per cent net of investment expenses (2021: 0.16 per cent net of investment expenses).

**NOTE 20****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:

<i>Consolidated</i>	<i>US\$ thousands</i>	
	2022	2021
Reimbursement from host government	8 010	8 468
Income from other sources	2 978	4 061
<b>Total</b>	<b>10 988</b>	<b>12 529</b>

## NOTE 21

### INCOME FROM CONTRIBUTIONS

	<i>US\$ thousands</i>	
	2022	2021
IFAD	8 436	22 625
ASAP	21 073	4 374
PSTF	25 718	
AATI	336	248
Supplementary funds	146 494	165 640
<b>Total</b>	<b>202 057</b>	<b>192 887</b>

## NOTE 22

### OPERATING EXPENSES

An analysis of IFAD-only operating expenses by principal funding source is shown in appendix M. The breakdown of the consolidated figures is set out below:

	<i>US\$ thousands</i>	
	2022	2021
IFAD	190 873	183 797
Other entities	26 777	23 185
<b>Total</b>	<b>217 650</b>	<b>206 982</b>

The costs incurred are classified in the accounts in accordance with the underlying nature of the expense.

## NOTE 23

### 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 2022 was as follows (breakdown by principal budget source):

Table 1

<b>Full-time equivalent</b>	<i>General Service</i>			<i>Total</i>
	<i>Professional</i>	<i>Service</i>	<i>Total</i>	
IFAD administrative budget	421	178		599
APO / special programme officer	22			22
Others	29	6		35
<b>Total 2022</b>	<b>472</b>	<b>184</b>		<b>656</b>
<b>Total 2021</b>	<b>452</b>	<b>191</b>		<b>643</b>

#### (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 contract-holders, who are also covered by an insurance plan.

#### (c) Retirement plan

The UNJSPF carries out an actuarial valuation every two years; the latest available report was prepared as at 31 December 2020. This valuation revealed an actuarial surplus amounting to 0.5 per cent of pensionable remuneration. Thus the UNJSPF was assessed as adequately funded and 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 2022 amounted to US\$14.8 million (2021 – US\$14.0 million).

#### (d) After-Service Medical Coverage Scheme

The latest actuarial valuation for the ASMCS was carried out as at 31 December 2022. The methodology used was the projected unit-credit-cost method with service prorates. The principal actuarial assumptions used were as follows: discount rate 4.2 per cent; return on invested assets 4.5 per cent; initial medical cost increase, 4.50 per cent; inflation 2.5 per cent; and exchange rate. The results determined IFAD's liability as at 31 December 2022 to be US\$102.9 million. The 2022 and 2021 financial statements include a provision and related assets as at 31 December as follows:

Table 2

	<i>US\$ thousands</i>	
	2022	2021
Past service liability	(102 872)	(156 462)
Plan assets	83 711	95 487
<b>Surplus /(deficit)</b>	<b>(19 161)</b>	<b>(60 975)</b>
<b>Yearly movements</b>		
<b>Opening balance (deficit)</b>	<b>(60 975)</b>	<b>(59 027)</b>
Contribution paid	0	1 345
Interest cost	(1 240)	(902)
Current service charge	(7 376)	(8 000)
Actuarial gains/(losses)	62 206	11 529
Interest earned on balances	(7 796)	(1 201)
Exchange rate movement	(3 980)	(4 719)
<b>Closing balance (deficit)</b>	<b>(19 161)</b>	<b>(60 975)</b>
<b>Past service liability</b>		
Total provision at 1 January	(156 462)	(159 089)
Interest cost	(1 240)	(902)
Current service charge	(7 376)	(8 000)
Actuarial gains/(losses)	62 206	11 529
<b>Provision at 31 December</b>	<b>(102 872)</b>	<b>(156 462)</b>
<b>Plan assets</b>		
Total assets at 1 January	95 487	100 062
Contribution paid	0	1 345
Interest earned on balances	(7 796)	(1 201)
Exchange rate movement	(3 980)	(4 719)
<b>Total assets at 31 December</b>	<b>83 711</b>	<b>95 487</b>

ASMCS assets are invested in accordance with the ASMCS Trust Fund Investment Policy Statement as



approved by the Executive Board and Governing Council periodically.

IFAD provides for the full annual current service costs of this medical coverage, including its eligible retirees. In 2022, such costs included under staff salaries and benefits in the financial statements amounted to US\$7.4 million (2021 – US\$8.9 million).

Based on the 2022 actuarial valuation, the level of assets necessary to cover ASMCS liabilities is US\$79.1 million in net present value terms (including assets pertaining to the International Land Coalition). As reported above, at 31 December 2022 the assets already held in the trust fund are US\$83.7 million; consequently this is sufficient to cover the level of liabilities in actuarial terms.

### (e) Actuarial valuation risk of the ASMCS

A sensitivity analysis of the principal assumptions of the liability contained within the group data as at 31 December 2022 is shown below:

Table 3

Impact on	Liability
Medical inflation:	
5.0 per cent instead of 4.0 per cent	(24.0)
3.0 per cent instead of 4.0 per cent	18.4

## NOTE 24

### DIRECT BANK AND INVESTMENT COSTS

	US\$ thousands	
	2022	2021
Investment management fees	441	454
Other charges	5 833	3 710
<b>Total</b>	<b>6 274</b>	<b>4 164</b>

## NOTE 25

### GRANT EXPENSES

The breakdown of the consolidated figures is set out below:

Expenses (cancellations)	US\$ thousands	
	2022	2021
IFAD grants	8 994	101 297 <sup>a</sup>
Contributions to other corporate initiatives <sup>a</sup>	0	(68 863)
IFAD net grants	8 994	32 434
Supplementary funds <sup>b</sup>	112 400	156 445
ASAP	19 004	(1 174)
<b>Total Grants</b>	<b>140 398</b>	<b>187 705</b>

<sup>a</sup> Several contributions to other initiatives (RPSF, AATI, PSTF) approved by the Executive Board have been accounted for as expenses in 2021. Such transactions are included under consolidation entries.

<sup>b</sup> During 2022, as part of a supplementary funds initiative, US\$13.6 million was provided as a contribution to the private sector on behalf of donors.

The grant expenses to countries in debt distress (former DSF) are set out below:

IFAD-only	US\$ thousands	
	2022	2021
Grant expenses to countries in debt distress	165 076	163 942
<b>Total</b>	<b>165 076</b>	<b>163 942</b>

## NOTE 26

### NET FOREIGN EXCHANGE GAINS/LOSSES

The following rates of one unit of special drawing rights (SDR) in terms of United States dollars as at 31 December were used:

Table 1

Year	United States dollars
2022	1.33520
2021	1.40203
2020	1.44498

The balance of foreign exchange movement is shown below:

Table 2

	US\$ thousands	
	2022	2021
IFAD	(339 637)	(215 274)
Other entities	(18 794)	(13 050)
<b>Total movements in the year</b>	<b>(358 431)</b>	<b>(228 324)</b>

The movement in the account for foreign exchange rates is explained as follows:

Table 3

	US\$ thousands	
	2022	2021
<b>Exchange movements for the year on:</b>		
Cash and investments	(65 542)	(66 427)
Net receivables/payables	(2 206)	1 853
Loans and grants outstanding	(356 678)	(238 833)
Promissory notes and Members' receivables	(48 486)	(21 907)
Member States' contributions	46 308	18 718
Borrowing Liabilities	68 173	78 272
<b>Total movements in the year</b>	<b>(358 431)</b>	<b>(228 324)</b>

## NOTE 27

### HIPC INITIATIVE EXPENSES

This balance represents the debt relief provided during the year to HIPC eligible countries for both principal and interest. It reflects the overall net effect of new approvals of HIPC debt relief or top-ups (in 2022 amounting to US\$104.9 million related to Somalia and Sudan decision point), the payments made to IFAD by the Trust Fund on behalf of HIPC and the release of the portion of deferred revenues for payments from past years.

**NOTE 28****INTEREST EXPENSES  
FINANCIAL LIABILITIES**

This is the balance of loan interest expenses accrued and fees incurred for borrowing liabilities as well as for financial lease liabilities.

	US\$ thousands	
	2022	2021
Interest expenses on borrowings	16 816	3 102
Interest expenses on lease liabilities	212	243
<b>Total</b>	<b>17 028</b>	<b>3 346</b>

**NOTE 29****CHANGE IN FAIR VALUE  
HEDGE ACCOUNTING**

IFAD applies IFRS9 fair value hedge accounting treatment to individual identified hedge relationships. IFAD mitigates interest rate risk by using interest rate swaps to convert the interest rate profile of the liabilities from a fixed to floating rate in line with the rate applied to loan assets at ordinary terms. The balance in the table below represents the fair value of the derivatives along with corresponding changes in the hedge value of the hedged liability (or asset) that is attributable to the specific hedge risk.

	US\$ thousands	
	2022	2021
Borrowings Hedge Adjustment	8 334	0
Derivatives Fair Value Adjustment	(8 866)	0
<b>Total</b>	<b>532</b>	<b>0</b>

**NOTE 30****HOUSED ENTITY AND OTHER  
FACILITIES**

At 31 December liabilities owed (from)/to IFAD by the housed entities were:

	US\$ thousands	
	2022	2021
GCF	0	(2)
International Land Coalition	1 495	2 681
<b>Total</b>	<b>1 495</b>	<b>2 679</b>

**NOTE 31****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 grants to countries in debt distress (former DSF financing) effective but not yet disbursed for a global amount of US\$887 million (US\$965 million in 2021). In particular, at the end of December 2022, grants to member countries in debt distress (former DSF) disbursable but not yet disbursed, because the conditions for the release of funds were not yet met, amounted to US\$244 million (US\$238 million in 2021) and while related projects approved but not yet effective amounted to US\$643 million (US\$728 million in 2021).

**(b) Contingent assets**

At the end of December 2022 the balance of qualified instruments of contribution amounted to US\$156.0 million. These contributions are subject to national appropriation measures, therefore those receivables will be considered due upon fulfilment of those conditions and probable at the reporting date.

The DSF framework, approved in 2007, aims for the full recovery of principal repayments forgone through a pay-as-you-go compensation mechanism by Member States. Consequently, IFAD has undertaken a review together with its governing bodies of the mechanism through which this policy will be implemented. This led to the endorsement by the Executive Board in 2013 of the underlying principles thereof. The policy was also endorsed by Member States in the Replenishment Consultation process in 2014 and finally approved by the Governing Council in 2015, moreover in 2019 a DSF reform was conducted to strengthen the compensation mechanism. This, in effect, provides a concrete basis on which Member States will be expected to contribute towards principal reflows forgone as a result of the DSF, in addition to their regular contributions. The reform became effective as of 2022, when the IFAD12 period begins.

**NOTE 32****POST-BALANCE-SHEET  
EVENTS**

Management is not aware of any events after the balance sheet date that provide evidence of conditions that existed at the balance sheet date or were indicative of conditions that arose after the reporting period that would warrant adjusting the Financial Statements or require disclosure.

**NOTE 33****RELATED PARTIES**

The Fund has assessed related parties and transactions carried out in 2022. This pertained to transactions with Member States (to which IAS 24, paragraph 25, is applicable) key management personnel and other related parties identified under IAS 24. Transactions with Member States and related outstanding balances are reported in appendices H and I. Key management personnel are the President, Vice-President, Associate Vice-Presidents and Director and Chief of Staff, as they have the authority and responsibility for planning, directing and controlling activities of the Fund.

The table below provides details of the remuneration paid to key management personnel over the course of the year, together with balances of various accruals.

Aggregate remuneration paid to key management personnel includes: net salaries; post adjustment; entitlements such as representation allowance and other allowances; assignment and other grants; rental subsidy; personal effect shipment costs; post-employment benefits and other long-term employee benefits; and employer's pension and current health insurance contributions. Key management personnel participate in the UNJSPF.

Independent review of the latest annual financial disclosure statements confirmed that there are no conflicts of interest, nor transactions and outstanding balances, other the ones indicated below, for key management personnel and other related parties identified as per IAS 24 requirements.

	<i>US\$ thousands</i>	
	<i>2022</i>	<i>2021</i>
Salaries and other entitlements	2 147	2 485
Contribution to retirement and medical plans	476	587
Other related parties		
<b>Total*</b>	<b>2 623</b>	<b>3 072</b>
<b>Total accruals</b>	<b>704</b>	<b>577</b>
<b>Total receivables</b>	<b>20</b>	<b>-</b>

\* The decrease in 2022 is primarily due to the lower number of key management personnel.

## **NOTE 34**

### **DATE OF AUTHORIZATION FOR ISSUE OF THE CONSOLIDATED FINANCIAL STATEMENTS**

Management authorized the issuance of the Consolidated Financial Statements on 10 March 2023.

The statements will be submitted for review by the Audit Committee in April 2023 and endorsement by the Executive Board in May 2023. The 2022 Consolidated Financial Statements will be submitted to the Governing Council for formal approval at its next session in February 2024. The 2021 Consolidated Financial Statements were approved by the Governing Council at its forty-sixth session in February 2023.



