

ANNUAL REPORT 2016



Investing in rural people

IFAD invests in rural people, empowering them to reduce poverty, increase food security, improve nutrition and strengthen resilience. Since 1978, we have provided US\$18.5 billion in grants and low-interest loans to projects that have reached about 464 million people.* IFAD is an international financial institution and a specialized United Nations agency based in Rome – the UN's food and agriculture hub.

* As at time of press, June 2017

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

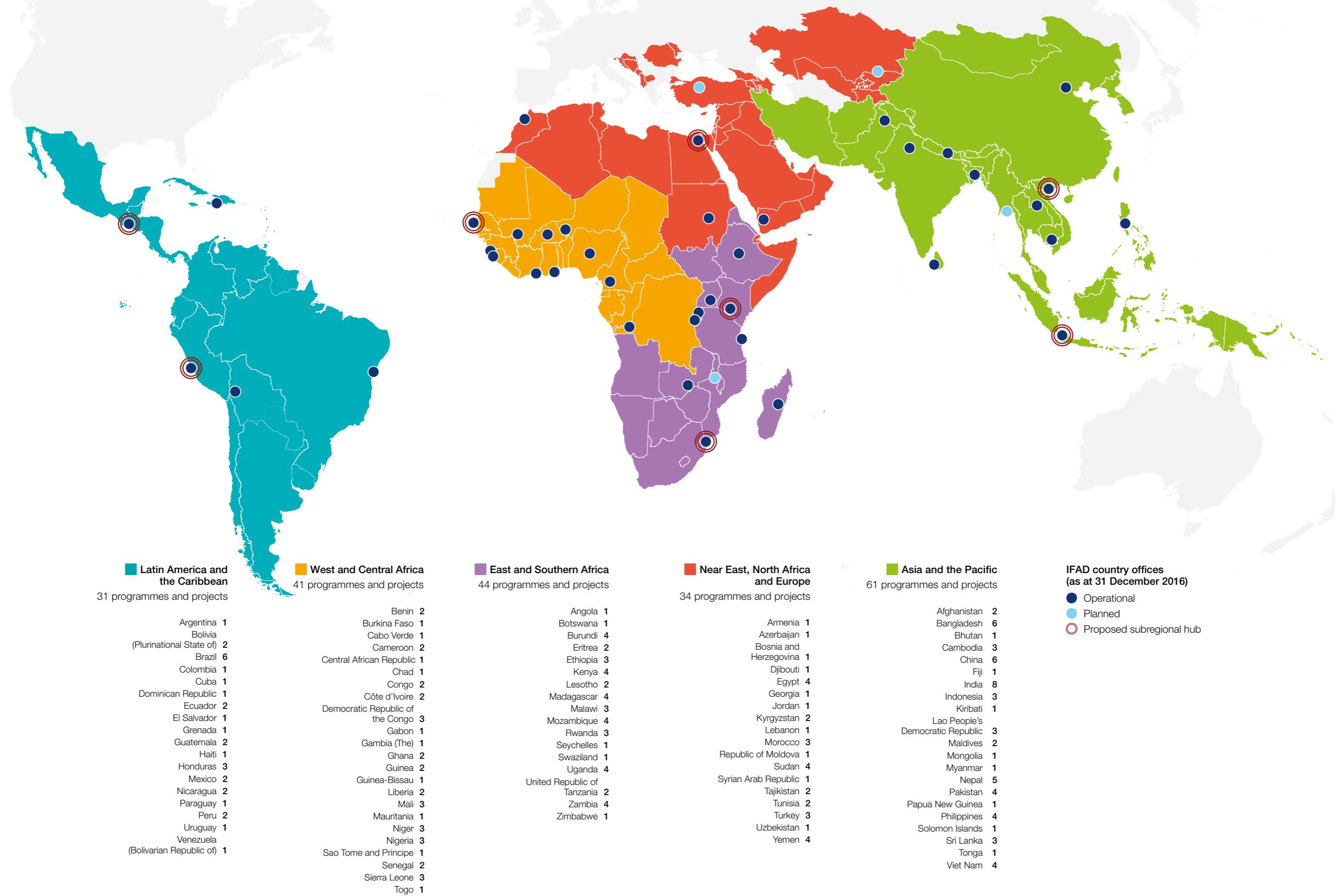


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President's foreword



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

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

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

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

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

Times of change for IFAD

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

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

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

Advocacy work and knowledge-sharing

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

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

A focus on results

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

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

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

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

Mainstreaming gender, nutrition and climate change

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

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

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

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

A new President is appointed

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



KANAYO F. NWANZE
President of IFAD



Programme of work 2016

West and Central Africa

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

Overview

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

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

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

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

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

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

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

Portfolio management highlights

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

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

Our work and results in 2016

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

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

Inclusive value chains

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

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

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

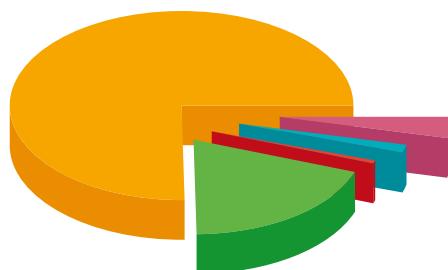
Also in Nigeria, the IFAD-supported Value Chain Development Programme has linked more than 20,000 farmers to off-takers, who provide cash up front in exchange for a share of the harvest. (Read more in the story from the field on page 9.)

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

WEST AND CENTRAL AFRICA

CHART 1a
IFAD loans by lending terms and DSF grants,
1978-2016^a

Share of total of US\$3 079.1 million

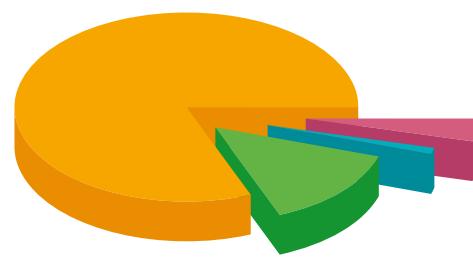


- Highly concessional loans
US\$2 348.1 million - 76.3%
- Intermediate loans
US\$105.2 million - 3.4%
- Ordinary loans
US\$21.3 million - 0.7%
- Blend loans
US\$7.7 million - 0.3%
- DSF grants
US\$596.8 million - 19.4%

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

CHART 1b
Loan disbursements by lending terms
and DSF disbursements, 1979-2016^a

Share of total of US\$1 797.9 million



- Highly concessional loans
US\$1 472.9 million - 81.9%
- Intermediate loans
US\$60.3 million - 3.4%
- Ordinary loans
US\$17.6 million - 1.0%
- DSF grants
US\$247.1 million - 13.7%

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

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

Rural finance

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

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

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

Natural resource management and climate change

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

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

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

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

Story from the field

Reducing rice imports helps smallholder farmers in Nigeria

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

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

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

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

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

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

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

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



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

Empowering young people

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

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

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

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

East and Southern Africa

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

Overview

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

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

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

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

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

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

Our work and results in 2016

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

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

Mainstreaming nutrition

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

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

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

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

Portfolio management highlights

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

Empowering women and young people

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

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

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

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

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

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

Developing agribusinesses

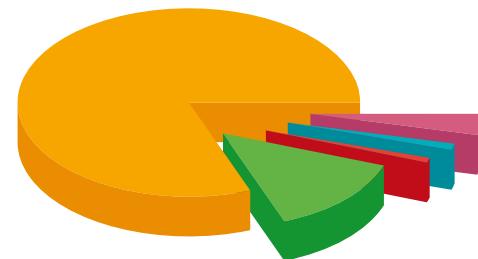
Low investment in agriculture over the past 30 years has forced many countries across Africa to import foods they could produce themselves if they had the financial capital and know-how. Public-private partnerships are an important means of boosting the needed investment, and IFAD is working to include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

EAST AND SOUTHERN AFRICA

CHART 2a

IFAD loans by lending terms and DSF grants, 1978-2016^a

Share of total of US\$3 549.6 million



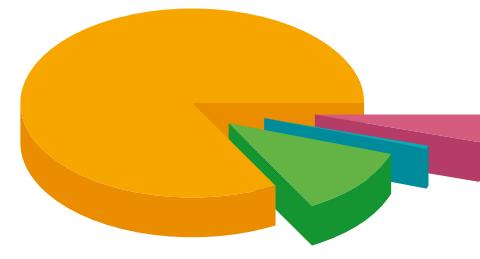
- Highly concessional loans
US\$2 923.1 million - 82.4%
- Intermediate loans
US\$108.9 million - 3.1%
- Ordinary loans
US\$23.3 million - 0.7%
- Blend loans
US\$11.1 million - 0.3%
- DSF grants
US\$483.2 million - 13.6%

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

CHART 2b

Loan disbursements by lending terms and DSF disbursements, 1979-2016^a

Share of total of US\$2 212.8 million



- Highly concessional loans
US\$1 856.2 million - 83.9%
- Intermediate loans
US\$102.1 million - 4.6%
- Ordinary loans
US\$5.2 million - 0.2%
- DSF grants
US\$249.3 million - 11.3%

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

Story from the field

Rural poor people in Madagascar strengthen resilience through land tenure

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

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

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

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

And farmers are not the only ones benefiting.

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

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

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

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



Women at work in a rice field.
Madagascar: Project to Support Development in the Menabe and Melaky Regions
©IFAD/Laura Chumillas

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

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

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

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

Building resilience

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

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

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

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

Asia and the Pacific

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

Overview

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

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

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

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

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

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

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

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

Portfolio management highlights

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

Our work and results in 2016

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

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

Developing value chains and market access

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

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

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

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

Empowering marginalized groups and women

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

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

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

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

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

Fostering policy dialogue and engagement

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

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

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

Strengthening climate change adaptation

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

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

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

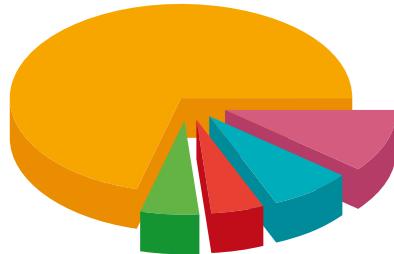
The project has organized public-private partnership workshops to encourage private-sector engagement. Fifty enterprises submitted letters of interest during the year, of which 20 passed pre-screening procedures and nine received technical assistance to develop their proposals. In Tra Vinh, the Women's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

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

ASIA AND THE PACIFIC

CHART 3a
IFAD loans by lending terms and DSF grants,
1978-2016^a

Share of total of US\$5 602.6 million

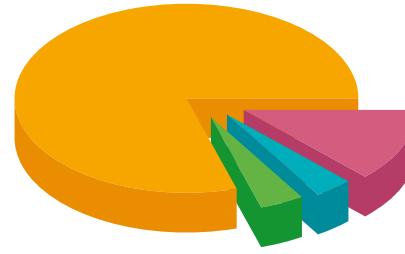


- Highly concessional loans
US\$3 970.9 million - 70.9%
- Intermediate loans
US\$607.5 million - 10.8%
- Ordinary loans
US\$450.2 million - 8.0%
- Blend loans
US\$277.4 million - 5.0%
- DSF grants
US\$296.7 million - 5.3%

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

CHART 3b
Loan disbursements by lending terms
and DSF disbursements, 1979-2016^a

Share of total of US\$3 833.2 million



- Highly concessional loans
US\$3 058.2 million - 79.8%
- Intermediate loans
US\$479.8 million - 12.5%
- Ordinary loans
US\$143.1 million - 3.7%
- DSF grants
US\$152.1 million - 4.0%

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

Story from the field

Boosting nutrition one TV show at a time in Laos

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

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

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

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

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

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

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

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

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



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

Forging strategic alliances with ASEAN

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

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

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

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

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

Latin America and the Caribbean

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

Overview

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

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

Portfolio management highlights

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

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

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

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

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

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

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

Our work and results in 2016

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

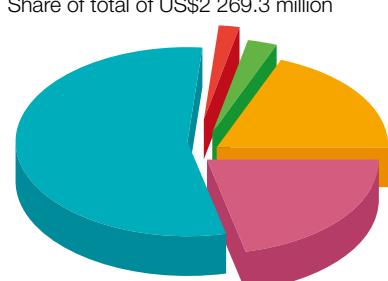
- empowering young people
- working with indigenous peoples
- boosting small farmers' access to value chains and markets
- building strategic partnerships and advocating in favour of small farmers.

Empowering young people

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

LATIN AMERICA AND THE CARIBBEAN

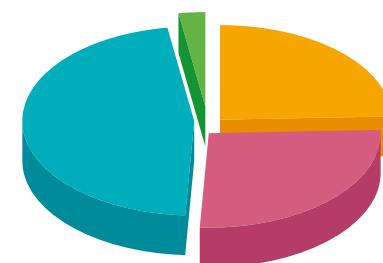
CHART 4a
IFAD loans by lending terms and DSF grants, 1978-2016^a
Share of total of US\$2 269.3 million



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

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

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



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

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

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

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

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

Working with indigenous peoples

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

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

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

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

Boosting small farmers' access to value chains and markets

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

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

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

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

Building strategic partnerships and advocating in favour of small farmers

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

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

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

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

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

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

Story from the field

Native fruits fuel rural development in Brazil

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

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

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

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

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

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

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



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

Near East, North Africa and Europe

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

Overview

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

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

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

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

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

Our work and results in 2016

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

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

Natural resource management and climate change

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

Portfolio management highlights

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

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

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

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

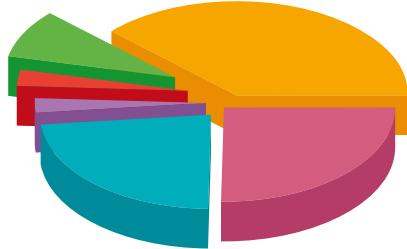
The project has reached more than 90 villages, with nearly 25,000 smallholder households, including 2,240 settled pastoralist households and 1,990 returnee woman-headed households. Nearly one third of the young people from participating households sampled have started work as a result of project activities.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

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

NEAR EAST, NORTH AFRICA AND EUROPE

CHART 5a
IFAD loans by lending terms and DSF grants,
1978-2016^a

Share of total of US\$2 605.7 million

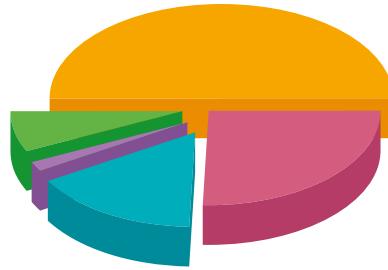


- Highly concessional loans US\$991.7 million - 38.1%
- Intermediate loans US\$665.0 million - 25.5%
- Ordinary loans US\$600.6 million - 23.0%
- Hardened loans US\$59.1 million - 2.3%
- Blend loans US\$72.2 million - 2.8%
- DSF grants US\$217.1 million - 8.3%

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

CHART 5b
Loan disbursements by lending terms
and DSF disbursements, 1979-2016^a

Share of total of US\$1 806.2 million



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

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

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

Agricultural productivity and food security

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

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

Rural finance and support for entrepreneurs

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

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

Market access and value chain development

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

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

Story from the field

Almonds and apricots flower on once-barren land

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

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

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

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

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

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

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



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

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

Young people and gender equality

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

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

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



LABORATORIO



Major initiatives and new programmes

Major initiatives

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

The global perspective

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

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

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

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

Knowledge as a key to impact

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

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

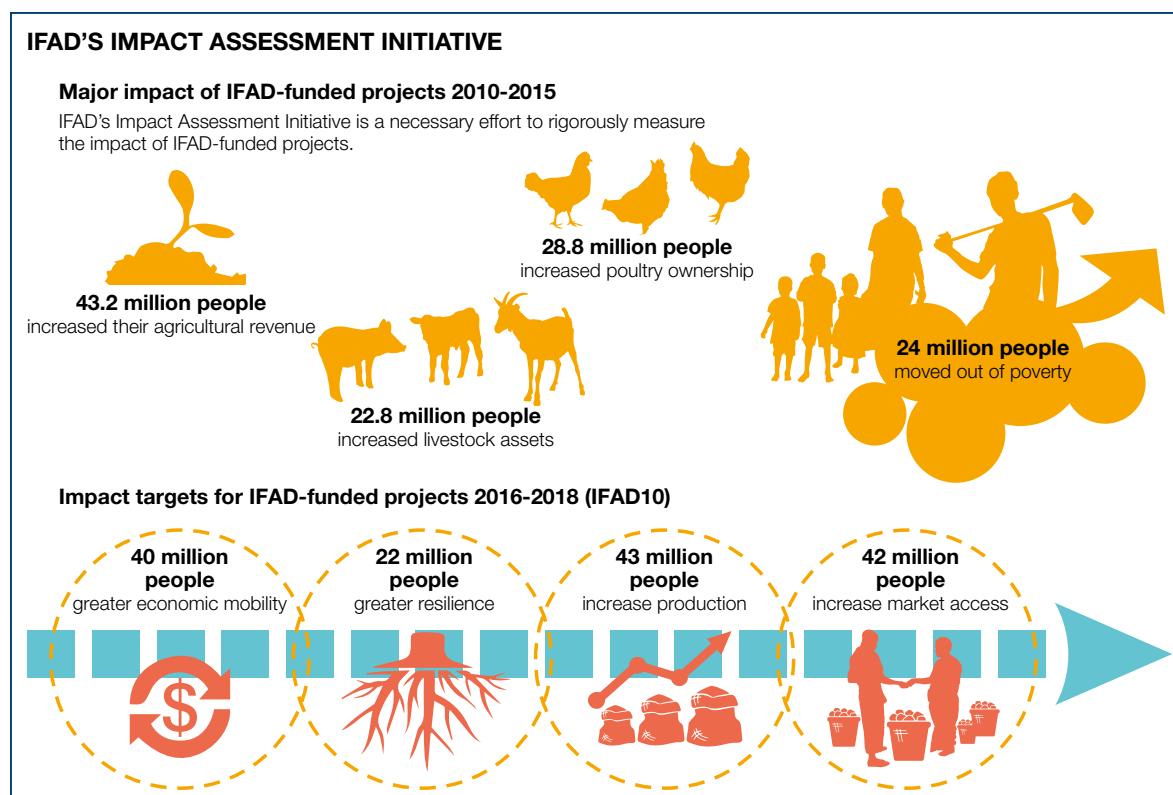
The study found that inclusive rural transformation that reduces poverty is not an automatic outcome of economic growth. It must be made to happen, through pro-poor investments and policies, particularly by governments, with support from other partners, including development institutions and the private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

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

Impact assessment

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

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



Knowledge-sharing, capacity-building and platforms

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

South-South and triangular cooperation.

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

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

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

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

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

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

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

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

International Land Coalition

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

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

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

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

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

Read more: www.landcoalition.org

Finance and policy

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

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

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

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

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

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

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

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

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

Managing for results

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

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

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

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

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

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

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

New programmes and projects

West and Central Africa

Strengthening value chains for food security in Mauritania

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

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

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

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

East and Southern Africa

Dairy farming is a pathway out of poverty in Rwanda

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

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

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

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

Asia and the Pacific

Making value chains work for small farmers in Cambodia

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

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

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

Latin America and the Caribbean

Improving livelihoods for indigenous peoples in the hinterlands of Guyana

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

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

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

Near East, North Africa and Europe

FARMS: the new Facility for refugees, migrants and rural stability

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

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

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



Measuring and improving results

Report on IFAD's Development Effectiveness

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

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

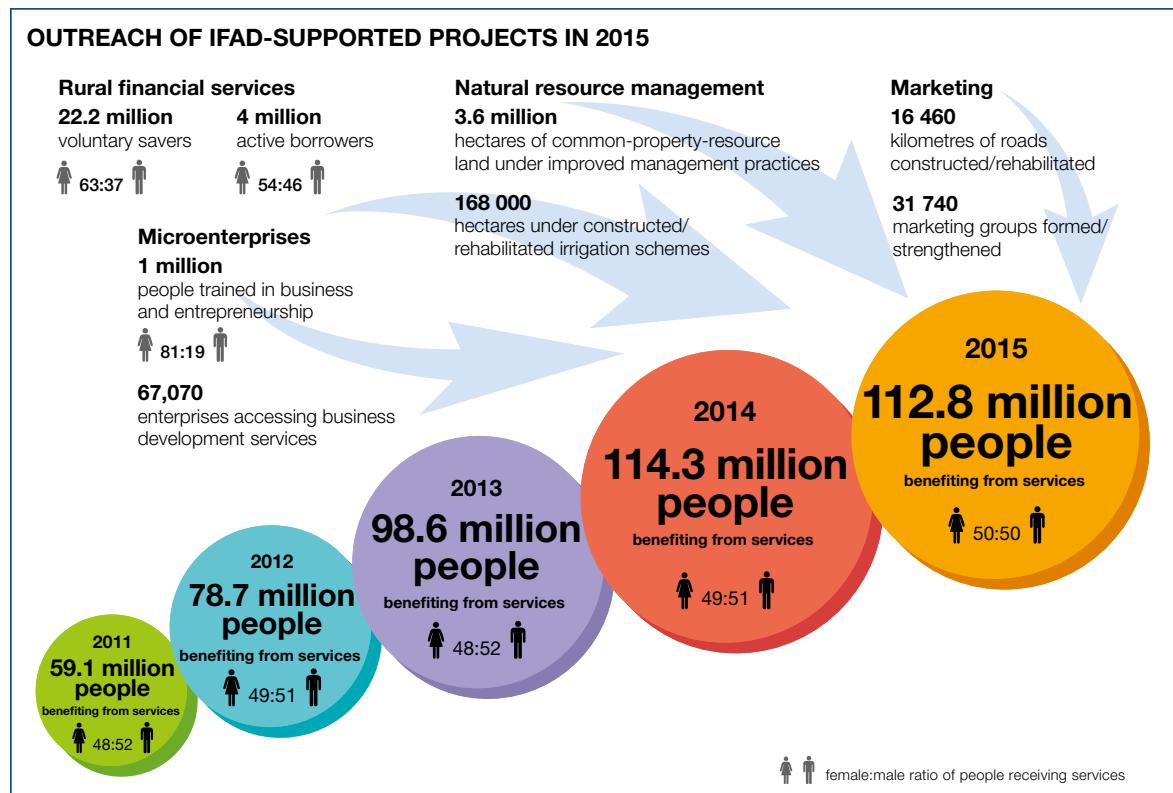
women participants. The most significant increases are registered for indicators measuring delivery of rural finance, marketing and microenterprise services.

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

Quality support for programme design

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

In 2016, 39 programmes and projects went through the quality enhancement process. This involves the early engagement of IFAD technical expertise in country programme management teams in order to increase our operational effectiveness.



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

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

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

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

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

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

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

Independent evaluation

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

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

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

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

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

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

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

^c The 2016 scaling-up ratings are based on 19 projects that are identified as “scaling-up” activities.

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

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

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

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

Management response to the ARRI

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

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

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

Other evaluation activities in 2016

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Read more: www.ifad.org/evaluation/index.htm

Ethics

IFAD's Ethics Office works to ensure that the highest ethical standards are maintained at every level of the Fund's work and to protect our image and reputation. Recognizing staff as our most valuable asset, we are committed to maintaining a working environment that ensures well-being and a respect for work-life balance. We also aim to foster an organizational culture in which individuals fulfil their responsibilities while respecting the dignity of their colleagues. Dealing promptly and confidentially with cases of harassment, and providing guidance on how to prevent and manage conflicts of interest and unethical behaviour in the workplace, are key to fulfilling this commitment.

During the year, the Ethics Office paid particular attention to the prevention and timely handling of harassment, which causes emotional stress, interferes with job performance and can be damaging to the organization.

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

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

Internal oversight and anticorruption

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

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

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

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

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

The workplan of the Office of Audit and Oversight is based on our assessment of institutional risks. In 2016, the Office covered areas critical to the financial integrity of the Fund, its administrative effectiveness and efficiency, and its evolving decentralized model. The audits performed supported risk mitigation efforts in areas such as the organization, responsibilities and support structures of IFAD country offices, governance of information technology-enabled projects, and information security.

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

Human resource management

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

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

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

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

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

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

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

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

Staff statistics as of 31 December 2016 were as follows:

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



Financing data and resource mobilization

Resources in 2016

IFAD's core financing is drawn from several sources. These mainly include contributions from Member States and other donors, investment income and loan reflows. Member State contributions come through regular replenishments held every three years. Member States also request IFAD to administer their contributions to third parties in the form of supplementary funds. In efforts to capitalize on new sources of funding and continue to build the resource base of IFAD, the organization has also transformed its financial model to include sovereign borrowing as a resource mobilization tool.

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

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

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

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

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

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

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

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

< Feeding time at the fish farm in Pakse.

Laos: Sustainable Natural Resource Management and Productivity Enhancement Project
©IFAD/GMB Akash

TABLE 2
IFAD at a glance, 1978-2016^{a, b}

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

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

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

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

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

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

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

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

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

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

ⁱ Includes National Professional Officers in country offices.

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

Additional resource mobilization

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

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

New partnerships

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

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

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

Supplementary funds

Supplementary funds are grant resources administered by IFAD at the request of donors for the benefit of the Fund's developing-country Member States. They are typically used for specific project cofinancing initiatives, studies or technical assistance initiatives, and to support IFAD's Junior Professional Officer programme, as indicated in the individual agreements between IFAD and the donors concerned.

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

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

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

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

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

Ongoing portfolio

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

TABLE 3
Summary table of supplementary funds received in 2016
Amounts in US\$ million^a

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

Source: IFAD financial systems.

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

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

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

The ongoing portfolio of grant-funded operations was worth US\$196.3 million at the end of 2016, with 177 grants operational in 134 countries. IFAD stand-alone grants support research, innovation, institutional change and pro-poor technologies. They are closely linked to our country programmes and often support connections between different initiatives in a country. Grant recipients include research organizations, centres of excellence involved in rural poverty reduction, NGOs, governments, and private-sector and civil society organizations. (To learn more about IFAD's grant programme, and read stories from the field, see page 76 on the USB memory stick.)

Cofinancing of IFAD-supported programmes and projects

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

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

Chart 8 shows the top 15 multilateral cofinanciers of IFAD-initiated programmes and projects to date. This is headed by the OPEC Fund for International Development (OFID), the African Development Bank, the International Bank for Reconstruction and Development (of the World Bank Group), and the Arab Fund for Economic and Social Development. Together, these four represent over 50 per cent of total multilateral cofinancing of US\$3.1 billion.

Chart 9 ranks bilateral donors to programmes and projects initiated and supported by IFAD, with Spain, France, Germany, the Netherlands and Belgium at the top of the chart. Together, they have provided over 70 per cent of total bilateral cofinancing to IFAD-initiated projects worth US\$1.1 billion since we started work in 1978.

Priority country and regional financing

We continue to prioritize assistance to least developed countries and countries with low food security. Of 2016 programme and project financing, 54 per cent was for low-income food-deficit countries (as classified by FAO) and 39 per cent was for the United Nations-classified least developed countries. From a regional perspective, sub-Saharan African countries received over 42 per cent of new financing for programmes and projects in 2016. Table 6 shows financing by IFAD region since 1978.

Financing by sector

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

TABLE 4
Ongoing programme and project portfolio by region^a
As at end December 2016

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

Source: Grants and Investment Projects System.

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

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

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

CHART 6
IFAD's ongoing portfolio, 2011-2016

Amounts in US\$ billion



Allocation of programme and project financing by instrument and terms

Loans on highly concessional terms continue to make up the bulk of our financing for investment programmes and projects (Table 7).¹ About 40 per cent of new financing approved during the year was in the form of highly concessional loans – worth a total of US\$291.9 million. Ordinary loans made up 24.5 per cent of the total, followed by blend loans with 21.6 per cent and DSF grants with 14.3 per cent (Chart 12).

As a share of our cumulative financing portfolio since 1978, highly concessional loans and DSF grants represent about 72 per cent of the total, well over the two-thirds target set out in IFAD's Lending Policies and Criteria. Table 8 shows investments by terms and regions.

Disbursements

Disbursements of IFAD loans and DSF grants amounted to US\$663.2 million in 2016 (Tables 9 and 10). Over the period 1979-2016, cumulative disbursements of loans under the Regular Programme amounted to US\$10,428.4 million, representing 74 per cent of effective commitments at the end of 2016 (Table 11). This compared with US\$9,889.1 million disbursed at the end of 2015, which also made up 74 per cent of effective commitments.

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

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

Source: Grants and Investment Projects System.

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

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

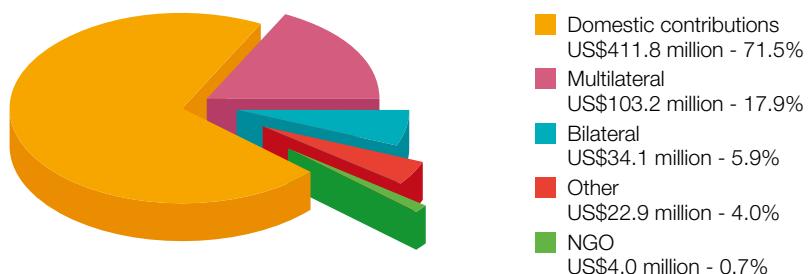
^c Total amounts may include additional financing for projects/programmes previously approved.

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

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

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

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



Source: Grants and Investment Projects System.

TABLE 6
IFAD financing for programmes and projects by region, 1978-2016^{a, b}
Amounts in US\$ million

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

Source: Grants and Investment Projects System.

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

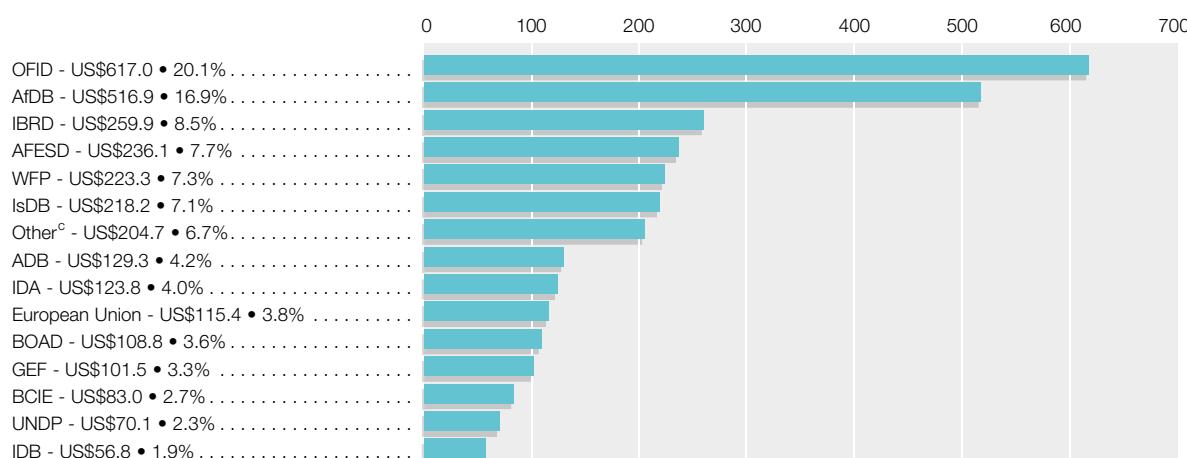
^b Total amounts may include additional financing for projects/programmes previously approved.

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

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

CHART 8**Cofinancing of IFAD-initiated programmes and projects by multilateral donors, 1978-2016^{a, b}**

Amounts in US\$ million



Source: Grants and Investment Projects System.