## Statements of complementary and supplementary contributions

Table 1

### Member States:

**Statement of cumulative supplementary contributions including project cofinancing from 1978 to 2022<sup>a</sup>**  
(Thousands of United States dollars)

<i>Member States</i>	<i>Project cofinancing</i>	<i>APOs</i>	<i>Other supplementary funds</i>	<i>AATI</i>	<i>PSTF</i>	<i>GEF</i>	<i>Total</i>
Algeria	-	-	75	-	-	-	75
Angola	-	-	7	-	-	-	7
Australia <sup>b</sup>	2 721	-	4 164	-	-	-	6 885
Austria	755	-	-	-	-	-	755
Bangladesh	-	-	43	-	-	-	43
Belgium	10 214	1 960	153 465	-	-	-	165 639
Canada	27 879	-	10 710	-	-	-	38 589
China	5 571	1 207	4 734	-	-	-	11 512
Colombia	-	-	25	-	-	-	25
Denmark	51 504	4 644	5 341	-	-	-	61 489
Estonia	-	-	560	-	-	-	560
Finland	2 834	5 809	7 139	-	1 001	-	16 783
France	1 032	2 019	19 525	-	-	-	22 576
Germany	4 212	9 689	76 619	-	23 479	-	113 999
Ghana	-	-	75	-	-	-	75
Greece	-	-	75	-	-	-	75
Hungary	-	-	500	-	-	-	500
Iceland	-	-	19	-	-	-	19
India	-	-	1 075	-	-	-	1 075
Indonesia	-	-	50	-	-	-	50
Ireland	6 666	-	6 193	-	-	-	12 859
Italy	30 891	7 829	41 800	-	-	-	80 520
Japan	3 692	4 531	4 231	-	-	-	12 454
Jordan	-	-	153	-	-	-	153
Kuwait	-	-	117	-	-	-	117
Lebanon	-	-	83	-	-	-	83
Luxembourg	2 085	-	8 947	-	2 256	-	13 288
Malaysia	-	-	28	-	-	-	28
Morocco	-	-	50	-	-	-	50
Mauritania	-	-	92	-	-	-	92
Netherlands (Kingdom of the)	138 917	10 445	52 043	-	-	-	201 405
New Zealand	730	-	65	-	-	-	795
Nigeria	-	-	50	-	-	-	50
Norway	40 532	2 753	8 347	-	-	-	51 632
Pakistan	-	-	25	-	-	-	25
Paraguay	-	-	15	-	-	-	15
Portugal	142	-	714	-	-	-	856
Qatar	-	-	107	-	-	-	107
Republic of Korea	4 135	6 810	3 479	-	-	-	14 424
Russian Federation	1 356	-	144	-	-	-	1 500
Saudi Arabia	-	-	3 673	-	-	-	3 673
Senegal	-	-	109	-	-	-	109
Sierra Leone	-	-	88	-	-	-	88
Spain	11 838	-	6 141	-	-	-	17 979
Suriname	2 000	-	-	-	-	-	2 000
Sweden	17 824	5 311	28 771	-	-	-	51 906
Switzerland	18 930	3 163	28 121	-	-	-	50 214
Türkiye	-	-	47	-	-	-	47
United Kingdom	19 074	-	16 931	-	-	-	36 005
United States	626	617	11 367	-	-	-	12 610
<b>Total</b>	<b>406 160</b>	<b>66 787</b>	<b>506 132</b>	<b>-</b>	<b>26 736</b>	<b>-</b>	<b>1 005 815</b>

<sup>a</sup> Non-United States dollars contributions have been translated at the year-end exchange rate.

<sup>b</sup> Australia's withdrawal from IFAD membership became effective 31 July 2007.

Table 2

**Non-Member States and other sources:****Statement of cumulative supplementary contributions including project cofinancing from 1978 to 2022 <sup>a</sup>**

(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>AATI</i>	<i>PSTF</i>	<i>GEF</i>	<i>Total</i>
Abu Dhabi Fund for Development	-	-	1 481	-	-	-	1 481
Adaptation Fund Board	-	-	85 093	-	-	-	85 093
Arab Fund for Economic and Social Development	2 983	-	-	-	-	-	2 983
African Development Bank	2 800	-	1 096	-	-	-	3 896
Arab Bank	-	-	25	-	-	-	25
Arab Gulf Programme for United Nations Development Organizations	299	-	-	-	-	-	299
Bill & Melinda Gates Foundation	-	-	27 125	10 000	-	-	37 125
Cassava Programme	-	-	69	-	-	-	69
Chief Executives Board for Coordination (CEB)	-	-	998	-	-	-	998
Congressional Hunger Center	-	-	183	-	-	-	183
Coopernic	-	-	3 202	-	-	-	3 202
European Commission	814	-	729 845	-	-	-	730 659
Food and Agriculture Organization of the United Nations	14	-	3 042	-	-	-	3 056
Global Agriculture and Food Security Programme	168 807	-	13 309	-	-	-	182 116
IFAD	38 628	-	3 097	2 000	25 000	-	68 725
Least Developed Countries Fund / Special Climate Change Fund (SCCF)	-	-	87 840	-	-	-	87 840
Least Developed Countries Fund / Special Climate Change Fund (SCCF)/Adaptation Fund	-	-	28	-	-	-	28
New Venture Fund	-	-	56	-	-	-	56
Nordic Development Fund	-	-	500	-	-	-	500
OPEC Fund for International Development (OFID)	2 648	-	50	-	-	-	2 698
Open Society London	950	-	50	-	-	-	1 000
Small Foundation	-	-	400	-	-	-	400
The David and Lucile Packard Foundation	95	-	203	-	-	-	298
United Nations Fund for International Partnership	78	-	145	-	-	-	223
United Nations Capital Development Fund	358	-	265	-	-	-	623
United Nations Development Programme	665	-	5 454	-	-	-	6 119
United Nations Economic Commission for Africa	-	-	353	-	-	-	353
United Nations organizations	3 017	-	-	-	-	-	3 017
Visa Foundation	-	-	3 500	-	-	-	3 500
World Bank	1 357	-	3 706	-	-	195 565	200 628
Other Supplementary funds	1 929	-	5 418	-	-	-	7 347
<b>Total non-Member States and other sources</b>	<b>225 442</b>	<b>-</b>	<b>976 533</b>	<b>12 000</b>	<b>25 000</b>	<b>195 565</b>	<b>1 434 540</b>
<b>Total 2022</b>	<b>631 602</b>	<b>66 787</b>	<b>1 482 665</b>	<b>12 000</b>	<b>51 736</b>	<b>195 565</b>	<b>2 440 355</b>
<b>Total 2021</b>	<b>578 814</b>	<b>62 813</b>	<b>1 437 099</b>	<b>12 000</b>	<b>27 273</b>	<b>178 253</b>	<b>2 296 252</b>

<sup>a</sup> Non-United States dollars contributions have been translated at the year-end exchange rate.

## Statement of cumulative complementary contributions from 1978 to 2022

(Thousands of United States dollars)

	<i>Amount</i>
<b>Other complementary contributions</b>	
Canada	1 511
Germany	458
India	1 000
Saudi Arabia	30 000
Sweden	13 827
United Kingdom	<u>12 002</u>
<b>Subtotal</b>	<b>58 798</b>
Cumulative contributions received from Belgium for the BFFS.JP in the context of replenishments	80 002
<b>Subtotal</b>	<b>138 800</b>
<b>Contributions made in the context of replenishments to the HIPC Trust Fund</b>	
Italy	4 602
Luxembourg	1 053
Netherlands (Kingdom of the)	<u>14 024</u>
<b>Subtotal</b>	<b>19 679</b>
<b>Contributions made to ASAP in the context of replenishments</b>	<b>310 645</b>
<b>Unrestricted complementary contributions to the Tenth Replenishment</b>	
Canada	7 586
Germany	15 307
Netherlands (Kingdom of the)	23 347
Russian Federation	3 000
United States	<u>10 000</u>
<b>Subtotal</b>	<b>59 240</b>
<b>Unrestricted complementary contributions to the Eleventh Replenishment</b>	
Germany	22 468
Luxembourg	1 706
Sweden	12 640
Switzerland	<u>11 958</u>
<b>Subtotal</b>	<b>48 772</b>
<b>Total complementary contributions 2022</b>	<b>577 136</b>
<b>Total complementary contributions 2021</b>	<b>577 509</b>



## Statement of contributions from Member States and donors to the HIPC Initiative and contributions to arrears clearance

(Thousands of United States dollars)

	<i>Amount</i>
<b>Contributions made in the context of replenishments (see table above)</b>	<b>19 679</b>
<b>Contributions not made in the context of replenishments</b>	
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	215 618
<b>Subtotal</b>	<b>267 463</b>
<b>Total contributions to IFAD's HIPC Trust Fund 2022</b>	<b>287 142</b>
<b>Total contributions to IFAD's HIPC Trust Fund 2021</b>	<b>287 142</b>
<b>Contributions made in the context of arrear clearance for Somalia</b>	
Belgium	2 955
Italy	482
Sweden	969
<b>Total contributions for Somalia arrears clearance 2022</b>	<b>4 406</b>

## Contributions received in 2022

	<i>Currency</i>	<i>Amount (thousands)</i>	<i>Thousands of US\$ equivalent</i>
<b>For project cofinancing</b>			
Canada	CAD	3 000	2 373
European Commission	EUR	6 528	6 968
France	EUR	1 000	1 067
Germany	EUR	34 700	36 699
Global Agriculture & Food Security Programme (GAFSP)	USD	19 533	19 533
Global Environmental Facility	USD	13 079	13 079
Ireland	EUR	1 000	1 012
Italy	EUR	1 630	1 739
Least Developed Countries Fund	USD	16 703	16 703
Netherlands (Kingdom of the)	EUR	10 000	9 989
United States	USD	10 000	10 000
<b>Subtotal</b>			<b>119 162</b>
<b>For APOs</b>			
China	USD	1 206	1 206
Finland	USD	121	121
France	USD	203	203
Germany	USD	513	513
Italy	USD	95	95
Japan	USD	889	889
Netherlands (Kingdom of the)	USD	51	51
Norway	USD	150	150
Sweden	USD	240	240
Switzerland	USD	506	506
<b>Subtotal</b>			<b>3 974</b>
<b>Other supplementary fund contributions</b>			
Bill & Melinda Gates Foundation	USD	664	664
Denmark	DKK	4 750	631
Estonia	EUR	90	96
European Commission	EUR	36 285	38 726
European Commission	USD	7 236	7 236
Finland	EUR	1 050	1 054
France	EUR	200	213
Germany	EUR	12 056	12 820
Hungary	USD	100	100
Integrated Household and Agricultural Surveys Trust Fund	USD	1 273	1 273
Italy	EUR	1 700	1 814
Republic of Korea	KRW	900 000	685
Luxembourg	EUR	2 000	2 256
Nordic Development Fund	USD	250	250
Norway	NOK	111 514	11 053
Saudi Arabia	USD	267	267
Sweden	SEK	10 000	978
Switzerland	EUR	50	53
Switzerland	USD	200	200
The David and Lucile Packard Foundation	USD	200	200
United Kingdom	GBP	50	61
United Nations Convention to Combat Desertification	USD	250	250
United Nations Development Programme	USD	1 855	1 855
United Nations Economic Commission (UNEC)	USD	282	282
United Nations Office for Project Services	USD	195	195
Visa Foundation	USD	584	584
<b>Subtotal</b>			<b>83 796</b>
<b>Grand total</b>			<b>206 932</b>

## Unspent funds in 2022 and 2021

Table 1

### Unspent complementary and supplementary funds from Member States and non-Member States

(Thousands of United States dollars)

<i>Member States</i>	<i>APOs</i>	<i>Other supplementary funds</i>	<i>Total</i>
Australia	-	3 146	3 146
Belgium	-	19	19
Canada	-	1 742	1 742
China	890	3 883	4 773
Denmark	-	2 682	2 682
Estonia	-	390	390
Finland	61	561	622
France	102	2 640	2 742
Germany	627	37 961	38 588
Hungary	-	460	460
India	-	251	251
Ireland	-	938	938
Italy	68	6 532	6 600
Japan	427	-	427
Republic of Korea	163	1 062	1 225
Lebanon	-	83	83
Luxembourg	-	1 332	1 332
Malaysia	-	13	13
Netherlands (Kingdom of the)	79	12 341	12 420
Norway	119	4 271	4 390
Russian Federation	-	1 143	1 143
Saudi Arabia	-	861	861
Spain	-	298	298
Sweden	182	9 224	9 406
Switzerland	332	1 461	1 793
United Kingdom	-	356	356
United States	-	9 546	9 546
<b>Total</b>	<b>3 050</b>	<b>103 196</b>	<b>106 246</b>

Table 2

### Other unspent complementary and supplementary funds from non-Member States

(Thousands of United States dollars)

<i>Non-Member States and other sources</i>	<i>APOs</i>	<i>Other supplementary funds</i>	<i>Total</i>
Abu Dhabi Fund for Development	-	348	348
Adaptation Fund Board	-	7 434	7 434
Arab Gulf Programme for United Nations Development Organizations	-	-	-
Bill & Melinda Gates Foundation	-	7 155	7 155
European Commission	-	49 328	49 328
Food and Agriculture Organization of the United Nations	-	18	18
Global Agriculture and Food Security Programme	-	21 677	21 677
IFAD	-	17 655	17 655
Least Developed Countries Fund / Special Climate Change Fund (SCCF)	-	17 935	17 935
Least Developed Countries Fund / Special Climate Change Fund (SCCF)b/Adaptation Fund	-	15	15
Nordic Development Fund	-	213	213
Small Foundation	-	64	64
The David and Lucile Packard Foundation	-	184	184
United Nations Development Programme	-	1 667	1 667
United Nations Economic Commission for Africa	-	225	225
Visa Foundation	-	1 156	1 156
World Bank	-	23 679	23 679
Other	-	703	703
<b>Total non-Member States and other sources</b>	<b>-</b>	<b>149 456</b>	<b>149 456</b>
<b>Grand total 2022</b>	<b>3 050</b>	<b>252 652</b>	<b>255 702</b>
<b>Grand total 2021</b>	<b>2 489</b>	<b>257 923</b>	<b>260 412</b>

## Summary of the Rural Resilience Programme

Table 1

### Summary of complementary contributions and supplementary funds to the Rural Resilience Programme Trust Fund

(As at 31 December 2022)

(Thousands of United States dollars)

<b>ASAP</b>	<i>Member States</i>	<i>Total contribution in local currency</i>	<i>Complementary contributions received</i>	<i>Supplementary funds contributions received**</i>	<i>Total contributions received</i>
	Belgium	EUR 6 000	7 855		
	Canada	CAD 19 849	19 879		
	Finland	EUR 5 000	6 833		
	Netherlands (Kingdom of the)	EUR 40 000	48 581		
	Norway	NOK 63 000	9 240		
	Sweden	SEK 30 000	4 471		
	Switzerland	CHF 10 000	10 949		
	United Kingdom	GBP 147 523	202 837		
	Flemish Department for Foreign Affairs	EUR 2 000		2 380	
	Republic of Korea	US\$ 3 000		3 000	
<b>Subtotal ASAP</b>			<b>310 645</b>	<b>5 380</b>	<b>316 025</b>
<b>ASAP2</b>	Norway	NOK 80 000		9 550	
	France	EUR 300		335	
	Sweden	SEK 50 000		5 904	
<b>Subtotal ASAP2</b>				<b>15 789</b>	<b>15 789</b>
<b>ASAP+**</b>	Austria	EUR 2 000		2 418	
	Denmark	DKK 190 000		15 080	
	Germany	EUR 32 000		19 084	
	Ireland	EUR 4 000		4 702	
	Norway	NOK 100 000		9 882	
	Sweden	SEK 100 000		11 018	
	Qatar	US\$ 500		500	
<b>Subtotal ASAP+</b>				<b>62 684</b>	<b>62 684</b>
<b>Total Rural Resilience Programme</b>			<b>310 645</b>	<b>83 853</b>	<b>394 498</b>

\* Payments counter-valued at exchange rate prevailing at receipt date.

\*\*As at 31 December 2022 overall ASAP supplementary funds contributions amounted to US\$112.8 million of which US\$83.9 million encashed and US\$28.9 million receivables.



Table 2  
**Summary of grants under the Rural Resilience Programme**  
(Amounts in thousands)

<i>Grant recipient</i>	<i>Approved grants less cancellations</i>	<i>Disbursable</i>	<i>Disbursements 2022</i>	<i>Undisbursed portion of disbursable grants</i>	<i>Grants not yet disbursable as at 31 December 2022</i>
<b>US\$ grants</b>					
Cuba	4 000	-	-	-	4 000
Iraq	2 000	2 000	500	1 500	-
Republic of Moldova	5 000	5 000	2 223	2 777	-
<b>Total US\$</b>	<b>11 000</b>	<b>7 000</b>	<b>2 723</b>	<b>4 277</b>	<b>4 000</b>
<b>EUR grants</b>					
Côte d'Ivoire	3 070	3 070	426	2 644	-
Montenegro	1 880	1 880	1 880	-	-
<b>Total EUR</b>	<b>4 950</b>	<b>4 950</b>	<b>2 306</b>	<b>2 644</b>	<b>-</b>
<b>US\$ equivalent</b>	<b>5 283</b>	<b>5 283</b>	<b>2 461</b>	<b>2 822</b>	<b>-</b>
<b>SDR grants</b>					
Bangladesh	9 900	9 900	9 569	331	-
Benin	3 220	3 220	2 623	597	-
Bhutan	3 580	3 580	3 031	549	-
Bolivia (Plurinational State of)	6 401	-	6 401	-	-
Burundi	3 385	-	3 385	-	-
Cabo Verde	2 900	2 900	2 861	39	-
Cambodia	10 150	10 150	10 150	0	-
Chad	3 240	3 240	3 240	0	-
Comoros	740	740	447	293	-
Côte d'Ivoire	1 619	-	1 619	-	-
Djibouti	4 000	4 000	3 999	1	-
Egypt	3 380	3 380	1 669	1 711	-
El Salvador	3 560	3 560	1 909	1 651	-
Ethiopia	7 870	7 870	6 473	1 397	-
Gambia (The)	3 536	-	3 536	-	-
Ghana	6 500	6 500	6 498	2	-
Kenya	7 100	7 100	4 336	2 764	-
Kyrgyzstan	6 496	-	6 496	-	-
Lao People's Democratic Republic	3 550	-	3 550	-	-
Lesotho	4 610	4 610	4 242	368	-
Liberia	3 280	3 280	2 785	495	-
Madagascar	4 200	4 200	2 525	1 675	-
Malawi	5 150	5 150	3 999	1 151	-
Mali	6 498	-	6 498	-	-
Mauritania	4 300	4 300	2 427	1 873	-
Morocco	1 295	1 295	938	357	-
Mozambique	3 260	3 260	3 250	10	-
Nepal	9 710	9 710	9 710	0	-
Nicaragua	5 247	-	5 247	-	-
Niger	9 250	9 250	9 113	137	-
Nigeria	9 800	9 800	7 178	2 622	-
Paraguay	3 650	3 650	1 211	2 439	-
Rwanda	4 510	4 510	4 509	1	-
Sudan	6 880	6 880	6 736	144	-
Tajikistan	3 600	-	3 600	-	-
United Republic of Tanzania	-	-	-	-	-
Uganda	6 770	6 770	6 769	1	-
Viet Nam	7 591	-	7 591	-	-
Yemen	-	-	-	-	-
<b>Total SDR</b>	<b>190 728</b>	<b>142 805</b>	<b>170 121</b>	<b>20 607</b>	<b>-</b>
<b>US\$ equivalent</b>	<b>254 660</b>	<b>190 673</b>	<b>227 146</b>	<b>27 515</b>	<b>-</b>
<b>Total ASAP1 grants in US\$</b>	<b>270 943</b>	<b>202 956</b>	<b>232 330</b>	<b>34 614</b>	<b>4 000</b>

Table 3  
**Summary of grants under the ASAP2 Trust Fund**  
 (Thousands of United States dollars)

<i>Grant recipient</i>	<i>Approved grants less cancellations</i>	<i>Disbursable</i>	<i>Cumulative Disbursements</i>	<i>Undisbursed portion of disbursable grants</i>	<i>Grants not yet disbursable as at 31 December 2022</i>
<b>US\$ grants</b>					
FAO	403	403	186	217	-
Indonesia	244	244	228	16	-
Kenya	290	-	290	-	-
Netherlands (Kingdom of the)	272	-	272	-	-
Somalia	68	-	68	-	-
United States	1 700	400	1 660	40	-
World Food Programme	1 187	-	1 187	-	-
<b>Total ASAP2 grants in US\$</b>	<b>4 164</b>	<b>1 047</b>	<b>3 891</b>	<b>273</b>	<b>-</b>

Table 4  
**Summary of grants under the Adaptation for Smallholder Agriculture Programme (ASAP+) Trust Fund**  
 (Thousands of United States dollars)

<i>Grant recipient</i>	<i>Approved grants less cancellations</i>	<i>Disbursable</i>	<i>Cumulative Disbursements</i>	<i>Undisbursed portion of disbursable grants</i>	<i>Grants not yet disbursable as at 31 December 2022</i>
<b>Grants</b>					
Brazil	17 067	17 067	228	16 839	-
<b>Total ASAP+ grants</b>	<b>17 067</b>	<b>17 067</b>	<b>228</b>	<b>16 839</b>	<b>-</b>
<b>Total Rural Resilience Programme</b>	<b>292 174</b>	<b>221 070</b>	<b>236 449</b>	<b>51 726</b>	<b>4 000</b>

## Management and external auditor's reports



Investing in rural people

### **Management Assertion Report on the Effectiveness of Internal Controls Over Financial Reporting**

Management of the International Fund for Agricultural Development (hereinafter IFAD or 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 Financial Regulations of IFAD, the President is responsible for establishing and maintaining appropriate internal financial control and audit systems of the Fund which would include 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 Executive Board in exercising supervision over the financial administration and internal oversight of the Fund. Financial administration would include 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 the external auditor and makes a recommendation for such selection to the Executive Board for its approval. The Audit Committee meets with the external and internal auditors to discuss, respectively, the scope and design of the audit, and annual workplan, and any other matter within the Audit Committee's terms of reference 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 accordance with IFRS as of 31 December 2022. The assessment was based on the criteria for effective internal controls over financial reporting described in the Internal Control -Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). A report was provided to Management by the Office of Audit and Oversight 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 31 December 2022, and is not aware of any material control weakness that could affect the reliability of the 2022 financial statements. IFAD's independent external auditor, PricewaterhouseCoopers, S.p.A, has audited the financial statements and has issued an attestation report on Management's assertion on the Fund's internal controls over financial reporting.

Handwritten signature of Alvaro Lario in blue ink.

Alvaro Lario  
President

Handwritten signature of Katherine Meighan in blue ink.

Katherine Meighan  
Associate Vice President,  
CFO and Chief Controller a.i.

Handwritten signature of Advit Nath in blue ink.

Advit Nath  
Director and Controller



**INDEPENDENT REASONABLE ASSURANCE REPORT ON  
MANAGEMENT'S ASSESSMENT**

**INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT**

**INTERNAL CONTROLS OVER FINANCIAL REPORTING  
AS AT 31 DECEMBER 2022**





## INDEPENDENT REASONABLE ASSURANCE REPORT ON MANAGEMENT'S ASSESSMENT OF INTERNAL CONTROLS OVER FINANCIAL REPORTING

To the International Fund for Agricultural Development

We have been engaged to undertake a reasonable assurance engagement of management's assessment that the International Fund for Agricultural Development ("the Fund" or "IFAD") maintained an effective system of internal controls over financial reporting as at 31 December 2022, as contained in the accompanying *Management Assertion Report on the Effectiveness of Internal Controls Over Financial Reporting*.

### Responsibilities of Management

Management of the Fund is responsible for implementing and maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting in accordance with the criteria for effective internal controls over financial reporting based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Management of the Fund is also responsible for the preparation of the *Management Assertion Report on the Effectiveness of Internal Controls Over Financial Reporting*.

### Our independence and quality control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 (ISQC Italia 1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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#### PricewaterhouseCoopers SpA

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### **Auditor's responsibilities**

Our responsibility is to express an opinion on the *Management Assertion Report on the Effectiveness of Internal Controls Over Financial Reporting* based on the procedures performed. We conducted our work in accordance with International Standards on Assurance Engagements – Assurance Engagements other than Audits or Reviews of Historical Information ("ISAE 3000 revised") issued by the International Auditing and Assurance Standards Board for reasonable assurance engagements. That standard requires that we plan and perform procedures to obtain reasonable assurance about whether the *Management Assertion Report on the Effectiveness of Internal Controls Over Financial Reporting* is free from material misstatement.

Our engagement involved performing procedures to obtain evidence regarding the design, implementation, and operating effectiveness of the internal controls over financial reporting, supporting the *Management Assertion Report on the Effectiveness of Internal Controls Over Financial Reporting*. The procedures selected depended on the auditor's professional judgment, including an assessment of the risks of material misstatements in the *Management Assertion Report on the Effectiveness of Internal Controls Over Financial Reporting*, whether due to fraud or error. In making that risk assessment, the auditor considers internal control relevant to the preparation of the accompanying consolidated financial statements of IFAD as at 31 December 2022.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Definition and Limitations of Internal Control over Financial Reporting**

An entity's internal control over financial reporting is a process designed 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 (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) 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 management of the entity; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



### Opinion

In our opinion, management's assessment that IFAD as at 31 December 2022, maintained an effective system of internal controls over financial reporting, is prepared, in all material respects, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Rome, 10 March 2023

PricewaterhouseCoopers SpA

  
Scott Cunningham  
(Partner)



*Independent auditor's report*  
*International Fund for Agricultural Development*  
*Consolidated financial statements*  
*as at 31 December, 2022*





## **Independent auditor's report**

To the International Fund for Agricultural Development

### **Our Opinion**

We have audited the consolidated financial statements of the International Fund for Agricultural Development ("the Fund" or "IFAD"), which comprise the consolidated and IFAD-only balance sheet as at 31 December 2022 the consolidated and IFAD-only statements of comprehensive income, the consolidated and IFAD-only statements of changes in equity, the consolidated and IFAD-only cash flow statement for the year then ended, the statements of complementary and supplementary contributions, the statement of cumulative complementary contributions from 1978 to 2022, the statement of contributions from member states and donors to the HIPC initiative and contributions to arrears clearance, the contributions received in 2022, the unspent funds, the summary of the rural resilience programme and related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Fund as at 31 December 2022 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of this report. We are independent of the Fund in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Information Other than the "Consolidated Financial Statements of IFAD as at 31 December 2022" and Auditor's Report Thereon**

Management is responsible for the other information. The other information comprises the information included in the "High-level review of IFAD's Financial Statements for 2022" but does not include the consolidated financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report.

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#### **PricewaterhouseCoopers SpA**

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Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### ***Other Matters***

The consolidated financial statements of the Fund for the year ended 31 December 2021 were audited by another auditor who expressed an unmodified opinion on those statements on 4 March 2022. Note 2(b) illustrates the effects of the restatement of some comparative data relating to the previous year, with respect to the data previously presented, as a consequence of the voluntary change in accounting policy for loans, contributions and grants.

#### ***Responsibilities of the President and those charged with governance for the Consolidated Financial Statements***

The President is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as the President determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the President is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the President either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

#### ***Auditor's Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.





As part of our audit conducted in accordance with ISAs, we exercised professional judgment and maintained professional skepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- We obtained an understanding of internal control relevant to the audit 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 Group's internal control;
- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the President;
- We concluded on the appropriateness of the President's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern;
- We evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- We obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Fund to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion on the consolidated financial statements.