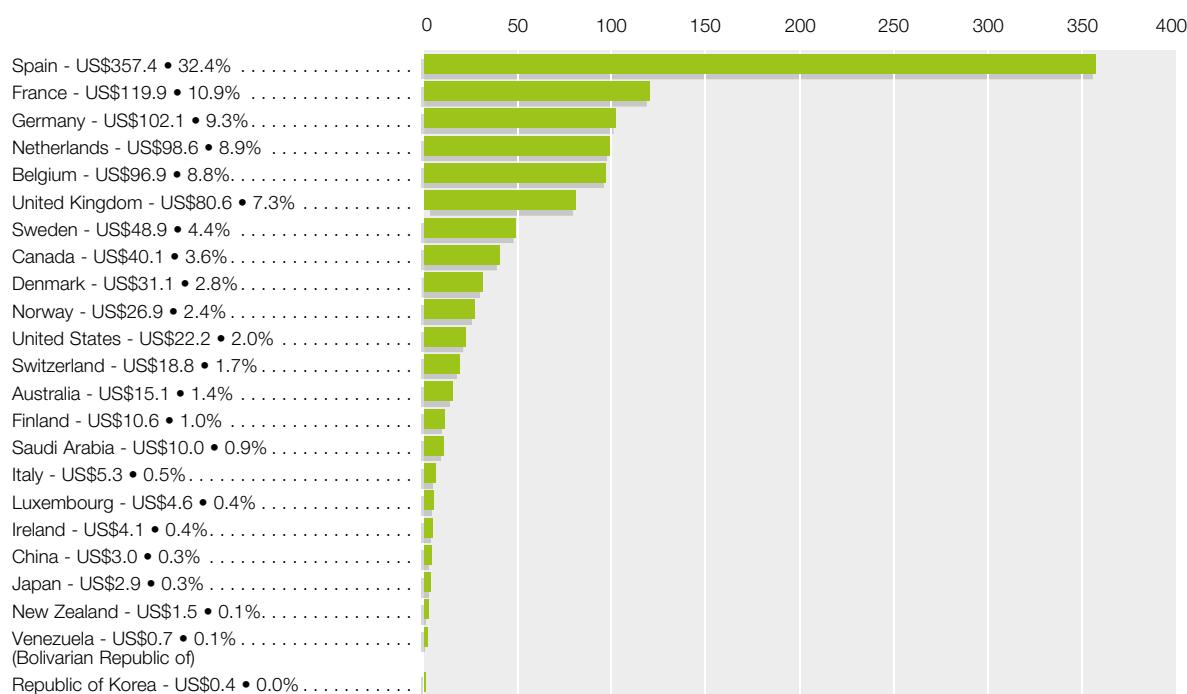
^a Amounts as per the President's report for each programme or project presented to the Executive Board. Any discrepancy in totals is the result of rounding. The amounts and percentages shown here represent the share of each multilateral in total multilateral cofinancing of US\$3,064.5 million. Multilateral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

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

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

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

Amounts in US\$ million

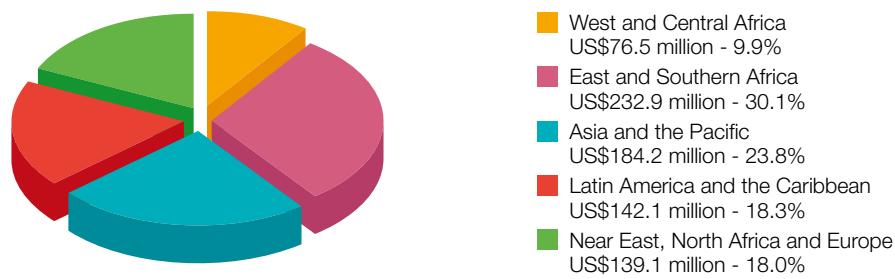
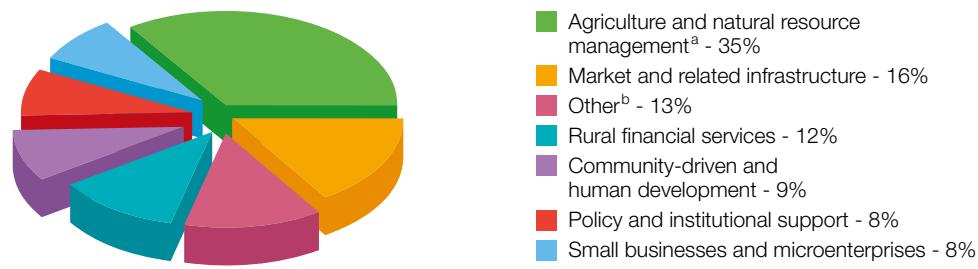


Source: Grants and Investment Projects System.

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

CHART 10**Regional distribution of IFAD financing for programmes and projects approved in 2016^a**

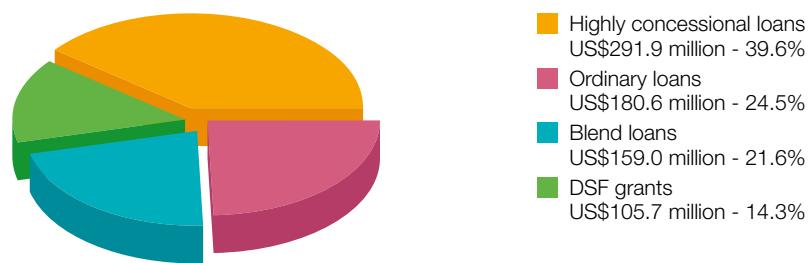
Share of total of US\$774.9 million

^a Any discrepancy in totals is the result of rounding.**CHART 11****IFAD current portfolio financing by sector (at end 2016)**

Source: Grants and Investment Projects System.

^a Agriculture and natural resource management includes irrigation, rangelands, fisheries, research, extension and training.^b Other includes communication, culture and heritage, disaster mitigation, energy production, monitoring and evaluation, management and coordination, and post-crisis management.**CHART 12****IFAD loans by lending terms, and DFS grants, 2016^a**

Share of total of US\$737.3 million



Source: Grants and Investment Projects System.

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

Managing IFAD's liquidity, cash flow and financial policies

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

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

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

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

TABLE 7
Summary of IFAD loans by lending terms, and of DSF grants, 1978-2016^a
Amounts in US\$ million

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

Source: Grants and Investment Projects System.

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

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

^c Fully cancelled or rescinded loans are not included.

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

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

was chaired by IFAD. It was hosted by the United Nations Development Programme in Copenhagen and brought together representatives of 30 United Nations entities.

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

Debt relief and debt management make an important contribution to reducing poverty. During 2016, IFAD continued to give full support to work at the international level addressing the

TABLE 8
Summary of IFAD loans by lending terms, and of DSF grants, by region, 1978-2016^a
Amounts in US\$ million

	West and Central Africa	East and Southern Africa	Asia and the Pacific	Latin America and the Caribbean	Near East, North Africa and Europe	Total
DSF grants						
Amount	596.8	483.2	296.7	51.2	217.1	1 644.9
Number of grants	45	33	25	9	22	134
Highly concessional loans						
Amount	2 348.1	2 923.1	3 970.9	431.9	991.7	10 665.6
Number of loans	209	181	215	42	87	734
Hardened loans						
Amount	-	-	-	-	59.1	59.1
Number of loans	-	-	-	-	5	5
Intermediate loans						
Amount	105.2	108.9	607.5	488.0	665.0	1 974.7
Number of loans	11	11	35	51	40	148
Blend loans						
Amount	7.7	11.1	277.4	40.1	72.2	408.5
Number of loans	1	1	8	4	6	20
Ordinary loans						
Amount	21.3	23.3	450.2	1 258.0	600.6	2 353.4
Number of loans	3	5	11	86	39	144
Total amount	3 079.1	3 549.6	5 602.6	2 269.3	2 605.7	17 106.3
Percentage of total IFAD loans and DSF grants	18	21	33	13	15	100
Total number of loans and DSF grants^{b, c}	269	231	294	192	199	1 185

Source: Grants and Investment Projects System.

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

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

^c Fully cancelled or rescinded loans are not included.

existing debt of poor countries through the Heavily Indebted Poor Countries (HIPC) Debt Initiative. We also continued to use our debt sustainability framework to ensure that vulnerable countries did not accumulate future debt.

Since the HIPC Debt Initiative was set up, many countries have made substantial progress in gaining access to debt relief. More than 92 per cent of eligible countries (35 out of 38) have reached completion point – at which they receive full and irrevocable debt reduction. Our total commitments

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

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

TABLE 9
Annual loan disbursement by region under the Regular Programme, 1979-2016^a
Amounts in US\$ million

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

Source: Loans and Grants System.

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

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

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

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

Source: Loans and Grants System.

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

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

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

Source: Loans and Grants System.

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

^b The category "Intermediate" includes blend loans.

A woman processes and packages catfish on her farm in Ikorodu, Lagos for sale in neighbouring states.
Nigeria: Rural Finance Institution-building Programme
©IFAD/Andrew Esiebo/Panos

>



Awards

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

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

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

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



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

Staff Awards

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

Leadership

Chitra Achyut Deshpande
James Heer

Innovative project/ Extraordinary initiative

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

Facilitator of change

Sarah Mirmotahari
Stefano Ventimiglia

IFAD core values

Maurizio Georgieff
Matteo Giacobbe
Michael Hamp
Henning Pedersen

Presidential recognition

Bruce Murphy
Karen Zagor

SUMMARY OF 2016 PROGRAMMES, PROJECTS AND GRANTS

Programmes and projects

West and Central Africa

MAURITANIA: Inclusive Value Chain Development Project

A previous IFAD-supported project in Mauritania showed that market access improves food security among poor people. It identified pro-poor value chains with good nutritional potential through which vulnerable people, women in particular, could gain value added from partnerships with the private sector. This project will take that finding to the next step by involving poor rural people in profitable and resilient value chains. It will identify market entry points, analysing demand before supporting production increases. It will also bring rural people into the banking system, formalize commercial transactions, promote contracts between value chain actors and facilitate partnerships – in particular public-private-producer partnerships that will benefit small farmers.

Approved IFAD grant amount: SDR 10.8 million (equivalent to approximately US\$15.0 million)

Approved ASAP grant amount: SDR 4.3 million (equivalent to approximately US\$6 million)

Total project cost: estimated at US\$45.2 million, of which national government will provide US\$5 million, beneficiaries US\$2.2 million and the private sector US\$2 million

Approximate reach: 42,600 direct beneficiaries

Directly supervised by IFAD

East and Southern Africa

ERITREA: Fisheries Resources Management Programme

Eritrea has substantial and relatively underexploited marine and fisheries resources, and this programme will support efforts to ensure that they are utilized sustainably to improve the livelihoods of coastal communities. The initiative will support the establishment of infrastructure and technologies for production and post-harvest operations, marketing and consumption. It will also build the entrepreneurial capacity of cooperatives and ensure they have access to the inputs required to undertake economically viable and sustainable fish-related businesses. The target group is small-scale fishers and rural smallholder farmers interested in accessing the inland fisheries supply chain, and young entrepreneurs (fishers and non-fishers) who want to respond to market demand for fishery products and services. Women will account for at least 30 per cent of the programme's beneficiaries, and the initiative will also target demobilized soldiers and internally displaced persons.

Approved IFAD grant amount: SDR 10.7 million (equivalent to approximately US\$15 million)

Total programme cost: estimated at US\$32.1 million, of which national government will provide US\$1.4 million, beneficiaries US\$1.4 million, and cofinancing from the Federal Republic of Germany US\$6.0 million, the Global

Environment Facility US\$7.9 million and the Food and Agriculture Organization of the United Nations US\$0.5 million

Approximate reach: 293,942 rural households

Directly supervised by IFAD

ETHIOPIA: Participatory Small-scale Irrigation Development Programme – Phase II (PASIDP II)

Small-scale irrigation offers great potential for reducing the impact of climate change, enhancing economic growth and reducing poverty in Ethiopia. The first phase of this programme, completed in 2015, helped to reduce the country's vulnerability to climate risks and drought as well as rural poverty and food insecurity. The second phase will hone the intervention model previously developed, and will pilot the geographical expansion to be undertaken in the third phase. It aims to develop at least 18,000 hectares of small-scale irrigation schemes, and to rehabilitate and enhance climate resilience for 60,000 hectares of land in the adjacent watersheds. The programme will adopt a participatory approach and strengthen water users' associations and farmers' organizations, including cooperatives, to develop agribusiness, market linkages and access to financial services. It will enhance agricultural productivity through improvement of crop husbandry practices and facilitate access to improved seeds. Gender-sensitive activities will be undertaken and nutrition-sensitive agriculture will be promoted.

Approved IFAD loan amount: SDR 72.1 million (equivalent to approximately US\$102 million)

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

Approved ASAP grant amount: SDR 7.9 million (equivalent to approximately US\$11 million)

Total programme cost: estimated at US\$145.3 million, of which national government will provide US\$18.7 million and beneficiaries US\$12.1 million

Approximate reach: 108,750 households

Directly supervised by IFAD

RWANDA: Dairy Development Project

The dairy subsector offers a pathway out of poverty for many Rwandan households. Annual milk production has already increased significantly since 2000, yet performance lags behind other countries in the region. The project aims to contribute to pro-poor national economic growth and improve the livelihoods of resource-poor rural households. This will be achieved by focusing on food security, nutrition and the empowerment of women and young people in a sustainable and climate-resilient dairy value chain development. This project aims to intensify dairy production and increase productivity among smallholder farmers and raise their incomes by improving production and market access. It will support intensification of climate-smart dairy production by increasing the capacity of dairy farmers to sustainably supply higher volumes of quality milk to the dairy market. It also aims to increase their earnings by building the capacities of cooperatives in milk collection and marketing, input supply, animal health services and financial services. In addition, the project will invest in infrastructure to increase the supply of quality milk in domestic and regional markets and leverage financing for climate-

resilient dairy enterprise development. It will also facilitate the establishment of a policy framework and institutional structure for the dairy sector.

Approved IFAD loan amount: SDR 31.3 million (equivalent to approximately US\$43.6 million)

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

Total project cost: estimated at US\$65.1 million, of which national government will provide US\$3.9 million, beneficiaries US\$5.9 million and cofinancing from Heifer Project International US\$4 million and the private sector US\$6.6 million

Approximate reach: 100,000 resource-poor rural households of whom 80,000 will be involved in dairy farming and 20,000 in off-farm activities.

Directly supervised by IFAD

ZAMBIA: Enhanced Smallholder Agribusiness Promotion Programme

Zambia's Smallholder Agribusiness Promotion Programme (SAPP) has been making significant progress in smallholder commercialization and agribusiness promotion. This initiative will introduce the Enhanced Smallholder Agribusiness Promotion Programme (E-SAPP). It will concentrate on building partnerships to facilitate the transformation from subsistence farming to farming as a business. Building on SAPP's achievements, it aims to increase the volume and value of agribusiness outputs sold by smallholder producers. E-SAPP will begin with work on the policy and enabling environment, including efforts to integrate climate risk management into policies. Then, through agribusiness partnerships, it will work to build the capacity of smallholders and their service providers to compete for and implement matching grants. This is key to helping smallholder farmers integrate into value chains while also improving their productivity, incomes and nutritional outcomes.

Approved IFAD loan amount: SDR 15.5 million (equivalent to approximately US\$21.3 million)

Approved IFAD grant amount: SDR 0.7 million (equivalent to approximately US\$1 million)

Total programme cost: estimated at US\$29.7 million, of which national government will provide US\$2 million, beneficiaries US\$1.2 million and cofinancing from the private sector US\$3.5 million; the Indaba Agricultural Policy Research Institute US\$0.5 million and the Platform for Agricultural Risk Management US\$0.2 million

Approximate reach: 60,000 households

Directly supervised by IFAD

ZIMBABWE: Smallholder Irrigation Revitalization Programme

Zimbabwe has one of the highest levels of irrigation in the region, but more than half of smallholder irrigation schemes are either not functional or only partly functional. The rehabilitation of these schemes is heavily dependent on government and donor funding. This programme aims to break the vicious cycle of building/operating/revitalizing irrigation schemes. It will sustainably revitalize 16,000 hectares of smallholder irrigation schemes, located mainly in the semi-arid regions of four provinces. The programme's target area contains almost half of the country's estimated total irrigation-equipped area. The capacity in government departments will be strengthened so that they are able to provide quality services

to smallholder irrigators. Capacity-building will also focus on strengthening farmers' ability to adopt a commercially oriented approach to production and render their irrigation schemes profitable and sustainable, in part through the use of climate-smart agricultural practices. A natural resources management facility will provide matching grants to farmers in rainfed areas for income-generating projects that use natural resources sustainably.

Approved IFAD grant amount: SDR 18.3 million (equivalent to approximately US\$25.5 million)

Total programme cost: estimated at US\$51.5 million, of which national government will provide US\$7.9 million, beneficiaries US\$2.9 million and cofinancing from the OPEC Fund for International Development US\$15 million

Approximate reach: 29,750 households

Directly supervised by IFAD

Asia and the Pacific

CAMBODIA: Accelerating Inclusive Markets for Smallholders Project

Many of the 4.3 million people who have moved out of poverty in Cambodia are still vulnerable, and agricultural growth has stalled. It needs to be stimulated through intensification, diversification and commercialization. This project aims to increase returns from farming for smallholders, including young people, through efficient public-sector investment. It will work to develop five high-value product value chains covering crops and livestock and increase private investment in them. Using IFAD's public-private-producer partnership (4Ps) model, the project will develop and promote links among buyers, producers and service providers. It will give priority to innovation in local value chains, especially through a value chain innovation fund, which will provide direct financial support to stimulate private investment. The initiative will initially partner with three major microfinance institutions, recognizing the importance of significantly increased financing for farmers, agricultural cooperatives, agribusinesses and service providers.

Approved IFAD loan amount: US\$36.3 million

Total project cost: estimated at US\$61.6 million, of which national government will provide US\$8.7 million, beneficiaries US\$8.1 million and cofinancing from the private sector US\$8.6 million

Approximate reach: 75,000 households

Directly supervised by IFAD

INDIA: Andhra Pradesh Drought Mitigation Project

Smallholders in the Rayalseema region and Prakasam area of Andhra Pradesh are affected by vulnerability to drought and depletion of groundwater resources in a context of climate change and climate variability. The Andhra Pradesh Drought Mitigation Project strategy has two main aims: i) to build the adaptive capacity of farmers to drought through more efficient crop water management and income diversification into livestock; ii) management of existing water resources through building Gram Panchayat capacity in water planning and monitoring. The project will work to improve farmers' practices in using and producing drought-tolerant

crop varieties; managing soil fertility and moisture; and accessing weather information, crop advisories and farmers' field schools to help farmers shift towards a less water-demanding and more diversified yet profitable cropping system. Livestock production systems will be improved by aiding sheep producers with better housing, feeding and breeding, and a backyard poultry scheme targeted at the poorest women. Farmers' organizations will also be strengthened.

Approved IFAD loan amount: US\$75.5 million

Total project cost: estimated at US\$148.8 million, of which national government will provide US\$13.9 million, beneficiaries US\$8.8 million, and cofinancing from the Rural Infrastructure Development Fund US\$6.2 million, the Mahatma Gandhi National Rural Employment Guarantee Scheme US\$42 million and Rashtriya Krishi Vikas Yojana US\$2.4 million

Approximate reach: 165,000 households

Directly supervised by IFAD

LAO PEOPLE'S DEMOCRATIC REPUBLIC: Strategic Support for Food Security and Nutrition Project – Global Agriculture and Food Security Programme (GAFSP)

Agriculture remains the largest source of employment in the country, but malnutrition is high and 44 per cent of children under 5 in rural areas are chronically undernourished. The project is aimed at piloting new approaches and technologies to accelerate progress towards national food security and improved nutrition. It will underpin the development of government capacities, procedures and technical skills to support community implementation of nutrition interventions. This will include sustainable market-led improvements in nutrition-rich agricultural production and rural employment. Specifically, it will aim to empower women to improve family diets, especially during children's first 1,000 days of life; develop farmer organizations to link farmers to markets; support demand-driven extension services emphasizing a farmer-to-farmer approach; and support private agribusiness investment. All interventions are to have a neutral or positive impact on communities' ability to adapt to climate change.

GAFSP funds supervised by IFAD: US\$24 million

GAFSP funds supervised by World Food Programme: US\$6 million

Total project cost: estimated at US\$38.8 million, of which national government will provide US\$5.4 million, beneficiaries US\$2.9 million and cofinancing from the private sector US\$0.5 million

Approximate reach: 34,000 households

Directly supervised by IFAD

LAO PEOPLE'S DEMOCRATIC REPUBLIC: Northern Smallholder Livestock Commercialization Project: Rural Financial Services Programme

The government of the Lao People's Democratic Republic aims to increase the country's livestock production dramatically by 2020, in response to increasing demand for meat domestically and from neighbouring countries. The programme will scale up commercially oriented livestock practices so that smallholder farmers can compete more effectively in regional markets and in import substitution. It aims to improve smallholders' access to rural financial services and strengthen farmers' groups; the Asian Development Bank will invest in critical infrastructure

and technical support. Focusing on 12 high-poverty districts, the programme will establish smallholder livestock production and marketing groups and work with their members. Village-based saving and credit schemes will provide members with access to rural financial services, and technical and financial support will be tailored to ensure access by marginalized and poor villagers through Village Funds. The programme will strengthen support for women and ethnic groups through intensive training. The initiative will also involve livestock market studies, forage production, support for livestock breeding and land use planning.

Approved IFAD loan amount: SDR 7.3 million (equivalent to approximately US\$10.0 million)

Total programme cost: estimated at US\$19.7 million, of which national government will provide US\$4.3 million, beneficiaries US\$0.6 million and cofinancing from the Asian Development Bank US\$2.9 million and other bilateral development partners (in grant form)

Approximate reach: 20,000 households

Directly supervised by IFAD

VIET NAM: Commercial Smallholder Support Project in Bắc Kan and Cao Bằng

Economic growth in Viet Nam has raised living standards in rural areas but also contributed to inequality and environmental degradation. This project will build on previous IFAD-supported initiatives focused on developing businesses in rural areas and on agroforestry. First, an investment plan will be developed, in parallel with climate change adaptation planning. This will include preparation of action plans and awareness-raising to improve resilience. Then market-oriented socioeconomic development plans will be prepared, reflecting climate challenges. The project will also support equitable ownership and efficient use of forest resources. Almost 2,000 common interest groups will be developed or strengthened to implement profitable climate change-adaptation technologies and practices. Support will be given to newly established women's development funds, and an agribusiness promotion investment fund will catalyse approximately 25 private-sector agro-enterprise investments.

Approved IFAD loan amount: US\$42.5 million

Approved IFAD grant amount: US\$0.5 million

Total project cost: estimated at US\$74.3 million, of which national government will provide US\$20.6 million and beneficiaries US\$10.7 million

Approximate reach: 30,000 households

Directly supervised by IFAD

Latin America and the Caribbean

ARGENTINA: Goat Value Chain Development Programme

This programme aims to integrate smallholder goat breeders into value chains, particularly those in meat, fibre and milk products. The initiative will strengthen development of emerging value chains by supporting marketing, policy and normative aspects, with the goal of developing markets for goat products. Technical exchange visits will be supported, and participants will receive basic financial education and help in formulating business plans. Implementation of the approved

business plans will also be aided through revolving funds for credit administered by producers' organizations. Additionally, the programme will finance guarantee funds to facilitate operating capital loans from financial institutions. Working through existing organizations, the programme will promote participation by vulnerable groups, especially indigenous peoples, women and young people.

Approved IFAD loan amount: US\$12.3 million

Approved IFAD grant amount: US\$1.0 million

Total programme cost: estimated at US\$25.5 million, of which national government will provide US\$7 million and beneficiaries US\$2.2 million

Approximate reach: 8,000 families

Directly supervised by IFAD

BRAZIL: Maranhão Rural Poverty Alleviation Project

Maranhão is the second largest state in northeast Brazil and one of the poorest in the country. Yet conditions are favourable for reducing rural poverty in the state by improving production among family farmers. This project aims to achieve that by increasing the property and assets of beneficiary families by 20 per cent; reducing child malnutrition by 25 per cent; and reducing the proportion of the family budget used to buy food by 20 per cent. It will focus on 43 municipalities, including 4 inhabited by indigenous communities. The project will begin by strengthening beneficiary capacities to participate in the local development process, better manage their organizations, reduce gender inequalities and create opportunities for young people. Then it will work to increase food production through technical assistance, cofinancing investments in production, improving access to markets and addressing adaptation to climate change.

Approved IFAD loan amount: SDR 14 million (equivalent to approximately to US\$19.7 million)

Total project cost: estimated at US\$40 million, of which national government will provide US\$16 million and beneficiaries US\$4 million

Approximate reach: 30,000 households

Directly supervised by IFAD

CUBA: Livestock Cooperatives Development Project in the Central-Eastern Region

This project is geared to increasing the production and sale of milk and meat, and thus raising the incomes of families in cooperatives. At present, the cooperatives have significant manual labour capacity, but due to insufficient equipment, inputs and services they are experiencing high cattle mortality and low birth rates, as well as having insufficient pasture land and limited water availability. The project will work to strengthen these smallholder livestock cooperatives in both production and managerial capacity. It will build the capacity of service providers, leading to an increase in cow insemination, improved pastureland and the rehabilitation of water capture infrastructure. The project also focuses on increasing the transport capacity and the processing capacity of the milk and meat industries in the project area.

Approved IFAD loan amount: EUR 10.9 million (equivalent to approximately US\$11.9 million)

Total project cost: estimated at US\$50 million, of which national government will provide US\$10 million and cofinancing from the French Development Agency EUR 25 million

Approximate reach: 11,500 families

Directly supervised by IFAD

ECUADOR: Catalysing Inclusive Value Chain Partnerships Project (DINAMINGA)

Falling oil prices have put progress at risk in Ecuador and led to a rise in rural poverty between 2014 and 2015. There are marked gaps between urban and rural and vulnerable people including indigenous, Montubian and Afro-Ecuadorean people. This project aims to improve the incomes of smallholder families producing cacao, blackberries and golden berries in 11 provinces. It will work to increase the margins derived from value addition and redistribute income within the value chains so that profits reach smallholder producers. The initiative will promote commercial partnerships and trade in the selected subsectors along with access to financial products and services. It will also help smallholder producers boost their productivity, enhance the quality of their output, generate added value and improve management and governance of their enterprises. Activities will include promoting agricultural and post-harvest good practices; building entrepreneurial and gender equality capacities; and increasing access to financial services.

Approved IFAD loan amount: US\$25.7 million

Approved IFAD grant amount: US\$0.3 million

Total project cost: estimated at US\$35.2 million, of which national government will provide US\$5.6 million and beneficiaries US\$3.6 million

Approximate reach: 20,000 families

Directly supervised by IFAD

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

Though poverty has been declining in recent years, it increased slightly in 2014 due to rising food costs and growing unemployment. El Salvador is also one of the most climate change-vulnerable countries in the world. This programme aims to sustainably increase the incomes and climate change resilience of poor rural families in the central, eastern, paracentral and western regions of the country. The initiative will begin with capacity-building for sustainable production adapted to climate change. This will be done through research, outreach, education and training focused on developing priority value chains. It will then promote sustainable access to better markets for target groups (small producers, women, young people and indigenous peoples) as a means to boost incomes. In addition, the programme will work to strengthen the rural development policy and institutional framework through support for policy analysis and formulation and implementation activities relating to the selected value chains.

Approved IFAD loan amount: US\$13.9 million

Total programme cost: US\$67.2 million, of which national government will provide US\$2.9 million, beneficiaries US\$1.7 million and cofinancing from the OPEC Fund for International Development US\$30 million

Approximate reach: 23,000 people

Directly supervised by IFAD

GUYANA: Hinterland Environmentally Sustainable Agricultural Development Project

Persistent poverty and climate change are straining resilience and social cohesion in Guyana's hinterlands. This project aims to improve livelihood resilience through income generation, access to assets, improved nutrition and adaptation to climate variability. It will work to identify commodities that can involve small farmers in markets, increase demand for services and labour, and support participation in market opportunities. Community resilience will be strengthened by increasing access to technology and information for better planning and natural resource management as well as improved water availability for agriculture and human consumption. Better soil management practices will be introduced and renewable energy adopted. Commodities will be introduced to improve household diets, and nutrition education will encourage behaviour change.

Approved IFAD loan amount: US\$8 million

Approved IFAD grant amount: US\$0.5 million

Total programme cost: estimated at US\$11.2 million, of which national government will provide US\$2.4 million and beneficiaries US\$0.3 million

Approximate reach: 6,000 households

Directly supervised by IFAD

NICARAGUA: Dry Corridor Rural Family Sustainable Development Project

This project will support poor rural families, including indigenous peoples, to boost their incomes, improve the nutritional content of their diets and strengthen their capacities to adapt to climate change. It will concentrate on food and nutrition security of families and natural resource management and adaptation to climate change, helping people to map their own paths towards development. Participants will be helped to develop business plans to promote diversification and income-generating activities, both agricultural and non-agricultural, including microenterprises. Territorial plans will be developed to build productive infrastructure, manage natural resources and improve access to water and roads. The project will then support implementation of business plans through an investment fund.

Approved IFAD loan amount: US\$20.5 million

Total project cost: estimated at US\$48.5 million, of which national government will provide US\$6 million, beneficiaries US\$7 million and cofinancing from the Central American Bank for Economic Integration US\$15 million

Approximate reach: 30,000 families

Directly supervised by IFAD

PERU: Public Services Improvement for Sustainable Territorial Development in the Apurímac, Ene and Mantaro River Basins Project (Sustainable Territorial Development Project)

One of the causes of high poverty rates in rural areas of Peru is poor integration with the market economy. This project aims to support the creation of rural producers' organizations to help communities improve their livelihood strategies and increase their participation in markets for goods and services. It will begin by building institutional capacities in the project's seven provinces, including in local and provincial governments, supporting initiatives to improve communal goods and properties. It will also help the beneficiaries and their community and indigenous associations to build their capacities for sustainable natural resource management and development and deal with climate change. Deteriorating rural roads and scarce communication services lead to isolation, so the project also aims to facilitate market access. It will do so by creating jobs with start-ups or microenterprises for routine maintenance of roads and development of irrigation infrastructure.

Approved IFAD loan amount: SDR 20.7 million (equivalent to approximately US\$28.5 million)

Total project cost: estimated at US\$74.5 million, of which national government will provide US\$38.8 million and beneficiaries US\$7.2 million

Approximate reach: 50,000 families

Directly supervised by IFAD

Near East, North Africa and Europe

DJIBOUTI: Soil and Water Management Programme

Djibouti is among the world's 10 most water-poor countries, leading to an underdeveloped agriculture sector that contributes just 4 per cent of GDP, most of it through livestock farming. This programme aims to sustainably improve rural households' access to water and their resilience to climate change. It will aid communities to develop water and rangeland management plans and train the committees responsible for implementing them. It will then support construction of water infrastructure such as reservoirs, cisterns and boreholes. The project will also aid regeneration of rangeland through erosion control and tree planting. Another aspect will work to diversify the incomes of rural households and improve hygiene, nutrition and health conditions for the targeted populations.

Approved IFAD loan amount: US\$5.8 million

Approved IFAD grant amount: US\$0.3 million

Total programme cost: estimated at US\$17.1 million, of which national government will provide US\$2.5 million, beneficiaries US\$0.7 million and cofinancing from World Food Programme US\$1.7 million

Approximate reach: 11,075 households

Directly supervised by IFAD

KYRGYZSTAN: Access to Markets Project

Livestock production is a declining though still important share of the Kyrgyz economy, but productivity is far below its potential. This project aims to improve smallholder livestock farmers' access to markets for their products, leading to better and more equitable returns. It will also improve their capacity for efficient livestock production, processing and marketing. Participants will develop proposals for funding, and through a business advisory service facility, these will be elaborated into business plans to be funded through grants or credit. The project will provide capacity-building support for farmers and agribusiness staff, which will include on-farm demonstrations, piloting of innovative and climate-smart technologies, advisory services and exposure to best international practices. The initiative will also work to strengthen the Kyrgyz veterinary authority, which facilitates livestock commodity trade and ensures food safety. The aim is to increase the export of live animals and livestock products by 10 per cent.

Approved IFAD loan amount: SDR 9.4 million (equivalent to approximately US\$12.7 million)

Approved IFAD grant amount: SDR 9.4 million (equivalent to approximately US\$12.7 million)

Total project cost: estimated at US\$55.5 million, of which national government will provide US\$1.7 million, beneficiaries US\$8.4 million and confinancing from financial service providers US\$20 million

Approximate reach: 14,000 households

Directly supervised by IFAD

REPUBLIC OF MOLDOVA: Rural Resilience Project

Moldovan agriculture and agribusiness face two major constraints: access to financial services and access to climate-resilient infrastructure. This project aims to strengthen resilience and improve economic opportunities for rural poor people. Addressing agribusinesses, smallholder farmers (especially vulnerable women) and young entrepreneurs, it will work to upgrade people's skills and integrate them more profitably into value chains. It will also help them to climate-proof their practices and provide them with access to climate-resilient infrastructure. The project in addition will work to expand access to financial services and markets for rural transformation. This will take place through finance, credit guarantees and technical support for micro, small and medium-size enterprises.

Approved IFAD loan amount: US\$18.2 million

Approved IFAD grant amount: US\$0.5 million

Approved ASAP grant amount: US\$5 million

Total project cost: Estimated at US\$38.7 million, of which national government will provide US\$2.9 million, beneficiaries US\$9.5 million and participating finance institutions US\$2.6 million

Approximate reach: 17,658 households

Directly supervised by IFAD

MOROCCO: Atlas Mountains Rural Development Project

Agricultural production in Morocco is highly volatile due to changing and erratic climatic conditions. In this context, the project aims to strengthen people's abilities to raise their incomes by enhancing value chains, improving market access, sustainably managing natural resources and diversifying income sources. It will focus on plant and animal value chain development and irrigation. The initiative will expand and improve apple, almond and cherry orchards and expand potato farming to new areas. It will also develop sheep and goat raising. The dairy and honey value chains will also be supported. In an effort to reduce the pressure on forest resources, the project will support the launch of small income-generating projects by young women and men. It will provide practical training on the technical and financial management of microenterprises and support for purchasing equipment and accessing financing.