We communicated with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

Rome, 10 March 2023

PricewaterhouseCoopers SpA

  
Scott Cunningham  
(Partner)

## Statements of contributions

Table 1

### Summary of contributions

(Thousands of United States dollars)

	2022	2021
<b>Replenishments</b>		
Initial contributions	1 017 370	1 017 371
First Replenishment	1 016 564	1 016 564
Second Replenishment	567 245	567 245
Third Replenishment	553 881	553 881
Fourth Replenishment	361 421	361 421
Fifth Replenishment	441 401	441 401
Sixth Replenishment	567 021	567 021
Seventh Replenishment	654 640	654 640
Eighth Replenishment	963 550	963 550
Ninth Replenishment	987 355	982 852
Tenth Replenishment	913 914	912 091
Eleventh Replenishment	1 038 389	1 036 304
Twelfth Replenishment	1 043 735	973 844
<b>Total IFAD</b>	<b>10 126 486</b>	<b>10 048 185</b>
<b>Special Programme for Africa (SPA)</b>		
SPA Phase I	288 868	288 868
SPA Phase II	62 364	62 364
<b>Total SPA</b>	<b>351 232</b>	<b>351 232</b>
<b>Special contributions <sup>a</sup></b>	<b>20 369</b>	<b>20 369</b>
<b>Total replenishment contributions</b>	<b>10 498 087</b>	<b>10 419 786</b>
<b>Complementary contributions</b>		
Belgian Survival Fund	80 002	80 002
HIPC Initiative	19 679	19 679
ASAP complementary contributions	310 645	310 645
Unrestricted complementary contributions – Tenth Replenishment	59 240	59 240
Unrestricted complementary contributions – Eleventh Replenishment	48 772	49 145
Other complementary contributions	58 798	58 798
<b>Total complementary contributions</b>	<b>577 136</b>	<b>577 509</b>
<b>Other</b>		
HIPC contributions not made in the context of replenishment resources	<b>267 463</b>	<b>267 463</b>
Belgian Survival Fund contributions not made in the context of replenishment resources	<b>63 836</b>	<b>63 836</b>
Contribution in the context of arrear clearance for Somalia	<b>4 406</b>	<b>0</b>
<b>Supplementary contributions <sup>b</sup></b>		
Project cofinancing	631 602	578 814
APO funds	66 787	62 812
Other supplementary funds	1 482 665	1 437 099
GEF	195 565	178 253
PSTF	51 736	27 274
AATI	12 000	12 000
ASAP supplementary funds	83 853	73 971
<b>Total supplementary contributions</b>	<b>2 524 208</b>	<b>2 370 223</b>
<b>Total contributions</b>	<b>13 935 136</b>	<b>13 698 817</b>
<b>Total contributions include the following:</b>		
Total replenishment contributions (as above)	10 498 087	10 419 786
Less provisions	(120 145)	(123 145)
Less qualified instruments of contribution	(156 034)	(155 522)
Less DSF compensation	(37 157)	(37 156)
<b>Total replenishment contributions</b>	<b>10 184 751</b>	<b>10 103 963</b>

<sup>a</sup> Including Iceland's special contribution prior to membership and US\$20 million from OFID.<sup>b</sup> Includes interest earned according to each underlying agreement.



Table 2

**Replenishments through to IFAD12: Statement of Members' contributions <sup>a</sup>**

(As at 31 December 2022)

Member State	Replenishments through to IFAD11 (thousands of US\$ equivalent)	IFAD12					
		Instruments deposited			Payments (thousands of US\$ equivalent)		
		Currency	Amount (thousands)	Thousands of US\$ equivalent	Cash	Promissory notes	Total
Afghanistan <sup>a</sup>	-	-	-	-	-	-	-
Albania	60	-	-	-	-	-	-
Algeria	82 430	US\$	500	500	250	-	250
Angola	9 796	US\$	2 000	2 000	2 000	-	2 000
Argentina	29 900	US\$	833	833	833	-	833
Armenia	80	US\$	5	5	5	-	5
Australia <sup>b</sup>	37 247	-	-	-	-	-	-
Austria	126 973	EUR	16 000	17 432	6 051	-	6 051
Azerbaijan	300	US\$	10	10	10	-	10
Bangladesh	8 106	US\$	2 000	2 000	-	2 000	2 000
Barbados	10	-	-	-	-	-	-
Belgium	149 695	-	-	-	-	-	-
Belize	205	-	-	-	-	-	-
Benin	582	US\$	200	200	194	-	194
Bhutan	245	-	-	-	-	-	-
Bolivia (Plurinational State of)	1 600	-	-	-	-	-	-
Bosnia and Herzegovina	332	US\$	50	53	53	-	53
Botswana	920	-	-	-	-	-	-
Brazil <sup>c</sup>	104 696	-	-	-	-	-	-
Burkina Faso	734	-	-	-	-	-	-
Burundi	130	US\$	50	50	50	-	50
Cambodia	1 815	US\$	600	600	600	-	600
Cameroon	4 169	-	-	-	-	-	-
Canada	464 347	CAD	112 500	85 738	40 039	-	40 039
Cabo Verde	69	-	-	-	-	-	-
Central African Republic	13	-	-	-	-	-	-
Chad	391	-	-	-	-	-	-
Chile	860	-	-	-	-	-	-
China	247 277	CNY	593 853	88 316	31 366	-	31 366
Colombia	1 040	US\$	60	60	60	-	60
Comoros <sup>d</sup>	31	-	-	-	-	-	-
Congo	818	XAF	55 000	95	95	-	95
Democratic Republic of the Congo	2 070	US\$	500	500	500	-	500
Cook Islands	5	US\$	-	-	-	-	-
Côte d'Ivoire	1 735	US\$	217	217	217	-	217
Cuba	106	-	-	-	-	-	-
Cyprus	432	US\$	60	60	20	-	20
Denmark	152 614	-	-	-	-	-	-
Djibouti	37	-	-	-	-	-	-
Dominica	51	-	-	-	-	-	-
Dominican Republic	1 288	-	-	-	-	-	-
Timor-Leste	100	-	-	-	-	-	-
Ecuador	1 391	-	-	-	-	-	-
Egypt	29 409	US\$	3 000	3 000	3 000	-	3 000
El Salvador	200	US\$	100	100	100	-	100
Eritrea	140	-	-	-	-	-	-
Estonia	59	-	-	-	-	-	-
Eswatini	338	US\$	40	40	40	-	40
Ethiopia	381	US\$	100	100	30	-	30
Fiji	425	-	-	-	-	-	-
Finland	121 289	EUR	32 101	35 754	25 081	-	25 081

## Appendix G

Member State	Replenishments through to IFAD11 (thousands of US\$ equivalent)	IFAD12					
		Instruments deposited			Payments (thousands of US\$ equivalent)		
		Currency	Amount (thousands)	Thousands of US\$ equivalent	Cash	Promissory notes	Total
France	439 615	US\$	106 000	106 000	35 000	-	35 000
Gabon	3 837	US\$	500	500	-	-	-
Gambia (The)	120	US\$	50	50	50	-	50
Georgia	30	-	-	-	-	-	-
Germany	594 544	EUR	88 490	94 904	33 951	-	33 951
Ghana	3 566	US\$	1 942	1 942	1 942	-	1 942
Greece	4 302	EUR	85	89	89	-	89
Grenada	75	US\$	20	20	20	-	20
Guatemala	1 693	US\$	450	450	150	-	150
Guinea	675	US\$	79	79	79	-	79
Guinea-Bissau	30	-	-	-	-	-	-
Guyana	3 268	US\$	238	238	238	-	238
Haiti	197	US\$	220	220	88	-	88
Honduras	801	-	-	-	-	-	-
Hungary	100	-	-	-	-	-	-
Iceland	375	-	-	-	-	-	-
India	216 612	US\$	50 460	50 460	17 153	-	17 153
Indonesia	81 959	US\$	10 000	10 000	3 000	-	3 000
Iran (Islamic Republic of) <sup>e</sup>	128 750	-	-	-	-	-	-
Iraq	56 599	-	-	-	-	-	-
Ireland <sup>d</sup>	46 951	EUR	12 500	13 480	4 587	-	4 587
Israel	481	US\$	25	25	25	-	25
Italy	554 981	EUR	84 000	90 530	27 775	-	27 775
Jamaica	326	-	-	-	-	-	-
Japan <sup>b</sup>	598 416	JPY	6 084 784	46 116	-	46 116	46 116
Jordan	1 240	US\$	133	133	133	-	133
Kazakhstan	80	US\$	17	17	17	-	17
Kenya	6 690	-	-	-	-	-	-
Kiribati	26	-	-	-	-	-	-
Democratic People's Republic of Korea)	800	-	-	-	-	-	-
Republic of Korea	46 139	US\$	13 560	13 560	2 745	-	2 745
Kuwait	218 513	US\$	31 000	31 000	9 300	21 700	31 000
Lao People's Democratic Republic	479	US\$	92	92	92	-	92
Lebanon	495	-	-	-	-	-	-
Lesotho	804	US\$	115	115	115	-	115
Liberia	121	-	-	-	-	-	-
Libyan Arab Jamahiriya	52 000	-	-	-	-	-	-
Luxembourg	12 409	EUR	3 900	1 486	1 486	-	1 486
Madagascar	776	US\$	200	200	200	-	200
Malawi	123	US\$	100	100	100	-	100
Malaysia	1 175	US\$	70	70	-	-	-
Maldives	101	US\$	50	50	50	-	50
Mali	638	US\$	281	281	281	-	281
Malta	55	-	-	-	-	-	-
Mauritania	184	US\$	100	100	-	-	-
Mauritius	285	-	-	-	-	-	-
Mexico	48 131	US\$	1 667	1 667	1 667	-	1 667
Micronesia (Federated States of)	3	US\$	1	1	1	-	1
Republic of Moldova	135	US\$	30	30	30	-	30
Mongolia	215	US\$	10	10	10	-	10
Montenegro	0	US\$	12	12	12	-	12
Morocco	9 544	US\$	800	800	400	400	800

## Appendix G

Member State	Replenishments through to IFAD11 (thousands of US\$ equivalent)	IFAD12					
		Instruments deposited			Payments (thousands of US\$ equivalent)		
		Currency	Amount (thousands)	Thousands of US\$ equivalent	Cash	Promissory notes	Total
Mozambique	655	-	-	-	-	-	-
Myanmar	266	US\$	6	6	6	-	6
Namibia	360	-	-	-	-	-	-
Nepal	419	US\$	75	75	75	-	75
Netherlands (Kingdom of the)	572 830	EUR	72 500	78 590	30 564	-	30 564
New Zealand	17 710	NZD	4 500	2 938	1 041	-	1 041
Nicaragua	619	US\$	150	150	50	-	50
Niger	547	US\$	185	185	185	-	185
Nigeria	138 169	-	-	-	-	-	-
Norway	344 604	NOK	648 000	65 753	21 899	-	21 899
Oman	350	-	-	-	-	-	-
Pakistan	47 930	US\$	10 000	10 000	-	-	-
Panama	449	-	-	-	-	-	-
Papua New Guinea	170	-	-	-	-	-	-
Paraguay	1 756	-	-	-	-	-	-
Peru	2 370	US\$	375	375	375	-	375
Philippines	2 878	US\$	700	700	233	-	233
Portugal	4 384	-	-	-	-	-	-
Qatar	39 980	-	-	-	-	-	-
Romania	350	-	-	-	-	-	-
Russian Federation	21 000	-	-	-	-	-	-
Rwanda	421	US\$	100	100	100	-	100
Saint Kitts and Nevis	20	-	-	-	-	-	-
Saint Lucia	22	-	-	-	-	-	-
Samoa	80	US\$	10	10	10	-	10
Sao Tome and Principe °	11	US\$	20	20	20	-	20
Saudi Arabia	481 078	-	-	-	-	-	-
Senegal	997	-	-	-	-	-	-
Seychelles	200	-	-	-	-	-	-
Sierra Leone	97	US\$	100	100	100	-	100
Solomon Islands	10	-	-	-	-	-	-
Somalia	10	-	-	-	-	-	-
South Africa	1 913	US\$	500	500	500	-	500
South Sudan	10	-	-	-	-	-	-
Spain	102 327	-	-	-	-	-	-
Sri Lanka	11 889	US\$	1	1	1	-	1
Sudan	1 859	-	-	-	-	-	-
Sweden	407 432	SEK	800 000	77 652	26 402	51 250	77 652
Switzerland	260 020	CHF	47 000	50 518	15 931	-	15 931
Syrian Arab Republic	1 817	-	-	-	-	-	-
Tajikistan	5	US\$	2	2	2	-	2
United Republic of Tanzania	806	US\$	120	120	120	-	120
Thailand	2 100	-	-	-	-	-	-
Togo	267	-	-	-	-	-	-
Tonga	55	US\$	50	50	50	-	50
Tunisia	6 528	US\$	1250	1250	409	-	409
Türkiye	28 636	US\$	5 000	5 000	1 000	-	1 000
Uganda	922	US\$	300	300	300	-	300
United Arab Emirates	60 180	US\$	3 000	3 000	1 000	-	1 000
United Kingdom	515 170	-	-	-	-	-	-
United States	1 064 174	US\$	43 000	43 000	43 000	-	43 000
Uruguay	1 125	-	-	-	-	-	-
Uzbekistan	55	US\$	50	50	50	-	50
Venezuela (Bolivarian Republic of)	196 258	-	-	-	-	-	-

Member State	Replenishments through to IFAD11 (thousands of US\$ equivalent)	IFAD12					
		Instruments deposited			Payments (thousands of US\$ equivalent)		
		Currency	Amount (thousands)	Thousands of US\$ equivalent	Cash	Promissory notes	Total
Viet Nam	3 903	US\$	600	600	200	-	200
Yemen	4 348	-	-	-	-	-	-
Yugoslavia	108	-	-	-	-	-	-
Zambia <sup>f</sup>	894	-	-	-	-	-	-
Zimbabwe	2 803	US\$	200	200	200	-	200
<b>Total contributions 31 December 2022</b>	<b>9 082 751</b>			<b>1 043 735</b>	<b>395 203</b>	<b>121 466</b>	<b>516 669</b>
<b>For 2021</b>	<b>9 074 341</b>			<b>973 844</b>	<b>55 834</b>	<b>59 420</b>	<b>115 254</b>

<sup>a</sup> Amounts are expressed in thousands of United States dollars. Consequently, the contribution from Afghanistan (US\$93) does not appear.

<sup>b</sup> Australia's withdrawal from membership of IFAD became effective on 31 July 2007.

<sup>c</sup> See note 6(a).

<sup>d</sup> See notes 7(a) and (b).

<sup>e</sup> In addition to its pledge to the Eighth Replenishment of EUR 6 million, Ireland made a further contribution of EUR 891,000.

<sup>f</sup> Payments include cash and promissory notes. Amounts are expressed in thousands of United States dollars. Thus payments received for less than US\$500 are not shown in appendix G. Consequently, the contribution from Zambia (US\$148) does not appear above.

Table 3  
**SPA: Statement of contributions**  
(As at 31 December 2022)

Donor	Currency	First phase		Second phase		Total
		Instruments deposited		Instruments deposited		
		Amount	Thousands of US\$ equivalent	Amount	Thousands of US\$ equivalent	
Australia	AUD	500	389	-	-	389
Belgium	EUR	31 235	34 975	11 155	12 263	47 238
Denmark	DKK	120 000	18 673	-	-	18 673
Djibouti	US\$	1	1	-	-	1
European Union	EUR	15 000	17 619	-	-	17 619
Finland	EUR	9 960	12 205	-	-	12 205
France	EUR	32 014	37 690	3 811	4 008	41 698
Germany	EUR	14 827	17 360	-	-	17 360
Greece	US\$	37	37	40	40	77
Guinea	US\$	25	25	-	-	25
Ireland	EUR	380	418	253	289	707
Italy	EUR	15 493	23 254	5 132	6 785	30 039
Italy	US\$	10 000	10 000	-	-	10 000
Japan	JPY	2 553 450	21 474	-	-	21 474
Kuwait	US\$	-	-	15 000	15 000	15 000
Luxembourg	EUR	247	266	-	-	266
Mauritania	US\$	25	25	-	-	25
Netherlands (Kingdom of the)	EUR	15 882	16 174	8 848	9 533	25 707
New Zealand	NZD	500	252	-	-	252
Niger	EUR	15	18	-	-	18
Nigeria	US\$	-	-	250	250	250
Norway	NOK	138 000	19 759	-	-	19 759
Spain	US\$	1 000	1 000	-	-	1 000
Sweden	SEK	131 700	19 055	25 000	4 196	23 251
Switzerland	CHF	25 000	17 049	-	-	17 049
United Kingdom	GBP	7 000	11 150	-	-	11 150
United States	US\$	10 000	10 000	10 000	10 000	20 000
<b>31 December 2022</b>			<b>288 868</b>		<b>62 364</b>	<b>351 232</b>
31 December 2021			288 868		62 364	351 232



Table 4  
**Statement of Members' contributions received in 2022**  
 As at 31 December 2022  
 (Thousands of United States dollars)

<i>Member State</i>	<i>Instruments deposited<sup>a,b</sup></i>	<i>Promissory note deposit<sup>b</sup></i>	<i>Payments</i>	
			<i>Cash</i>	<i>Promissory note encashment</i>
<b>IFAD3</b>				
Libya				2 000
<b>Total IFAD3</b>	-	-	-	<b>2 000</b>
<b>IFAD9</b>				
Nigeria			4 502	-
<b>Total IFAD9</b>	-	-	<b>4 502</b>	-
<b>IFAD10</b>				
Democratic Republic of the Congo	100	-	100	-
Dominican Republic	-	-	14	-
Nigeria	-	-	1 710	-
<b>TOTAL IFAD10</b>	<b>100</b>	-	<b>1 824</b>	-
<b>IFAD11</b>				
Democratic Republic of the Congo	100	-	100	-
Dominican Republic	-	-	150	-
Ecuador	-	-	150	-
Fiji	-	-	25	-
Guatemala	-	-	75	-
Japan	-	-	-	13 833
Kenya	-	-	136	-
Pakistan	-	-	3 217	-
Tunisia	-	-	698	-
Uganda	-	-	7	-
<b>Total IFAD11</b>	<b>100</b>	-	<b>4 558</b>	<b>13 833</b>
<b>IFAD12</b>				
Algeria	500	-	250	-
Argentina	-	-	833	-
Armenia	-	-	5	-
Austria	-	-	6 050	-
Azerbaijan	-	-	10	-
Bosnia and Herzegovina	-	-	53	-
Canada	29 467	-	20 245	-
China	-	-	31 366	-
Colombia	-	-	60	-
Congo	-	-	95	-
Democratic Republic of the Congo	500	-	500	-
Cyprus	-	-	20	-
Egypt	-	-	3 000	-
El Salvador	-	-	100	-
Eswatini	-	-	40	-
Ethiopia	100	-	30	-
Finland	-	-	5 671	-
France	-	-	35 000	-
Germany	-	25 570	-	23 892
Ghana	-	-	1 940	-
Greece	-	-	89	-
Grenada	-	-	20	-
Guatemala	-	-	150	-
Guinea	-	-	79	-
Haiti	-	-	88	-
India	3 460	-	17 153	-
Indonesia	-	-	3 000	-
Ireland	-	-	4 587	-
Israel	-	-	25	-
Italy	-	-	27 775	-
Japan	-	23 004	-	-
Jordan	-	-	67	-
Kazakhstan	-	-	10	-
Republic of Korea	13 560	-	2 745	-
Kuwait	-	-	-	9 300

Appendix G

Luxembourg	-	-	1 486	-
Madagascar	-	-	97	-
Malaysia	70	-	-	-
Micronesia (Federated States of)	-	-	1	-
Republic of Moldova	30	-	30	-
Mongolia	-	-	10	-
Morocco	800	400	400	-
Myanmar	-	-	6	-
Netherlands (Kingdom of the)	-	-	30 564	-
New Zealand	3 068	-	1 041	-
Nicaragua	-	-	50	-
Norway	14 064	-	21 899	-
Peru	375	-	375	-
Philippines	-	-	233	-
Samoa	-	-	10	-
Sao Tome and Principe	-	-	5	-
South Africa	-	-	500	-
Sweden	-	87 167	-	26 402
Switzerland	-	-	15 931	-
Tajikistan	-	-	2	-
United Republic of Tanzania	-	-	120	-
Tonga	-	-	50	-
Tunisia	1 250	-	409	-
Türkiye	-	-	1 000	-
Uganda	-	-	300	-
United Arab Emirates	-	-	1 000	-
United States	-	-	43 000	-
Viet Nam	-	-	200	-
<b>Total IFAD12</b>	<b>67 244</b>	<b>136 141</b>	<b>279 775</b>	<b>59 594</b>
<b>Grand total</b>	<b>67 444</b>	<b>136 141</b>	<b>290 659</b>	<b>75 427</b>

<sup>a</sup> Instruments deposited also include equivalent instruments recorded on receipt of cash or promissory note where no instrument of contribution has been received.

<sup>b</sup> Instruments deposited and promissory note deposits received in currencies other than United States dollars are translated at the date of receipt.

## Statement of loans

Table 1  
**Statement of outstanding loans**  
 (As at 31 December 2022 and 2021)  
 (Amounts expressed in thousands)

<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>
<b>US\$ loans</b>					
Angola	55 545	19 869	35 676	-	19 869
Argentina	25 400	7 738	17 662	1 230	6 508
Bangladesh	239 403	118 042	121 361	25 500	92 542
Belize	8 000	3 619	4 381	534	3 085
Benin	11 080	-	11 080	-	-
Bhutan	19 216	4 157	15 059	-	4 157
Bolivia (Plurinational State of)	23 600	1 500	22 100	-	1 500
Brazil	48 000	-	48 000	-	-
Burkina Faso	19 000	15 758	3 242	-	15 758
Burundi	12 750	500	12 250	-	500
Cabo Verde	2 003	2 003	-	1 702	301
Cambodia	159 446	61 248	98 198	-	61 248
Cameroon	1 100	1 100	-	-	1 100
Central African Republic	8 050	1 602	6 448	-	1 602
China	286 500	101 080	185 420	2 650	98 430
Côte d'Ivoire	36 889	16 793	20 096	-	16 793
Democratic Republic of the Congo	71 840	1 300	70 540	-	1 300
Djibouti	16 401	9 513	6 888	288	9 225
Dominican Republic	24 030	2 424	21 606	-	2 424
Ecuador	45 426	1 958	43 468	-	1 958
Eswatini	8 950	4 310	4 640	-	4 310
Gambia (The)	4 255	1 318	2 937	-	1 318
Ghana	99 000	18 526	80 474	-	18 526
Grenada	6 400	4 661	1 739	-	4 661
Guatemala	11 330	-	11 330	-	-
Guinea	36 950	9 171	27 779	-	9 171
Guinea-Bissau	13 990	3 378	10 612	-	3 378
Guyana	7 960	3 995	3 965	597	3 398
Haiti	3 500	3 500	-	3 019	481
Honduras	16 330	160	16 170	-	160
India	324 745	39 834	284 911	1 172	38 662
Indonesia	95 185	50 755	44 430	-	50 755
Iraq	15 730	1 000	14 730	-	1 000
Jordan	8 400	6 533	1 867	840	5 693
Kenya	40 000	19 556	20 444	-	19 556
Lao People's Democratic Republic	13 235	-	13 235	-	-
Lebanon	4 900	-	4 900	-	-
Liberia	72 643	18 971	53 672	-	18 971
Madagascar	61 000	-	61 000	-	-
Malawi	51 000	15 086	35 914	-	15 086
Maldives	3 285	420	2 865	-	420
Mauritania	4 740	1 450	3 290	-	1 450
Mexico	45 492	9 226	36 266	1 716	7 510
Mozambique	17 000	6 888	10 112	-	6 888
Myanmar	8 984	2 750	6 234	-	2 750
Nepal	109 210	18 090	91 120	9 810	8 280
Nicaragua	21 034	17 854	3 180	-	17 854
Niger	80 000	-	80 000	-	-
Nigeria	189 070	44 316	144 754	-	44 316
Pakistan	194 100	121 389	72 711	-	121 389
Papua New Guinea	25 500	7 700	17 800	638	7 062
Paraguay	10 000	5 987	4 013	334	5 653
Peru	24 000	5 710	18 290	-	5 710
Philippines	70 519	20 394	50 125	1 184	19 210
Republic of Moldova	18 200	12 261	5 939	910	11 351
Rwanda	3 740	-	3 740	-	-
Sierra Leone	40 200	15 330	24 870	-	15 330
South Sudan	1 900	180	1 720	-	180
Sri Lanka	108 100	41 764	66 336	12 340	29 424
Tajikistan	22 080	10 016	12 064	-	10 016
Togo	15 561	-	15 561	-	-
Tonga	900	200	700	-	200
Türkiye	8 200	7 855	345	-	7 855
Uganda	75 820	14 347	61 473	-	14 347
United Republic of Tanzania	68 338	12 796	55 542	8 184	4 612

## Appendix H

<i>Borrower or guarantor</i>	<i>Approved loans less cancellations</i>	<i>Disbursed portion</i>	<i>Undisbursed portion</i>	<i>Repayments</i>	<i>Outstanding loans</i>
Uzbekistan	92 400	45 120	47 280	-	45 120
Viet Nam	85 500	26 959	58 541	2 125	24 834
Zambia	14 479	6 609	7 870	-	6 609
Zimbabwe	72 840	1 390	71 450	-	1 390
<b>Subtotal US\$<sup>a</sup></b>	<b>3 440 374</b>	<b>1 027 959</b>	<b>2 412 415</b>	<b>74 773</b>	<b>953 186</b>
<b>EUR loans</b>					
Angola	26 200	6 836	19 364	-	6 836
Argentina	22 680	13 404	9 276	3 024	10 380
Bangladesh	71 850	60 860	10 990	-	60 860
Benin	55 120	7 237	47 883	-	7 237
Bosnia and Herzegovina	22 907	14 167	8 740	1 482	12 685
Burkina Faso	64 885	19 899	44 986	-	19 899
Cameroon	48 736	-	48 736	-	-
Chad	10 795	1 144	9 651	-	1 144
China	70 099	70 099	-	8 817	61 282
Comoros	5 830	1 053	4 777	-	1 053
Congo	6 600	-	6 600	-	-
Côte d'Ivoire	15 640	830	14 810	-	830
Cuba	24 100	8 421	15 679	501	7 920
Ecuador	1 772	1 772	-	-	1 772
Egypt	160 890	31 765	129 125	13 400	18 365
El Salvador	10 850	7 636	3 214	-	7 636
Eswatini	8 550	6 899	1 651	1 425	5 474
Gabon	5 431	1 913	3 518	-	1 913
Georgia	16 000	8 585	7 415	-	8 585
Indonesia	167 800	67 519	100 281	-	67 519
Jordan	11 350	3 108	8 242	-	3 108
Kenya	101 011	15 199	85 812	-	15 199
Lesotho	14 010	2 101	11 909	-	2 101
Madagascar	89 050	-	89 050	-	-
Mali	72 920	4 574	68 346	-	4 574
Mauritania	5 000	-	5 000	-	-
Mexico	1 297	1 297	-	324	973
Montenegro	3 880	3 700	180	647	3 053
Morocco	72 465	20 891	51 574	-	20 891
Niger	65 270	10 977	54 293	-	10 977
Pakistan	74 090	-	74 090	-	-
Paraguay	15 800	3 704	12 096	527	3 177
Philippines	50 110	39 181	10 929	12 604	26 577
Republic of Moldova	18 939	261	18 678	-	261
Rwanda	28 910	-	28 910	-	-
Sao Tome and Principe	970	727	243	-	727
Senegal	111 875	20 690	91 185	-	20 690
Sudan	11 300	1 830	9 470	-	1 830
Togo	15 780	2 353	13 427	-	2 353
Tunisia	42 350	7 938	34 412	-	7 938
Türkiye	70 194	14 332	55 862	1 587	12 745
<b>Subtotal EUR</b>	<b>1 693 306</b>	<b>482 902</b>	<b>1 210 405</b>	<b>44 338</b>	<b>438 564</b>
<b>US\$ equivalent</b>	<b>1 807 181</b>	<b>515 376</b>	<b>1 291 805</b>	<b>47 318</b>	<b>468 058</b>
<b>SDR loans<sup>a</sup></b>					
Albania	34 462	34 462	-	16 172	18 290
Angola	24 400	24 086	314	8 098	15 988
Argentina	16 858	16 858	-	13 643	3 215
Armenia	60 942	60 942	-	19 447	41 495
Azerbaijan	43 931	43 931	-	11 917	32 014
Bangladesh	438 220	437 386	834	143 047	294 339
Belize	1 847	1 847	-	1 386	461
Benin	94 190	87 648	6 542	38 741	48 907
Bhutan	38 492	38 425	67	13 700	24 725
Bolivia (Plurinational State of)	72 492	70 998	1 494	28 972	42 026
Bosnia and Herzegovina	45 686	45 686	-	17 449	28 237
Botswana	842	842	-	627	215
Brazil	110 034	110 025	9	52 581	57 444
Burkina Faso	83 846	83 838	8	31 504	52 334
Burundi	40 859	40 859	-	21 782	19 077
Cabo Verde	24 691	21 891	2 800	5 820	16 071
Cambodia	62 365	62 360	5	10 948	51 412
Cameroon	119 000	87 979	31 021	16 642	71 337
Central African Republic	26 215	26 215	-	14 392	11 823
Chad	18 138	18 138	-	5 170	12 968
China	515 741	515 741	-	238 390	277 351
Colombia	32 024	32 022	2	16 459	15 563
Comoros	5 292	5 291	1	2 537	2 754