Approved IFAD loan amount: US\$45.1 million

Approved IFAD grant amount: US\$1.4 million

Total project cost: estimated at US\$61.3 million, of which national government will provide US\$13.6 million and beneficiaries US\$1.2 million

Approximate reach: 27,600 households

Cooperating institution: IFAD

TUNISIA: Siliana Territorial Development Value Chain Promotion Project

This project aims to help smallholders, including women and young people, exploit the potential within value chains, particularly those involving tree growing. It will involve organizing value chain participants, developing economic activities to engage them and building their professional capacities. The project will also set up platforms for development of partnerships and help participants prepare business plans. These plans will particularly support activities for farms to convert to tree growing and engage in livestock-related activities. Assistance will also be given to start-up microenterprises in production and services. To create a healthy environment for value chain development, the project will help producer organizations to obtain private technical and economic advisory assistance. It will also help finance the repair or construction of infrastructure such as irrigation, new tracks for market access and catchment lakes.

Approved IFAD loan amount: EUR 21.6 million (equivalent to approximately US\$23.6 million)

Approved IFAD grant amount: EUR 0.45 million (equivalent to approximately US\$0.5 million)

Total project cost: estimated at US\$34.2 million, of which national government will provide US\$7.6 million and beneficiaries US\$2.5 million

Approximate reach: 14,000 households

Directly supervised by IFAD

Grants

IFAD uses grants to generate, test and implement innovative ideas and approaches to agricultural and rural development, with partner governments and with civil society organizations, research institutions, academia, private-sector actors and other centres of excellence. The grant programme is an important instrument that complements our investment programmes by promoting innovations, policy engagement, research and partnerships. Since 1978, IFAD has committed US\$1,100.6 million in grants.

Following the approval of our Policy for Grant Financing and the accompanying Implementing Procedures in 2015, 2016 was an important year as the new Policy and Procedures became effective. According to the new policy, the goal of IFAD grants is to broaden and add value to the support that the Fund provides to smallholder farmers and rural transformation, thereby contributing to rural poverty eradication, sustainable agricultural development, and global food security and nutrition. Poor rural people and their organizations are central to every grant submission.

At IFAD, we extend two types of grants, depending on the nature of the innovation and the scope of intervention: global or regional grants, and country-specific grants. In 2016, grants worth US\$56.9 million were approved. This total is made up of US\$44.7 million in global and regional grants and US\$12.2 million in country-specific grants, including US\$0.4 million for small grants under the debt sustainability framework (DSF) (Table 12).

Grants for activities implemented in specific countries focus mainly on strengthening institutional, implementation and policy capacities and on innovating in thematic areas. Country-specific grants also pilot new technologies, approaches and methodologies that can subsequently be scaled up through IFAD's country programmes and by other stakeholders.

Global and regional grants fund innovative responses to rural and agricultural challenges being faced by several partner countries. These grants are driven by thematic and regional corporate-level strategic priorities for partnership, research, policy engagement and capacity-building. The priorities are determined within the scope of IFAD's three-year Medium-term Plan and further sharpened into priority lines of action through an annual guidance note. As a result, IFAD allocates grant resources strategically. In 2016, the areas of focus for global or regional grants were:

- rural youth and employment
- rural financial inclusion
- improved data collection and better results measurement
- AR4D (agricultural research for development) to sustainably enhance the intensification and resilience of smallholder agriculture.

Another important change we introduced as a result of the new grants policy is a move towards selecting grantees through competitive processes such as calls for interest. This year, IFAD selected 14 grant recipients in this way. In addition, we now strongly encourage grant recipients and other partners of IFAD grant-funded projects to mobilize cofinancing to ensure greater ownership and better prospects

for scaling up results. In 2016, cofinancing mobilized by partners of IFAD grant-funded projects was 1.39:1 for each dollar provided by IFAD. To improve efficiency and effectiveness, we have also made an effort to approve fewer but larger new grants. At the same time, the number of small grants (under US\$0.5 million) is being reduced, and in 2016 small grants made up only 8 per cent of the total grant portfolio.

Summary of large grants

During the year, the Executive Board approved 24 large grants, each worth more than US\$0.5 million and totalling US\$44.3 million.

Africa Rice Center. Capitalizing on the Potential of Inland Valleys for Food and Nutrition Security in West Africa (US\$2 million). The programme will improve food security, reduce poverty, conserve biodiversity and strengthen climate resiliency in inland valleys in Côte d'Ivoire and Ghana.

Alliance for a Green Revolution in Africa. Improved Delivery of Seed and Soil Fertility Technologies to Smallholder Farmers Project (US\$1 million).

The project will increase smallholder farmer productivity in Ethiopia, Malawi and Mozambique by developing national capacity to deliver improved seeds and soil fertility technologies to smallholder farmers.

Bioversity International (on behalf of the CGIAR Research Program on Agriculture for Nutrition and Health). Linking Research to Impact: Increasing the Effectiveness of Agriculture and Food Systems in Improving Nutrition Project (US\$2.5 million). The project will use nutrition-sensitive agricultural investments to create links between researchers and decision makers, and to build a stronger evidence base to document the impact of agriculture on nutrition.

Canadian Co-operative Association. Improving Rural Financial Inclusion through Financial Cooperatives Project (US\$2.7 million). The project will improve rural financial inclusion in Ethiopia, Malawi and Tanzania by strengthening the capacity of financial cooperatives, encouraging innovative and qualitatively improved products and services, and promoting pro-financial cooperative policy and regulation at the government level to benefit rural poor people.

Center for Development Data through the World Bank. Improving the Availability and Quality of Individual-level Data on Women and Youth in Living Standards Measurement Study Surveys through Methodological Research and Capacity-Building (US\$2.3 million). The programme will use data to inform policy benefiting rural women and young people, bringing them closer to achieving the SDGs.

Centre for Agriculture and Biosciences International. Integrating ICT Tools into Plantwise to Support More Effective Data Capture and Use (US\$1.7 million). The programme will reduce crop losses due to pests and diseases. This will increase the productivity of key crops and improve household-level returns from agriculture in Kenya, Mozambique, Rwanda and Uganda.

Centro de Investigación y Docencia Económicas A.C. Training and Global Certification Framework for Monitoring and Evaluation and Impact

Assessment in Rural Development (US\$3.5 million). The programme will improve data collection for more informed decision-making by creating a global training programme, Monitoring and Evaluation and Impact Assessment in Rural Development.

Food and Agriculture Organization of the United Nations. Harnessing Knowledge and Networks for Capacity-Building in Inclusive Rural Finance (CABFIN) for IFAD's Investment Portfolio (US\$1 million). The programme will apply good practices as defined by CABFIN and its partner networks to facilitate the development of inclusive and sustainable rural and agricultural financial markets in developing countries.

Fundación Capital (FundaK). Promoting the Financial Inclusion of Young Rural Women Project (US\$1.5 million). The project will improve the access of rural women to financial services tailored to their specific needs, enabling them to build, protect and enhance their assets in order to escape poverty.

Global Youth Innovation Network. Scaling up Rural Youth Access to Inclusive Financial Services for Entrepreneurship and Employment (US\$1 million). The programme will improve the current process of raising capital for enterprises developed by poor rural young people by mitigating the risks faced by financial institutions, strengthening relationships with industry experts, acquiring new knowledge and sharing success stories.

Institute of Development Studies. Challenges and Opportunities for Rural Youth Employment in Sub-Saharan Africa: A Mixed-Methods Study to Inform Policy and Programmes (US\$1.5 million). The study will inform and influence the policies, strategies and programmes that affect the ability of young people in rural areas to move towards a future of economic opportunity.

Inter-American Institute for Cooperation on Agriculture. Building Capacities for Results-based Management and Scaling-up of Innovations in Public Policies to Combat Rural Poverty in North-East Brazil (US\$2.5 million). The programme will increase the impact and efficiency of programmes and policies combating rural poverty by building institutional capacity among government agencies to monitor and evaluate results.

International Center for Tropical Agriculture. A common journey - Capacity Development on Climate-Smart Agriculture in Central America to Strengthen Policies and Decision-making for Climate Change Adaptation and Mitigation Actions (US\$1 million). The programme will strengthen climate change adaptation policies with a focus on smallholder farmers and climate-smart agricultural practices.

International Center for Tropical Agriculture. Climate-smart Dairy Systems in East Africa through Improved Forage and Feeding Strategies: Enhancing Productivity and Adaptive Capacity while Mitigating Greenhouse Gas Emissions (US\$2 million). The programme will develop pro-poor context-specific forage options for crop-livestock systems and improve the efficient use of natural resources. It will also support the wide-scale adoption of sustainable forage and feeding strategies.

International Food Policy Research Institute. Enhancing the Impact of Policies and Rural Investments on Poverty, Food Security and Employment in the Near East and North Africa: The Arab Investment for Development Analyser Programme (US\$1.6 million). The programme will contribute to policies and investments aimed at enabling rural people to overcome poverty and food insecurity in Egypt, Jordan, Lebanon and Tunisia.

International Institute of Tropical Agriculture. Fight Cassava Brown Streak Disease and Cassava Mosaic Disease through the Deployment of New Resistant Germplasm and Clean Seed in Burundi and Rwanda (US\$2 million). The programme will increase the food security and household incomes of rural cassava farmers.

International Institute of Tropical Agriculture. Youth Researching Youth: Competitive Fellowships for Young African Scholars Researching Youth Engagement in Rural Economic Activities in Africa (US\$2 million). The programme will improve understanding of the factors influencing youth engagement in agribusiness and rural farm and non-farm economic activity, significantly increasing evidence of how policies and investments can contribute to economic growth and an enabling environment for rural youth.

International Institute of Tropical Agriculture. Aquaculture Assessments and Value Chain Pilot Project to Improving Fish Supply, Employment and Nutrition in Angola and the Democratic Republic of the Congo (US\$2.4 million). The programme will increase production from smallholder/larger-scale fish farms and improve the public-sector capacity for managing aquaculture development.

Latin American Center for Rural Development. Rural Youth, Territories and Opportunities: A Policy Engagement Strategy (US\$1.8 million). The programme will improve territorial economic opportunities for rural youth through evidence-based policy analysis and policy engagement with governments in Colombia, Ecuador, Mexico and Peru.

MicroInsurance Centre for Managing Risks for Rural Development. Promoting Microinsurance Innovations (US\$1.8 million). The programme will increase resilience and risk management to improve the livelihoods of poor rural households that depend on off-farm and/or on-farm income-generating activities in China, Ethiopia and Georgia.

Oxfam Italia. Engaging Diaspora Communities in Italy in Collaborative Efforts to Support Rural Development and Youth Employment in Morocco and Senegal (US\$1.5 million). The programme will increase employment opportunities for rural youth using long-term investments by the diaspora.

Rainforest Alliance. Programme for Using the Tool of Certification to Integrate Smallholder Farmers into Value Added Supply Chains (US\$1 million). The programme, targeting smallholders in Brazil, Indonesia, Liberia and Sierra Leone, will eliminate barriers to sustainable supply chains to enable smallholder farming families to build brighter futures.

Transtec. Improve Dryland Livelihoods in Djibouti and Somalia through Productivity-enhancing Technologies (US\$2 million). The programme will promote the adoption of improved technologies for farming and the sustainable management of water, watersheds, rangelands and small ruminants.

World Agroforestry Centre. Strengthening Landscape-level Baseline Assessment and Impact-monitoring in East and Southern Africa Project (US\$2 million). The project will enhance access to high-quality data on ecosystem health and household resilience for national stakeholders and their partners. These data will be used to refine the development of programme interventions and investments.

Stories from the field

New research finds the potential of waste reuse for small farmers worldwide

By championing the possibilities of waste – food, agro-industrial and even human – a grant funded by IFAD and the Swiss Agency for Development and Cooperation (SDC) has supported food security and sustainability across the world. From 2011 to 2015, the Resource Recovery and Reuse project – implemented by the International Water Management Institute (IWMI) under the CGIAR Water, Land and Ecosystems research programme – analysed 110 waste-recovery businesses in order to establish guidelines for assessing, implementing and scaling up similar programmes. Now, the project's findings are generating donor interest and encouraging small businesses globally to take advantage of the water, nutrients and energy found in waste.

The main innovation of the Resource Recovery and Reuse project was to demonstrate that sanitation work and waste management – traditionally dependent on public subsidies – can be profitable. Its research found that waste-reuse businesses could increase cost recovery, generate profits and recover resources to improve soil nutrition, crop sustainability and climate resilience.

For urban dwellers in developing countries, waste reuse businesses can provide incentives to collect and process the 30 to 60 per cent of waste that remains untreated by municipal services. For rural people – and smallholder farmers in particular – these businesses create jobs and provide inputs such as organic fertilizer that can boost food security and sustainable agriculture. Waste reuse

programmes also create a closed loop for rural-urban linkages: the water and nutrients that enter urban areas through agricultural products can be returned to rural areas through resource recovery.

The project analysed 60 empirical studies from 24 countries and developed 21 generic waste-reuse models with potential for implementation in developing countries. The researchers then tested these models through feasibility studies in Bangalore, Hanoi, Kampala and Lima and published their results in the public domain (see: <http://ifadrrr.iwmi.org/approved-project-documents.aspx>). The project provided financial support to more than 20 postgraduate students working on related research questions, and its findings are continuing to guide investment decisions in waste reuse businesses.

So far, the project has catalysed follow-up grants from the SDC and the European Union worth over US\$2.8 million, and CGIAR's Water, Land and Ecosystems programme has listed sustainable rural-urban linkages with a focus on recovering and reusing resources in urbanized ecosystems as a flagship programme for further funding and research. There are also plans to integrate business models from the projects with business school curricula to instruct future leaders in resource recovery and reuse.



Safe, nutritious fertilizer pellets made from processed human waste at a trial site at Buet, Dhaka, Bangladesh © IWMI/Neil Palmer

The project's findings are also fostering public-private partnerships. In Ghana, Jekora Ventures Ltd is planning to establish a co-composting facility in the Yilo-Krobo Municipal Assembly to annually transform 5,000 cubic metres of faecal sludge and 300 tons of organic solid wastes into 200 tons of safe pelletized compost. A wastewater treatment plant is planned in Kumasi to produce catfish in well-treated wastewater and reinvest the profits in the maintenance of the plant.

Meanwhile, the project's research has resulted in collaboration with the World Bank's Water and Sanitation Program to conduct feasibility assessments for different waste reuse business models in Maharashtra and Kerala states in India. The Government of Sri Lanka has signed a memorandum of understanding with IWMI to pilot a waste-to-fertilizer facility in Kurunegala and analyse how to increase cost recovery in its 110 compost stations across the country. The research findings have also been incorporated into the government-led Market Gardening Development Support Project that IFAD is supporting in Benin.

Better feed for cows benefits dairy farmers in India and Tanzania

Across the world, livestock provides food and income for almost 1.3 billion people. Dairy cows are particularly important both nutritionally and economically. In India and Tanzania, innovative feeding strategies – introduced by an IFAD grant – have increased milk production and boosted small farmers' food security and livelihoods.

From 2011 to 2014, IFAD funded a programme for enhancing dairy-based livelihoods in India and Tanzania through feed innovation and value chain development approaches. Better known as MilkIT, the programme was led by the International Livestock Research Institute with the International Center for Tropical Agriculture (CIAT) and partners. The programme connected poor dairy producers – many of them women – to value chains and knowledge-sharing platforms to improve feeding methods.

Some of the changes introduced were simple but significant. In India, for example, feeding troughs helped farmers from seven villages cut down on waste. Initially, only 1 per cent of participating farmers owned a trough. The rest put feed on the ground, leading to high wastage of forage, more labour when cleaning out the cattle sheds and increased risk of transmission of animal diseases.

With the help of local builders, MilkIT designed a simple trough using local material and adapted to the needs of local producers. In order to promote the use of this technology, the IFAD-funded Integrated Livelihood Support Project and the National Bank for Agriculture and Rural Development provided financial incentives to project participants, most of whom were women. This contributed to the adoption of the new troughs, and as a result the average rate of fodder wastage fell by half.

Meanwhile, in Tanzania, MilkIT trained smallholder farmers in different methods of feed production and conservation. Dairy farmers learned to use a box-baler to make hay from natural grass or maize by-products. This inspired some farmers in Mbuzii, a village in Lushoto district, to make their own baler, which they demonstrated at a district agricultural show. Now, 40 farmers in Ubiri have adopted the new technology.



A roadside milk collection centre for a farmer's group in Mvomero district.
Tanzania: MilkIT Programme ©ILRI/Ben Lukuyu

The spread of the box-baler reflects another MilkIT component: setting up innovation platforms in each country. Dialogue in these gathering centres led to rapid improvement in marketing arrangements, such as establishing producer cooperatives, milk collection centres and shops in Uttarakhand, India. Additionally, the National Bank for Agriculture and Rural Development developed credit schemes to enable small farmers to purchase cross-bred cows that produce more milk, and the state dairy cooperative relaxed their membership rules to allow remote villages to join and sell milk through them.

As MilkIT demonstrated, technical feed interventions and marketing interventions are most effective when implemented together, as they depend on and support each other's success. For example, participants in the innovation platforms identified that increasing the quantity of good quality feed depended on finding a cheap, easy way to cut chaff and make it more palatable for the animals. After smallholder dairy farmers tested forage choppers already available with local dairy cooperatives, MilkIT identified an entrepreneur who was available to supply the

chosen model in remote areas and facilitated the acquisition of such forage choppers by groups of farmers. This enabled them to produce better, more plentiful feed and thus increase milk production and incomes.

IFAD is looking at ways to scale up the successes of MilkIT. In Uttarakhand (India), the findings may be implemented in the IFAD-supported Integrated Livelihood Support Project. In Tanga (Tanzania), the lessons learned have been fed into the national *Maziwa Zaidi* dairy development initiative linked to CGIAR's livestock research programme. The innovation platform process has been adopted by local stakeholders and applied in other contexts.

Smallholders in Latin America find their voice with support from IFAD

Enabling rural people to have a say in the policies and decisions that affect their lives and livelihoods is a key part of IFAD's work to empower smallholders, poor producers and rural entrepreneurs. Since 2010, we have partnered with the Latin American Center for Rural Development (RIMISP) to create "rural dialogue groups", which work to give rural people a greater voice in policy debates.

Despite recent progress, the Latin American region continues to suffer from the highest rates of inequality in the world. Rural people, in particular, struggle to access the opportunities and benefits created by economic growth and social development. Creating space for smallholders to take part in policy dialogue – and building their confidence to do so – is vital to efforts to drive inclusive rural development and to enable poor producers to adapt to the changing climate.

Farmers in El Salvador are very vulnerable to several effects of climate change, including widespread soil erosion, land degradation and drought. The *Corredor Seco* (Dry Corridor), for example, is home to 104 municipalities and thousands of small farmers. It is severely affected by intense droughts that can last for weeks.

In 2010, to help combat these issues, an IFAD grant supported the creation of El Salvador's Rural Dialogue Group. The group is led by 20-30 representatives of various entities – including universities, international bodies, civil society organizations and government – with vast experience in both rural development and environmental issues. Together, they raise the level of political and social dialogue within the country.

The Rural Dialogue Group focuses particularly on policies that enable farmers to adapt to climate change and promote environmental protection within the context of rural development. Since it works directly with the Ministries of Agriculture and Rural Development, and Environment and Natural Resources, the group can raise these issues directly with policymakers. Nutrition and food security and sovereignty are also on the agenda.

In Colombia, the Rural Dialogue Group was instrumental in supporting the new vision for the rural sector promoted through the peace negotiations with the FARC guerrilla organization. The group was especially active in contributing to the Rural Mission of Colombia. This is an initiative with a new institutional agenda for the agrarian sector that aims to improve the situation in the rural areas, which have been severely neglected during the 50 years of violent conflict that have ravaged the country.

Led by 12 members from diverse backgrounds, including representatives of trade and labour unions, multilateral organizations and universities, the Colombian group is part of a larger movement attempting to bridge the gap between urban and rural populations. Enabling small producers to participate fully in value chains and social development, for example, could increase social mobility throughout the country.

With support from IFAD, the Colombian group helped create a virtual space for communications called “The Rural Chair” (<http://lasillavacia.com/silla-llena/red-rural>). This platform has been influential in shaping public opinion on topics related to technological investment for smallholder farmers, improved seeds, land ownership, water scarcity and climate change, among other issues.

The Rural Dialogue Group also supported the preparation of IFAD’s new RB-COSOP for Colombia, endorsed by the Executive Board in December. The group contributed with political guidance and technical advice that greatly improved the programme.

In Colombia, two local subgroups were also created. The Caribbean subgroup helped formulate guidelines for a rural development strategy with a territorial approach in the region. In partnership with the School of Public Administration, the group held 22 workshops in 21 subregions to enable local people to actively contribute to plans and processes for rural and territorial development. In the Atlantic region, the subgroup worked directly with the government to create territorial innovation systems to stimulate development.



A member of the San Isidro en Tamanique Cooperative on his farm in Chiltiupan.
El Salvador: Country Programme ©IFAD

Organics offer new opportunities to young farmers in the Pacific Islands

A growing IFAD-supported movement in the Pacific Islands is helping farmers tap into international organics markets. By having their products certified as organic, Pacific Island farmers are raising their incomes, increasing their resilience and maintaining their cultures.

In the Pacific Islands, farmers have been using organic farming methods for centuries, without the application of chemical fertilizers, pesticides and herbicides. But strict international requirements for organic products prevented traditional producers from exporting their goods and benefiting from lucrative overseas markets.

To enable farmers to access these markets, IFAD provided financial support to the Secretariat of the Pacific Community to fund the Pacific Organic and Ethical Trade Community (POETCom). POETCom sees organics and ethical trade as a key contributor to sustaining culture and communities, and improving farmers' livelihoods, people's health and the environment in the Pacific. It seeks to grow the organic and ethical trade movement and foster a productive, resilient, sustainable and healthy Pacific Island region.



Young extension workers learn how to cultivate papaya on Viti Levu island.
Fiji: Agricultural Partnerships Project ©IFAD/Susan Beccio

Since 2014, POETCom has signed agreements with three internationally accredited certifying bodies to create the Pacific Organic Standard (POS). By meeting this standard, smallholders have scaled up their businesses and increased their incomes. With the help of POETCom, by 2015, 19,000 smallholder farmers had gained certification and 70,000 hectares of lands were under organic production.

As the international market for organics continues to grow, it presents increasing opportunities for small Pacific farmers who are usually too remote to participate in other mainstream markets. Through POETCom, farmers have been able to access growing markets for virgin coconut oil, coconut sugar and papaya in order to sell their products at premium prices.

Because POETCom encourages Pacific farmers to take full advantage of their traditional farming practices, POETCom and IFAD have worked in partnership with national organic farming organizations to give institutional support to smallholder farmers and upgrade their technical skills. Using a mentorship approach, farmers are able to share their skills and experience with their peers, including techniques that maintain the farmers' traditional relationships with the land. Young farmers are equipped with critical production and marketing skills to promote self-employment and economic expansion.

At the same time, POETCom and IFAD are helping young farmers build resilience to global warming. Smallholders in the Pacific are particularly vulnerable to the effects of climate change and natural hazards. These can include cyclones, earthquakes, tsunamis, volcanic eruptions, drought, salinity intrusion and extreme flooding. The programme has been designed to help small producers protect their livelihoods.

Table 12
Summary of grant financing, 2012-2016
Amounts in US\$ million^a

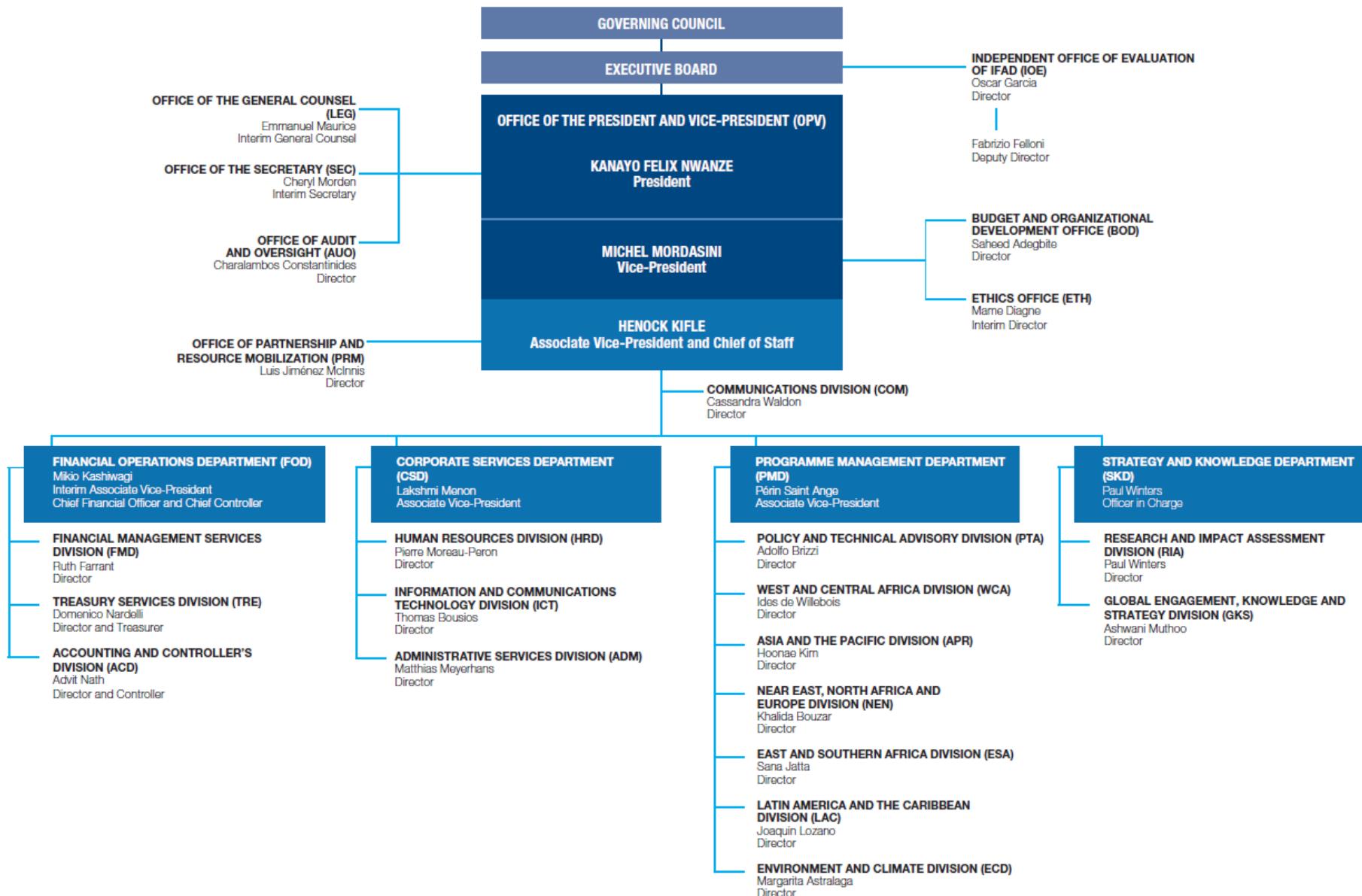
	2012	%	2013	%	2014	%	2015	%	2016	%	2012-2016	%
Global/regional grants												
	Amount	53.7	75	42.9	86	39.5	78	54.9	75	44.7	78.6	235.7
	Number of grants	70		48		45		43		38		244
Country-specific grants												
<i>Stand-alone</i>	Amount	1.5	2.1	3.5	7	5.4	11	9.2	13	3.2	5.6	22.8
	Number of grants	4		8		11		14		3		40
<i>Loan component</i>	Amount	14.8	21	3.6	7.2	4.7	9.3	9	12	8.6	15.1	40.7
	Number of grants	14		7		6		12		11		50
Total country-specific	Amount	16.3	23	7.1	14	10.1	20	18.2	25	11.8	20.7	63.5
	Number of grants	18		15		17		26		14		90
Other DSF grants												
	Amount	1.4	2	0	0	1	2	0.5	0.7	0.4	0.7	3.3
	Number of grants	2		0		2		1		1		6
Total all windows	Amount	71.5	100	50	100	50.6	100	73.6	100	56.9	100	302.5
	Number of grants	90		63		64		70		53		340

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

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

ORGANIZATION, MEMBERSHIP AND REPRESENTATION

IFAD Organizational Structure (as at 31 December 2016)



Membership and representation

As of 31 December 2016, IFAD had a total membership of 176 countries: 25 in List A, 12 in List B, 139 in List C (of which 50 in Sub-List C1, 57 in Sub-List C2 and 32 in Sub-List C3).