## Appendix H

<i>Borrower or guarantor</i>	<i>Approved loans less cancellations</i>	<i>Disbursed portion</i>	<i>Undisbursed portion</i>	<i>Repayments</i>	<i>Outstanding loans</i>
Congo	22 080	21 957	123	3 583	18 374
Democratic Republic of the Congo	50 370	44 516	5 854	19 335	25 181
Côte d'Ivoire	21 117	21 117	-	7 950	13 167
Cuba	6 850	6 840	10	2 055	4 785
Djibouti	7 146	7 146	-	2 176	4 970
Dominica	1 146	1 146	-	920	226
Dominican Republic	17 902	17 902	-	8 875	9 027
Ecuador	26 610	25 522	1 088	11 563	13 959
Egypt	176 877	176 172	705	93 016	83 156
El Salvador	45 265	45 265	-	22 924	22 341
Equatorial Guinea	5 794	5 794	-	5 135	659
Eritrea	29 142	24 240	4 902	9 318	14 922
Eswatini	3 473	3 473	-	2 154	1 319
Ethiopia	416 527	370 993	45 534	70 316	300 677
Gabon	3 529	3 529	-	2 810	719
Gambia (The)	34 187	34 187	-	14 532	19 655
Georgia	30 370	30 370	-	9 455	20 915
Ghana	182 125	175 231	6 894	45 886	129 345
Grenada	1 632	1 632	-	930	702
Guatemala	15 366	15 366	-	14 911	455
Guinea	64 160	64 160	-	33 356	30 804
Guinea-Bissau	8 487	8 487	-	3 846	4 641
Guyana	8 522	8 522	-	3 888	4 634
Haiti	58 463	58 463	-	29 615	28 848
Honduras	87 603	85 566	2 037	34 256	51 310
India	595 543	568 229	27 314	236 905	331 324
Indonesia <sup>b</sup>	155 017	155 017	-	60 455	94 562
Jordan	14 432	14 431	1	7 948	6 483
Kenya	173 090	159 434	13 656	28 574	130 860
Democratic People's Republic of Korea	50 496	50 496	-	10 539	39 957
Kyrgyzstan	43 934	25 011	18 923	3 686	21 325
Lao People's Democratic Republic	65 202	54 839	10 363	21 921	32 918
Lebanon	2 406	2 406	-	1 183	1 223
Lesotho	30 606	30 091	515	11 279	18 812
Liberia	27 296	22 399	4 897	3 037	19 362
Madagascar <sup>b</sup>	197 432	174 642	22 790	42 686	131 956
Malawi <sup>b</sup>	168 680	103 493	65 187	37 500	65 993
Maldives	10 793	10 793	-	4 666	6 127
Mali	137 964	135 532	2 432	43 399	92 133
Mauritania	49 545	49 545	-	20 225	29 320
Mauritius	1 205	1 205	-	1 034	171
Mexico	32 352	31 077	1 275	20 550	10 527
Mongolia	27 169	27 105	64	5 709	21 396
Morocco	46 758	46 071	687	27 519	18 552
Mozambique	143 413	143 330	83	48 310	95 020
Myanmar	52 550	16 884	35 666	-	16 884
Nepal	118 702	96 493	22 209	42 160	54 333
Nicaragua	49 474	49 474	-	16 263	33 211
Niger	90 916	89 432	1 484	18 112	71 320
Nigeria	212 379	187 134	25 245	29 622	157 512
Pakistan	324 733	271 429	53 304	96 392	175 037
Papua New Guinea	23 450	23 186	264	3 259	19 927
Paraguay	16 298	16 298	-	5 522	10 776
Peru	47 423	45 356	2 067	11 190	34 166
Philippines	83 100	80 544	2 556	31 444	49 100
Republic of Moldova	55 612	55 612	-	9 708	45 904
Rwanda <sup>b</sup>	194 497	176 687	17 810	39 060	137 627
Samoa	1 908	1 908	-	1 198	710
Sao Tome and Principe	13 747	13 747	-	6 681	7 066
Senegal	112 445	109 317	3 128	28 349	80 968
Seychelles	1 980	1 875	105	990	885
Sierra Leone	45 736	45 736	-	18 059	27 677
Solomon Islands	4 069	4 069	-	1 690	2 379
Somalia <sup>b</sup>	16 900	16 900	-	2 525	14 375
Sri Lanka	156 846	154 756	2 090	52 562	102 194
Sudan	145 606	145 603	3	77 002	68 601
Syrian Arab Republic	15 220	12 928	2 292	5 180	7 748
Tajikistan	6 200	6 200	-	-	6 200
North Macedonia	11 721	11 721	-	5 523	6 198
Togo	24 583	22 226	2 357	11 414	10 812
Tonga	5 929	5 833	96	2 795	3 038
Tunisia	33 290	32 304	986	17 324	14 980
Türkiye	43 116	43 115	1	26 472	16 643

## Appendix H

<i>Borrower or guarantor</i>	<i>Approved loans less cancellations</i>	<i>Disbursed portion</i>	<i>Undisbursed portion</i>	<i>Repayments</i>	<i>Outstanding loans</i>
Uganda	322 100	246 437	75 663	68 786	177 651
United Republic of Tanzania	225 249	225 249	-	59 157	166 092
Uruguay	2 081	2 081	-	717	1 364
Uzbekistan	22 922	20 245	2 677	2 224	18 021
Venezuela (Bolivarian Republic of)	10 450	10 450	-	8 846	1 604
Viet Nam	216 205	216 205	-	44 132	172 073
Yemen	138 389	138 389	-	48 917	89 472
Zambia	128 831	128 795	36	41 813	86 982
Zimbabwe	8 818	8 818	-	4 770	4 048
<b>Subtotal SDR</b>	<b>8 192 118</b>	<b>7 663 648</b>	<b>528 470</b>	<b>2 659 212</b>	<b>5 004 436</b>
IFAD Fund for Gaza and the West Bank <sup>c</sup>	2 513	2 513	-	1 273	1 240
<b>Total SDR</b>	<b>8 194 631</b>	<b>7 666 161</b>	<b>528 470</b>	<b>2 660 485</b>	<b>5 005 676</b>
<b>US\$ equivalent</b>	<b>10 941 492</b>	<b>10 235 878</b>	<b>705 614</b>	<b>3 552 286</b>	<b>6 683 592</b>

**Total outstanding loans as at 31 December 2022**

<b>US\$</b>	<b>16 189 047</b>	<b>11 779 213</b>	<b>4 409 834</b>	<b>3 674 377</b>	<b>8 104 836</b>
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Other receivables					25 702
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**Total Loans Receivables**

<b>as at 31 December 2022 US\$</b>					<b>8 130 538</b>
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**Total outstanding loans as at 31 December 2021**

<b>US\$</b>	<b>16 108 265</b>	<b>11 631 798</b>	<b>4 476 462</b>	<b>3 557 810</b>	<b>8 073 993</b>
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Other receivables					18 300
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**Total Loans Receivables**

<b>as at 31 December 2021 US\$</b>					<b>8 092 293</b>
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<sup>a</sup> Loans in SDR and, for purposes of presentation in the balance sheet, the accumulated amount of loans denominated in SDR has been valued at the US\$/SDR rate of 1.335 at 31 December 2022. Loans denominated in EUR have been valued at the US\$/EUR rate of 0.937 at 31 December 2022.

<sup>b</sup> Repayment amounts include participation by Belgium, Italy, Sweden, the Kingdom of the Netherlands and Norway in specific loans to these countries, resulting in partial early repayment and a corresponding increase in committable resources.

<sup>c</sup> The amount of the loan to the IFAD Fund for Gaza and the West Bank is included in the above balance. See note 2(h)(ii).

Table 2  
**Summary of loans approved at nominal value by year**  
 (As at 31 December 2022)

Year	Currency	Approved loans in thousands of Denomination				Value in thousands of US\$				
		As at 1 January 2022	Effective/ (Reductions/ Cancellations) 2022	Loans fully repaid	As at 31 December 2022	As at 1 January 2022	Effective/ (Reductions/ Cancellations) 2022	Loans fully repaid	Exchange rate movement SDR/US\$	As at 31 December 2022
1978	US\$	68 530	-	-	68 530	68 530	-	-	-	68 530
2016	US\$	188 867	(24 299)	-	164 568	188 867	(24 299)	-	-	164 568
2017	US\$	652 173	(35 130)	-	617 043	652 173	(35 130)	-	-	617 043
2018	US\$	662 837	(8 042)	-	654 795	662 837	(8 042)	-	-	654 795
2019	US\$	386 451	-	-	386 451	386 451	-	-	-	386 451
2020	US\$	412 095	-	-	412 095	412 095	-	-	-	412 095
2021	US\$	473 489	-	-	473 489	473 489	-	-	-	473 489
2022	US\$	-	663 401	-	663 401	-	663 401	-	-	663 401
1979	SDR	201 485	-	-	201 485	282 488	-	-	(13 465)	269 023
1980	SDR	176 647	-	-	176 647	247 665	-	-	(11 805)	235 860
1981	SDR	182 246	-	-	182 246	255 516	-	-	(12 180)	243 336
1982	SDR	103 109	-	-	103 109	144 563	-	-	(6 891)	137 672
1983	SDR	132 091	-	-	132 091	185 195	-	-	(8 827)	176 368
1984	SDR	131 907	-	-	131 907	184 938	-	-	(8 816)	176 122
1985	SDR	59 522	-	-	59 522	83 452	-	-	(3 978)	79 474
1986	SDR	23 663	-	-	23 663	33 176	-	-	(1 581)	31 595
1987	SDR	60 074	-	-	60 074	84 226	-	-	(4 015)	80 211
1988	SDR	52 100	-	-	52 100	73 047	-	-	(3 482)	69 565
1989	SDR	86 206	-	-	86 206	120 864	-	-	(5 762)	115 102
1990	SDR	40 064	-	-	40 064	56 171	-	-	(2 677)	53 494
1991	SDR	98 025	-	-	98 025	137 435	-	-	(6 551)	130 884
1992	SDR	79 888	-	-	79 888	112 005	-	-	(5 339)	106 666
1993	SDR	122 240	-	-	122 240	171 385	-	-	(8 170)	163 215
1994	SDR	122 598	-	-	122 598	171 886	-	-	(8 193)	163 693
1995	SDR	149 100	-	-	149 100	209 042	-	-	(9 964)	199 078
1996	SDR	178 369	-	-	178 369	250 080	-	-	(11 921)	238 159
1997	SDR	219 073	-	-	219 073	307 147	-	-	(14 640)	292 507
1998	SDR	203 208	-	-	203 208	284 904	-	-	(13 580)	271 324
1999	SDR	240 196	-	-	240 196	336 765	-	-	(16 053)	320 712
2000	SDR	237 216	-	-	237 216	332 585	-	-	(15 853)	316 732
2001	SDR	245 034	-	(10 955)	234 079	343 546	-	(14 627)	(16 376)	312 543
2002	SDR	202 769	-	(12 466)	190 303	284 288	-	(16 645)	(13 551)	254 092
2003	SDR	223 470	-	(12 377)	211 093	313 312	-	(16 525)	(14 935)	281 852
2004	SDR	247 518	-	(13 293)	234 225	347 028	-	(17 748)	(16 542)	312 738
2005	SDR	306 516	-	-	306 516	429 746	-	-	(20 485)	409 261
2006	SDR	308 977	-	-	308 977	433 196	-	-	(20 649)	412 547
2007	SDR	255 008	(14)	-	254 994	357 530	(19)	-	(17 042)	340 469
2008	SDR	250 854	(11)	-	250 843	351 705	(15)	-	(16 765)	334 925
2009	SDR	255 041	-	-	255 041	357 575	-	-	(17 044)	340 531
2010	SDR	408 542	(17 611)	-	390 931	572 790	(23 515)	-	(27 303)	521 972
2011	SDR	447 654	(3 080)	-	444 574	627 626	(4 112)	-	(29 917)	593 597
2012	SDR	380 035	(3 831)	-	376 204	532 821	(5 115)	-	(25 398)	502 308
2013	SDR	317 886	(236)	-	317 650	445 686	(315)	-	(21 244)	424 127
2014	SDR	302 273	(149)	-	302 124	423 795	(197)	-	(20 201)	403 397
2015	SDR	443 862	(2 704)	-	441 158	622 308	(3 610)	-	(29 663)	589 035
2016	SDR	183 108	(8 255)	-	174 853	256 723	(11 025)	-	(12 236)	233 462
2017	SDR	216 630	-	-	216 630	303 722	-	-	(14 477)	289 245
2018	SDR	26 090	-	-	26 090	36 578	-	-	(1 743)	34 835
2019	SDR	244 788	-	-	244 788	343 200	-	-	(16 358)	326 842
2020	SDR	61 907	-	-	61 907	86 795	-	-	(4 137)	82 658
2021	SDR	31 574	-	-	31 574	44 268	-	-	(2 110)	42 158
2022	SDR	-	21 050	-	21 050	-	28 106	-	-	28 106
2014	EUR	82 055	-	-	82 055	93 313	-	-	(5 740)	87 573
2015	EUR	246 894	-	-	246 894	280 767	-	-	(17 269)	263 498
2016	EUR	95 790	-	-	95 790	108 932	-	-	(6 701)	102 231
2017	EUR	92 230	-	-	92 230	104 884	-	-	(6 452)	98 432
2018	EUR	116 558	-	-	116 558	132 550	-	-	(8 153)	124 397
2019	EUR	510 220	-	-	510 220	580 222	-	-	(35 690)	544 532
2020	EUR	157 386	(5 080)	-	152 306	178 979	(6 783)	-	(9 647)	162 549
2021	EUR	180 621	-	-	180 621	205 402	-	-	(12 634)	192 768
2022	EUR	-	216 632	-	216 632	-	231 201	-	-	231 201
<b>Total US\$</b>		<b>2 844 442</b>	<b>595 930</b>	<b>-</b>	<b>3 440 372</b>	<b>2 844 442</b>	<b>595 930</b>	<b>-</b>	<b>-</b>	<b>3 440 372</b>
<b>Total SDR</b>		<b>8 258 563</b>	<b>(14 841)</b>	<b>(49 091)</b>	<b>8 194 631</b>	<b>11 578 773</b>	<b>(19 817)</b>	<b>(65 545)</b>	<b>(551 919)</b>	<b>10 941 492</b>
<b>Total EUR</b>		<b>1 481 754</b>	<b>211 552</b>	<b>-</b>	<b>1 693 306</b>	<b>1 685 050</b>	<b>224 418</b>	<b>-</b>	<b>(102 286)</b>	<b>1 807 181</b>
<b>Totals</b>		<b>12 584 759</b>	<b>792 641</b>	<b>(49 091)</b>	<b>13 328 309</b>	<b>16 108 265</b>	<b>800 531</b>	<b>(65 545)</b>	<b>(654 205)</b>	<b>16 189 045</b>

Table 3

**Maturity structure of outstanding loans by period at nominal value**

(As at 31 December 2022 and 2021)

(Thousands of United States dollars)

<i>Period due</i>	<i>2022</i>	<i>2021</i>
Less than 1 year	489 577	474 658
1-2 years	434 614	409 868
2-3 years	454 214	455 473
3-4 years	473 629	460 138
4-5 years	459 888	454 762
5-10 years	2 135 499	2 112 272
10-15 years	1 493 752	1 514 265
15-20 years	1 074 461	1 095 714
20-25 years	678 876	683 462
More than 25 years	410 326	413 381
<b>Total</b>	<b>8 104 836</b>	<b>8 073 993</b>

Table 4

**Summary of outstanding loans by lending type at nominal value**

(As at 31 December 2022 and 2021)

(Thousands of United States dollars)

<i>Lending type</i>	<i>2022</i>	<i>2021</i>
Highly concessional terms	6 420 825	6 530 647
Hardened terms	33 680	39 155
Intermediate terms	159 593	189 492
Ordinary terms	956 842	889 861
Blended terms	533 896	424 838
<b>Total</b>	<b>8 104 836</b>	<b>8 073 993</b>

Table 5

**Disbursement structure of undisbursed loans at nominal value**

(Projected as at 31 December 2022 and 2021)

(Thousands of United States dollars)

<i>Disbursements in:</i>	<i>2022</i>	<i>2021</i>
Less than 1 year	933 065	930 285
1-3 years	1 545 888	1 539 862
3-5 years	1 084 365	1 242 677
5-10 years	846 516	763 638
<b>Total</b>	<b>4 409 834</b>	<b>4 476 462</b>



## Special Programme for sub-Saharan African Countries Affected by Drought and Desertification

Table 1  
Statement of loans at nominal value  
(As at 31 December 2022 and 2021)

<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>
<b>SDR loans (thousands)</b>					
Angola	2 714	2 714	-	1 545	1 169
Burkina Faso	10 546	10 546	-	6 472	4 074
Burundi	4 494	4 494	-	2 146	2 348
Cabo Verde	2 183	2 183	-	1 223	960
Chad	9 617	9 617	-	5 558	4 059
Comoros	2 289	2 289	-	1 374	915
Djibouti	114	114	-	67	47
Ethiopia	6 660	6 660	-	4 112	2 548
Gambia (The)	2 638	2 638	-	1 517	1 121
Ghana	22 321	22 321	-	12 311	10 010
Guinea	10 762	10 762	-	6 457	4 305
Guinea-Bissau	2 126	2 126	-	1 382	744
Kenya	12 241	12 241	-	6 414	5 827
Lesotho	7 481	7 481	-	4 205	3 276
Madagascar	1 098	1 098	-	640	458
Malawi	5 777	5 777	-	2 745	3 032
Mali	10 193	10 193	-	6 366	3 827
Mauritania	19 020	19 020	-	11 503	7 517
Mozambique	8 291	8 291	-	5 286	3 005
Niger	11 119	11 119	-	6 895	4 224
Senegal	23 234	23 234	-	13 088	10 146
Sierra Leone	1 505	1 505	-	753	752
Sudan	26 012	26 012	-	14 341	11 671
Uganda	8 124	8 124	-	5 077	3 047
United Republic of Tanzania	6 789	6 789	-	3 904	2 885
Zambia	8 607	8 607	-	5 336	3 271
<b>Total</b>	<b>225 955</b>	<b>225 955</b>	<b>-</b>	<b>130 717</b>	<b>95 238</b>
<b>Total outstanding loans as at 31 December 2022 - US\$ equivalent</b>					
	<b>301 696</b>	<b>301 696</b>	<b>-</b>	<b>174 534</b>	<b>127 162</b>
Other receivables					459
<b>Total Loans Receivables as at 31 December 2022 US\$</b>					<b>127 621</b>
<b>Total outstanding loans as at 31 December 2021 US\$</b>					
					<b>141 331</b>
Other receivables					437
<b>Total Loans Receivables as at 31 December 2021 US\$</b>					<b>141 768</b>

Table 2  
**Summary of loans by year approved at nominal value**  
 (As at 31 December 2022)

Year		Approved loans in thousands of SDR			Value in thousands of US\$			
		As at 1 January 2022	Loans cancelled	As at 31 December 2022	As at 1 January 2022	Loans cancelled	Exchange rate movement SDR/US\$	As at 31 December 2022
1986	SDR	24 902	-	24 902	34 914	-	(1 664)	33 250
1987	SDR	41 292	-	41 292	57 892	-	(2 759)	55 133
1988	SDR	34 770	-	34 770	48 749	-	(2 324)	46 425
1989	SDR	25 756	-	25 756	36 111	-	(1 722)	34 389
1990	SDR	17 370	-	17 370	24 353	-	(1 161)	23 192
1991	SDR	18 245	-	18 246	25 581	-	(1 219)	24 362
1992	SDR	6 952	-	6 952	9 747	-	(465)	9 282
1993	SDR	34 267	-	34 268	48 045	-	(2 290)	45 755
1994	SDR	16 320	-	16 320	22 882	-	(1 091)	21 791
1995	SDR	6 081	-	6 082	8 527	-	(406)	8 121
<b>Total</b>	<b>SDR</b>	<b>225 955</b>	<b>-</b>	<b>225 958</b>	<b>316 801</b>	<b>-</b>	<b>(15 101)</b>	<b>301 700</b>

Table 3  
**Maturity structure of outstanding loans by period**  
 (As at 31 December 2022 and 2021)  
 (Thousands of United States dollars)

Period due	2022	2021
Less than 1 year	8 399	8 479
1-2 years	7 756	8 145
2-3 years	7 756	8 145
3-4 years	7 756	8 145
4-5 years	7 756	8 145
5-10 years	38 783	40 723
10-15 years	34 459	38 438
15-20 years	13 443	18 690
20-25 years	1 054	2 421
<b>Total</b>	<b>127 162</b>	<b>141 331</b>

Table 4  
**Summary of outstanding loans by lending type**  
 (As at 31 December 2022 and 2021)  
 (Thousands of US\$)

Lending type	2022	2021
Highly concessional terms	127 162	141 331
<b>Total</b>	<b>127 162</b>	<b>141 331</b>

## Summary of IFAD and SPA loan balances

IFAD	US\$ thousands	
	2022	2021
Approved loans	16 189 047	16 108 265
Undisbursed balance	(4 409 834)	(4 476 462)
Repayments	(3 674 377)	(3 557 810)
	<b>8 104 836</b>	<b>8 073 993</b>
Interest/principal receivable	25 702	18 300
<b>Loans outstanding</b>	<b>8 130 538</b>	<b>8 092 293</b>

SPA	US\$ thousands	
	2022	2021
Approved loans	301 696	316 797
Undisbursed balance	-	-
Repayments	(174 534)	(175 466)
	<b>127 162</b>	<b>141 331</b>
Interest/principal receivable	459	437
<b>Loans outstanding</b>	<b>127 621</b>	<b>141 768</b>

IFAD and SPA	US\$ thousands	
	2022	2021
Approved loans	16 490 743	16 425 061
Undisbursed balance	(4 409 834)	(4 476 462)
Repayments	(3 848 911)	(3 733 276)
	<b>8 231 998</b>	<b>8 215 323</b>
Interest/principal receivable	26 161	18 737
<b>Loans outstanding</b>	<b>8 258 159</b>	<b>8 234 060</b>

## Statement of grants

(As at 31 December 2022 and 2021)

(Thousands of United States dollars)

	<i>Undisbursed as at 1 January 2022</i>	<i>2022 movements</i>			<i>Exchange rate</i>	<i>Undisbursed as at 31 December 2022</i>
		<i>Disbursable</i>	<i>Disbursements</i>	<i>Cancellations</i>		
Grants 2022	103 516	8 230	(33 348)	(1 971)	(1 472)	<b>74 955</b>
Grants 2021	119 751	32 317	(44 365)	(2 819)	(1 368)	<b>103 516</b>



## IFAD-only Debt Sustainability Framework

(As at 31 December 2022 and 2021)

(Thousands of United States dollars)

<i>Borrower or guarantor</i>	<i>Undisbursed as at 1 January 2022</i>	<i>Effective/ (cancellations) 2022</i>	<i>Disbursements 2022</i>	<i>Undisbursed as at 31 December 2022</i>
<b>DSF projects denominated in EUR</b>				
Benin	9 140	6 925	(2 319)	13 746
Chad	42 711	-	(12 405)	30 306
Comoros	-	680	(370)	310
Mali	12 281	-	(2 054)	10 227
Niger	23 564	-	(2 583)	20 981
Sao Tome and Principe	2 911	-	(1 119)	1 792
Sudan	53 817	-	(7 505)	46 312
Togo	1 792	-	(109)	1 683
<b>Grand total</b>	<b>146 216</b>	<b>7 605</b>	<b>(28 464)</b>	<b>125 357</b>
<b>US\$ equivalent</b>	<b>156 049</b>	<b>8 116</b>	<b>(30 378)</b>	<b>133 787</b>
<b>DSF projects denominated in US\$</b>				
Afghanistan	32 211	-	-	32 211
Bhutan	800	-	-	800
Burkina Faso	7 286	-	(3 552)	3 734
Burundi	-	8 000	(1 000)	7 000
Central African Republic	18 195	17 760	(5 240)	30 715
Democratic Republic of the Congo	-	9 860	(457)	9 403
France	39	-	-	39
Gambia (The)	14 711	-	(3 132)	11 579
Guinea	10 016	-	(6 184)	3 832
Guinea-Bissau	4 576	-	(293)	4 283
Haiti	11 000	14 000	(3 308)	21 692
Kiribati	1 856	-	(1 331)	525
Liberia	15 425	540	(4 378)	11 587
Malawi	10 542	-	(4 631)	5 911
Maldives	1 011	-	(215)	796
Mauritania	16 836	-	(2 832)	14 004
Mozambique	114 690	-	(19 047)	95 643
Samoa	3 323	-	(125)	3 198
Sierra Leone	9 300	-	(3 099)	6 201
South Sudan	-	7 900	(720)	7 180
Tajikistan	10 497	-	(4 049)	6 448
Tonga	3 100	-	(242)	2 858
<b>Grand total</b>	<b>285 414</b>	<b>58 060</b>	<b>(63 835)</b>	<b>279 639</b>
<b>DSF projects denominated in SDR</b>				
Afghanistan	25 746	-	(1 039)	24 707
Benin	36	-	-	36
Burkina Faso	2 278	-	(2 263)	15
Burundi	29 314	(318)	(6 035)	22 961
Central African Republic	-	(29)	29	-
Chad	6	-	(6)	-
Comoros	1	-	-	1
Côte d'Ivoire	175	(175)	-	-
Democratic Republic of the Congo	8 646	-	(2 258)	6 388
Eritrea	8 230	21 100	(2 020)	27 310
Ethiopia	13 171	-	(3 637)	9 534
Kiribati	10	-	-	10
Kyrgyzstan	7 556	(1 065)	(991)	5 500
Lesotho	544	-	(110)	434
Madagascar	11 823	-	(2 556)	9 267
Malawi	26 857	-	(6 986)	19 871
Mali	6 831	-	(3 386)	3 445
Mauritania	9 264	-	(2 303)	6 961
Mozambique	19	-	-	19
Nepal	8 957	-	(4 834)	4 123
Niger	6 502	-	(4 990)	1 512
Rwanda	1	-	-	1

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Sudan	2 697	-	(2 638)	59
Tajikistan	2	(2)	-	-
Togo	2 353	-	4	2 357
Tonga	104	-	(9)	95
Yemen	14 622	9 740	-	24 362
Zimbabwe	10 987	-	(7 779)	3 208
<b>Grand total</b>	<b>196 732</b>	<b>29 251</b>	<b>(53 807)</b>	<b>172 176</b>
SDR at USD Equivalent	<b>262 677</b>	<b>39 056</b>	<b>(71 842)</b>	<b>229 891</b>
<b>2022 total USD/EUR/XDR</b>	<b>704 140</b>	<b>105 232</b>	<b>(166 055)</b>	<b>643 317</b>
<b>Exchange difference</b>			<b>980</b>	
<b>Total 2022 disbursements</b>			<b>(165 075)</b>	
<b>2021 total USD/EUR/XDR</b>	<b>685 382</b>	<b>203 891</b>	<b>(161 759)</b>	<b>727 514</b>