List A

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

List B

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

List C

Sub-List C1

Africa

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

Sub-List C2

Europe, Asia and the Pacific

Afghanistan
Albania
Armenia
Azerbaijan
Bangladesh
Bhutan
Bosnia and Herzegovina
Cambodia
China
Cook Islands
Croatia
Cyprus
Democratic People's Republic of Korea
Fiji
Georgia
India
Israel
Jordan
Kazakhstan
Kiribati
Kyrgyzstan
Lao People's Democratic Republic
Lebanon
Malaysia
Maldives
Malta
Marshall Islands
Micronesia (Federated States of)
Mongolia
Montenegro
Myanmar
Nauru
Nepal
Niue
Oman
Palau
Pakistan
Papua New Guinea
Philippines
Republic of Korea
Republic of Moldova
Romania
Samoa
Solomon Islands

Sub-List C3

Latin America and the Caribbean

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

List C

Sub-List C1

Africa

Uganda
United Republic of Tanzania
Zambia
Zimbabwe

Sub-List C2

Europe, Asia and the Pacific

Sri Lanka
Syrian Arab Republic
Tajikistan
Thailand
The former Yugoslav
Republic of Macedonia
Timor-Leste
Tonga
Turkey
Tuvalu
Uzbekistan
Vanuatu
Viet Nam
Yemen

Sub-List C3

Latin America and the Caribbean

Member	Governor	Alternate Governor
AFGHANISTAN	— <i>(January - June 2016)</i> Abdul Waheed Omer <i>(June 2016 -)</i>	—
ALBANIA	Shkelqim Cani <i>(January - April 2016)</i> Arben Ahmetaj <i>(April 2016 -)</i>	Alban Zusi <i>(January - May 2016)</i> Roni Telegrafi <i>(May 2016 -)</i>
ALGERIA	Sid-Ahmed Ferroukhi <i>(January - June 2016)</i> Chelgham Abdesslam <i>(June 2016 -)</i>	Rachid Marif <i>(January - February 2016)</i> — <i>(February - June 2016)</i> Abdelhamid Senouci Berekhi <i>(June 2016 -)</i>
ANGOLA	Afonso Pedro Canga <i>(January - December 2016)</i> Marcos Alexandre Nhunga <i>(December 2016 -)</i>	Florêncio Mariano da Conceição de Almeida
ANTIGUA AND BARBUDA	—	—
ARGENTINA	Claudio Javier Rozencwaig	—
ARMENIA	Sergo Karapetyan <i>(January - October 2016)</i> Ignati Araqelyan <i>(October 2016 -)</i>	Zohrab V. Malek
AUSTRIA	Edith Frauwallner	Günther Schönleitner
AZERBAIJAN	Vaqif Sadiqov <i>(January 2016)</i> — <i>(January - June 2016)</i> Heydar Khanish oglu Asadov <i>(June 2016 -)</i>	Mammad Bahaddin Ahmadzada <i>(June 2016 -)</i>
BAHAMAS (THE)	V. Alfred Gray	Eldred Edison Bethel
BANGLADESH	Abul Maal Abdul Muhith	Monzur Hossain
BARBADOS	—	—

Member	Governor	Alternate Governor
BELGIUM	Patrick Vercauteren Drubbel	—
BELIZE	Jose Alpuche (September 2016 -)	—
BENIN	Rufin Orou Nan Nansounon (January - April 2016) Delphin Oloronto Kouzande (April 2016 -)	Rosemonde Deffon Yakoubou (January - October 2016) — (October 2016 -)
BHUTAN	Yeshey Dorji	Daw Penjo (January - March 2016) Kinga Singye (March 2016 -)
BOLIVIA (PLURINATIONAL STATE OF)	—	Roxana Oller Catoira (January - October 2016) — (October 2016 -)
BOSNIA AND HERZEGOVINA	—	Vesela Planinic
BOTSWANA	Kgotla K. Autlwetse	Biopelo Khumomatlhare
BRAZIL	Nelson Henrique Barbosa Filho (January 2016) — (January 2016 -)	Maria Laura da Rocha
BURKINA FASO	Jean Gustave Sanon (January 2016) Hadizatou Rosine Coulibaly (January 2016 -)	Lassané Kabore (January - December 2016) Ambroise Kafando (December 2016 -)
BURUNDI	Tabu Abdallah Manirakiza (January - July 2016) Phil Domitien Ndihokubwayo (July 2016 -)	Déo Guide Rurema
CABO VERDE	Manuel Amante da Rosa	Sónia Cristina Martins

Member	Governor	Alternate Governor
CAMBODIA	Ouk Rabun (January 2016 - May 2016)	—
	Veng Sakhon (May 2016 -)	
CAMEROON	Clémentine Ananga Messina	Dominique Awono Essama
CANADA	Diane Jacovella (January - May 2016)	Michel Gagnon
	Sarah Fountain-Smith (May 2016 -)	
CENTRAL AFRICAN REPUBLIC	Marie-Noëlle Koyara (January - April 2016)	Mahamat Yacoub Taïb
	Honoré Feizoure (April 2016 -)	
CHAD	Amane Rosine Baïwong Djibergui (January - November 2016)	Lagnaba Kakiang (January - November 2016)
	Asseid Gamar Sileck (November 2016 -)	— (November 2016 -)
CHILE	Luis Fernando Ayala González	—
CHINA	Shi Yaobin	Yang Shaolin (January - June 2016)
		Chen Shixin (September 2016 -)
COLOMBIA	Juan Sebastián Betancur Escobar (January - March 2016)	Adriana Isabel Vivas Rosero (January - February 2016)
	— (April - September 2016)	— (February 2016 -)
	Juan Rafael Mesa Zuleta (September 2016 -)	
COMOROS	Siti Kassim	Mohamed Ali Soilihi (January - November 2016)

Member	Governor	Alternate Governor
CONGO	Rigobert Maboundou (January - May 2016) Henri Djombo (May 2016 -)	Mamadou Kamara Dekamo
COOK ISLANDS	—	—
COSTA RICA	Marco Vinicio Vargas Pereira	Miguel Ángel Obregón López
CROATIA	Damir Grubiša	—
CUBA	Rodrigo Malmierca Díaz	Alba Beatriz Soto Pimentel
CYPRUS	George F. Poulides	Spyridon Ellinas
CÔTE D'IVOIRE	— (January 2016) Mamadou Sangafowa Coulibaly (January 2016 -)	Janine Tagliante-Saracino (January - September 2016) Seydou Cissé (September 2016 -)
DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA	Kim Chun Guk (January - March 2016) — (March 2016 -)	—
DEMOCRATIC REPUBLIC OF THE CONGO	Emile Christophe Mota Ndongo Kang	Hubert Ali Ramazani
DENMARK	Morten Jespersen	Vibeke Gram Mortensen
DJIBOUTI	Mohamed Ahmed Awaleh	—
DOMINICA	Matthew Walter	—
DOMINICAN REPUBLIC	Antonio Vargas Hernández	Mario Arvelo Caamaño
ECUADOR	Fausto Eduardo Herrera Nicolalde	Javier Ponce Cevallos
EGYPT	Essam Osman Fayed	Amr Mostafa Kamal Helmy
EL SALVADOR	— (January - March 2016) Sandra Elizabeth Alas Guidos (April 2016 -)	María Eulalia Jiménez Zepeda (January - November 2016) — (November 2016 -)

Member	Governor	Alternate Governor
EQUATORIAL GUINEA	Francisco Mba Olo Bahamonde <i>(January - July 2016)</i>	Salomón Nfa Ndong <i>(January - July 2016)</i>
	Víctor Grange Meile <i>(July 2016 -)</i>	Miguel Mba Nchama Mikue <i>(July 2016 -)</i>
ERITREA	Arefaine Berhe	Fessehazion Pietros
ESTONIA	Ruve Šank	Siim Tiidemann
ETHIOPIA	Tefera Derbew	Gessese Mulugeta Alemseged
FIJI	Inia Batikoto Seruiratu	Joeli Cawaki
FINLAND	Elina Kalkku	Riikka Laatu
FRANCE	Guillaume Chabert	—
GABON	Mathieu Mboumba Nziengui <i>(January - November 2016)</i>	Rachelle Ewomba-Jocktane
	Yves Fernand Manfoumbi <i>(November 2016 -)</i>	
GAMBIA (THE)	Ousman Jammeh <i>(January - February 2016)</i>	Lang Yabou
	Ismaila Sanyang <i>(February 2016 -)</i>	
GEORGIA	Otar Danelia	Karlo Sikharulidze
GERMANY	Peter Failer	—
GHANA	Fifi Fiavi Franklin Kwetey <i>(January - April 2016)</i>	Molly Anim Addo
	Alhaji Mohammed Muniru <i>(April 2016 -)</i>	
GREECE	Themistoklis Demiris	Alexios Marios Lyberopoulos
GRENADA	Roland Bhola <i>(January - November 2016)</i>	—
	Yolande Bain-Horsford <i>(November 2016 -)</i>	
GUATEMALA	Stephanie Hochstetter Skinner-Klée	Sylvia Wohlers de Meie
GUINEA	Jacqueline Sultan	Mohamed Chérif Diallo

Member	Governor	Alternate Governor
GUINEA-BISSAU	—	—
GUYANA	Noel Holder	George Jervis
HAITI	Wilson Laleau (January - September 2016) Yves Romain Bastien (September 2016 -)	—
HONDURAS	Jacobo Páz Bodden	—
HUNGARY	— (January - February 2016) Katalin Tóth (February 2016 -)	Zoltán Kálmán
ICELAND	María Erla Marelsdóttir	Auðbjörg Halldórsdóttir
INDIA	Shaktikanta Das (January - February 2016) Dinesh Sharma (February 2016 -)	Dinesh Sharma (January - February 2016) Raj Kumar (February 2016 -)
INDONESIA	Andin Hadiyanto (January - November 2016) Rionald Silaban (November 2016 -)	—
IRAN (ISLAMIC REPUBLIC OF)	Peiman Seadat (January 2016) Majid Bizmark (January 2016 -)	—
IRAQ	Falah Hassan Zeidan	Saywan Sabir Mustafa Barzani (January 2016) Ahmad A.H. Bamarni (February 2016 -)
IRELAND	Bobby McDonagh	Damien Kelly
ISRAEL	—	—
ITALY	Enrico Morando	—

Member	Governor	Alternate Governor
JAMAICA	Derrick Kellier (January - March 2016) Karl Samuda (March 2016 -)	Wayne McCook
JAPAN	Kazuyoshi Umemoto	Kenji Okamura
JORDAN	Imad Fakhoury	Radi Al-Tarawneh
KAZAKHSTAN	Yermek Kosherbayev	Dina Sattybayeva
KENYA	Felix Kiptarus Koskei (January - February 2016) Willy Bett (February 2016 -)	Josephine Wangari Gaita (January - February 2016) — (February 2016 -)
KIRIBATI	Tiarite George Kwong (January - March 2016) Tebao Awerika (March 2016 -)	Timi Kaiekieki (January - February 2016) Moannata Ientaake (February 2016 -)
KUWAIT	Anas K. Al-Saleh	Hesham I. Al-Waqayan
KYRGYZSTAN	—	—
LAO PEOPLE'S DEMOCRATIC REPUBLIC	Liane Thykeo (January - May 2016) — (May - June 2016) Somdy Douangdy (June 2016 -)	—
LEBANON	Gloria Abouzeid	Rania Khalil Zarzour
LESOTHO	Lisemelo 'Mapalesa Mothokho	'Mathoriso Molumeli
LIBERIA	Moses Zinnah	Peter Korvah
LIBYA	—	—
LUXEMBOURG	Romain Schneider	Manuel Tonnar
MADAGASCAR	Ravatomanga Rolland (January - May 2016) — (May 2016 -)	—

Member	Governor	Alternate Governor
MALAWI	Jermoth Ulemu Chilapondwa	Jeffrey H. Luhanga
MALAYSIA	Mohd Irwan Serigar Bin Abdullah	Abdul Samad Othman
MALDIVES	Mohamed Shainee	Abdulla Nashid
MALI	Bokary Treta <i>(January 2016)</i> Kassoum Denon <i>(January 2016 -)</i>	Bruno Maiga
MALTA	Justin Zahra	Stefan Cachia
MARSHALL ISLANDS	—	—
MAURITANIA	Sid Ahmed Rais <i>(January - November 2016)</i> Moctar Ould Djay <i>(November 2016 -)</i>	Marièm Aouffa
MAURITIUS	Mahen Kumar Seeruttun	Pushpawant Boodhun
MEXICO	— <i>(January - December 2016)</i> Perla Maria Carvalho Soto <i>(December 2016 -)</i>	— <i>(January - November 2016)</i> Benito Santiago Jiménez Sauma <i>(December 2016 -)</i>
MICRONESIA (FEDERATED STATES OF)	Marion Henry	Alissa Takesy
MONGOLIA	Radnaa Burmaa <i>(January - November 2016)</i> Purev Sergelen <i>(November 2016 -)</i>	Shijeeekhuu Odonbaatar <i>(January - September 2016)</i> — <i>(September - November 2016)</i> Tserendorj Jambaldorj <i>(December 2016 -)</i>
MONTENEGRO	Petar Ivanović <i>(January - December 2016)</i> Milutin Simović <i>(December 2016 -)</i>	Nataša Božović
MOROCCO	Mohammed Sadiki	Mohamed El Gholabzouri

Member	Governor	Alternate Governor
MOZAMBIQUE	Adriano Afonso Maleiane	Waldemar Fernando de Sousa <i>(January 2016)</i> Ernesto Gouveia Gove <i>(January - November 2016)</i> Rogério Lucas Zandamela <i>(November 2016 -)</i>
MYANMAR	Hlaing Myint <i>(January - April 2016)</i> Aung Thu <i>(April 2016 -)</i>	Myint Naung
NAMIBIA	John Mutorwa	Petrus N. Iilonga
NAURU	Sasi Kumar	Michael Aroi
NEPAL	Haribol Prasad Gajurel <i>(January - August 2016)</i> Gauri Shankar Chaudhary <i>(August 2016 -)</i>	Uttam Kumar Bhattarai
NETHERLANDS	Lilianne Ploumen	Gerda Verburg <i>(January - July 2016)</i> — <i>(July - September 2016)</i> Hans Hoogeveen <i>(September 2016 -)</i>
NEW ZEALAND	Patrick John Rata	Anthe Crawley <i>(January - November 2016)</i> — <i>(November 2016 -)</i>
NICARAGUA	Mónica Robelo Raffone	—
NIGER	Maïdagi Allambeye <i>(January - July 2016)</i> — <i>(July 2016 -)</i>	—

Member	Governor	Alternate Governor
NIGERIA	— (January 2016)	Mahmoud Isa-Dutse
	Audu Ogbeh (January 2016 -)	
NIUE	—	—
NORWAY	Leni Stenseth (January - December 2016)	Mariann Murvoll (January - December 2016)
	Hans Jacob Frydenlund (December 2016 -)	Hilde Klemetsdal (December 2016 -)
OMAN	Isshaq Al-Roqqeishy (January 2016)	— (January – July 2016)
	— (January - August 2016)	Ahmed bin Salem Baomar (August 2016 -)
	Ahmed bin Nasser bin Abdalla Al Bakry (August 2016 -)	
PAKISTAN	Sikandar Hayat Khan Bosan	Muhammad Saleem Sethi
PALAU	Fleming Umiich Sengebau	Secilil Eldebechel
PANAMA	Dulcidio de La Guardia	Iván Alexei Zarak Arias
PAPUA NEW GUINEA	Patrick Pruaitch	Dairi Vele
PARAGUAY	Santiago Peña Palacios	Pedro Daniel Correa Ramírez (January - March 2016)
		Lea Raquel Giménez Duarte (March 2016 -)
PERU	Eda Adriana Rivas Franchini (January - July 2016)	—
	— (July 2016 - December 2016)	
	Luis Carlos Antonio Ibérico Núñez (December 2016 -)	
PHILIPPINES	Cesar V. Purisima (January 2016 - July 2016)	—
	Carlos G. Dominguez III (July 2016 -)	

Member	Governor	Alternate Governor
PORTUGAL	Cláudia Isabel Anacleto Pereira da Costa de Cerca Coelho	Rosa Maria Fernandes Lourenço Caetano
QATAR	Abdulaziz Ahmed Al Malki Al-Jehani	—
REPUBLIC OF KOREA	Lee Yong-joon 	Lee Eun Jeong (January - March 2016) — (March 2016 -)
REPUBLIC OF MOLDOVA	Vlad Loghin (January - May 2016) Iurie Usurelu (May 2016 -)	Elena Matveeva
ROMANIA	—	Dana Manuela Constantinescu (January - September 2016) George Gabriel Bologan (September 2016 -)
RUSSIAN FEDERATION	Andrey Bokarev	—
RWANDA	Géraldine Mukeshimana	— (January - August 2016) Jacques Kabale Nyangezi (August 2016 -)
SAINT KITTS AND NEVIS	Eugene Alistair Hamilton	Ashton Stanley
SAINT LUCIA	Moses Jn Baptiste (January - July 2016) — (July 2016 -)	Heribert Emmanuel (January - September 2016) — (September 2016 -)
SAINT VINCENT AND THE GRENADINES	— (January - April 2016) Saboto Scofield Caesar (April 2016 -)	— (January - April 2016) Raymond Ryan (April 2016 -)
SAMOA	Faumuina Tiatia Liuga (January - April 2016) Sili Epa Tuioti (April 2016 -)	Tialavea F.T. Seigafolava Hunt (January - April 2016) Mulipola Leiataua Laki (April 2016 -)
SAO TOME AND PRINCIPE	Américo D'Oliveira Ramos	Teodorico De Campos

Member	Governor	Alternate Governor
SAUDI ARABIA	Abdulrahman bin Abdulmohsin Al Fadley	Sulaiman M. Al-Turki
SENEGAL	Papa Abdoulaye Seck	Mamadou Saliou Diouf
SEYCHELLES	Bernard Francis Shamlaye	—
SIERRA LEONE	Joseph Sam Sesay <i>(January - February 2016)</i> Monty Patrick Jones <i>(February 2016 -)</i>	Jongopie Siaka Stevens
SOLOMON ISLANDS	—	—
SOMALIA	Ahmed Hassan Gabobe <i>(January - September 2016)</i> — <i>(September 2016 -)</i>	Ibrahim Hagi Abdulkadir
SOUTH AFRICA	Nomatemba Tambo	—
SOUTH SUDAN	Beda Deng Machar <i>(January - July 2016)</i> Lam Akol Ajawin <i>(July 2016 -)</i>	—
SPAIN	Francisco Javier Elorza Cavengt	Vicente Canelles Montero
SRI LANKA	— <i>(January - February 2016)</i> Daya Srikantha John Pelpola <i>(February 2016 -)</i>	Dolugala Watte Jinadasa <i>(January - September 2016)</i> — <i>(September 2016 -)</i>
SUDAN	Ibrahim Adam Ahmed Al-Dukheri	Majdi Hassan Mohamed Yasin
SURINAME	Jaswant Sahtoe	—
SWAZILAND	Moses Malindane Vilakati	Bongani S. Masuku <i>(January 2016)</i> Eric Maziya <i>(January 2016 -)</i>

Member	Governor	Alternate Governor
SWEDEN	Ulrika Modéer	Per Örnéus <i>(January - October 2016)</i> Magnus Lennartsson <i>(October 2016 -)</i>
SWITZERLAND	Pio Wennubst	Daniel Birchmeier
SYRIAN ARAB REPUBLIC	Ahmad Fateh Al-Qadery	—
TAJIKISTAN	Davlatali Hotamov	—
THAILAND	Theerapat Prayurasiddhi	Sompong Nimchuar
THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA	—	—
TIMOR-LESTE	Estanislau Aleixo da Silva	—
TOGO	Ouro Koura Agadazi	Akla-Essø M'Baw Arokoum
TONGA	—	—
TRINIDAD AND TOBAGO	Devant Maharaj <i>(January 2016)</i> — <i>(January 2016 -)</i>	—
TUNISIA	Yassine Brahim <i>(January - November 2016)</i> Mohamed Fadhel Abdelkafi <i>(November 2016 -)</i>	Saad Seddik <i>(January - November 2016)</i> Samir Taieb <i>(November 2016 -)</i>
TURKEY	Faruk Çelik	Aydin Adnan Sezgin
TUVALU	—	—
UGANDA	—	—
UNITED ARAB EMIRATES	Obeid Humaid Al Tayer	Younis Haji Al Khouri
UNITED KINGDOM	—	Elizabeth Nasskau
UNITED REPUBLIC OF TANZANIA	Stephen Masato Wasira <i>(January 2016)</i> Mwigullu Nchomba <i>(January - December 2016)</i> Charles John Tizeba <i>(December 2016 -)</i>	James Alex Msekela <i>(January - February 2016)</i> — <i>(February 2016 -)</i>

Member	Governor	Alternate Governor
UNITED STATES	Jacob J. Lew	—
URUGUAY	Gastón Alfonso Lasarte Burghi	—
UZBEKISTAN	Ravshan Usmanov	Yashin Khidirov
VANUATU	Howard Aru	Esra Tekon Tumukon
VENEZUELA (BOLIVARIAN REPUBLIC OF)	Simón A. Zerpa Delgado	Elías Rafael Eljuri Abraham
VIET NAM	Truong Chi Trung	Nguyen Thanh Do
YEMEN	Ahmed Ahmed Al-Maisari	— <i>(January - December 2016)</i> Asmahan Abdulhameed Altoqi <i>(December 2016 -)</i>
ZAMBIA	— <i>(January - February 2016)</i> Given Lubinda <i>(February - October 2016)</i> Dora Siliya <i>(October 2016 -)</i>	Pamela Chibonga Kabamba <i>(February 2016 -)</i>
ZIMBABWE	Joseph M. Made	—

LIST OF EXECUTIVE BOARD REPRESENTATIVES
As of 31 December 2016²

MEMBER	ALTERNATE MEMBER
<u>List A</u>	
CANADA	Karen Garner
	IRELAND
	Earnán O'Cléirigh (January – October 2016)
	— (October – November 2016)
	Aidan Fitzpatrick (November 2016 –)
FRANCE	Martin Landais (January - August 2016)
	BELGIUM
	Guy Beringhs
	Arnaud Guigné (September 2016 -)
GERMANY	Otmar Greiff (January - May 2016)
	SWITZERLAND
	Liliane Ortega
	Martina Metz (May 2016 -)
ITALY	Adolfo Di Carluccio
	AUSTRIA
	Seena Garcia (January - July 2016)
	Verena Hagg (July 2016 -)
JAPAN	Osamu Kubota
	DENMARK
	Vibeke Gram Mortensen
NETHERLANDS	Wierish Ramsoekh
	UNITED KINGDOM
	Elizabeth Nasskau
SWEDEN	Victoria Jacobsson
	NORWAY
	Inge Nordang
UNITED STATES	John Hurley
	SPAIN
	Juan Claudio de Ramón Jacob-Ernest

² Dates in parentheses indicate when a Representative is appointed and when he or she steps down. Where no date is given, this indicates that the Representative was appointed before January 2016 and/or will continue to serve after December 2016.

MEMBER		ALTERNATE MEMBER	
<u>List B</u>			
KUWAIT	Yousef Ghazi Al-Bader	UNITED ARAB EMIRATES	Yousuf Mohammed Bin Hajar
NIGERIA	Yaya O. Olaniran	QATAR	—
SAUDI ARABIA	— (January - November 2016)	INDONESIA	Hari Priyono
	Mohammed Ahmed M. Alghamdi (November 2016 -)		
VENEZUELA (BOLIVARIAN REPUBLIC OF)	Vanessa Rowena Avendaño	ALGERIA	Nourdine Lasmi

ANGOLA	Carlos Alberto Amaral	KENYA	Fabian Muya
LIBERIA	Mohammed S.L. Sheriff (January - March 2016)	EGYPT	Abdelbaset Ahmed Aly Shalaby (January - March 2016)
EGYPT	Abdelbaset Ahmed Aly Shalaby (March 2016 -)	GHANA	— (March - December 2016)
<u>Sub-List C1</u>			
			Nii Quaye-Kumah (December 2016 -)

CHINA	Zhang Zhengwei (January - July 2016)	PAKISTAN	—
	Liu Weihua (July 2016 -)		
INDIA	Raj Kumar	REPUBLIC OF KOREA	Lee Eun Jeong (January 2016 - March 2016)
<u>Sub-List C2</u>			
			— (March 2016 - April 2016)
			Joo Won Chul (April 2016 -)

BRAZIL	Rafael Ranieri	ARGENTINA	Claudio Javier Rozencwaig
MEXICO	—	DOMINICAN REPUBLIC	Antonio Vargas Hernández

PUBLICATIONS IN 2016³

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

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

Corporate publications

- A bucket of water: Reflections on sustainable rural development (published February 2017)
- Journal of Law and Rural Development, issue 1 (published January 2017)
- Rural Development Report: Fostering inclusive rural transformation
 - Overview (Arabic | English | French | Spanish)
 - Chapter 1: Structural and rural transformation in Latin America and the Caribbean (English | Spanish)
 - Chapter 2: Structural and rural transformation in Asia and the Pacific
 - Chapter 3: Structural and rural transformation in Africa (English | French)
 - Chapter 4: Structural and rural transformation in the Near East, North Africa, Europe and Central Asia (Arabic | English)
- Rural lives – A photo book (published February 2017)

Technical publications and papers

Climate change

- Conservation agriculture in sub-Saharan Africa: Teaser | How to do note | Lessons learned
- The biodiversity advantage. Global benefits from smallholder actions
- The drylands advantage. Protecting the environment, empowering people (English | French)
- The economic advantage. Assessing the value of climate change actions in agriculture

Country-level policy engagement

- Country-level policy engagement in IFAD. A review of experience
- Country-level policy engagement case studies: Benin | Tonga | Tajikistan | Viet Nam

Economic and financial analysis

- IFAD's internal guidelines: Economic and financial analysis of rural investment projects. Volume 3: case studies

Farmer and community organizations

- Partnership in progress: 2014-2015: Volume 1 (main report) | Volume II (annexes)
- Engaging with farmers' organizations for more effective smallholder development: Teaser | How to do note | Module 1 | Module 2 | Module 3
- How to support community-based commodity organizations: How to do note
- IFAD in Tajikistan: The virtues of village organizations

Gender

- IFAD's Policy on Gender Equality and Women's Empowerment: Annual Report 2015 (July–December)
- Midterm review of IFAD's Policy on Gender Equality and Women's Empowerment

³ All publications are in the title language, unless otherwise indicated.

- Reducing rural women's domestic workload through labour-saving technologies and practices: Teaser | How to do note | Lessons learned | Compendium of labour-saving technologies

Inclusive financial services

- Rural finance: Sustainable and inclusive financing for rural transformation
- Digital financial services for smallholder households: Teaser | How to do note | Lessons learned
- The potential for scale and sustainability in weather index insurance for agriculture and rural livelihoods (English | French | Spanish)
- Formalizing community-based microfinance institutions: Teaser | How to do note | Lessons learned (English | French)

Indigenous peoples

- The Indigenous Peoples Assistance Facility: A promising new link between grassroots indigenous peoples' organizations and the international community
- The traditional knowledge advantage: Indigenous peoples' knowledge in climate change adaptation and mitigation strategies (English | French | Spanish)

Platform for agricultural risk management (PARM)

- Annual Report 2015
- Agricultural risk management tools (Module 3). Resource for the e-learning curriculum course on agricultural risk assessment and management for food security in developing countries
- Country agricultural risk management packages: Cameroon, Uganda

Remittances

- Global forum on remittances and development 2015: Official report
- Remittances at the post office in Africa. Serving the financial needs of migrants and their families in rural areas (English | French)
- International Day of Family Remittances brochure (English | French)
- Improve partnerships between post and money transfer operators for better remittance services to rural Africa
- Cartographie des zones de migration et des entreprises rurales soutenues par les migrants sénégalais
- Somali diaspora investment survey report

Rural-urban nexus

- Inclusive rural transformation and urbanization implementation
- Sustainable urbanization and inclusive rural transformation
- Territorial approaches, rural-urban linkages and inclusive rural transformation

Sustainable Development Goals

- Leaving no one behind: Living up to the 2030 Agenda

Value chains

- Livestock value chain analysis and project development: How to do note
- How to monitor progress in value chain projects
- Public-private-producer partnerships (4Ps) in agricultural value chains: How to do note

Water

- Changing lives through IFAD water investments: A gender perspective

IFAD research series

- Agricultural and rural development reconsidered: A guide to issues and debates
- Migration and transformative pathways: A rural perspective
- Fostering inclusive outcomes in African agriculture: Improving agricultural productivity and expanding agribusiness opportunities
- The effects of smallholder agricultural involvement on household food consumption and dietary diversity: Evidence from Malawi
- Rural-urban linkages and food systems in sub-Saharan Africa: The rural dimension
- Why food and nutrition security matters for inclusive structural and rural transformation

- Background paper to the synthesis of the lessons learned from the IFAD9 Impact Assessment Initiative

Policy publications

- IFAD's engagement in least developed countries: A review
- Leaving no-one behind. Living up to the 2030 Agenda
- Sustainable urbanization and inclusive rural transformation: Policy brief
- Inclusive rural transformation and urbanization: Implementation brief

Strategy publications

- Gender mainstreaming in IFAD10
- IFAD Strategic Framework 2016-2025 (Arabic | English | French | Spanish)

IFAD Independent Office of Evaluation publications

- 2016 Annual Report on Results and Impact of IFAD Operations (ARRI): Introduction | Overview | Report | Profile | Infographic
- Overview of the IFAD Independent Office of Evaluation
- Evaluation Manual, second edition (Arabic | French | Spanish)

Corporate-level evaluations

- IFAD's performance-based allocation system
- IFAD's decentralization experience

Evaluation synthesis reports

- Environment and natural resource management
- Non-lending activities in the context of South-South Cooperation
- Smallholder access to markets

Country programme evaluations

- Ethiopia
- Gambia (The)
- India
- Nigeria
- Turkey

Impact evaluation

- Mozambique: Sofala Bank Artisanal Fisheries Project

Project performance assessments

- Bangladesh. Finance for Enterprise Development and Employment Creation Project
- China. Environment Conservation and Poverty-Reduction Programme in Ningxia and Shanxi
- Djibouti. Microfinance and Microenterprise Development Project
- Ethiopia. Pastoral Community Development Project II
- Kyrgyzstan. Agricultural Investments and Services Project
- Mauritania. Oasis Sustainable Development Programme
- Nigeria. Community-based Agricultural and Rural Development Programme

Project performance evaluations

- Democratic Republic of the Congo. Agricultural Rehabilitation Programme in Orientale Province
- Philippines. Rural Microenterprise Promotion Programme

Periodical articles and other materials published by IFAD authors

Bouzar, K. *No Peace, No sustainable development a vicious cycle that we can break*, UN Chronicle, Vol. 52/4.

Brizzi, A. *Sustainable Incentives: How not to eat the planet*. Huffington Post, 16 November 2016.

Cantero, S. and Gentile, L.E. (IFAD) *La experiencia de las Ferias Campesinas en el Paraguay. De la finca del productor a la mesa del consumidor*.

Camagni, M. and Ketting, C. *The four Ps – A market-led development for smallholders*. Rural 21. No. 4, 2016: 23-25.

- Davis, B., Handa, S., Hypher, N., Rossi, N.W., Winters, P. (IFAD) and Yablonski J. (eds.) (2016). *From evidence to action: The story of cash transfers and impact evaluation in sub-Saharan Africa*. Oxford University Press: Oxford, UK.
- Delve, R. and Rui, B. (IFAD) and AGRA colleagues. *Chapter 5 – Agricultural productivity through intensification and local institutions*. AGRA African Agriculture Status Report 2016: Progress towards Agricultural Transformation.
- d'Errico, M., Garbero, A. (IFAD), Constas M. (2016). *Quantitative analyses for resilience measurement. Guidance for constructing variables and exploring relationships among variables*. Resilience Measurement Technical Working Group. Technical Series No. 7. Rome: Food Security Information Network.
- Garbero, A. and Songsermsawas, T. Impact of modern irrigation on household production and welfare outcomes: Evidence from the PASIDP project in Ethiopia. December 2016.
- Garcia, O.A., Muthoo, A.K. and Felloni, F. *Evaluating IFAD's support to rural development in fragile states and situations*. The European Evaluation Society (EES) Newsletter: Evaluation Connections, April 2016:12-13.
- Liversage, H. and Jonckheere, S. Papers prepared for the World Bank Land and Poverty Conference 2016: *Scaling up responsible land governance*, Washington, D.C., 14-18 March 2016.
- Maldonado, J.H. and Rosada, T. (IFAD) (2016). *Conclusiones en protección, producción, promoción: explorando sinergias entre protección social y fomento productivo rural en América Latina*. Maldonado, J.H., Pilar Moreno-Sánchez, R., Gómez, J.A., León Jurado, V. (compiladores) Bogotá: Universidad de los Andes, Facultad de Economía, CEDE, Ediciones Uniandes.
- Mordasini, M. *Addressing forced displacement: Investing in agriculture and rural people*. Huffington Post, 16 September 2016.
- Nwanze, K.F. *Eradicating Poverty: A lofty ideal or achievable goal?* Inter Press Service, 16 October 2016.
- Nwanze, K.F. *Refugees and rural poverty*. Project Syndicate, 9 September 2016.
- Nwanze, K.F. *We grow enough food. Getting it on to people's plates is the problem*. Huffington Post, 29 August 2016.
- Nwanze, K.F. and Fan, S. (IFPRI). *Climate change and agriculture: Strengthening the role of smallholders*. 2016 Global Food Policy Report, 2: 12-21. Washington, D.C.: International Food Policy Research Institute (IFPRI).
- Nwanze, K.F. *Striking hunger and poverty at the roots by investing in rural communities*. Voices against Hunger. BMZ, 2017 (forthcoming).
- Nwanze, K.F. *Climate, food security and smallholders – an essential connection*. Climate Change. The New Economy.
- Salazar, L., Aramburu, J., González-Flores, M. and Winters, P. (IFAD) (2016) *Sowing for food security: A case study of smallholder farmers in Bolivia*. Food Policy 65: 35-52.
- Songsermsawas, T. (IFAD), Baylis, K., Chhatre A. and Michelson, H. (2016) *Can peers improve agricultural revenue?* World Development 83: 163-178.
- Stecklov, G., Weinreb, A. and Winters, P. (IFAD) (2016) *The exclusion from welfare benefits: Resentment and survey attrition in a randomized controlled trial in Mexico*. Social Science Review 60: 100-109.
- Suttie, D. and Hussein, K. *Territorial approaches, rural-urban linkages and inclusive rural transformation*. IFAD, April 2016.
- Twomlow, S. (IFAD), Delve, R. and Critchley, W. *Facts, Fallacy and the future of good agricultural practices. Lessons from IFAD's sub-Saharan Africa programmes*. American Society of Agronomy, 2016 meeting, 6-9 November, Phoenix, Arizona. Special Symposium on Transforming Smallholder Agronomy in Africa.
- Twomlow, S. (IFAD), Wondie, M. (IFAD), Rossiter, J. and Minale M.W. *A communities Eden – Grazing exclosure success in Ethiopia*. International Journal of Agricultural Sustainability. 2016.

International Land Coalition publications

- Boroowa, K. *Manual on land monitoring: How to establish an effective land monitoring initiative.*
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Communication materials

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

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

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

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

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

Electronic newsletters provide information by region or theme:

- East and Southern Africa
 - Regional Seeds of Innovation series (English)
<http://www.ifad.org/operations/projects/regions/pf/seeds/index.htm>
 - Progress in East and Southern Africa series (English)
<http://www.ifad.org/operations/projects/regions/pf/newsletter.htm>
- Near East and North Africa
 - Rural echoes series (Arabic | English)
<http://www.ifad.org/operations/projects/pn/newsletters.htm>
- Gender newsletters give details about what is happening in support of gender mainstreaming and women's empowerment, in IFAD and elsewhere (English | French | Spanish)
<http://www.ifad.org/gender/>
- Land Tenure
<http://us12.campaign-archive1.com/?u=e2b764c5d0e9a72da24d69265&id=6f16a93cbf&e=>
- Independent Office of Evaluation newsletter
<https://www.ifad.org/ar/evaluation/newsletter>
- Environment and Climate newsletters
https://www.ifad.org/pub/newsletter/list/tags/climate_change

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

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

Our **stories** feature successful projects with a human face.

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

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

Our **videos** document successes and activities we support around the world.

<http://www.youtube.com/IFADTV>

And there is more on our **documents and publications** webpage.

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

For information on our publications issued in the field, see:

<http://www.ifad.org/contacts.htm#country>

Consolidated financial statements

For the year ended 31 December 2016*

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The Consolidated Financial Statements have been prepared using the symbols of the International Organization for Standardization (ISO). The notes to the Consolidated Financial Statements, contained in appendix D, form an integral part of the statements.

* As submitted for endorsement to the 120th session of the Executive Board in April 2017 for further submission to the 41st session of the Governing Council for approval in accordance with regulation XII(6) of the Financial Regulations of IFAD.

Acronyms and abbreviations

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
DSF	Debt Sustainability Framework
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
GAFSP	Global Agriculture and Food Security Program
GEF	Global Environment Facility
IAS	International Accounting Standard (superseded by IFRS)
ILC	International Land Coalition
IFRS	International Financial Reporting Standards
HIPC	Heavily Indebted Poor Countries Debt Initiative
MLR	minimum liquidity requirement
OPEC	Organization of the Petroleum Exporting Countries
Spanish Trust Fund	Spanish Food Security Cofinancing Facility Trust Fund
SPA	Special Programme for Africa
SDR	special drawing right
S&P	Standard & Poor's 500
UNJSPF	United Nations Joint Staff Pension Fund
UNCDF	United Nations Capital Development Fund

Consolidated and IFAD-only balance sheet

As at 31 December 2016 and 2015
(Thousands of United States dollars)

Assets	Note/ appendix	Consolidated		IFAD-only	
		2016	2015	2016	2015
Cash on hand and in banks	4	260 394	325 582	94 373	131 299
Investments					
Investment at amortized cost		374 733	466 665	185 663	211 711
Investment at fair value		1 173 252	1 267 133	1 054 510	1 182 151
Subtotal investments	4	1 547 985	1 733 798	1 240 173	1 393 862
Contributions and promissory notes receivable					
Contributors' promissory notes	5	472 105	402 250	305 993	211 392
Contributions receivable	5	777 812	969 784	463 248	618 384
Less: qualified contributions receivable	5	(65 248)	(5 912)	(65 248)	(5 912)
Less: accumulated allowance for contributions' impairment loss	6	(121 630)	(168 446)	(121 630)	(168 446)
Net contributions and promissory notes receivable		1 063 039	1 197 676	582 364	655 419
Other receivables	7	20 815	14 807	139 753	151 089
Fixed and intangible assets	8	12 905	11 027	12 905	11 027
Loans outstanding					
Loans outstanding	9(c)/l	5 318 283	5 165 155	5 194 440	5 082 323
Less: accumulated allowance for loan impairment losses	9(a)	(5 014)	(4 557)	(5 014)	(4 557)
Less: accumulated allowance for the Heavily Indebted Poor Countries (HIPC) Debt Initiative	11(b)/J	(12 075)	(19 074)	(12 075)	(19 074)
Net loans outstanding		5 301 194	5 141 524	5 177 351	5 058 692
Total assets		8 206 332	8 424 414	7 246 918	7 401 388
Liabilities and equity	Note/ appendix	Consolidated		IFAD-only	
		2016	2015	2016	2015
Liabilities					
Payables and liabilities	12	191 269	162 418	186 417	171 319
Undisbursed grants	14	527 854	449 518	78 054	66 428
Deferred revenues	13	299 037	413 109	86 355	73 225
Borrowing liabilities	15	549 360	474 101	263 690	162 948
Total liabilities		1 567 520	1 499 146	614 516	473 919
Equity					
Contributions					
Regular		8 028 663	7 876 873	8 028 663	7 876 873
Special		20 349	20 349	20 349	20 349
Total contributions *		8 049 012	7 897 222	8 049 012	7 897 222
General Reserve		95 000	95 000	95 000	95 000
Retained earnings		(1 505 200)	(1 066 954)	(1 511 611)	(1 064 754)
Total equity		6 638 812	6 925 268	6 632 401	6 927 468
Total liabilities and equity		8 206 332	8 424 414	7 246 918	7 401 388

* For further details see appendix H, table 1, Summary of contributions.

Consolidated statement of comprehensive income

For the years ended 31 December 2016 and 2015
(Thousands of United States dollars)

	Note	2016	2015
Revenue			
Income from loans		52 661	57 937
Income/(losses) from cash and investments	17	48 815	2 689
Income from other sources	18	10 761	7 951
Income from contributions	19	184 523	184 779
Total revenue		296 760	253 356
Operating expenses	20		
Staff salaries and benefits	21	(83 825)	(88 156)
Office and general expenses		(34 657)	(36 393)
Consultants and other non-staff costs		(44 166)	(40 056)
Direct bank and investment costs	24	(2 616)	(2 653)
Subtotal operating expenses		(165 264)	(167 258)
Other expenses			
Loan interest expenditures		(1 051)	(2 749)
(Allowance)/Reversal for loan impairment losses	9(a)	(25 868)	20 130
Debt Initiative for HIPC (expenses)/income	26	(4 173)	(7 893)
Grant expenses	22	(223 187)	(213 794)
Debt Sustainability Framework (DSF) expenses	23	(123 892)	(125 586)
Depreciation	8	(2 585)	(1 815)
Subtotal other expenses		(380 756)	(331 706)
Total expenses		(546 020)	(498 965)
(Deficit) before fair value and foreign exchange adjustments		(249 260)	(245 609)
Adjustment for changes in fair value	25	(4 324)	(31 102)
(Losses)/gains from currency exchange movements IFAD	16	(169 541)	(274 680)
Net profit or (loss)		(423 125)	(551 391)
Other comprehensive income/(loss):			
(Losses)/gains from currency exchange movements and retranslation of consolidated entities	16	6 489	(15 218)
Change in provision for After-Service Medical Coverage Scheme (ASMCS) benefits	21	(22 173)	21 188
Total other comprehensive (loss)/income		(15 684)	5 970
Total comprehensive (loss)/income		(438 809)	(545 421)

IFAD-only statement of comprehensive income

For the years ended 31 December 2016 and 2015
(Thousands of United States dollars)

	<i>Note</i>	<i>2016</i>	<i>2015</i>
Revenue			
Income from loans		51 843	57 373
Income /(losses) from cash and investments	17	46 002	852
Income from other sources		14 714	9 724
Income from contributions	19	5 659	2 661
Total revenue		118 218	70 610
Operating expenses	20		
Staff salaries and benefits	21	(80 531)	(85 167)
Office and general expenses		(33 130)	(34 608)
Consultants and other non-staff costs		(40 110)	(35 404)
Direct bank and investment costs		(2 415)	(2 449)
Subtotal operating expenses		(156 186)	(157 628)
Other expenses			
Loan interest expenditures		(874)	(1 717)
(Allowance)/Reversal for loan impairment losses	9(a)	(25 868)	20 130
Debt Initiative for HIPC (expenses)/income	26	(4 173)	(7 893)
Grant expenses	22	(55 020)	(44 840)
DSF expenses	23	(123 892)	(125 586)
Depreciation	8	(2 584)	(1 815)
Subtotal other expenses		(212 411)	(161 720)
Total expenses		(368 597)	(319 349)
(Deficit) before fair value and foreign exchange adjustments		(250 379)	(248 737)
Adjustment for changes in fair value		(5 328)	(29 526)
(Losses)/gains from currency exchange movements IFAD	16	(169 541)	(274 680)
Net profit or (loss)		(425 248)	(552 943)
Other comprehensive income/(loss):			
Change in provision for ASMCS benefits	21	(22 173)	21 188
Total other comprehensive (loss)/income		(22 173)	21 188
Total comprehensive (loss)/income		(447 421)	(531 755)

Consolidated statement of changes in retained earnings

For the years ended 31 December 2016 and 2015
(Thousands of United States dollars)

	<i>Total retained earnings</i>
Retained earnings as at 31 December 2014	(523 147)
2015	
Net profit or (loss)	(551 391)
Total other comprehensive income	5 970
DSF compensation	1 612
Retained earnings as at 31 December 2015	(1 066 954)
2016	
Net profit or (loss)	(423 125)
Total other comprehensive (loss)	(15 684)
DSF compensation	564
Retained earnings as at 31 December 2016	(1 505 200)

IFAD-only statement of changes in retained earnings

For the years ended 31 December 2016 and 2015
(Thousands of United States dollars)

	<i>Total retained earnings</i>
Retained earnings as at 31 December 2014	(534 611)
2015	
Net profit or (loss)	(552 943)
Total other comprehensive income	21 188
DSF compensation	1 612
Retained earnings as at 31 December 2015	(1 064 754)
2016	
Net profit or (loss)	(425 248)
Total other comprehensive loss	(22 173)
DSF compensation	564
Retained earnings as at 31 December 2016	(1 511 611)

Consolidated cash flow statement

For the years ended 31 December 2016 and 2015
(Thousands of United States dollars)

	2016	2015
Cash flows from operating activities		
Interest received from loans IFAD	51 117	47 783
Interest received from loans other funds	837	481
Receipts for non-replenishment contributions	132 341	101 489
Payments for operating expenses and other payments	(162 842)	(187 799)
Grant disbursements (IFAD)	(39 270)	(48 204)
Grant disbursements (supplementary funds)	(90 477)	(78 835)
DSF disbursements	(123 892)	(125 586)
Transfer to restricted cash	-	3 934
Net cash flows used in operating activities	(232 186)	(286 737)
Cash flows from investing activities		
Loan disbursements IFAD	(539 409)	(486 701)
Loan disbursements other funds	(50 355)	(50 346)
Loan principal repayments IFAD	248 121	226 652
Loan principal repayments other funds	3 411	1 293
Transfers from/(to) investments at amortized costs	82 141	236 754
Receipts from investments	39 520	8 975
Net cash flows used in investing activities	(216 571)	(63 373)
Cash flows from financing activities		
Receipts for replenishment contributions	242 685	287 024
Receipts of borrowed funds	106 827	168 764
Payments for trust fund borrowing	(17 074)	(3 668)
Net cash flows from financing activities	332 438	452 120
Effects of exchange rate movements on cash and cash equivalents	(40 787)	(109 285)
Net (decrease) in unrestricted cash and cash equivalents	(157 106)	(7 275)
Unrestricted cash and cash equivalents at beginning of year	1 590 046	1 597 321
Unrestricted cash and cash equivalents at end of year	1 432 940	1 590 046
Composed of:		
Unrestricted cash	260 292	325 480
Unrestricted investments excluding held-to-maturity and payables control accounts	1 172 648	1 264 566
Cash and cash equivalents at end of year	1 432 940	1 590 046

Summaries of cash flow information on other consolidated entities

As at 31 December 2016

(Millions of United States dollars)

	HIPC	Haiti Debt Relief Initiative	ASMCS Trust Fund	Spanish Food Security Cofinancing Facility Trust Fund	Adaptation for Smallholder Agriculture Programme Trust Fund	Supplementary funds
Balance sheet						
Total assets	2.6	26.0	69.2	293.4	251.1	442.1
Total liabilities	17.5	27.4	78.9	285.6	245.4	439.8
Retained earnings	(14.8)	(1.4)	(9.7)	7.8	5.6	2.3
Statement of comprehensive income						
Total revenue	-	-	0.2	1.6	60.5	118.4
Total operating expenses	-	-	0.2	2.3	58.9	117.5
Net revenue less operating expenses	-	-	-	(0.6)	(1.6)	0.9
Net cash flow	(0.4)	0.4	-	(4.7)	4.5	5.5

As at 31 December 2015

(Millions of United States dollars)

	HIPC	Haiti Debt Relief Initiative	ASMCS Trust Fund	Spanish Food Security Cofinancing Facility Trust Fund	Adaptation for Smallholder Agriculture Programme Trust Fund	Supplementary funds
Balance sheet						
Total assets	3.0	28.7	63.4	319.9	295.9	448.7
Total liabilities	15.1	30.1	71.8	311.2	296.7	452.5
Retained earnings	(12.1)	(1.4)	(8.4)	8.7	(0.8)	(3.8)
Statement of comprehensive income						
Total revenue	-	-	0.2	1.8	81.1	100.9
Total operating expenses	-	-	0.2	4.9	79.9	100.4
Net revenue less operating expenses	-	-	-	(3.1)	1.2	0.5
Net cash flow	(1.5)	2.5	(3.9)	(3.8)	75.8	14.9

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1

BRIEF DESCRIPTION OF THE FUND AND THE NATURE OF OPERATIONS

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

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

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

NOTE 2

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

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

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

(b) Area of consolidation

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

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

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

Entities housed at IFAD

These entities do not form part of the core activities of the Fund and IFAD does not have 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 2016 the only entity hosted by IFAD is the International Land Coalition (ILC) (formerly called the Popular Coalition to Eradicate Hunger and Poverty).

(c) Translation and conversion of currencies

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

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the net profit or loss of the period in which they arise.

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

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

(d) Measurement of financial assets and liabilities

Financial assets and liabilities are measured and classified in the following categories: amortized cost or at fair value through profit and loss (FVTPL). The classification depends on the contractual cash flow characteristics (contractual terms give rise on unspecified dates to cash flows that are solely payments of principal and interest on the principal outstanding) and on the business model for their management (the intention or not to hold these financial assets and liabilities until their maturity). Financial assets and liabilities are accounted for at amortized cost only when the Fund's business model is to hold the assets/liabilities until maturity and collect the arising contractual cash flows (just principal and interest). All other financial assets and liabilities are accounted for at fair value through profit and loss.

(e) 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, have been initially recognized in the balance sheet at their fair value through profit and loss in accordance with IFRS 9.

Allowance for contribution's impairment losses

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

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

- 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 such cases, provisions will be set up:

- 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.

The General Reserve is subject to a review at least every three years in order to assess its adequacy. The last such formal review was conducted in 2016. The Audit Committee agreed to conduct the next formal review in 2017.

(iii) Retained earnings

Retained earnings represent the cumulative excess of revenue over expenses net of the effects of changes in foreign exchange rates.

(f) Loans

(i) Background to loans

IFAD loans are made only to developing states that are Members of the Fund or to intergovernmental organizations in which such Members participate. In the latter case, the Fund may require governmental or other guarantees. A loan enters into force on the date when both the Fund and the borrower have signed it, unless the financing agreement states that it is subject to ratification, in which case, the financing agreement will 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.

Currently, the lending terms of the Fund are as follows:

- (a) Special loans on highly concessional terms shall be free of interest but bear a service charge of 0.75 per cent per annum and have a maturity period of 40 years, including a grace period of 10 years;
- (b) loans on hardened terms shall be free of interest but bear a service charge of 0.75 per cent per annum and have a maturity period of 20 years, including a grace period of 10 years;
- (c) loans on blend terms

shall be free of interest but bear a service charge of 0.75 per cent per annum plus a spread and have a maturity period of 20 years, including a grace period of 10 years (these are applicable from 2013 onwards); (d) loans on intermediate terms shall have a rate of interest per annum equivalent to 50 per cent of the variable reference interest rate, as determined annually by the Executive Board, and a maturity period of 20 years, including a grace period of 5 years; (e) loans on ordinary terms shall have a rate of interest per annum equivalent to 100 per cent of the variable reference interest rate, as determined annually by the Executive Board, and a maturity period of 15 to 18 years, including a grace period of 3 years; and (f) no commitment charge shall be levied on any loan.

(ii) Loans to non-Member States

At its twenty-first session in February 1998, the Governing Council adopted resolution 107/XXI approving the establishment of a fund for the specific purpose of lending to Gaza and the West Bank (FGWB). The application of article 7, section 1(b), of the Agreement Establishing IFAD was waived for this purpose. Financial assistance, including loans, is transferred to the FGWB by decision of the Executive Board and the repayment thereof, if applicable, is made directly to IFAD's regular resources.

(iii) Heavily Indebted Poor Countries (HIPC) Debt Initiative

IFAD participates in the International Monetary Fund/World Bank original and enhanced HIPC Debt Initiative as an element of IFAD's broader policy framework for managing operational partnerships with countries that face the risk of having arrears with IFAD in the future because of their debt-service burden. Accordingly, IFAD provides debt relief by forgiving a portion of an eligible country's debt-service obligations as they become due.

In 1998, IFAD established a Trust Fund for the Debt Initiative. This fund receives resources from IFAD and from other sources, specifically dedicated as compensation to the loan-fund account(s) for agreed reductions in loan repayments under the Initiative. Amounts of debt service forgiven are expected to be reimbursed by the Trust Fund on a pay-as-you-go basis (i.e. relief is when debt-service obligations become due) to the extent that resources are available in the fund.

The Executive Board approves each country's debt relief in net present value terms. The estimated nominal equivalent of the principal components of the debt relief is recorded under the accumulated allowance for the HIPC Debt Initiative, and as a charge to the HIPC Debt Initiative expenses in the statement of comprehensive income. The assumptions underlying these estimates are subject to periodic revision. Significant judgement has been used in the computation of the estimated value of allowances for the HIPC Debt Initiative.

The charge is offset and the accumulated allowance reduced by income received from external donors to the extent that such resources are available. The accumulated allowance for the HIPC Debt Initiative is reduced when debt relief is provided by the Trust Fund.

In November 2006, IFAD was granted access to the core resources of the World Bank HIPC Trust Fund, in order to assist in financing the outstanding debt relief once countries reach completion point. Financing is provided based on net present value calculation of their future debt relief flows.

(iv) Measurement of loans

Loans are initially recognized at fair value on day one (based on disbursement to the borrower) and

subsequently measured at amortized cost using the effective interest method. The fair value is calculated using an enhanced fair value tool by applying discount rates to the estimated future cash flows on a loan-by-loan basis in the currency in which the loans are denominated. The discount factor applied is not adjusted for country credit risk because of the very low probability of default experienced by IFAD on its loan portfolio. However, the outstanding loans are reviewed for impairment on a loan-by-loan basis and a provision established where there is objective evidence that the loans are impaired.

(v) Accumulated allowance for impairment losses

Similarly to the criteria set for the allowance for impairment losses for contributions receivable, if there is evidence of a strong deterioration of credit worthiness of IFAD's borrowers, an allowance is set up so that an identified loan or receivable asset is impaired, and a specific provision for impairment is recognized. Impairment is quantified as the difference between the carrying amount and the collectable amount. Moreover, delays in receiving loan payments result in present value losses to the Fund, as it does not charge fees or additional interest on overdue interest or loan charges. An allowance is established on a specific basis for such losses based on the difference between the assets' carrying value and the present value of estimated future cash flows discounted at the financial assets' original effective interest rate (i.e. the effective interest rate calculated at initial recognition). In cases where it is not possible to estimate with any reasonable certainty the expected cash flows of a loan (as in all cases for which an allowance has been established to date), an allowance shall be made on loan instalments overdue for more than 24 months. An allowance is also made for loan instalments on the same loan overdue for less than 24 months. Once this trigger period has been reached, all amounts overdue at that time are considered to be in provision status, even in the event that part of the total outstanding debt is subsequently repaid. In cases where more than 48 months have elapsed, an allowance is made for all outstanding principal amounts of the loan concerned. The point in time to determine whether the given period has elapsed is the balance sheet date. Considering the positive historical loan reflow trends for which losses have not been recorded so far, the Fund has not established a collective impairment provision on loans not subject to specific impairment.

(vi) Non-accrual status

Income on loans is recognized following the accrual basis of accounting. For loans with overdue amounts in excess of 180 days, interest and service charges are recognized as income only when actually received. Follow-up action is being taken with the respective governments to obtain settlement of these obligations.

(g) Investments

The Fund's investments are 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 fair value through profit and loss. Fair value is determined in accordance with the hierarchy set in note 3. For securities at fair value through profit and loss, both realized and unrealized security gains and losses are included in income from investments as they arise. Both realized and unrealized exchange gains and losses are included in the account for movements in foreign

exchange rates as they arise. All purchases and sales of investments are recognized on the trade date. Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The majority of derivatives are used as hedging instruments (although they do not qualify for hedge accounting) and therefore changes in the fair value of these derivative instruments are recognized immediately in the statement of comprehensive income.

(h) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and deposits held at call with banks. They also include investments that are readily convertible at the balance sheet date. Net investment payables and investments held-to-maturity are excluded from readily convertible investments for cash flow purposes.

(i) Contributions (non-equity)

Contributions to non-replenishment resources are recorded as revenues in the period in which the related expenses occur. For project cofinancing activities, contributions received are recorded as revenues in the period in which the related grant becomes effective. Contributions relating to programmatic grants, APOs, BFFS.JP and other supplementary funds are recorded in the balance sheet as deferred revenues and are recorded as revenue by the amount of project-related expenses in the statement of comprehensive income. Where specified in the donor agreements, contributions received (including management fees) and interest earned thereon, for which no direct expenses have yet been incurred, are deferred until future periods to be matched against the related costs. This is consistent with the accounting principle adopted with regard to IFAD's combined supplementary funds and serves to present the underlying nature of these balances more clearly. A list of such contributions can be found in appendix 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.

(j) 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 disbursable date for the approved amount and as a liability for undisbursed amounts at fair value in accordance with IFRS 9. Following the approval by the Executive Board of the revisions to the General Conditions for Agricultural Development Financing (April 2009), grants become disbursable 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.

(K) Debt Sustainability Framework (DSF)

Under the DSF, countries eligible for highly concessional lending receive financial assistance on a grant rather than a loan basis. Principal amounts forgone by IFAD are expected to be compensated on a pay-as-you-go basis (according to the underlying loan amortization

schedule) by the Member States, while the service charge is not meant to be compensated. In line with the accounting policy on Contributions-Equity DSF Principal, the compensation contribution will be recorded in full as equity and as receivable when a Member deposits an instrument of contribution, except for qualified instruments of contribution, which are subject to national appropriation measures that will be proportionally reduced upon fulfilment of those conditions. Amounts receivable from Member States as contributions and other receivables, including promissory notes, have been initially recognized in the balance sheet at their fair value through profit and loss in accordance with IFRS 9. Principal compensation will be negotiated during future replenishment consultations (see note 28(b), Contingent assets). DSF financing is subject to IFAD's General Conditions for Agricultural Development Financing. DSF financing is implemented over an extended time-horizon and recognized as expenditure in the statement of comprehensive income in the period in which conditions for the release of funds to the recipient are met.

(l) Borrowing

Financial liability is accounted for at amortized costs.

Borrowing under the Spanish Food Security Cofinancing Facility Trust Fund (Spanish Trust Fund)

The Spanish Trust Fund was established in 2010, after receiving funds on a loan basis. This liability is accounted for at amortized costs. The funds have been used to provide loans to IFAD borrowers in accordance with IFAD procedures (with the exception of DSF countries).

Repayments of the loan by the Spanish Trust Fund to Spain will be aligned to the loan repayments received from borrowing countries over 45 years, with a five-year grace period.

In the event that it is determined that the Spanish Trust Fund lacks sufficient resources to meet its payment obligations, Spain will provide additional funds.

Borrowing under the framework agreement with KfW Development Bank

At its 112th session, the Executive Board approved a framework agreement with KfW Development Bank for the granting of individual loans to IFAD. Subsequently, the KfW loan for EUR 400 million was negotiated under the framework agreement and signed on 24 November 2014 by the President of IFAD. The first individual loan agreement (ILA) was signed for EUR 100 million, the second for EUR 200 million and the third was signed on 9 December 2016 for EUR 100 million. All projects supported by this borrowing facility are on the basis of loans on ordinary terms and in euros.

Repayment of the KfW loans is scheduled in 20 years with a five-year grace period. This financing agreement has been accounted for in IFAD's balance sheet.

(m) Employee schemes

Pension obligations

IFAD participates in the United Nations Joint Staff Pension Fund (UNJSPF), which was established by the United Nations General Assembly to provide retirement, death, disability and related benefits. The Pension Fund is a funded, defined benefit plan. The financial obligation of the Fund to the UNJSPF consists of its mandated contribution, at the rate established by the United Nations General Assembly, together with any share of any actuarial deficiency payments under article 26 of the regulations of the Pension Fund. Such

deficiency payments are only payable if and when the United Nations General Assembly has invoked the provision of article 26, following determination that there is a requirement for deficiency payments based on an assessment of the actuarial sufficiency of the Pension Fund as of the valuation date. At the time of this report, the United Nations General Assembly has not invoked this provision.

The actuarial method adopted for the UNJSPF is the Open Group Aggregate method. The cost of providing pensions is charged to the statement of comprehensive income so as to spread the regular cost over the service lives of employees, in accordance with the advice of the actuaries, who carry out a full valuation of the period plan every two years. The plan exposes participating organizations to actuarial risks associated with the current and former employees of other organizations, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and costs to individual organizations participating in the plan. IFAD, like other participating organizations, is not in a position to identify its share of the underlying financial position and performance of the plan with sufficient reliability for accounting purposes.

After-Service Medical Coverage Scheme

IFAD participates in a multi-employer After-Service Medical Coverage Scheme administered by the Food and Agriculture Organization of the United Nations (FAO) for staff receiving a United Nations pension and eligible former staff on a shared-cost basis. The ASMCS operates on a pay-as-you-go basis, meeting annual costs out of annual budgets and staff contributions. Since 2006, an independent valuation is performed on an annual basis.

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

(n) 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.

(o) Taxation

IFAD is a specialized agency of the United Nations and as such enjoys privileged tax-exemption status under the Convention on Privileges and Immunities of Specialized United Nations Agencies of 1947 and the agreement between Italy and IFAD regarding the Fund's provisional headquarters. Taxation levied where this exemption has not yet been obtained is deducted directly from the related investment income.

(p) 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).

(q) Tangible and intangible assets

Fixed assets

Major purchases of property, furniture and equipment are capitalized. Depreciation is charged on a straight-line basis over the estimated useful economic life of each item purchased as set out below:

Permanent equipment fixtures and fittings	10 years
Furniture	5 years
Office equipment	4 years
Vehicles	5 years

Intangible assets

Software development costs are capitalized as intangible assets where future economic benefits are expected to flow to the organization. Depreciation is calculated on a straight-line basis over the estimated useful life of the software (four to ten years). Leasehold improvements are capitalized as assets. Depreciation is calculated on a straight-line basis over their estimated useful life (not exceeding rental period of IFAD headquarters).

NOTE 3

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

(a) Critical accounting estimates and assumptions

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

Fair value and amortized costs of loans, undisbursed grants, deferred revenues, promissory notes and contributions receivable.

For the details about the models applied for fair value calculation of loans, reference should be made to note 2.

The fair value of financial instruments that are not traded in an active market is determined by considering quoted prices for similar assets in active markets, quoted prices for identical assets in non-active markets or valuation techniques.

Financial assets and liabilities measured at fair value on the balance sheet are categorized as follows:

Level 1. Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2. Financial assets and liabilities whose values are based on quoted prices for similar assets or liabilities, or pricing models for which all significant inputs are observable, either directly or indirectly, for substantially the full term of the asset or liability.

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

(b) Critical judgement in applying accounting policies

Fair value accounting

Fair value accounting is required in order for IFAD to comply with IFRS. Reconciliations between measurement at fair value and amortized cost using the effective interest method and nominal values have been provided with respect to loans, receivables, undisbursed grants and deferred revenues.

NOTE 4

CASH AND INVESTMENT BALANCES

Analysis of balances (consolidated)

Table 1
As at 31 December

	US\$ thousands	
	2016	2015
Unrestricted cash	260 292	325 480
Cash subject to restriction	102	102
Subtotal cash	260 394	325 582
Unrestricted investments at fair value	1 172 882	1 266 765
Investments at amortized cost	374 733	466 665
Investments subject to restriction	370	368
Subtotal investments	1 547 985	1 733 798
Total cash and investments	1 808 379	2 059 380

The composition of the portfolio by entity was as follows:

Table 2
As at 31 December

Entity	US\$ thousands	
	2016	2015
IFAD	1 334 547	1 525 161
ASMCS Trust Fund	63 101	63 036
HIPC Trust Fund	2 647	3 007
Supplementary Funds	128 625	123 121
Spanish Trust Fund	169 610	237 068
Haiti Debt Relief Initiative (appendix K)	26 037	28 693
ASAP	83 812	79 294
Total cash and investments	1 808 379	2 059 380

(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.

IFAD has two escrow accounts that had a combined balance of US\$55,605 as at 31 December 2016.

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

At 31 December 2016, cash and investments, including payables and receivables, at market value amounted to US\$1,802.2 million (2015 – US\$2,047.6 million) and comprised the following instruments:

Table 3

	US\$ thousands	
	2016	2015
Cash	260 394	325 582
Fixed-income instruments	1 519 809	1 600 451
Unrealized (loss)/gain on forward contracts	(5 256)	4 280
Time deposits and other obligations of banks	27 388	120 095
Unrealized (loss)/gain on futures	6 044	8 972
Total cash and investments	1 808 379	2 059 380
Receivables for investments sold and taxes receivable	15	360
Payables for investments purchased	(6 160)	(12 103)
Total investment portfolio	1 802 234	2 047 637

Fixed-income investments and cash include US\$381.8 million at amortized cost as at 31 December 2016 (2015 – US\$478.3 million). The fair value of amortized cost investments as at 31 December 2016 was US\$383.3 million (2015 – US\$476.3 million).

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

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

Table 4

Currency	2016	2015
Chinese renminbi	27 825	-
Euro	791 705	874 920
Japanese yen	53 516	81 914
Pound sterling	120 749	167 259
United States dollar	808 705	923 544
Total cash and investment portfolio	1 802 234	2 047 637

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

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

Table 5

	US\$ thousands	
	2016	2015
Due in one year or less	528 633	622 178
Due after one year through five years	887 417	770 001
Due from five to ten years	301 299	506 275
Due after ten years	84 885	149 183
Total cash and investment portfolio	1 802 234	2 047 637

The average life to maturity of the fixed-income investments included in the consolidated investment portfolio at 31 December 2016 was 43 months (2015 – 55 months).

(e) Financial risk management

IFAD's investment activities are exposed to a variety of financial risks: market risk, credit risk, currency risk, custodial risk and liquidity risk, as well as capital risk as a going concern which, however, is limited to the investment portfolio.

(f) Market risk

IFAD's investment portfolio is allocated to several asset classes in the fixed-income universe covering IFAD's investment policy. Occasionally IFAD Management has taken short-term tactical measures to protect the overall portfolio from adverse market conditions.

Market risk on other entities included in the consolidated financial statements is not considered significant.

The actual weights and amounts of each asset class within the overall portfolio, together with the asset allocation weights as at 31 December 2016 and 2015 are shown in tables 6 and 7. Disclosures relate to IFAD-only accounts, for the net asset value.

Table 6
2016

Asset class	Actual allocation		Investment policy
	%	US\$ millions	
Cash	6.8	91.3	-
Time deposit	1.5	20.6	-
Global government bonds/agencies	38.0	504.7	50.0
Global credit bonds	32.5	431.9	25.0
Global inflation-linked	11.0	146.4	10.0
Emerging market debt bonds	10.0	133.5	15.0
Total	100.0	1 328.4	100.0

Table 7
2015

Asset class	Actual allocation		Investment policy
	%	US\$ millions	
Short-term liquidity	3.7	56.0	6.3
Global strategic portfolio	14.0	212.6	15.3
Asset liability portfolio	10.0	151.8	10.0
Global government bonds	24.1	364.4	32.4
Global diversified fixed-income (currently global credit bonds)	16.3	246.9	9.0
Global inflation-linked	17.4	263.2	18.0
Emerging market debt bonds	14.5	218.8	9.0
Total	100.0	1 513.7	100.0

Asset classes are managed according to investment guidelines that address a variety of market risks through restrictions on eligibility of instruments and other limitations:

1. Benchmarks and limits on deviations from benchmarks in terms of tracking error limits.
2. Credit floors (refer to note 4(g), Credit risk).
3. CVaR limitation, which measures the potential average probable loss under extreme conditions,

providing an indication of how much value a portfolio could lose over a forward-looking period.

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.

Table 8
Benchmark indices by portfolio

Portfolio	Benchmark index
Operational cash	Same as the portfolio return
Global strategic portfolio	Equally-weighted extended sector benchmark (internally calculated on a quarterly basis)
Global liquidity portfolio	Zero
Chinese renminbi portfolio	Zero
Asset liability portfolio	Liability repayment rate of return
Global government bonds	Barclays Global Government Bond Index (1 year maturity)
Global credit bonds	Barclays Global Fixed-Income Index (A- or above)
Global inflation-linked bonds	Barclays Capital World Government Inflation-Linked Index (1-10 years maturity)
Emerging market debt bonds	Barclays Emerging Market Debt Investment Grade Index (BBB- or above)

Exposure to market risk is adjusted by modifying the duration of the portfolio, depending on the outlook for changes in securities market prices.

The upper limit for the duration is set at:

- One year above the benchmark for the global government bonds asset class;
- Two years above the benchmark for the global credit bonds asset class;
- Two years above the benchmark for the global inflation-linked bonds asset class; and
- Two years above the benchmark for the emerging market debt asset class.

The global liquidity, global strategic portfolio, Chinese renminbi and asset liability portfolio are internally managed and no duration limit is prescribed; however, the portfolios have a maximum maturity limit for the eligible investments. The effective duration of IFAD's investment portfolio at 31 December 2016 and 2015 and respective benchmarks are shown in table 9.