## Summary of the Heavily Indebted Poor Countries (HIPC) Initiative

As at 31 December 2022  
(Thousands of United States dollars)

Completion point countries	Debt relief provided to 31 December 2022		Debt relief to be provided as approved by the Executive Board			Total debt relief
	Principal	Interest	To be covered by IFAD		To be covered by	
			Principal	Interest	World Bank contribution	
Benin	4 568	1 643	-	-	-	6 211
Bolivia	5 900	1 890	-	-	-	7 790
Burundi	15 491	3 251	-	-	-	18 742
Burkina Faso	6 769	2 668	-	-	-	9 437
Cameroon	3 074	727	-	-	-	3 801
Central African Republic	9 563	2 935	-	-	-	12 498
Chad	2 708	477	-	-	-	3 185
Comoros	1 869	311	207	22	267	2 676
Congo	0	99	-	-	-	99
Democratic Republic of the Congo	11 144	3 116	1 307	80	903	16 550
Côte d'Ivoire	1 814	326	-	-	-	2 140
Ethiopia	20 569	5 905	-	-	-	26 474
Gambia (The)	2 508	619	-	-	-	3 127
Ghana	15 585	5 003	-	-	-	20 588
Guinea	11 202	2 167	-	-	-	13 369
Guinea-Bissau	4 408	1 198	613	39	297	6 555
Guyana	1 526	299	-	-	-	1 825
Haiti	1 946	635	-	-	-	2 581
Honduras	1 077	767	-	-	-	1 844
Liberia	9 158	6 264	122	11	117	15 672
Madagascar	7 810	2 096	-	-	-	9 906
Malawi	20 371	4 445	-	-	-	24 816
Mali	6 211	2 431	-	-	-	8 642
Mauritania	8 484	2 601	-	-	-	11 085
Mozambique	12 521	3 905	-	-	-	16 426
Nicaragua	7 259	943	-	-	-	8 202
Niger	11 016	2 813	0	-	-	13 829
Rwanda	16 786	5 210	-	-	-	21 996
Sao Tome and Principe	2 256	538	458	52	331	3 635
Senegal	2 247	882	-	-	-	3 129
Sierra Leone	10 956	2352	-	-	-	13 308
United Republic of Tanzania	12 691	4 293	-	-	-	16 984
Togo	2 008	759	-	-	-	2 767
Uganda	12 449	4 655	-	-	-	17 104
Zambia	19 169	4 920	-	-	-	24 089
<b>Decision Point Countries</b>						
Somalia	-	-	12 776	1 016	-	13 792
Sudan	-	-	66 072	6 288	-	72 360
<b>SDR</b>	<b>283 113</b>	<b>83 143</b>	<b>81 555</b>	<b>7 508</b>	<b>1 915</b>	<b>457 234</b>
Less future interest on debt relief not accrued <sup>a</sup>						(617)
<b>Total SDR debt relief</b>						<b>456 617</b>
<b>Total US\$ equivalent</b>	<b>378 015</b>	<b>111 009</b>	<b>108 893</b>	<b>10 024</b>	<b>2 558</b>	<b>609 675<sup>b</sup></b>
<b>As at 31 December 2021</b>						
SDR	281 057	82 909	3 377	290	2 601	370 234
Less future interest on debt relief not accrued <sup>a</sup>						(878)
<b>Total SDR debt relief</b>						<b>369 356</b>
<b>Total US\$ equivalent</b>	<b>394 050</b>	<b>116 241</b>	<b>4 733</b>	<b>407</b>	<b>3 647</b>	<b>517 848<sup>b</sup></b>

<sup>a</sup> Including interest covered by the World Bank contribution.

<sup>b</sup> Balance net of future interest on debt relief not accrued.

## Summary of contributions to the Haiti Debt Relief Initiative

(As at 31 December 2022 and 2021)

	<i>Thousands of US\$</i>	<i>Thousands of SDR</i>
<b>2022</b>		
<b>Member State contribution</b>		
Austria	685	438
Belgium	776	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
<b>Subtotal</b>	<b>27 561</b>	<b>17 825</b>
Interest earned	1 572	
Debt relief provided	(29 133)	
<b>Total administrative account Member States 2022</b>	<b>-</b>	
<b>IFAD</b>		
IFAD contribution	15 200	
Interest earned	1 427	
Debt relief provided	(3 793)	
<b>Total administrative account IFAD</b>	<b>12 834</b>	
<b>Grand total</b>	<b>12 834</b>	
Exchange rate movement	960	
<b>Total cash and investments</b>	<b>13 794</b>	
<b>2021</b>		
<b>Grand total</b>	<b>15 456</b>	
Exchange rate movement	899	
<b>Total cash and investments</b>	<b>16 355</b>	



## IFAD-only analysis of operating expenses

(For the years ended 31 December 2022 and 2021)

### An analysis of IFAD operating expenses by principal sources of funding

(Thousands of United States dollars)

<i>Expense</i>	<i>Administrative expenses<sup>a</sup></i>	<i>Direct charges<sup>b</sup></i>	<i>IFAD's Climate Facility</i>	<i>Other sources<sup>c</sup></i>	<i>Total</i>
Staff salaries and benefits	106 206	1 694	80	705	108 685
Office and general expenses	25 006	914	217	827	26 964
Consultants and other non-staff costs	42 795	3 236	933	2 850	49 814
Direct bank and investment costs				5 411	5 411
<b>Total 2022</b>	<b>174 007</b>	<b>5 844</b>	<b>1 230</b>	<b>9 793</b>	<b>190 874</b>
<b>Total 2021</b>	<b>166 835</b>	<b>4 393</b>	<b>255</b>	<b>12 314</b>	<b>183 797</b>

<sup>a</sup> These refer to IFAD's regular budget, the budget of the Independent Office of Evaluation of IFAD, carry-forward and ASMCS costs.

<sup>b</sup> Direct charges against investment income.

<sup>c</sup> Includes Government of Italy reimbursable expenses, voluntary separation leave expenditures and positions funded from service charges and Targeted Investment in IFAD's Capacity budget. Due to the implementation of IFRS 16 headquarter reimbursable expenditures are disclosed as a reduction in lease liabilities.

## Rural Poor Stimulus Facility (RPSF)

Table 1  
(Thousands of United States dollars)

<i>Member State</i>	<i>Local currency</i>	<i>Contribution denomination currency</i>	<i>Contribution received US\$ equivalent</i>
Canada	CAD	6 000	4 538
Germany	EUR	27 394	33 025
Netherlands (Kingdom of the)	EUR	6 000	7 077
Sweden	SEK	50 000	5 734
Switzerland	CHF	2 000	2 261
<b>Total</b>			<b>52 635</b>
<b>IFAD</b>			<b>40 000</b>
<b>Total</b>			<b>92 635</b>

Table 2  
**Summary of grants under the RPSF**  
(Thousands of United States dollars)

<i>Country location/beneficiary</i>	<i>Approved grants less cancellations<sup>a</sup></i>	<i>Disbursements 2022</i>	<i>Undisbursed portion of disbursable grants</i>
Afghanistan	1 987	1 386	601
Angola	1 363	1 363	-
Bangladesh	2 007	2 007	-
Agricord	401	401	-
Benin	960	956	4
Burkina Faso	1 917	1 865	52
Burundi	1 530	1 530	-
Cambodia	1 172	1 172	-
Cameroon	1 433	1 410	23
Central African Republic	1 408	1 405	3
Chad	1 754	1 685	69
Comoros	325	325	-
Congo	985	961	24
Côte d'Ivoire	1 253	1 206	47
Democratic Republic of the Congo	2 696	2 696	-
Djibouti	414	414	-
Eritrea	268	-	268
Eswatini	675	675	-
Ethiopia	2 241	2 240	1
Gabon	444	442	2
Gambia (The)	590	590	-
Guinea	1 179	1 179	-
Guinea-Bissau	773	773	0
Kenya	6 656	5 583	1 073
Lebanon	247	247	-
Lesotho	740	740	-
Liberia	1 086	1 084	2
Live and Learn Kiribati	168	168	-
Madagascar	1 832	1 563	269
Malawi	1 369	1 369	-
Mali	982	980	2
Mauritania	738	541	197
Mozambique	1 699	1 699	-
Myanmar	600	-	600
Nepal	1 206	1 206	-
Agriterra	2 300	2 247	53
Niger	2 981	2 853	128
Nigeria	2 044	2 044	-
Pakistan	2 372	2 372	-
Palestine	608	604	4
Papua New Guinea	732	732	-

<i>Country location/beneficiary</i>	<i>Approved grants less cancellations <sup>a</sup></i>	<i>Disbursements 2022</i>	<i>Undisbursed portion of disbursable grants</i>
Philippines	3 204	3 204	-
Rwanda	1 400	1 400	-
Samoa	217	217	-
Sao Tome and Principe	444	444	-
Senegal	1 003	979	24
Sierra Leone	1 150	1 035	115
Somalia	2 788	2 751	37
South Africa	341	331	10
South Sudan	706	706	-
Sudan	1 661	1 657	4
Syrian Arab Republic	545	545	-
Sparkassenstiftung	2 543	2 289	254
VFS Global	724	724	-
United Republic of Tanzania	1 961	1 961	-
Togo	1 016	945	71
Tonga	700	700	-
Uganda	2 121	2 121	-
Tunisia	126	117	9
Precision Agriculture for Development	3 161	3 146	15
Vanuatu	710	710	-
Yemen	3 836	2 974	862
Zambia	1 455	1 455	-
Zimbabwe	1 555	1 555	-
<b>Total US\$</b>	<b>89 502</b>	<b>84 679</b>	<b>4 823</b>

<sup>a</sup> Balance considers grants approved as well as at disbursable stage.

## Crisis Response Initiative (CRI)

Table 3

(Thousands of United States dollars)

<i>Member State</i>	<i>Local currency</i>	<i>Contribution denomination currency</i>	<i>Contribution received US\$ equivalent</i>
Germany	EUR	30 000	31 683
Ireland	EUR	1 000	1 012
Netherlands (Kingdom of the)	EUR	10 000	9 989
United States	USD	10 000	10 000
<b>Total</b>		-	<b>52 684</b>

Table 4

(Thousands of United States dollars)

<i>Country location</i>	<i>Approved grants less cancellations <sup>a</sup></i>	<i>Disbursements 2022</i>	<i>Undisbursed portion of disbursable grants</i>
Afghanistan	3 300	2 970	330
Somalia	3 000	-	3 000
<b>Total US\$</b>	<b>6 300</b>	<b>2 970</b>	<b>3 330</b>

<sup>a</sup> Balance considers grants approved not yet disbursable (US\$ million) as well as at disbursable stage (US\$ million).

## Private Sector Trust Fund (PSTF)

Table 1  
(Thousands of United States dollars)

<i>Member State</i>	<i>Local currency</i>	<i>Contribution denomination currency</i>	<i>Contribution US\$ equivalent</i>
Finland	EUR	1 000	1 001
Germany	EUR	22 044	23 478
Luxembourg	EUR	2 000	2 256
<b>Total</b>			<b>26 735</b>
<b>IFAD</b>			<b>25 000</b>
<b>Total</b>			<b>51 735<sup>a</sup></b>

<sup>a</sup> As at 31 December 2022 the Total amount received is US\$28.9 million that leaves a receivable balance of US\$22.9 million.

Table 2

### Statement of outstanding loans

(As at 31 December 2022)  
(Amounts expressed in thousands)

<i>Country of the Borrower</i>	<i>Approved loans less cancellations</i>	<i>Disbursed</i>	<i>Undisbursed</i>	<i>Repayments</i>	<i>Outstanding</i>
<b>EUR loans</b>					
Madagascar	3 500	1 733	1 768	-	1 733
<b>Subtotal EUR</b>	<b>3 500</b>	<b>1 733</b>	<b>1 768</b>	-	<b>1 733</b>
<b>US\$ equivalent</b>	<b>3 735</b>	<b>1 849</b>	<b>1 886</b>	-	<b>1 849</b>
<b>USD loans</b>					
Bolivia (Plurinational State of)	5 000	-	5 000	-	-
Cambodia	5 000	-	5 000	-	-
Mozambique	2 000	-	2 000	-	-
Nigeria	5 000	2 000	3 000	-	2 000
Uganda	5 000	-	5 000	-	-
<b>Subtotal USD</b>	<b>22 000</b>	<b>2 000</b>	<b>20 000</b>	-	<b>2 000</b>
<b>31 December 2022 US\$</b>	<b>25 735</b>	<b>3 849</b>	<b>21 886</b>	-	<b>3 849</b>





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#### INSIDE COVER

##### **TAJIKISTAN**

Munira Islamova, aged 18, is a member of a village organization that processes fruit and vegetables. Through an IFAD project, the organization benefited from equipment and supplies that enabled them to start drying, preserving and canning their products.

©IFAD/Didor Sadulloev

##### **ARGENTINA**

The installation of an antenna and other communications equipment has enabled Gustavo Lizama to protect his goats and other animals from dangers such as predators and theft.

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##### **CÔTE D’IVOIRE**

Amidou Yéo (second from left) and his friends take turns working on each other’s land at harvest time to help increase productivity.

©IFAD/David Paqui

##### **INDONESIA**

Thanks to a new road built with support from an IFAD-funded project, farmers in West Java will be able to get their products to new markets and improve their incomes.

©IFAD/Jefri Tarigan

##### **SUDAN**

Fatima belongs to a pastoralist community with strong nomadic traditions. Here, she is weaving traditional carpets and curtains to decorate her shelter in a camp in North Kordofan.

©IFAD/Imam Ibrahim Alburney
















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