Appendix D

Table 9
**Average duration of portfolios and benchmarks in years
(IFAD-only)**
As at 31 December 2016 and 2015

Portfolio	Portfolio		Benchmark	
	2016	2015	2016	2015
Operational cash	-	-	-	-
Global strategic portfolio	1.9	2.1	n.a.	n.a.
Global liquidity portfolio	0.1	-	n.a.	-
Chinese renminbi portfolio	0.1	-	n.a.	-
Asset liability portfolio	1.6	4.3	n.a.	n.a.
Global government bonds	0.6	0.8	1.0	1.0
Global credit bonds	4.5	4.2	4.8	4.6
Global inflation-linked	5.9	6.3	5.3	5.3
Emerging market debt bonds	6.0	6.6	6.6	6.5
Total average	2.8	3.5	3.0	2.9

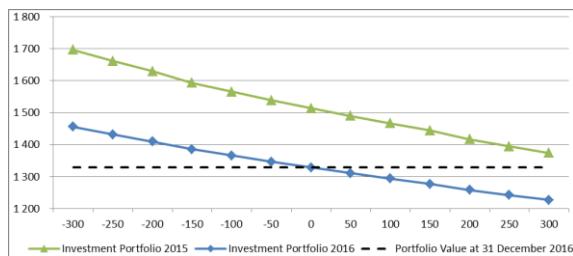
The sensitivity analysis of IFAD's overall investment portfolio in table 10 shows how a parallel shift in the yield curve (-300 to +300 basis points) would affect the value of the investment portfolio as at 31 December 2016 and 31 December 2015.

Table 10
Sensitivity analysis on investment portfolio (IFAD-only)

Basis point shift in yield curve	2016		2015	
	Change in value of externally managed portfolio (US\$ million)	Total portfolio (US\$ million)	Change in value of externally managed portfolio (US\$ million)	Total portfolio (US\$ million)
-300	128	1 456	183	1 697
-250	104	1 432	148	1 662
-200	81	1 410	116	1 630
-150	57	1 386	79	1 593
-100	37	1 366	52	1 566
-50	18	1 347	25	1 539
0			-	1 514
50	(18)	1 311	(24)	1 490
100	(35)	1 293	(47)	1 467
150	(51)	1 277	(69)	1 445
200	(70)	1 258	(97)	1 417
250	(86)	1 242	(119)	1 395
300	(102)	1 227	(140)	1 374

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

Sensitivity analysis on investment portfolio value (IFAD-only)
(Millions of United States dollars)



At 31 December 2016, 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\$102 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\$128 million as a result of the capital gains on the marked-to-market portion of the portfolio.

Table 11 shows the tracking error limits defined by the Investment Policy Statement (IPS). Tracking error represents the annualized standard deviation of the excess return versus the benchmark, and is a measure of the active positions taken in managing a portfolio with respect to the benchmark.

Table 11
Tracking error ranges by portfolio

Portfolio	Tracking error maximum (percentage per annum)
Global strategic portfolio	n.a.
Asset liability portfolio	n.a.
Global liquidity portfolio	1.5
Chinese renminbi portfolio	1.5
Global government bonds	1.5
Global credit bonds	3.0
Global inflation-linked bonds	2.5
Emerging market debt bonds	4.0

The investment portfolio's total tracking error at 31 December 2016 was 0.15 per cent (2015 – 0.57 per cent). Neither the global strategic portfolio nor the asset liability portfolio have been allocated a tracking error limit.

(g) Credit risk

The Investment Policy Statement and IFAD 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 IFAD Investment Guidelines are shown in table 12.

Appendix D

Table 12
Minimum credit rating floor per Investment Policy
Statement as at 31 December 2016

Eligible asset classes	Credit rating floors for Standard & Poor's 500 (S&P), Moody's and Fitch
Money market	Counterparty must have a minimum short-term credit rating of A-1 (S&P), F1 (Fitch) or P-1 (Moody's)
Fixed income, both nominal and inflation-linked	Investment grade
Government and government agencies fixed-income securities at national or subnational levels	Investment grade
Supranationals	Investment grade
Asset-backed securities (only agency issued or guaranteed)	AAA
Corporate bonds	Investment grade
Developed market equity	Investment grade
Currency forwards ^a	Counterparty must have a minimum short-term credit rating of A-1 (S&P), F1 (Fitch) or P-1 (Moody's)
Exchange-traded futures and options ^{a,b}	
Interest rate swaps ^a	
Cross currency swaps	
Asset swaps	
Credit default swaps ^a	

^a Derivatives used exclusively for hedging purposes.

^b Futures and options are allowed if traded on regulated exchanges.

At 31 December 2016, the average credit ratings by portfolio were in line with the minimum allowable ratings under the Investment Policy Statement and IFAD Investment Guidelines (table 13).

Table 13
Average credit ratings by portfolio (IFAD-only)
As at 31 December 2016 and 2015

Portfolio	Average credit rating ^a	
	2016	2015
Operational cash	P-1	P-1
Global strategic portfolio	Aa2	Aa2
Asset liability portfolio ^b	A2	Aa3
Chinese renminbi portfolio ^c	Time deposit	-
Global government bonds	Aa1	Aaa
Global credit bonds	A1	A2
Global inflation-linked	Aaa	Aaa
Emerging market debt bonds	A3	A3

^a The average credit rating is calculated based on market values at 31 December 2016 and 2015 except for the global strategic portfolio, whose credit rating is calculated on an amortized cost basis. The credit ratings used are based on the best credit ratings available from either S&P, Moody's or Fitch.

^b Approximately 20 per cent of the asset liability portfolio is in operational cash with an IFAD-approved commercial bank having a credit rating equivalent to P3 or BBB as reported by Fitch.

^c The time deposit counterparty in the Chinese renminbi portfolio is the Bank for International Settlements (BIS).

(h) Currency risk

The majority of IFAD's commitments relate to undisbursed loans and grants denominated in special drawing rights (SDR). IFAD's investment portfolio is therefore used to minimize IFAD's overall currency risk deriving from those commitments. Consequently, the overall assets of the Fund are maintained, to the extent possible, in the currencies and ratios of the SDR valuation basket. Similarly, the General Reserve and commitments for grants denominated in United States dollars are matched by assets denominated in United States dollars.

In the case of misalignments that are considered persistent and significant, IFAD undertakes a realignment procedure by changing the currency ratios in IFAD's investment portfolio so as to realign the total assets to the desired SDR weights.

The degree of currency alignment of IFAD's overall assets subject to SDR alignment at 31 December 2016 is shown in table 14. The Chinese renminbi was included in the SDR basket as of October 2016.

Table 14
Alignment of assets to SDR basket (IFAD-only)
As at 31 December 2016

Currency group	Net asset amount (%)	SDR weights	Difference
United States dollar	44.91	43.34	1.57
Chinese renminbi	1.83	10.89	(9.06)
Euro	26.75	30.32	(3.57)
Japanese yen	9.95	7.58	2.37
Pound sterling	16.55	7.86	8.68
Total	100.0	100.0	0.0

At 31 December 2016, had the United States dollar depreciated (or appreciated) by 10 per cent over the three other currencies in the SDR basket, the composition of IFAD's assets subject to SDR alignment would have been as shown in table 15.

Table 15
Sensitivity of assets aligned to SDR basket (IFAD-only)
As at 31 December 2016

Currency group	Difference towards SDR weights	
	-10% of US\$ (%)	+10% of US\$ (%)
United States dollar	(2.6)	2.4
Chinese renminbi	0.5	(0.5)
Euro	1.4	(1.3)
Japanese yen	0.3	(0.3)
Pound sterling	0.4	(0.3)
Total	-	-

To seek higher diversification and returns, the Fund may invest in securities denominated in currencies other than those included in the SDR valuation basket, and enter into forward foreign exchange agreements in order to maintain the matching in currency terms, of commitments denominated in SDRs and United States dollars.

(i) Liquidity risk

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

IFAD's liquidity risk is addressed through the minimum liquidity requirement (MLR). IFAD's liquidity policy, together with the revised MLR for the Tenth Replenishment of IFAD's Resources (IFAD10) period (2016–2018), states that highly liquid assets in IFAD's

investment portfolio should remain above 60 per cent of the projected annual gross disbursement level (outflows), including potential additional requirements due to liquidity shocks.

IFAD's latest financial model assumptions, incorporating the 2016 resources available for commitment under the sustainable cash flow approach, calculates a MLR of US\$582.5 million that is comfortably covered by IFAD's investment portfolio balance of US\$1,328.3 million.

(j) Capital risk

The overall resource policy is reviewed by Management on a regular basis. A joint review with the principal stakeholders is also carried out during regular governing bodies meetings, as well as during each replenishment process. IFAD closely monitors its resource position on a regular basis in order to safeguard its ability to continue as a going concern. Consequently, it adjusts the amount of new commitments of loans and grants to be made during each calendar year depending on the resources available. Longer term resource forecasting is carried out within the analysis performed through IFAD's financial model.

NOTE 5

CONTRIBUTORS' PROMISSORY NOTES AND RECEIVABLES

Table 1

	US\$ thousands	
	2016	2015
Promissory notes to be encashed		
Replenishment contributions	308 812	213 119
ASAP	169 931	202 696
Total	478 743	415 815
Fair value adjustment	(6 638)	(13 565)
Promissory notes to be encashed	472 105	402 250
Contributions receivable		
Replenishment contributions	475 127	624 561
Supplementary contributions	319 855	331 044
ASAP	1 150	25 112
Total	796 132	980 717
Fair value adjustment	(18 320)	(10 933)
Contributions receivable	777 812	969 784
Qualified instruments of contribution	(65 248)	(5 912)
Total promissory notes and contributions receivable	1 184 669	1 366 120

(a) Initial, First, Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth and Ninth Replenishment contributions

These contributions have been fully paid except as detailed in note 6 and in table 2 below:

Table 2
Contributions not paid/encashed
As at 31 December 2016

Donor	US\$ thousands	
	Replenishment	Amount
United States ^a	Seventh	1 754
United States ^a	Eighth	560
Brazil ^b	Ninth	16 700
Ghana	Ninth	140
Japan ^b	Ninth	12 710
United States ^a	Ninth	18 000

^a Cases for which Members and IFAD have agreed to encashment schedules subject to ratification.

^b Case for which Members and IFAD have agreed to special encashment schedules.

(b) Tenth Replenishment

Details of contributions and payments made for IFAD9 and IFAD10 are shown in appendix H. IFAD10 became effective on 2 December 2015.

(c) Special Programme for Africa (SPA)

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

(d) Credit risk

Because of the sovereign status of its donor contributions, the Fund expects that each of its contributions for which a legally binding instrument has been deposited will ultimately be received. Collectability risk is covered by the provisions on contributions.

(e) Qualified instruments of contribution and promissory notes

At the end of December 2016, contributions receivable and promissory notes still subject to national appropriation measures amounted to US\$65.2 million (US\$5.9 million as at 31 December 2015).

NOTE 6

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	
	2016	2015
Balance at beginning of the year	168 446	168 448
Net (decrease)/increase in allowance	(46 816)	-
Revaluation	-	(2)
Balance at year-end	121 630	168 446
Analysed as follows:		
Promissory notes of contributors (a)	36 045	80 861
Amounts receivable from contributors (b)	85 585	87 585
Total	121 630	168 446

(a) Allowances against promissory notes

As at 31 December 2016, IFAD replenishment contributions deposited in the form of promissory notes up to and including IFAD9 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	
	2016	2015
Initial contributions		
Iran (Islamic Republic of)	29 358	29 358
* Iraq	-	13 717
	29 358	43 075
First Replenishment		
* Iraq	-	31 099
		31 099
Third Replenishment		
Democratic People's Republic of Korea (the)	600	600
Libya	6 087	6 087
	6 687	6 687
Total	36 045	80 861

During 2016 the Board approved the Proposal for Rescheduling the Contribution Dues of the Republic of Iraq.

(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	
	2016	2015
Initial contributions		
Comoros	8	8
Iran (Islamic Republic of)	83 167	83 167
	83 175	83 175
Second Replenishment		
Iraq	-	2 000
	-	2 000
Third Replenishment		
Iran (Islamic Republic of)	2 400	2 400
Sao Tome and Principe	10	10
	2 410	2 410
Total	85 585	87 585

NOTE 7

OTHER RECEIVABLES

	US\$ thousands	
	2016	2015
Receivables for investments sold	15	360
Other receivables	20 800	14 447
Total	20 815	14 807

The amounts above are all expected to be received within one year of the balance sheet date. The balance of other receivables includes reimbursements from the host country for expenditures incurred during the year.

NOTE 8

FIXED AND INTANGIBLE ASSETS

	US\$ thousands			31 Dec 2016
	1 Jan 2016	Increase/ (decrease)	Revalued/ Adjustment*	
Cost				
Computer hardware	3 540	93		3 633
Computer software	14 384	4 058		18 442
Vehicles	349	86		435
Furniture and fittings	419	79	(9)	489
Leasehold improvement	1 090	147		1 237
Total cost	19 782	4 463	(9)	24 236
Depreciation				
Computer hardware	(2 515)	(444)		(2 959)
Computer software	(4 932)	(2 017)		(6 949)
Vehicles	(60)	(71)		(131)
Furniture and fittings	(344)	(13)	9	(348)
Leasehold improvement	(904)	(40)		(944)
Total depreciation	(8 755)	(2 585)	9	(11 331)
Net fixed and intangible assets	11 027	1 878	-	12 905

* Due to foreign exchange movements on an item of fixed assets held in a euro-denominated unit.

NOTE 9**LOANS****(a) Accumulated allowance for impairment losses**

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

Table 1

	US\$ thousands	
	2016	2015
Balance at beginning of year	35 518	58 156
Net (decrease)/increase in allowance	25 868	(20 130)
Revaluation	(1 827)	(2 508)
Balance at end of year at nominal value	59 559	35 518
Fair value adjustment	(54 545)	(30 961)
Total	5 014	4 557

All loans included within the accumulated allowance are 100 per cent impaired with the exception of the allowance set against Yemen and one loan to the Democratic People's Republic of Korea, which are impaired for the instalments overdue.

In accordance with its policy, the Fund has established provisions against loans outstanding as at 31 December as follows:

Table 2

Amounts in SDR	2016	2015
Democratic People's Republic of Korea (the)	24 637	8 370
Somalia	17 299	17 299
Yemen	2 355	-
Total	44 291	25 669
US\$ equivalent	59 559	35 518
Fair value adjustment	(54 545)	(30 961)
Total	5 014	4 557

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

(b) Non-accrual status

Had income from loans with overdue amounts in non-accrual status been recognized as income, income from loans as reported in the statement of comprehensive income for the year 2016 would have been higher by US\$876,710 (2015 – US\$650,159).

(c) Further analysis of loan balances

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

Table 3

	US\$ thousands	
	2016	2015
IFAD	6 377 221	6 270 436
Spanish Trust Fund	133 208	90 875
Total	6 510 429	6 361 311
Fair value adjustment	(1 192 146)	(1 196 156)
Total	5 318 283	5 165 155

A more-detailed breakdown follows in table 4:

Table 4

	Thousands of United States dollars	
	2016	2015
IFAD-approved loans, less cancellations, less full repayments and adjustment for movement in value of total SDR and EUR loans in terms of US\$ (appendix I, table 1)		
Approved loans	11 828 772	11 605 710
Undisbursed balance	(3 323 099)	(3 333 550)
Repayments	(2 316 600)	(2 202 679)
Interest/principal receivable	13 297	13 001
Loans outstanding at nominal value		
	6 202 370	6 082 482
Fair value adjustment	(1 127 486)	(1 127 016)
Loans outstanding	5 074 884	4 955 466
SPA-approved loans, less cancellations, less full repayments and the adjustment for movements in value of total SDR loans in terms of US\$ (appendix I1)		
Approved loans	303 850	312 658
Repayments	(129 487)	(125 274)
Interest/principal receivable	488	570
Loans outstanding	174 851	187 954
Fair value adjustment	(55 295)	(61 097)
Loans outstanding	119 556	126 857
Total approved loans, less cancellations, less full repayments and the adjustment for movements in terms of US\$		
Approved loans	12 132 622	11 918 367
Undisbursed balance	(3 323 099)	(3 333 550)
Repayments	(2 446 087)	(2 327 953)
Interest/principal receivable	13 785	13 571
Loans outstanding at nominal value		
	6 377 221	6 270 436
Fair value adjustment	(1 182 781)	(1 188 113)
Loans outstanding	5 194 440	5 082 323

* The balance includes euro-denominated loans financed from the debt-financing facility.

Table 5

Spanish Trust Fund-approved loans, less cancellations, less full repayments and adjustment for movements in value of total EUR loans in terms of US\$	
Approved loans	308 194
Undisbursed balance	(170 689)
Repayments	(4 519)
Interest/principal receivable	222
Loans outstanding at nominal value	133 208
Fair value adjustment	(9 365)
Loans outstanding	123 843
90 875	82 832

The fair value of the outstanding-loan portfolio at year-end amounts to US\$5,851.6 million.

(d) Credit risk

Because of the nature of its borrowers, the Fund expects that each of its sovereign loans will ultimately be repaid. Collectability risk is covered by both the accumulated allowance for loan impairment losses and the accumulated allowance for the HIPC Debt Initiative. Loans with amounts overdue more than 180 days are placed in non-accrual status.

(e) Market risk

The interest rate risk associated with IFAD's loan portfolio is believed to be minimal, as 87.5 per cent (31 December 2015 – 90.3 per cent) of the current outstanding portfolio relates to borrowers on highly concessional terms, hence not subject to variation on an annual basis. An analysis of the portfolio by type of lending term is presented in appendix I, table 4, and appendix I1, table 4.

(f) Fair value estimation

Other than initial recognition and determination, the assumptions used in determining fair value are not sensitive to changes in discount rates. The associated impact of the exchange rate movement is closely monitored.

NOTE 10

FINANCIAL INSTRUMENTS BY CATEGORY

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
2016

	US\$ millions			
	Cash and bank deposits	Investments at FVTPL	at amortized cost	Loans at amortized cost
2016				
Level 1				
Cash and bank balances	260			
Investment at FVTPL		963		
Investments at amortized costs			258	
Level 2				
Investments at FVTPL		204		
Investment at amortized cost			117	
Loans outstanding				5 301
Total	260	1 167	375	5 301

Table 2
2015

	US\$ millions			
	Cash and bank deposits	Investments at FVTPL	Investments at amortized cost	Loans at amortized cost
2015				
Level 1				
Cash and bank balances	326			
Investment at FVTPL		988		
Investments at amortized costs			399	
Level 2				
Investments at FVTPL		268		
Investment at amortized cost			137	
Loans outstanding				5 142
Total	326	1 255	467	5 142

NOTE 11

HEAVILY INDEBTED POOR COUNTRIES (HIPC) DEBT INITIATIVE

(a) Impact of the HIPC Debt Initiative

IFAD provided funding for the HIPC Debt Initiative in the amount of US\$204,670,000 during the period 1998-2016. Details of funding from external donors on a cumulative basis are found in appendix E2.

For a summary of debt relief reimbursed since the start of the Initiative and expected in the future, please refer to appendix J. Debt relief approved by the Executive Board to date excludes all amounts relating to the enhanced Debt Initiative for Eritrea, Somalia and the Sudan. Authorization for IFAD's share of this debt relief is expected to be given by the Executive Board in 2017-2019. At the time of preparation of the 2016 consolidated financial statements, the estimate of IFAD's share of the overall debt relief for these countries, principal and interest, was US\$135,211,000 (2015 – US\$145,181,000 for Eritrea, Somalia and the Sudan). Investment income amounted to US\$8,040,000 (2015 – US\$8,008,000) from the HIPC Trust Fund balances.

(b) Accumulated allowance for the HIPC Debt Initiative

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

Table 1

	US\$ thousands	
	2016	2015
Balance at beginning of year	27 624	36 808
New approvals	-	-
Change in provision	(5 207)	(7 685)
Exchange rate movements	(4 732)	(1 499)
Balance at end of year	17 685	27 624
Fair value adjustment	(5 610)	(8 550)
Total	12 075	19 074

NOTE 12**PAYABLES AND LIABILITIES**

	US\$ thousands	
	2016	2015
Payable for investments purchased and impairment	6 160	12 103
ASMCS liability	106 484	80 035
Other payables and accrued liabilities	78 625	70 280
Total	191 269	162 418

Of the total above, an estimated US\$129,533,553 (2015 – US\$103,047,000) is payable in more than one year from the balance sheet date.

NOTE 13**DEFERRED REVENUE**

Deferred revenue represents contributions received for which revenue recognition has been deferred to future periods to match the related costs. Deferred income includes amounts relating to service charges received for which the related costs have not yet been incurred.

	US\$ thousands	
	2016	2015
Total	309 523	429 705
Fair value adjustment	(10 486)	(16 596)
Deferred revenue	299 037	413 109

NOTE 14**UNDISBURSED GRANTS**

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

	US\$ thousands	
	2016	2015
IFAD	80 521	68 057
Supplementary funds	293 412	264 218
ASAP	164 496	124 420
Balance at year-end	539 429	456 695
Fair value adjustment	(10 818)	(7 177)
Undisbursed grants	527 854	449 518

NOTE 15**BORROWING LIABILITIES**

The balance represents the funds received for borrowing activities plus interest accrued.

	US\$ thousands	
	2016	2015
IFAD	263 690	162 948
Spanish Trust Fund	285 670	311 153
Total borrowing liabilities	549 360	474 101

NOTE 16**NET FOREIGN EXCHANGE GAINS/LOSSES**

The following rates of one unit of SDR in terms of United States dollars as at 31 December were used:

Table 1

Year	United States dollars
2016	1.34472
2015	1.38370
2014	1.44582

The balance of foreign exchange movement is shown below:

Table 2

	US\$ thousands	
	2016	2015
IFAD	(169 541)	(274 680)
Other entities	6 489	(15 218)
Total movements in the year	(163 052)	(289 898)

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

Table 3

	US\$ thousands	
	2016	2015
Opening balance 1 Jan	154 271	444 169
Exchange movements for the year on:		
Cash and investments	(33 218)	(77 284)
Net receivables/payables	42 812	13 806
Loans and grants outstanding	(140 820)	(209 183)
Promissory notes and Members' receivables	(42 005)	(33 609)
Member States' contributions	10 182	16 372
Total movements in the year	(163 052)	(289 898)
Closing balance 31 December	(8 781)	154 271

NOTE 17**INCOME FROM CASH AND INVESTMENTS****(a) Investment management (IFAD only)**

Since 1994, a major part of IFAD's investment portfolio has been entrusted to external investment managers under investment guidelines provided by the Fund. At 31 December 2016, funds under external management amounted to US\$0.8 billion (2015 – US\$1.1 billion), representing 59 per cent of the Fund's total cash and investments (2015 – 72 per cent).

(b) Derivative instruments

IFAD's Investment Guidelines authorize the use of the following types of derivative instruments, primarily to ensure alignment to the SDR basket:

(i) Futures

Table 1

	31 December	
	2016	2015
Number of contracts open:		
Buy	402	352
Sell	(986)	(1 436)
Net unrealized market gains of open contracts (US\$ thousands)	(38)	884
Maturity range of open contracts (days)	67 to 627	68 to 993

(ii) Forwards

The unrealized market value loss on forward contracts at 31 December 2016 amounted to US\$2.2 million (2015 – gain of US\$3.8 million). The maturities of forward contracts at 31 December 2016 ranged from 6 to 75 days (31 December 2015 : 7 to 77 days).

(c) Income from cash and investments (consolidated)

Gross income from cash and investments for the year ended 31 December 2016 amounted to US\$48.8 million (2015 – gross income of US\$2.7 million).

Table 2
2016

	US\$ thousands		
	Fair value	Amortized cost	Total
Interest from banks and fixed-income Investments	24 736	5 148	29 884
Net expenses from futures/options and swaps	(6 988)	-	(6 988)
Realized capital gain/(loss) from fixed-income securities	11 815	11	11 826
Unrealized gain/(loss) from fixed-income securities	14 705	(612)	14 093
Total	44 268	4 547	48 815

Table 3
2015

	US\$ thousands		
	Fair value	Amortized cost	Total
Interest from banks and fixed-income Investments	28 753	6 137	34 890
Net expenses from futures/options and swaps	(1 728)	-	(1 728)
Realized capital gain/(loss) from fixed-income securities	(5 868)	(519)	(6 387)
Unrealized gain/(loss) from fixed-income securities	(24 057)	(29)	(24 086)
Total	(2 900)	5 589	2 689

For amortized cost investments, realized capital gains/(losses) relate to amortization and sales of securities.

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

Table 4

	US\$ thousands	
	2016	2015
IFAD	46 002	852
ASMCS Trust Fund	1 923	545
HIPC Trust Fund	33	4
Spanish Trust Fund	812	1 258
Haiti Debt Relief Initiative	262	197
ASAP	719	351
Supplementary funds	320	152
Less: income deferred/reclassified	(1 256)	(670)
Total	48 815	2 689

The annual rate of return on IFAD cash and investments in 2016 was 2.91 per cent net of investment expenses (2015 – negative 0.06 per cent net of investment expenses).

NOTE 18**INCOME FROM OTHER SOURCES**

This income relates principally to reimbursement from the host Government for specific operating expenses. It also includes service charges received from entities housed at IFAD as compensation for providing administrative services. A breakdown is provided below:

	US\$ thousands	
	2016	2015
Host Government income	7 704	7 923
Income from other sources	3 057	28
Total	10 761	7 951

NOTE 19**INCOME FROM CONTRIBUTIONS**

	US\$ thousands	
	2016	2015
IFAD	5 659	2 661
ASAP	60 487	81 148
Supplementary funds	118 377	100 970
Total	184 523	184 779

From 2007, contributions to the HIPC Debt Initiative have been offset against the HIPC Debt Initiative expenses.

NOTE 20**OPERATING EXPENSES**

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

	US\$ thousands	
	2016	2015
IFAD	156 186	157 628
Other entities	9 078	9 630
Total	165 264	167 258

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

NOTE 21

STAFF NUMBERS, RETIREMENT PLAN AND MEDICAL SCHEMES

(a) Staff numbers

Employees that are on IFAD's payroll are part of the retirement and medical plans offered by IFAD. These schemes include participation in the UNJSPF and in the ASMCS administered by FAO.

The number of full-time equivalent employees of the Fund and other consolidated entities in 2016 was as follows (breakdown by principal budget source):

<i>Full-time equivalent</i>	<i>Professional</i>	<i>General Service</i>	<i>Total</i>
IFAD			
administrative budget	288	195	484
APO/SPO *	14		14
Others	20	8	28
Programme funds	8	2	10
Total 2016	330	205	535
Total 2015	317	208	525

Associate professional officer/special programme officer.

(b) Non-staff

As in previous years, in order to meet its operational needs, IFAD engaged the services of consultants, conference personnel and other temporary staff, who are also covered by an insurance plan.

(c) Retirement plan

The UNJSPF carries out an actuarial valuation every two years; the latest was prepared as at 31 December 2015. This valuation revealed an actuarial surplus, amounting to 0.16 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 2016 amounted to US\$10,846,355 (2015 – US\$10,490,112).

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

The latest actuarial valuation for the ASMCS was carried out as at 31 December 2016. The methodology used was the projected unit-credit-cost method with service prorates. The principal actuarial assumptions used were as follows: discount rate, 2.5 per cent; return on invested assets, 3.5 per cent; expected salary increase, 3.0 per cent; initial medical cost increase, 5.0 per cent; inflation, 2.5 per cent; and exchange rate, EUR 1:US\$1.04. The results determined IFAD's liability as at 31 December 2016 to be US\$106,483,000. The 2016 and 2015 financial statements include a provision and related assets as at 31 December as follows:

Table 1

	<i>US\$ thousands</i>	
	<i>2016</i>	<i>2015</i>
Past service liability	(106 483)	(80 035)
Plan assets	69 223	62 722
Surplus / (deficit)	(37 260)	(17 313)
Yearly movements		
Opening balance		
Surplus / (deficit)	(17 313)	(29 081)
Contribution paid	6 122	-
Interest cost	(570)	(820)
Current service charge	(3 705)	(4 468)
Actuarial gains / (losses)	(22 173)	21 188
Interest earned on balances	1 745	435
Exchange rate movement	(1 366)	(4 567)
Closing balance		
Surplus / (deficit)	(37 260)	(17 313)
Past service liability		
Total provision at 1 January	(80 035)	(95 935)
Interest cost	(570)	(820)
Current service charge	(3 705)	(4 468)
Actuarial gains / (losses)	(22 173)	21 188
Provision at 31 December	(106 483)	(80 035)
Plan assets		
Total assets at 1 January	62 722	66 854
Contribution paid	6 122	-
Interest earned on balances	1 745	435
Exchange rate movement	(1 366)	(4 567)
Total assets at 31 December	69 223	62 722

ASMCS assets are invested in accordance with the ASMCS Trust Fund Investment Policy Statement approved by the Governing Council in February 2015.

IFAD provides for the full annual current service costs of this medical coverage, including its eligible retirees. In 2016, such costs included under staff salaries and benefits in the Financial Statements amounted to US\$4,275,001 (2015 – US\$5,289,000).

Based on the 2016 actuarial valuation, the level of assets necessary to cover ASMCS liabilities is US\$69,223,000 in net present value terms (including assets pertaining to ILC). As reported above, at 31 December 2016 the assets already held in the trust fund are US\$69,223,000; consequently this is more than sufficient to cover the level of liabilities.

(e) Actuarial valuation risk of the ASMCS

A sensitivity analysis of the principal assumptions of the liability and service cost contained within the group data as at 31 December 2016 is shown below:

Table 2

<i>Impact on</i>	<i>Liability</i>
Medical inflation:	
5.0 per cent instead of 4.0 per cent	28.2
3.0 per cent instead of 4.0 per cent	(22.3)

NOTE 22**GRANT EXPENSES**

The breakdown of the consolidated figures is set out below:

	US\$ thousands	
	2016	2015
IFAD grants	55 020	44 840
Supplementary funds	107 680	89 186
ASAP	60 487	79 768
Total	223 187	213 794

NOTE 23**DSF EXPENSES**

The DSF expenses are set out below:

	US\$ thousands	
	2016	2015
IFAD-only		
DSF expenses	123 892	125 586
Total	123 892	125 586

DSF financing is recognized as expenditures in the period in which conditions for the release of funds to the recipient are met.

NOTE 24**DIRECT BANK AND INVESTMENT COSTS**

	US\$ thousands	
	2016	2015
Investment management fees	1 696	2 048
Other charges	920	605
Total	2 616	2 653

NOTE 25**ADJUSTMENT FOR CHANGE IN FAIR VALUE**

An analysis of the movement in fair value is shown below:

	US\$ thousands	
	2016	2015
Loans outstanding	4 011	42 638
Accumulated allowance for loan impairment losses	23 585	(22 808)
Accumulated allowance for HIPC Debt Initiative	(2 940)	(2 573)
Net loans outstanding	24 656	17 257
Contributors' promissory notes	6 927	4 738
Contributions receivable	(7 386)	(6 111)
Contributions	6 568	6 026
Undisbursed grants	3 398	1 965
Deferred revenues	(6 110)	(4 192)
Foreign exchange movement	(32 378)	(50 785)
Total	(4 324)	(31 102)

NOTE 26**DEBT RELIEF EXPENSES**

This balance represents the debt relief provided during the year to HIPC eligible countries for both principal and interest. It reflects the overall net effect of new approvals of HIPC debt relief or top ups, the payments made to IFAD by the Trust Fund on behalf of HIPC and the release of the portion of deferred revenues for payments from past years.

NOTE 27**HOUSED ENTITY DISCLOSURE**

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

	US\$ thousands	
	2016	2015
International Land Coalition (ILC)	855	887
Total	855	887

NOTE 28**CONTINGENT LIABILITIES AND ASSETS****(a) Contingent liabilities**

IFAD has contingent liabilities in respect of debt relief announced by the World Bank/International Monetary Fund for three countries. See note 11 for further details of the potential cost of loan principal and interest relating to these countries, as well as future interest not accrued on debt relief already approved as shown in appendix J.

IFAD has a contingent liability for DSF financing effective but not yet disbursed for a global amount of US\$740.0 million (US\$780.4 million in 2015). In particular, at the end of December 2016, DSF financing disbursable but not yet disbursed, because the conditions for the release of funds were not yet met, amounted to US\$561.0 million (US\$562.9 million in 2015) and DSF projects approved but not yet effective amounted to US\$179.0 million (US\$217.4 million in 2015).

(b) Contingent assets

At the end of December 2016 the balance of qualified instruments of contribution amounted to US\$65.2 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 for grants, approved in 2007, aims for the full recovery of principal repayments forgone through a pay-as-you-go compensation mechanism by Member States. Consequently, IFAD has undertaken a review together with its governing bodies of the mechanism through which this policy will be implemented. This led to the endorsement by the Executive Board in 2013 of the underlying principles thereof. The policy was also endorsed by Member States in the Replenishment Consultation process in 2014 and finally approved by the Governing Council in 2015. This, in effect, provides a concrete basis on which Member States will be expected to contribute towards principal reflows forgone as a result of the DSF, in addition to their regular contributions.

In 2016, Member States began to make commitments for payment of DSF obligations. The receipt of the funds that have been provided as DSF grants is therefore considered probable and hence is disclosed as a contingent asset. The nominal amount of the amount so disbursed as at 31 December 2016 amounted to US\$805.9 million (US\$682.1 million as at December 2015).

NOTE 29

POST-BALANCE-SHEET EVENTS

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

NOTE 30

RELATED PARTIES

The Fund has assessed related parties and transactions carried out in 2016. This pertained to transactions with Member States (to which IAS24, paragraph 25, is applicable) key management personnel and other related parties identified under IAS24. Transactions with Member States and related outstanding balances are reported in appendices H and I. Key management personnel are the President, Vice-President and Associate Vice-Presidents, as they have the authority and responsibility for planning, directing and controlling activities of the Fund.

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

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

Independent review of the latest annual financial disclosure statements confirmed that there are no conflicts of interest, nor transactions and outstanding balances, other than the ones indicated below, for key management personnel and other related parties identified in accordance with IAS24 requirements.

	<i>US\$ thousands</i>	
	2016	2015
Salaries and other entitlements	1 756	1 864
Contribution to retirement and medical plans	260	280
Total	2 017	2 144
Total accruals	538	787

NOTE 31

DATE OF AUTHORIZATION FOR ISSUE OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements are issued by Management for review by the Audit Committee in April 2017 and endorsement by the Executive Board in April 2017. The 2016 consolidated financial statements will be submitted to the Governing Council for formal approval at its next session in February 2018. The 2015 consolidated financial statements were approved by the Governing Council at its fortieth session in February 2017.

Statements of complementary and supplementary contributions

Table 1

Member States:

Statement of cumulative supplementary contributions including project cofinancing from 1978 to 2016^a (Thousands of United States dollars)

Member States	Project cofinancing	APOs	Other supplementary funds	Global Environment Facility (GEF)	Total
Algeria	-	-	74	-	74
Angola	-	-	7	-	7
Australia ^b	2 721	-	84	-	2 805
Austria	755	-	-	-	755
Bangladesh	-	-	42	-	42
Belgium	10 214	1 960	146 411	-	158 585
Canada	11 012	-	8 472	-	19 484
China	-	-	302	-	302
Colombia-	-	-	25	-	25
Denmark	21 564	4 888	3 946	-	30 398
Estonia	-	-	190	-	190
Finland	2 834	5 071	6 933	-	14 838
France	1 032	1 131	8 680	-	10 843
Germany	46	7 421	8 139	-	15 606
Ghana	-	-	74	-	74
Greece	-	-	74	-	74
India	-	-	1 000	-	1 000
Indonesia	-	-	50	-	50
Ireland	6 602	-	4 076	-	10 678
Italy	31 503	6 486	29 130	-	67 119
Japan	3 792	2 026	4 131	-	9 949
Jordan	-	-	153	-	153
Kuwait	-	-	116	-	116
Lebanon	-	-	82	-	82
Luxembourg	2 112	-	2 984	-	5 096
Malaysia	-	-	28	-	28
Mauritania	-	-	50	-	50
Morocco	-	-	92	-	92
Netherlands	107 408	7 873	11 856	-	127 137
New Zealand	730	-	80	-	810
Nigeria	-	-	50	-	50
Norway	20 669	2 604	6 116	-	29 389
Pakistan	-	-	25	-	25
Paraguay	-	-	15	-	15
Portugal	142	-	714	-	856
Qatar	-	-	105	-	105
Republic of Korea	5 027	5 064	103	-	10 194
Saudi Arabia	3 300	-	106	-	3 406
Senegal	-	-	109	-	109
Sierra Leone	-	-	88	-	88
Spain	11 958	-	6 076	-	18 034
Suriname	2 000	-	-	-	2 000
Sweden	9 114	2 773	15 901	-	27 788
Switzerland	8 498	1 191	17 682	-	27 371
Turkey	-	-	47	-	47
United Kingdom	19 074	-	16 859	-	35 933
United States	-	322	86	-	408
Total	282 107	48 810	301 363	-	632 280

^a Non-US\$ contributions have been translated at the year-end exchange rate.^b Australia's withdrawal from IFAD membership became effective 31 July 2007.

Appendix E1

Table 2
Non-Member States and other sources:
Statement of cumulative supplementary contributions including project cofinancing from 1978 to 2016*
(Thousands of United States dollars)

<i>Non-Member States and other sources</i>	<i>Project cofinancing</i>	<i>APOs</i>	<i>Other supplementary funds</i>	<i>GEF</i>	<i>Total</i>
African Development Bank	2 800		1 096		3 896
Arab Fund for Economic and Social Development	2 983		-		2 983
Abu Dhabi Fund for Development	-		501		501
Arab Bank	-		25		25
Arab Gulf Programme for Development	299		-		299
Bill & Melinda Gates Foundation	-		1 760		1 760
Cassava Programme	-		69		69
United Nations System Chief Executives Board for Coordination Secretariat, Geneva	-		998		998
Congressional Hunger Center	-		183		183
Coopernic	-		3 164		3 164
European Commission	814		513 201		514 015
FAO	14		2 138		2 152
Global Agriculture and Food Security Program (GAFSP)	124 000		6 515		130 515
Least Developed Countries Fund/Special Climate Change Fund	-		92 910		92 910
National Agricultural Cooperative Federation	-		-		-
Office of the United Nations High Commissioner for Refugees	-		-		-
OPEC Fund for International Development (OFID)	1 698		-		1 698
Other	386		2 536		2 922
United Nations Capital Development Fund (UNCDF)	382		240		622
United Nations Development Programme	467		933		1 400
United Nations Fund for International Partnerships	78		145		223
UNO	3 017				3 017
World Bank	1 357		527	138 855	140 739
Total non-Member States and other sources	138 295		626 941	138 855	904 091
Total 2016	420 402	48 810	928 304	138 855	1 536 371
Total 2015	390 919	46 928	903 809	104 155	1 445 811

* Non-United States dollars contributions have been translated at the year-end exchange rate.

Statement of cumulative complementary contributions from 1978 to 2016

(Thousands of United States dollars)

	<i>Amount</i>
Other complementary contributions	
Canada	1 511
Germany	458
India	1 000
Saudi Arabia	30 000
Sweden	13 827
United Kingdom	12 002
	58 798
Cumulative contributions received from Belgium for the Belgian Fund for Food Security Joint Programme (BFFS.JP) in the context of replenishments	80 002
Subtotal	138 800
Contributions made in the context of replenishments to the HIPC Trust Fund	
Italy	4 602
Luxembourg	1 053
Netherlands	14 024
Subtotal	19 679
Contributions made to ASAP in the context of replenishment	289 836
Unrestricted Complementary Contribution Tenth Replenishment	
Canada	7 457
Germany	13 712
Russian Federation	3 000
United States	12 000
Subtotal	36 169
Total complementary contributions 2016	484 484
Total complementary contributions 2015	471 532

Statement of contributions from Member States and donors to the HIPC Debt Initiative

(Thousands of United States dollars)

	<i>Amount</i>
Contributions made in the context of replenishments (see table above)	19 679
Belgium	2 713
European Commission	10 512
Finland	5 193
Germany	6 989
Iceland	250
Norway	5 912
Sweden	17 000
Switzerland	3 276
World Bank HIPC Trust Fund	215 618
Subtotal	267 463
Total contributions to IFAD's HIPC Trust Fund 2016	287 142
Total contributions to IFAD's HIPC Trust Fund 2015	282 417

Contributions received in 2016

	Currency	Amount (thousands)	Thousands of US dollars equivalent
For project cofinancing			
Canada	CAD	4 700	3 555
Denmark	DKK	37 831	6 206
European Commission	EUR	11 800	12 446
Flemish Department of Foreign Affairs	EUR	1 000	1 103
FAO	EUR	374	394
GAFSP	US\$	9 136	9 136
Italy	EUR	3 500	3 692
Japan	US\$	2 100	2 100
Netherlands	US\$	1 417	1 417
Republic of Korea	US\$	1 150	1 150
World Bank	US\$	15 085	15 085
Subtotal			56 284
For associate professional officers			
Finland	US\$	150	150
Germany	US\$	279	279
Italy	US\$	217	217
Netherlands	US\$	773	773
Switzerland	US\$	470	470
Subtotal			1 889
Supplementary fund contributions			
Estonia	EUR	45	47
European Commission	EUR	33 030	34 896
FAO	US\$	173	173
France	EUR	1 000	1 077
Germany	EUR	650	686
Ireland	EUR	1 000	1 055
Luxembourg	EUR	500	527
Netherlands	USD	3 000	3 000
Republic of Korea	KRW	1 000 000	835
Switzerland	EUR	240	253
United Nations Development Programme	US\$	318	318
United Nations Evaluation Programme	US\$	20	20
Subtotal			42 887
Grand total			101 060

Unspent funds in 2016 and 2015

Table 1

Unspent complementary and supplementary funds from Member and non-Member States (Thousands of United States dollars)

Member States	Project cofinancing	APOs	Other supplementary funds	Total
Belgium	-	-	1 797	1 797
Canada	-	3 551	3 426	6 977
China	-	-	121	121
Denmark	244	3 892	130	4 266
Estonia	-	-	111	111
Finland	168	-	1	169
France	-	-	174	174
Germany	317	-	1 295	1 612
India	-	-	613	613
Italy	291	1 314	4 711	6 316
Japan	-	2 000	-	2 000
Lebanon	-	-	82	82
Luxembourg	-	127	709	836
Malaysia	-	-	13	13
Netherland	472	1 832	34	2 338
New Zealand	-	580	40	620
Norway	15	-	66	81
Republic of Korea	97	1 921	1	2 019
Saudi Arabia	-	450	-	450
Spain	-	383	1 191	1 574
Sweden	-	-	1 998	1 998
Switzerland	420	-	531	951
United Kingdom	-	142	385	527
Total Member States	2 024	16 192	17 429	35 645

Table 2

Other unspent complementary and supplementary funds from non-Member States (Thousands of United States dollars)

Non-Member States	Project cofinancing	APOs	Other supplementary funds	Total
Bill & Melinda Gates Foundation	-	-	130	130
European Commission	-	-	40 682	40 682
FAO	-	-	51	51
GAFSP	19 847	-	2 842	22 689
Least Developed Countries Fund	-	-	11 172	11 172
Other	3	-	309	312
Platform for Agricultural Risk Management (PARM)	-	-	1 828	1 828
Support to Farmers' Organizations in Africa Programme: main phase	-	-	4 202	4 202
Technical Assistance Facility	-	-	496	496
United Nations Capital Development Fund	23	-	4	27
United Nations Development Programme	-	-	325	325
World Bank	6	-	11	17
Total non-Member States	19 879	62 052	81 931	
Grand total	2 024	36 071	79 481	117 576

Global Environment Facility

(Thousands of United States dollars)

<i>Recipient country</i>	<i>Cumulative contributions received as at 31 December 2016</i>	<i>Unspent at 1 January 2016</i>	<i>Received from donors</i>	<i>Expenses</i>	<i>Unspent at 31 December 2016</i>
Armenia	4 011	3 948		(3 938)	10
Association of Southeast Asian Nations regional	4 823	61		(60)	1
Brazil	5 931				
Burkina Faso	9 355	11	7 269	(10)	7 270
China	4 895				
Comoros	945			(55)	55
Ecuador	2 783	(1 720)	1 720		
Eritrea	4 477				
Ethiopia	4 750				
Gambia (the)	96				
Global supplement for United Nations Convention to Combat Desertification	457				
Indonesia	4 867	2	4 767		4 769
Jordan	7 886	15			15
Kenya	12 039	46	7 202	(7 246)	2
Malaysia	200		200	(159)	41
Malawi	183	33		(12)	21
Mali	4 796	1 519	(1 519)		
Mauritania	4 350	14			14
MENARID* monitoring and evaluation	705				
Mexico	5 100				
Morocco	330				
Niger (the)	12 032	57	7 636	(12)	7 681
Panama	150		(1 428)	1 428	
Peru	7 255	7 075	(1 720)	(5 355)	
Sao Tome and Principe	2 501				
Senegal	3 690	25	3 610	(4)	3 631
Sri Lanka	7 270				
Sudan (the)	3 750	2			2
Swaziland	9 205	15	7 016	168	7 199
Tunisia	5 350				
United Republic of Tanzania	183	53		(49)	4
Venezuela (Bolivarian Republic of)	3 735	19			19
Viet Nam	755				
Total	138 855	11 175	34 698	(15 194)	30 679

* US\$326,000 received before the signature of the financial procedure agreement between IFAD and the GEF trustee, the Middle East and North Africa Regional Program for Promoting Integrated Sustainable Land Development (MENARID).

Summaries of the Adaptation for Smallholder Agriculture Programme Trust Fund

Table 1
Summary of complementary contributions and supplementary funds to the Adaptation for Smallholder Agriculture Programme Trust Fund as at 31 December 2016
(Amounts expressed in thousands)

	Member States	Local currency	United States dollar equivalent			
			Pledges ^a	Payment promissory notes ^b	Payment cash ^b	Total payments
Complementary contributions	Belgium	EUR 6 000	8 584		7 855	
	Canada	CAD 19 849	20 347		19 879	
	Finland	EUR 5 000	7 153		6 833	
	Netherlands	EUR 40 000	57 225		48 581	
	Norway	NOK 63 000	11 580		8 981	
	Sweden	SEK 30 000	4 729		4 471	
	Switzerland	CHF 10 000	11 844		10 949	
	United Kingdom	GBP 147 523	239 176	182 287		
Subtotal			360 638	182 287	107 549	289 836
Supplementary funds	Flemish Department for Foreign Affairs	EUR 2 000	2 486		2 331	
	Republic of Korea	US\$ 3 000	3 000		1 850	
Total			366 124	182 287	111 730	294 017

^a Pledges counter-valued at replenishment exchange rate.

^b Payments counter-valued at exchange rate prevailing at receipt date.

Appendix F

Table 2
Summary of grants under the Adaptation for Smallholder Agriculture Programme Trust Fund
(Amounts expressed in thousands)

Grant recipient	Approved grants less cancellations	Disbursable	Disbursements 2016	Undisbursed portion of disbursable grants	Grants not yet disbursable as at 31 December 2016
US\$ grants					
Republic of Moldova (the)	5 000	-	-	-	5 000
SDR grants					
Bangladesh	9 900	9 900	-	7 565	-
Benin	3 220	-	-	-	3 220
Bhutan	3 580	3 580	582	2 998	-
Burundi	3 510	3 510	566	2 944	-
Bolivia (Plurinational State of)	6 500	6 500	152	5 335	-
Cambodia	10 150	10 150	-	8 479	-
Cape Verde	2 900	-	-	-	2 900
Chad	3 240	3 240	125	2 905	-
Côte d'Ivoire	4 520	4 520	-	4 106	-
Djibouti	4 000	4 000	291	3 350	-
Ecuador	2 850	-	-	-	2 850
Egypt	3 380	3 380	23	2 963	-
El Salvador	3 560	-	-	-	3 560
Ethiopia	7 870	-	-	-	7 870
Gambia (the)	3 570	3 570	571	2 999	-
Ghana	6 500	6 500	13	5 909	-
Kenya	7 100	-	-	-	7 100
Kyrgyzstan	6 500	6 500	459	5 759	-
Lao People's Democratic Republic	3 550	3 550	382	3 168	-
Lesotho	4 610	-	-	-	4 610
Liberia	3 280	-	-	-	3 280
Madagascar	4 200	4 200	583	3 617	-
Malawi	5 150	-	-	-	5 150
Mali	6 500	6 500	1 289	3 842	-
Mauritania	4 300	-	-	-	4 300
Morocco	1 295	-	-	-	1 295
Mozambique	3 260	3 260	923	1 994	-
Nepal	9 710	9 710	698	9 002	-
Nicaragua	5 310	5 310	377	4 386	-
Niger (the)	9 250	9 250	987	8 263	-
Nigeria	9 800	9 800	91	9 709	-
Paraguay	3 650	-	-	-	3 650
Rwanda	4 510	4 510	850	4 248	-
Sudan (the)	6 880	4 730	481	2 985	2 150
Tajikistan	3 600	3 600	-	3 600	-
Uganda	6 770	6 770	710	6 060	-
United Republic of Tanzania	7 120	-	-	-	7 120
Viet Nam	7 820	7 820	853	6 141	-
Yemen	6 630	-	-	-	6 630
Total SDR	210 045	144 360	11 006	122 327	65 685
US\$ equivalent	282 452	194 124	14 800	164 496	88 328
Total grants in US\$	287 452	194 124	14 800	164 496	93 328

Note: For comparative purposes, as at December 2015 the grants approved (US\$126.9 million) were not yet disbursable.



Investing in rural people

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

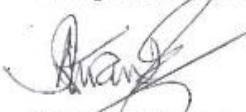
Management of the International Fund for Agricultural Development (hereinafter IFAD or the Fund) is responsible for the preparation, fair presentation and overall integrity of its Consolidated Financial Statements. The Financial Statements of the Fund have been prepared in accordance with International 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 2016**. 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 Internal 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 2016, and is not aware of any material control weakness that could affect the reliability of the 2016 financial statements. IFAD's independent external auditor, Deloitte & Touche, 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.



Kanayo F. Nwanze
President



Mikio Kashiwagi
Associate Vice President,
CFO and Chief Controller



Advit Nath
Director and Controller



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INDEPENDENT AUDITOR'S REPORT

To the International Fund for Agricultural Development

Opinion

We have audited the consolidated financial statements of International Fund for Agricultural Development (the "Company"), which comprise the consolidated and IFAD-only balance sheets as at 31 December 2016, the consolidated and IFAD-only statements of comprehensive income and changes in retained earnings and the consolidated cash-flow statement for the year then ended, the statement of complementary and supplementary contributions and unspent funds, the summary of the Adaption for Smallholder Agriculture Programme Trust Fund and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2016, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

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 our report. We are independent of the Company in accordance with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 2016" 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 2016" but does not include the consolidated financial statements and our auditor's report thereon.

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 and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, 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.

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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 IFRSs, and for such internal control as the President determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the President is responsible for assessing the Company'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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company'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 these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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.
- Obtain 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the President.
- Conclude 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 Company'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 Company to cease to continue as a going concern.
- Evaluate 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the consolidated entities or business activities 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.

We communicate 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 identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

DELOITTE & TOUCHE S.p.A.



Enrico Pietrarelli
Partner

Rome, March 2, 2017



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INDEPENDENT AUDITOR'S REPORT ON MANAGEMENT'S ASSESSMENT ON INTERNAL CONTROLS OVER FINANCIAL REPORTING

To the International Fund for Agricultural Development

We have undertaken a reasonable assurance engagement of the accompanying management's assessment that the International Fund for Agricultural Development ("IFAD") maintained effective internal controls over financial reporting as of December 31, 2016, as contained in IFAD's Management Assertion Report on the effectiveness of internal controls over financial reporting.

Management's Responsibility

Management of IFAD is responsible for the preparation of its assessment on the effectiveness on internal controls over financial reporting in accordance with the criteria for effective internal controls over financial reporting described in the "Internal Control – Integrated Framework" issued by the Committee of Sponsoring Organisations of the Treadway Commission (2013 framework). IFAD's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Consolidated financial statements of IFAD as at 31 December 2016.

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, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

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.

Auditor's Responsibility

Our responsibility is to express an opinion on management's assessment on the effectiveness on internal controls over financial reporting based on the procedures we have performed. We conducted our reasonable assurance engagement in accordance with International Standards on Assurance Engagements - Assurance Engagements other than Audits or Reviews of Historical Information ("ISAE 3000 revised") issued by International Auditing and Assurance Standards Board for reasonable assurance engagements. This standard requires that we plan and perform procedures in order to obtain a reasonable assurance as to whether the management's assessment on the effectiveness on internal controls over financial reporting is free of material misstatement.

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A reasonable assurance engagement involves performing procedures to obtain evidence about management's assessment on the effectiveness on internal controls over financial reporting. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in management's assessment on the effectiveness on internal controls over financial reporting, whether due to fraud or error.

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

Characteristics and Limitations of Internal Controls over Financial Reporting

An entity's internal control over financial reporting is a process designed by, or under the supervision of, the entity's principal executive and principal financial officers, or persons performing similar functions, and effected by the entity's board, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. An entity's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the entity; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the entity are being made only in accordance with authorizations of the entity's management; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the entity's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, management's assertion that IFAD maintained effective internal controls over financial reporting, included within the Consolidated financial statements of IFAD as at 31 December 2016, is fairly stated, in all material respects, based on the criteria for effective internal controls over financial reporting described in the "Internal Control – Integrated Framework" issued by the Committee of Sponsoring Organisations of the Treadway Commission (2013 framework).

DELOITTE & TOUCHE S.p.A.



Enrico Pietrarelli
Partner

Rome, March 2, 2017

IFAD-only balance sheet at nominal value in United States dollars (US\$) and retranslated into special drawing rights (SDR)

(As at 31 December 2016 and 2015)

	<i>Note/ appendix</i>	<i>Thousands of US\$</i>		<i>Thousands of SDR</i>	
		2016	2015	2016	2015
Cash on hand and in banks	4	94 373	131 299	70 181	94 890
Investments	4	1 240 173	1 393 862	922 255	1 007 344
Contribution and promissory notes receivables					
Contributors' promissory notes	5	308 812	213 119	229 648	154 021
Contributions receivable	5	475 127	624 561	353 328	451 370
Less: provisions and qualified instruments of contribution		(186 878)	(174 357)	(138 972)	(126 009)
Net contribution and promissory notes receivables		597 061	663 323	444 004	479 382
Other receivables		139 752	151 089	103 926	109 192
Fixed and intangible assets		12 905	11 027	9 597	7 969
Loans outstanding					
Loans outstanding	9(c)/l	6 377 221	6 270 436	4 742 420	4 531 645
Less: accumulated allowance for loan impairment losses	9(a)	(59 559)	(35 517)	(44 291)	(25 669)
Less: accumulated allowance for the HIPC Debt Initiative	11(b)/J	(17 685)	(27 624)	(13 151)	(19 964)
Net loans outstanding		6 299 977	6 207 294	4 684 998	4 486 012
Total assets		8 384 241	8 557 893	6 234 941	6 184 789
<hr/>					
	<i>Note/ appendix</i>	<i>Thousands of US\$</i>		<i>Thousands of SDR</i>	
		2016	2015	2016	2015
Liabilities and equity					
Liabilities					
Payables and liabilities		186 417	171 319	136 631	123 812
Undisbursed grants	14	80 521	68 057	59 879	49 185
Deferred revenues		86 583	73 225	64 386	52 920
Borrowing liabilities	15	263 690	162 948	196 093	117 762
Total liabilities		617 211	475 579	456 989	343 679
Equity					
Contributions					
Regular		8 043 135	7 884 776	7 436 207	7 309 220
Special		20 349	20 349	15 219	15 219
Total contributions	H	8 063 484	7 905 125	7 451 426	7 324 439
General Reserve		95 000	95 000	70 647	68 657
Retained earnings		(391 454)	82 219	(1 746 121)	(1 551 986)
Total equity		7 767 030	8 082 344	5 775 952	5 841 110
Total liabilities and equity		8 384 241	8 557 893	6 234 941	6 184 789

Note: A statement of IFAD's balance sheet is prepared in SDR, given that most of its assets are denominated in SDR and/or currencies included in the SDR basket. This statement has been included solely for the purpose of providing additional information for the readers of the accounts and is based on nominal values.

Statements of contributions

Table 1
Summary of contributions
(Thousands of United States dollars)

	2016	2015
Replenishments		
Initial contributions	1 017 371	1 017 371
First Replenishment	1 016 564	1 016 564
Second Replenishment	567 053	567 053
Third Replenishment	553 881	553 881
Fourth Replenishment	361 421	361 421
Fifth Replenishment	441 401	441 401
Sixth Replenishment	567 021	567 021
Seventh Replenishment	654 640	654 640
Eighth Replenishment	963 050	963 050
Ninth Replenishment	978 411	976 894
Tenth Replenishment	760 072	590 197
Total IFAD	7 880 886	7 709 493
Special Programme for Africa (SPA)		
SPA Phase I	288 868	288 868
SPA Phase II	62 364	62 364
Total SPA	351 232	351 232
Special contributions^a	20 349	20 349
Total replenishment contributions	8 252 466	8 081 074
Complementary contributions		
Belgian Survival Fund	80 002	80 002
HIPC Debt Initiative	19 679	19 679
ASAP complementary contributions	289 836	302 854
Unrestricted complementary contributions Tenth Replenishment	36 169	10 199
Other complementary contributions	58 798	58 798
Total complementary contributions	484 484	471 532
Other		
HIPC contributions not made in the context of replenishment resources	267 463	262 738
Belgian Survival Fund contributions not made in the context of replenishment resources	63 836	63 836
Supplementary contributions^b		
Project cofinancing	420 404	390 919
Associate professional officer funds	48 811	46 928
Other supplementary funds	928 301	903 809
GEF	138 855	104 155
ASAP supplementary funds	4 181	1 976
Total supplementary contributions	1 540 552	1 447 787
Total contributions	10 680 801	10 326 867
Total contributions include the following:		
Total replenishment contributions (as above)	8 252 466	8 081 074
Less provisions	(121 630)	(168 446)
Less qualified instruments of contribution	(65 248)	(5 912)
Less DSF compensation	(2 104)	(1 591)
Total net replenishment contributions	8 063 484	7 905 125
Less fair value adjustment	(14 472)	(7 903)
Total replenishment contributions at fair value	8 049 012	7 897 222

^a Including Iceland's special contribution prior to membership and US\$20 million from OFID.

^b Includes interest earned according to each underlying agreement.

Appendix H

Table 2
Replenishments through to IFAD10: Statement of Members' contributions^a
(As at 31 December 2016)

Member State	Replenishments through to IFAD9 (thousands of US dollars equivalent)	IFAD10				Payments (thousands of US dollars equivalent)	
		Instruments deposited		Thousands of US dollars equivalent		Cash	Promissory notes
		Currency	Amount (thousands)				
Afghanistan							
Albania	60						
Algeria	72 430	US\$	10 000	10 000	3 333		3 333
Angola	4 260						
Argentina	19 000						
Armenia	45	US\$	10	10	10		10
Australia ^b	37 247						
Austria	90 172	EUR	16 000	17 173	5 923	11 250	17 173
Azerbaijan	300						
Bangladesh	5 606						
Barbados	10						
Belgium	149 694						
Belize	205						
Benin	429						
Bhutan	195	US\$	30	30	10		10
Bolivia (Plurinational State of)	1 500						
Bosnia and Herzegovina	215						
Botswana	740						
Brazil ^c	81 996						
Burkina Faso	484	US\$	125	125	40		40
Burundi	100	US\$	10	10	10		10
Cabo Verde	46	US\$					
Cambodia	1 050	US\$	315	315	315		315
Cameroon	3 064	US\$					
Canada	350 281	CAD	75 000	56 596	37 954		37 954
Central African Republic	13						
Chad	391						
Chile	860						
China	105 839	US\$	60 000	60 000	20 000		20 000
Colombia	1 040						
Comoros ^d	31						
Congo	818						
Cook Islands	5						
Côte d'Ivoire	1 629	US\$	6	6	6		6
Cuba	9	EUR	44	48	48		48
Cyprus	312	US\$	60	60	20		20
Democratic People's Republic of Korea (the)	800						
Democratic Republic of the Congo	1 870						
Denmark	152 614						
Djibouti	31	US\$	6	6	6		6
Dominica	51						
Dominican Republic	88						
East Timor		US\$	100	100	100		100
Ecuador	1 241						
Egypt	23 409						
El Salvador	100						
Eritrea	70	US\$	30	30	30		30
Estonia	59						
Ethiopia	291	US\$	40	40	40		40
Fiji	300						

Appendix H

Member State	IFAD10					
	Replenishments through to IFAD9 (thousands of US dollars equivalent)	Instruments deposited		Payments (thousands of US dollars equivalent)		
		Currency	Amount (thousands)	Thousands of US dollars equivalent	Cash	Promissory notes
Finland	71 895	EUR	13 000	13 858	4 893	4 893
France	329 774	EUR	35 000	37 565	13 095	13 095
Gabon	3 724					
Gambia (the)	90	US\$	30	30	30	30
Georgia		US\$	30	30	30	30
Germany	461 976	EUR	52 389	55 752	17 072	19 340
Ghana ^c	2 466					
Greece	4 196					
Grenada	75					
Guatemala	1 043	US\$	500	500	125	125
Guinea	490	US\$	85	85	85	85
Guinea-Bissau	30					
Guyana	1 836	US\$	480	480	480	480
Haiti	197					
Honduras	801					
Hungary	100					
Iceland	375					
India	135 497	US\$	37 000	37 000	25 000	25 000
Indonesia	61 959					
Iran (Islamic Republic of) ^d	128 750					
Iraq ^d	56 099					
Ireland	31 221	EUR	2 000	2 147	2 147	2 147
Israel	451	EUR	5	5	5	5
Italy	418 302					
Jamaica	326					
Japan ^c	487 680	JPY	5 903 108	50 612	50 612	50 612
Jordan	1 040					
Kazakhstan	20	US\$	20	20	20	20
Kenya	5 190	US\$	500	500	165	165
Kiribati	19	AUD	10	7	7	7
Kuwait	188 041	US\$	15 000	15 000	15 000	15 000
Lao People's Democratic Republic	357	US\$	61	61	61	61
Lebanon	495					
Lesotho	589					
Liberia	64	US\$	57	57	57	57
Libya ^d	52 000					
Luxembourg	7 634	EUR	1 800	1 941	676	676
Madagascar	624					
Malawi	123					
Malaysia	1 175					
Maldives	51	US\$	50	50	50	50
Mali	379	US\$	127	127	127	127
Malta	55					
Mauritania	135	US\$	49	49	49	49
Mauritius	280	US\$	5	5	5	5
Mexico	38 131	US\$	5 000	5 000	1 667	1 667
Micronesia		US\$	1	1	1	1
Mongolia	15					
Morocco	7 944	US\$	1	1	1	1
Mozambique	570					
Myanmar	255	US\$	5	5	5	5
Namibia	360					
Nepal	270	US\$	75	75	75	75
Netherlands	419 656	US\$	75 221	75 221	25 221	50 000
						75 221

Appendix H

Member State	IFAD10					
	Replenishments through to IFAD9 (thousands of US dollars equivalent)		Instruments deposited		Payments (thousands of US dollars equivalent)	
	Amount (thousands)	Currency	Thousands of US dollars equivalent	Cash	Promissory notes	Total
New Zealand	11 579	NZD	4 500	3 080	988	988
Nicaragua	319	US\$	50	50	50	50
Niger (the)	275	EUR	91	101	101	101
Nigeria	128 959					
Norway	265 008	NOK	315 000	36 650	12 254	12 254
Oman	350					
Pakistan	30 934					
Panama	249					
Papua New Guinea	170					
Paraguay	1 356	US\$	200	200	200	200
Peru	1 635	US\$	360	360	160	160
Philippines (the)	2 178					
Portugal	4 384					
Qatar	39 980					
Republic of Korea	26 139	US\$	8 000	8 000	2 270	2 270
Republic of Moldova (the)	75					
Romania	250					
Russian Federation	6 000	US\$	6 000	6 000	2 000	2 000
Rwanda	271	US\$	50	50	50	50
Saint Kitts and Nevis	20					
Saint Lucia	22					
Samoa	50					
Sao Tome and Principe	10					
Saudi Arabia	432 778	US\$	23 000	23 000	23 000	23 000
Senegal	754	EUR	34	43	43	43
Seychelles	70					
Sierra Leone	37					
Solomon Islands	10					
Somalia	10					
South Africa	1 913					
Southern Sudan	10					
Spain	101 664					
Sri Lanka	9 887	US\$	335	335	335	335
Sudan (the)	1 372	EUR	237	237	237	237
Swaziland	293					
Sweden	320 597	SEK	270 000	30 593	8 578	22 015
Switzerland	170 445	CHF	45 086	45 094	15 576	15 576
Syrian Arab Republic	1 817					
Tajikistan ^a	2					
Thailand	1 500					
Togo	133	US\$	33	33	33	33
Tonga	55					
Tunisia	4 528	US\$	273	273	273	273
Turkey	18 636	US\$	1 000	1 000	1 000	1 000
Uganda	430					
United Arab Emirates	54 180	US\$	3 000	3 000	900	900
United Kingdom	353 652	GBP	57 077	70 528	23 508	23 508
United Republic of Tanzania	564	US\$	108	108	108	108
United States ^c	881 674	US\$	90 000	90 000	18 000	12 000
Uruguay	725					
Uzbekistan	25	US\$	5	5	5	5
Venezuela (Bolivarian Republic of)	196 258					
Viet Nam	2 703	US\$	600	600	200	200
Yemen	4 348					

Appendix H

Member State	Replenishments through to IFAD9 (thousands of US dollars equivalent)	IFAD10			
		Instruments deposited		Payments (thousands of US dollars equivalent)	
		Currency	Amount (thousands)	Thousands of US dollars equivalent	Promissory notes
Yugoslavia	108				
Zambia	594				
Zimbabwe	2 103				
Total contributions					
31 December 2016	7 120 813			760 072	222 354
For 2015	7 119 296			590 197	25 876
					226 725
					449 079
					47 536
					73 412

^a 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 H. Consequently, contributions from Afghanistan (US\$93) do not appear above.

^b Australia's withdrawal from membership of IFAD became effective on 31 July 2007.

^c See note 5(a).

^d See notes 6(a) and (b).

Appendix H

Table 3
Special Programme for Africa: Statement of contributions
(As at 31 December 2016)

Donor	Currency	First phase		Second phase		Total	
		Instruments deposited		Instruments deposited			
		Amount	Thousands of US dollars equivalent	Amount	Thousands of US dollars 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	EUR	15 882	16 174	8 848	9 533	25 707	
New Zealand	NZD	500	252			252	
Niger (the)	EUR	15	18			18	
Nigeria	US\$			250	250	250	
Norway	NOK	138 000	19 759			19 759	
Spain	US\$	1 000	1 000			1 000	
Sweden	SEK	131 700	19 055	25 000	4 196	23 251	
Switzerland	CHF	25 000	17 049			17 049	
United Kingdom	GBP	7 000	11 150			11 150	
United States	US\$	10 000	10 000	10 000	10 000	20 000	
31 December 2016		288 868			62 364	351 232	
31 December 2015		288 868			62 364	351 232	

Appendix H

Table 4
Statement of Members' contributions received in 2016
(As at 31 December 2016 and 2015)
(Thousands of United States dollars)

Member State	<i>Instruments deposited^{a,b}</i>	<i>Promissory note deposit^b</i>	<i>Payments</i>	
			Cash	<i>Promissory note encashment</i>
IFAD6				
United States		459		459
Total IFAD6		459		459
IFAD7				
United States		1 471		1 471
Total IFAD7		1 471		1 471
IFAD8				
Brazil				8 743
Total IFAD8				8 743
IFAD9				
Bosnia and Herzegovina			50	
Botswana			45	
Cyprus			40	
Fiji			25	
Indonesia			4 000	
Japan				13 335
United States				18 000
Total IFAD9			4 160	31 335
IFAD10				
Algeria	10 000		3 333	
Armenia			5	
Austria	17 319	18 015		5 926
Bhutan	30		10	
Burkina Faso			40	
Canada			28 448	
China			20 000	
Cyprus			20	
Ethiopia			40	
Eritrea			30	
Finland			4 894	
France			13 102	
Gambia (the)			30	
Germany		19 665	17 077	
Guinea	85		45	
Guyana			240	
India			12 000	
Ireland			2 147	
Israel			5	
Japan		29 382		
Kazakhstan			10	
Kenya			146	
Kiribati			7	
Kuwait		15 000		
Liberia			32	
Luxembourg	2 006		676	
Maldives			35	
Mali			127	
Mauritius			5	
Myanmar			5	
Netherlands		75 000	221	25 000
New Zealand	2 993		988	
Niger (the)			101	
Norway			12 254	
Paraguay			200	

Appendix H

Member State	<i>Instruments deposited^{a,b}</i>	<i>Promissory note deposit^b</i>	<i>Payments</i>	
			Cash	<i>Promissory note encashment</i>
Peru	360		160	
Republic of Korea	8 000		2 270	
Russian Federation			2 000	
Sri Lanka			334	
Sweden	31 585	31 585		8 594
Switzerland			15 580	
Tunisia			273	
Turkey			1 000	
United Arab Emirates			900	
United Kingdom		23 575		
United States	90 000	30 000		18 000
Uzbekistan			5	
Viet Nam			200	
Total IFAD10	162 378	242 222	138 995	57 520
Grand total	162 378	244 151	143 155	99 528

^a As amounts are expressed in thousands of United States dollars, the payment from Tajikistan (US\$150) does not appear.

^b Instruments deposited also include equivalent instruments recorded on receipt of cash or promissory note where no instrument of contribution has been received.

^c Instruments deposited and promissory note deposits received in currencies other than United States dollars are translated at the date of receipt.

Statement of loans

Table 1

Statement of outstanding loans

(As at 31 December 2016 and 2015)

(Amounts expressed in thousands)

Borrower or guarantor	Approved loans less cancellations	Disbursed portion	Undisbursed portion	Repayments	Outstanding loans
US\$ loans					
Argentina	12 300	-	12 300	-	-
Bangladesh	30 000	30 000	-	21 000	9 000
Cabo Verde	2 003	2 003	-	1 402	601
Cambodia	36 300	-	36 300	-	-
Djibouti	5 770	-	5 770	-	-
Ecuador	25 660	-	25 660	-	-
El Salvador	13 890	-	13 890	-	-
Guyana	7 960	-	7 960	-	-
Haiti	3 500	3 500	-	2 494	1 006
India	75 500	-	75 500	-	-
Nicaragua	20 504	-	20 504	-	-
Nepal	11 538	11 538	-	8 082	3 456
Philippines (the)	10 350	-	10 350	-	-
Republic of Moldova (the)	18 200	-	18 200	-	-
Sri Lanka	12 000	12 000	-	8 700	3 300
United Republic of Tanzania	9 488	9 488	-	6 761	2 728
Viet Nam	42 500	-	42 500	-	-
Subtotal US\$^a	337 464	68 530	268 934	48 439	20 091
EUR loans					
Argentina	22 680	-	22 680	-	-
Bosnia and Herzegovina	11 120	-	11 120	-	-
China	73 100	11 000	62 100	-	11 000
Cuba	10 900	-	10 900	-	-
Ecuador	14 250	-	14 250	-	-
Egypt	50 250	3 462	46 788	-	3 462
El Salvador	10 850	-	10 850	-	-
Fiji	3 100	100	3 000	-	100
Indonesia	93 150	-	93 150	-	-
Morocco	40 610	-	40 610	-	-
Mexico	5 870	-	5 870	-	-
Paraguay	15 800	-	15 800	-	-
Philippines (the)	50 110	7 403	42 707	-	7 403
Swaziland	8 550	-	8 550	-	-
Tunisia	21 600	-	21 600	-	-
Turkey	15 950	-	15 950	-	-
Venezuela (Bolivarian Republic of)	6 810	-	6 810	-	-
Subtotal EUR	454 700	21 965	432 735	-	21 965
US\$ equivalent^a	479 595	23 168	456 427	-	23 168
SDR loans^a					
Albania	34 976	34 526	450	8 640	25 886
Angola	24 400	17 207	7 194	3 977	13 230
Argentina	31 343	29 581	1 762	14 607	14 974
Armenia	61 430	55 136	6 294	7 880	47 256
Azerbaijan	44 905	41 616	3 290	4 056	37 560
Bangladesh	443 346	366 629	76 717	89 805	276 824
Belize	3 067	2 749	318	1 701	1 048
Benin	100 357	75 717	24 640	25 991	49 726
Bhutan	38 496	33 315	5 181	7 747	25 568
Bolivia (Plurinational State of)	72 570	53 677	18 894	15 995	37 682
Bosnia and Herzegovina	48 251	39 537	8 714	8 022	31 515
Botswana	2 600	636	1 964	260	376
Brazil	142 150	58 501	83 648	28 549	29 952
Burkina Faso	88 255	73 898	14 357	17 499	56 399
Burundi	40 859	40 859	-	14 877	25 982
Cabo Verde	20 191	15 821	4 371	3 477	12 344
Cambodia	62 954	43 080	19 874	4 832	38 248
Cameroon	67 260	51 298	15 962	9 095	42 203
Central African Republic	26 494	25 653	842	10 817	14 836
Chad	18 139	17 977	162	2 273	15 704
China	519 795	470 768	49 028	114 154	356 614
Colombia	32 024	16 216	15 807	4 357	11 859
Comoros	4 182	4 182	-	1 875	2307

Appendix I

Borrower or guarantor	Approved loans less cancellations	Disbursed portion	Undisbursed portion	Repayments	Outstanding loans
Congo	23 092	14 593	8 498	580	14 013
Côte d'Ivoire	27 645	17 089	10 555	4 756	12 333
Cuba	20 838	15 308	5 530	7 660	7 648
Democratic People's Republic of Korea (the)	50 496	50 496	-	10 538	39 958
Democratic Republic of the Congo	51 793	38 270	13 522	12 592	25 678
Djibouti	7 146	5 194	1 952	1 325	3 869
Dominica	1 146	1 146	-	747	399
Dominican Republic	27 444	23 538	3 906	9 493	14 045
Ecuador	37 376	32 595	4 781	11 192	21 403
Egypt	197 593	142 522	55 071	59 391	83 131
El Salvador	68 418	64 428	3 990	27 242	37 186
Equatorial Guinea	5 794	5 794	-	4 851	943
Eritrea	23 92	23 892	-	4 414	19 478
Ethiopia	327 188	218 506	108 682	41 484	177 022
Gabon	3 800	3 476	325	1 269	2 207
Gambia (the)	34 239	29 162	5 077	9 232	19 930
Georgia	30 678	23 388	7 290	3 378	20 010
Ghana	154 237	121 708	32 528	26 321	95 387
Grenada	4 400	3 771	628	2 087	1 684
Guatemala	42 686	28 563	14 123	23 712	4 851
Guinea-Bissau	8 487	5 208	3 279	3 083	2 125
Guinea	64 160	64 160	-	21 808	42 352
Guyana	8 522	8 522	-	2 254	6 268
Haiti	60 221	58 236	1 986	19 137	39 099
Honduras	89 239	71 130	18 109	18 718	52 412
India	624 269	432 451	191 818	148 467	283 984
Indonesia ^b	160 774	144 854	15 920	25 280	119 574
Jordan	24 257	17 143	7 114	10 963	6 180
Kenya	173 748	94 424	79 324	12 855	81 569
Kyrgyzstan	30 187	11 157	19 030	2 269	8 888
Lao People's Democratic Republic	55 763	48 463	7 300	12 858	35 605
Lebanon	6 429	4 861	1 568	4 019	842
Lesotho	30 606	25 998	4 608	6 941	19 057
Liberia	29 360	14 199	15 161	2 133	12 066
Madagascar ^b	175 945	118 016	57 929	24 872	93 144
Malawi ^b	103 281	75 596	27 685	25 324	50 272
Maldives	10 843	10 476	367	2 742	7 734
Mali	124 630	99 414	25 216	27 194	72 220
Mauritania	49 971	46 441	3 530	12 210	34 231
Mauritius	8 527	8 527	-	6 791	1 736
Mexico	48 232	37 399	10 833	23 906	13 493
Mongolia	27 169	19 386	7 783	2 335	17 051
Morocco	77 353	46 094	31 258	31 241	14 853
Mozambique	144 058	119 620	24 439	27 310	92 310
Myanmar	32 150	2 455	29 695	-	2 455
Nepal	109 907	80 116	29 791	29 413	50 703
Nicaragua	49 535	44 904	4 631	8 903	36 001
Niger (the)	90 970	59 140	31 830	10 951	48 189
Nigeria	179 949	97 871	82 078	13 604	84 267
Pakistan	303 416	218 576	84 841	60 817	157 759
Panama	-	-	-	-	-
Papua New Guinea	23 450	6 651	16 799	-	6 651
Paraguay	16 318	14 821	1 497	786	14 035
Peru	59 272	35 188	24 083	9 578	25 610
Philippines (the)	85 200	71 248	13 952	12 024	59 224
Republic of Moldova (the)	55 998	47 827	8 172	2 676	45 151
Romania	12 400	12 400	-	10 747	1 653
Rwanda ^b	141 248	103 947	37 301	23 534	80 413
Saint Lucia	-	-	-	-	-
Samoa	1 907	1 907	-	911	996
Sao Tome and Principe	13 747	13 747	-	4 090	9 657
Senegal	114 388	88 150	26 238	14 648	73 502
Seychelles	1 980	881	1 099	-	881
Sierra Leone	45 835	43 167	2 668	13 032	30 135
Solomon Islands	4 069	2 519	1 550	1 312	1 207
Somalia	17 710	17 710	-	411	17 299
Sri Lanka	159 948	134 008	25 940	29 057	104 951
Sudan (the)	145 628	142 286	3 342	42 297	99 989
Swaziland	15 005	14 485	519	8 586	5 899
Syrian Arab Republic	56 198	24 697	31 501	12 556	12 141

Appendix I

Borrower or guarantor	Approved loans less cancellations	Disbursed portion	Undisbursed portion	Repayments	Outstanding loans
The former Yugoslav Republic of Macedonia	11 721	11 721	-	3 179	8 542
Tajikistan	6 200	-	6 200	-	-
Togo	24 583	18 269	6 315	8 632	9 637
Tonga	4 837	4 837	-	2 069	2 768
Tunisia	61 318	41 315	20 003	27 666	13 649
Turkey	53 023	40 705	12 318	16 440	24 265
Uganda	250 434	182 223	68 211	38 057	144 166
United Republic of Tanzania	266 408	187 791	78 616	26 131	161 660
Uruguay	12 902	10 677	2 225	8 704	1 973
Uzbekistan	23 190	3 494	19 696	-	3 494
Venezuela (Bolivarian Republic of)	14 586	10 450	4 136	8 052	2 398
Viet Nam	216 901	188 022	28 879	17 440	170 582
Yemen	138 389	138 389	-	48 917	89 472
Zambia	135 133	97 639	37 494	25 027	75 612
Zimbabwe	26 512	26 512	-	8 216	18 296
Subtotal SDR	8 186 341	6 254 538	1 931 803	1 685 923	4 568 615
Fund for Gaza and the West Bank ^c	2 513	2 513	-	793	1 720
Total SDR	8 188 854	6 257 051	1 931 803	1 686 716	4 570 335
US\$ equivalent	11 011 713	8 413 979	2 597 738	2 268 161	6 145 822
Total loans 31 December 2016					
US\$ at nominal value	11 828 772	8 505 676	3 323 099	2 316 600	6 189 073
Other receivables					13 297
Fair value adjustment					(1 127 486)
31 December 2016 US\$ at fair value					5 074 884
Total loans 31 December 2015 US\$ at nominal value	11 605 710	8 272 160	3 333 550	2 202 679	6 069 482
Fair value adjustment					(1 127 016)
December 2015 US\$ at fair value					4 942 466

^a Loans approved in 1978 were denominated in United States dollars and are repayable in the currencies in which withdrawals are made. Since 1979, loans have been denominated in SDRs and, for purposes of presentation in the balance sheet, the accumulated amount of loans denominated in SDRs has been valued at the US\$/SDR rate of 1.34472 at 31 December 2016. During 2016, IFAD entered into a debt-financing facility to borrow funds in euro which are then on-lent in the same currency. The accumulated amount of loans denominated in euros has been valued at the US\$/EUR rate of 0.9480920 at 31 December 2016.

^b Repayment amounts include participation by the Netherlands and Norway in specific loans to these countries, resulting in partial early repayment and a corresponding increase in committable resources.

^c The amount of the loan to the Fund for Gaza and West Bank is included in the above balance. See note 2(f)(ii).

Appendix I

Table 2

Summary of loans approved at nominal value by currency and year

(As at 31 December 2016)

Year	Currency	Approved loans expressed in thousands			Value in thousands of US\$			Exchange rate movement SDR/US\$	As at 31 December 2016	
		As at 1 January 2016	Loans cancelled	Loans fully repaid	As at 31 December 2016	As at 1 January 2016	Loans cancelled	Loans fully repaid		
1978	US\$	68 530			68 530	68 530			68 530	
2016	US\$				268 934				268 934	
1979	SDR	201 485			201 485	278 794		(7 854)	270 940	
1980	SDR	176 647			176 647	244 427		(6 886)	237 541	
1981	SDR	182 246			182 246	252 174		(7 104)	245 070	
1982	SDR	103 109			103 109	142 672		(4 019)	138 653	
1983	SDR	132 091			132 091	182 774		(5 149)	177 625	
1984	SDR	131 907			131 907	182 520		(5 142)	177 378	
1985	SDR	60 332			60 332	83 481		(2 352)	81 129	
1986	SDR	23 663			23 663	32 743		(922)	31 821	
1987	SDR	60 074			60 074	83 125		(2 342)	80 783	
1988	SDR	52 100			52 100	72 091		(2 031)	70 060	
1989	SDR	86 206			86 206	119 283		(3 360)	115 923	
1990	SDR	40 064			40 064	55 437		(1 562)	53 875	
1991	SDR	98 025			98 025	135 638		(3 821)	131 817	
1992	SDR	79 888			79 888	110 541		(3 114)	107 427	
1993	SDR	122 240			122 240	169 144		(4 765)	164 379	
1994	SDR	122 598			122 598	169 638		(4 779)	164 859	
1995	SDR	174 514	(25 414)		149 100	241 474	(34 341)	(6 637)	200 490	
1996	SDR	200 774	(2 998)		197 776	277 811	(4 051)	(7 807)	265 953	
1997	SDR	260 836	(13 900)		246 936	360 919	(18 782)	(10 077)	332 060	
1998	SDR	266 578			266 578	368 865		(10 391)	358 474	
1999	SDR	275 119			275 119	380 682		(10 724)	369 958	
2000	SDR	272 919			272 919	377 638		(10 638)	367 000	
2001	SDR	249 191	(958)		248 233	344 806	(1 289)	(9 714)	333 803	
2002	SDR	234 875	(37)		234 838	324 996	(49)	(9 155)	315 792	
2003	SDR	223 593	(123)		223 470	309 385	(165)	(8 716)	300 504	
2004	SDR	254 595	(2 188)		252 407	352 283	(2 942)	(9 925)	339 416	
2005	SDR	314 666	(6 561)		308 105	435 403	(8 820)	(12 268)	414 315	
2006	SDR	321 196	(5 973)		315 223	444 439	(8 030)	(12 523)	423 886	
2007	SDR	273 177	(5 384)		267 793	377 995	(7 237)	(10 651)	360 107	
2008	SDR	268 024	(2 033)	(832)	265 159	370 865	(2 733)	(1 124)	(10 443)	356 565
2009	SDR	277 731	(1 290)		276 441	384 296	(1 734)	(10 826)	371 736	
2010	SDR	419 276	(1 735)		417 541	580 152	(2 332)	(16 344)	561 470	
2011	SDR	455 275	(80)		455 195	629 964	(108)	(17 747)	612 109	
2012	SDR	408 287	(946)		407 341	564 946	(1 271)	(15 915)	547 760	
2013	SDR	353 686			353 686	489 395		(13 787)	475 608	
2014	SDR	337 626			337 626	467 173		(13 161)	454 012	
2015	SDR	541 540			541 540	749 328		(21 109)	728 219	
2016	SDR				203 153				273 184	
2014	EUR	84 600			84 600	91 901		(2 669)	89 232	
2015	EUR	274 310			274 310	297 983		(8 654)	289 329	
2016	EUR				95 790				101 034	
Total US\$					68 530				337 464	
Total SDR					11 147 296	(36 710)	(58 298)	(313 760)	11 011 713	
Total EUR					389 884			(11 323)	479 595	
Totals					11 605 711	(36 710)	(58 298)	(325 083)	11 828 772	

Table 3
Maturity structure of outstanding loans by period at nominal value

(As at 31 December 2016 and 2015)
(Thousands of United States dollars)

<i>Period due</i>	<i>2016</i>	<i>2015</i>
Less than 1 year	292 242	280 639
1-2 years	267 223	259 631
2-3 years	285 772	275 687
3-4 years	294 728	284 527
4-5 years	294 276	281 677
5-10 years	1 493 075	1 437 851
10-15 years	1 258 800	1 229 942
15-20 years	968 281	963 942
20-25 years	677 019	679 358
More than 25 years	357 656	376 228
Total	6 189 073	6 069 481

Table 4
Summary of outstanding loans by lending type at nominal value

(As at 31 December 2016 and 2015)
(Thousands of United States dollars)

<i>Lending type</i>	<i>2016</i>	<i>2015</i>
Highly concessional terms	5 512 865	5 481 409
Hardened terms	28 060	23 220
Intermediate terms	225 853	217 821
Ordinary terms	398 669	335 203
Blended terms	23 626	11 829
Total	6 189 073	6 069 481

Table 5
Disbursement structure of undisbursed loans at nominal value

(Projected as at 31 December 2016 and 2015)
(Thousands of United States dollars)

<i>Disbursements in:</i>	<i>2016</i>	<i>2015</i>
Less than 1 year	392 126	507 758
1-2 years	398 772	507 497
2-3 years	382 156	477 287
3-4 years	382 156	423 364
4-5 years	372 187	363 031
5-10 years	1 395 702	1 054 613
Total	3 323 099	3 333 550

Special Programme for Africa

Table 1
Statement of loans at nominal value
(As at 31 December 2016 and 2015)

Borrower or guarantor	Approved loans less cancellations	Disbursed portion	Undisbursed portion	Repayments	Outstanding loans
SDR loans (expressed in thousands)					
Angola	2 714	2 714	-	1 028	1 686
Burkina Faso	10 546	10 546	-	4 653	5 893
Burundi	4 494	4 494	-	1 531	2 963
Cabo Verde	2 183	2 183	-	903	1 280
Chad	9 617	9 617	-	3 922	5 695
Comoros	2 289	2 289	-	917	1 372
Djibouti	114	114	-	48	66
Ethiopia	6 660	6 660	-	3 168	3 492
Gambia (the)	2 639	2 639	-	1 121	1 518
Ghana	22 321	22 321	-	9 014	13 307
Guinea-Bissau	2 127	2 127	-	1 063	1 064
Guinea	10 762	10 762	-	4 843	5 919
Kenya	12 241	12 241	-	4 625	7 616
Lesotho	7 482	7 482	-	3 086	4 396
Madagascar	1 098	1 098	-	421	677
Malawi	5 777	5 777	-	1 878	3 899
Mali	10 193	10 193	-	4 840	5 353
Mauritania	19 020	19 020	-	8 383	10 637
Mozambique	8 291	8 291	-	4 042	4 249
Niger (the)	11 119	11 119	-	5 208	5 911
Senegal	23 234	23 234	-	9 500	13 734
Sierra Leone	1 505	1 505	-	527	978
Sudan (the)	26 012	26 012	-	10 768	15 244
Uganda	8 124	8 124	-	3 859	4 265
United Republic of Tanzania	6 789	6 789	-	2 886	3 903
Zambia	8 607	8 607	-	4 059	4 548
Total	225 958	225 958	-	96 293	129 665
US\$ equivalent	303 850	303 850	-	129 487	174 363
Other receivables					488
Fair value adjustment					(55 295)
31 December 2016 US\$ at fair value					119 556
31 December 2015 US\$ at nominal value	312 658	312 658	-	125 274	187 384
Fair value adjustment					(61 097)
31 December 2015 US\$ at fair value					126 287

Appendix I1

Table 2
Summary of loans by year approved at nominal value
(As at 31 December 2016)

Year		<i>Approved loans in thousands of SDRs</i>			<i>Value in thousands of US\$</i>			<i>As at 31 December 2016</i>
		<i>As at 1 January 2016</i>	<i>Loans cancelled</i>	<i>As at 31 December 2016</i>	<i>As at 1 January 2016</i>	<i>Loans cancelled</i>	<i>Exchange rate movement SDR/US\$</i>	
1986	SDR	24 902	-	24 902	34 457	-	(971)	33 486
1987	SDR	41 292	-	41 292	57 135	-	(1 610)	55 525
1988	SDR	34 770	-	34 770	48 112	-	(1 355)	46 756
1989	SDR	25 756	-	25 756	35 638	-	(1 004)	34 634
1990	SDR	17 370	-	17 370	24 035	-	(677)	23 357
1991	SDR	18 246	-	18 246	25 247	-	(711)	24 536
1992	SDR	6 952	-	6 952	9 620	-	(271)	9 349
1993	SDR	34 268	-	34 268	47 418	-	(1 336)	46 081
1994	SDR	16 320	-	16 320	22 583	-	(635)	21 947
1995	SDR	6 082	-	6 082	8 415	-	(236)	8 179
Total	SDR	225 958	-	225 958	312 656	-	(8 806)	303 850

Table 3
Maturity structure of outstanding loans by period at nominal value
(As at 31 December 2016 and 2015)
(Thousands of United States dollars)

<i>Period due</i>	<i>2016</i>	<i>2015</i>
Less than 1 year	7 883	8 040
1-2 years	7 812	8 038
2-3 years	7 812	8 038
3-4 years	7 812	8 038
4-5 years	7 812	8 038
5-10 years	39 059	40 191
10-15 years	39 059	40 191
15-20 years	36 867	39 107
20-25 years	17 926	23 374
More than 25 years	2 322	4 329
Total	174 363	187 384

Table 4
Summary of outstanding loans by lending type at nominal value
(As at 31 December 2016 and 2015)
(Thousands of United States dollars)

<i>Lending type</i>	<i>2016</i>	<i>2015</i>
Highly concessional terms	174 363	187 384
Total	174 363	187 384

Statement of grants

(As at 31 December 2016 and 2015)
(Thousands of United States dollars)

	<i>Undisbursed as at 1 January 2016</i>	<i>2016 movements</i>			<i>Exchange rate</i>	<i>Undisbursed as at 31 December 2016</i>
		<i>Disbursable</i>	<i>Disbursements</i>	<i>Cancellations</i>		
Grants	68 057	54 910	(39 270)	(2 717)	(459)	80 521
Fair value adjustment						(2 467)
Total 2016 at fair value						78 054
Total 2015	74 951	46 402	(48 204)	(4 223)	(869)	68 057
Fair value adjustment						(1 629)
Total 2015 at fair value						66 428

IFAD-only Debt Sustainability Framework

(As at 31 December 2016 and 2015)

(Thousands of United States dollars)

<i>Borrower or guarantor</i>	<i>Undisbursed as at 1 January 2016</i>	<i>Effective/ (cancellations) 2016</i>	<i>Disbursements 2016</i>	<i>Exchange difference</i>	<i>Undisbursed as at 31 December 2016</i>
DSF projects denominated in US\$	1 471				1 971
SDR Debt Sustainability Framework					
Afghanistan	30 775	34 441	(8 315)		56 901
Benin	8 682	-	(892)		7 790
Burkina Faso	44 625	-	(2 283)		42 342
Burundi	13 604	40 350	(9 013)		44 941
Cambodia	2 323	-	(2 092)		231
Central African Republic	1 614	-	(773)		841
Chad	11 819	-	(1 604)		10 215
Comoros	127	(127)	-		-
Congo	1 342	-	-		1 342
Côte d'Ivoire	18 942	-	(1 610)		17 332
Democratic Republic of the Congo	44 620	-	(4 068)		40 552
Eritrea	10 580	-	(4 733)		5 847
Ethiopia	13 718	-	(5 589)		8 129
Gambia (the)	8 994	-	(3 171)		5 823
Guinea	16 242	-	(1 421)		14 821
Guinea-Bissau	3 279	-	-		3 279
Guyana	-	-	-		-
Haiti	8 780	-	(1 060)		7 720
Kiribati	1 713	-	(480)		1 233
Kyrgyzstan	11 151	-	(1 696)		9 455
Lao People's Democratic Republic	7 724	(250)	(2 941)		4 533
Lesotho	2 228	(247)	(1 049)		932
Liberia	48	-	(25)		23
Malawi	11 098	-	(2 810)		8 288
Maldives	1 423	-	(412)		1 011
Mali	9 814	-	(621)		9 193
Mauritania	5 047	-	(1 517)		3 530
Nepal	20 015	15 220	(4 494)		30 741
Nicaragua	6 196	(66)	(1 499)		4 631
Niger (the)	17 100	-	(3 293)		13 807
Rwanda	10 316	-	(4 366)		5 950
Sao Tome and Principe	1 310	2 163	(1 569)		1 904
Sierra Leone	6 171	-	(3 504)		2 667
Solomon Islands	-	1 550	(391)		1 159
South Sudan	712	-	(701)		11
Sudan (the)	25 659	(72)	(7 110)		18 477
Tajikistan	4 776	6 062	(3 073)		7 765
Timor-Leste	3	-	-		3
Togo	7 180	-	(230)		6 950
Tonga	1 430	-	(673)		757
Yemen	14 621	-	-		14 621
Subtotal SDR DSF	405 801	99 024	(89 078)		415 747
Subtotal SDR DSF (US\$ equivalent)	545 688	133 160	(119 785)		559 063
2016 total US\$ and SDR DSF	547 159	133 160	(119 785)		561 034
Exchange difference			(4 107)		
Total 2016 disbursements			(123 892)		
2015 total US\$ and SDR DSF	556 893	130 318	(125 586)		562 979

Summary of the Heavily Indebted Poor Countries Debt Initiative

(As at 31 December 2016)

(Thousands of United States dollars)

Completion point countries	Debt relief provided to 31 December 2016		Debt relief to be provided as approved by the Executive Board			Total debt relief
			To be covered by IFAD		To be covered by	
	Principal	Interest	Principal	Interest	World Bank contribution	
Benin	4 568	1 643				6 211
Bolivia (Plurinational State of)	5 900	1 890				7 790
Burkina Faso	6 769	2 668				9 437
Burundi	7 971	2 086	2 472	390	3 056	15 975
Cameroon	3 074	727				3 801
Comoros	749	144	577	77	859	2 406
Central African Republic	9 260	2 875	222	45	321	12 723
Chad	793	150	634	106	525	2 208
Congo	-	99				99
Côte d'Ivoire	1 814	326				2 140
Democratic Republic of the Congo	8 334	2 752	2 235	199	1 865	15 385
Ethiopia	20 569	5 905				26 474
Gambia (the)	2 508	619				3 127
Ghana	15 585	5 003				20 588
Guinea	7 563	1 530	1 464	252	1 255	12 064
Guinea-Bissau	3 326	1 042	970	90	586	6 014
Guyana	1 526	299				1 825
Haiti	1 946	635				2 581
Honduras	1 077	767				1 844
Liberia	8 602	6 183	306	37	355	15 483
Madagascar	7 810	2 096				9 906
Malawi	13 459	3 273	2 280	388	3 164	22 564
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 (the)	9 993	2 628	338	61	428	13 448
Rwanda	16 747	5 211	32	6		21 996
Sao Tome and Principe	1 384	371	746	107	639	3 247
Senegal	2 247	882				3 129
Sierra Leone	8 304	1 995	877	117	731	12 024
United Republic of Tanzania	12 691	4 293				16 984
Togo	2 008	759				2 767
Uganda	12 449	4 654				17 103
Zambia	19 169	4 921				24 090
SDR	252 670	78 306	13 153	1 875	13 784	359 788
Less future interest on debt relief not accrued*						(4 315)
Total SDR debt relief						355 473
Total US\$ equivalent	339 773	105 295	17 685	2 523	8 536	478 011
Fair value adjustment			(5 610)			
31 December 2016 at fair value			12 075			
As at 31 December 2015						
SDR	241 734	76 212	19 964	3 158	16 714	357 782
Less future interest on debt relief not accrued*						(7 755)
Total SDR debt relief						350 027
Total US\$ equivalent	334 489	105 454	27 624	4 368	23 127	484 332
Fair value adjustment			(8 550)			
31 December 2015 at fair value			19 074			

* Including interest covered by the World Bank contribution.

Summary of contributions to the Haiti Debt Relief Initiative

(As at 31 December 2016 and 2015)

	<i>Thousands of US\$</i>	<i>Thousands of SDR</i>
2016		
Member State contribution		
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
Subtotal	27 561	17 825
Interest earned	840	
Debt relief provided	(15 450)	
Total administrative account Member States 2016	12 951	
IFAD		
IFAD contribution	15 200	10 088
Interest earned	754	
Debt relief provided	-	
Total administrative account IFAD	15 954	
Grand total	28 905	
Exchange rate movement	(2 867)	
Total HIPC cash and investments	26 038	
2015		
Grand total	31 488	
Exchange rate movement	(2 794)	
Total HIPC cash and investments	28 694	

IFAD-only analysis of operating expenses

(For the years ended 31 December 2016 and 2015)

An analysis of IFAD operating expenses by principal sources of funding (Thousands of United States dollars)

<i>Expense</i>	<i>Administrative expenses^a</i>	<i>Direct charges^b</i>	<i>Other sources^c</i>	<i>Total</i>
Staff salaries and benefits	79 340	-	1 191	80 531
Office and general expenses	23 851	531	8 748	33 130
Consultants and other non-staff costs	37 060	1	3 050	40 110
Direct bank and investment costs	-	2 415	-	2 415
Total 2016	140 251	2 947	12 987	156 186
Total 2015	144 682	3 179	9 766	157 628

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

^b Direct charges against investment income.

^c Includes Government of Italy's reimbursable expenses, voluntary separation leave expenditures and positions funded from service charges.

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Women farmers sorting produce at Bulbule agricultural market in Surkhet.

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

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