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Investing in rural people

Consolidated Financial Statements of IFAD
as at 31 December 2015
(including the Management assertion report and an
independent external attestation on the effectiveness
of internal controls over financial reporting)

Note to Executive Board representatives

Focal points:

Technical questions:

Shahin Lauritzen
Associate Vice-President,
Chief Financial Officer and Chief Controller
Tel.: +39 06 5459 2403
e-mail: s.lauritzen@ifad.org

Ruth Farrant
Director and Controller
Controller's and Financial Services Division
Tel.: +39 06 5459 2281
e-mail: r.farrant@ifad.org

Allegra Saitto
Manager, Accounting and Financial Reporting
Tel.: +39 06 5459 2405
e-mail: a.saitto@ifad.org

Teresa Tirabassi
Accounting Officer and Contributions Manager
Tel.: +39 06 5459 2148
e-mail: t.tirabassi@ifad.org

Dispatch of documentation:

Alessandra Zusi Bergés
Officer-in-Charge
Governing Bodies Office
Tel.: +39 06 5459 2092
e-mail: gb_office@ifad.org

Executive Board — 117th Session
Rome, 13-14 April 2016

For: Approval

Recommendation for approval

The Executive Board is invited to approve the following decision:

"In accordance with regulation XII(6) of the Financial Regulations of IFAD, the Executive Board considered the Consolidated Financial Statements of IFAD as at 31 December 2015 and the report of the external auditor thereon, including the independent external attestation on the effectiveness of internal controls over financial reporting, and agreed to submit them to the Governing Council at its fortieth session in February 2017 for approval."

Consolidated Financial Statements of IFAD as at 31 December 2015

(including a Management assertion report and an independent external attestation on the effectiveness of internal controls over financial reporting)

1. The Executive Board is invited to consider the attached Consolidated Financial Statements of IFAD (appendices A to K), and the report of the external auditor, for submission to the Governing Council for approval.
2. In accordance with article 6, section 11, of the Agreement Establishing IFAD, the Consolidated Financial Statements will form part of IFAD's 2015 Annual Report. As in previous years, a note will be inserted in accordance with the above recommendation for approval.
3. The Consolidated Financial Statements for 2015 are scheduled to be reviewed in detail at the meeting of the Audit Committee in March 2016. The Chairperson of the Audit Committee will make a formal report to the 117th session of the Executive Board on the Committee's conclusions with respect to these statements.

Consolidated Financial Statements

For the year ended 31 December 2015

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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.

Consolidated and IFAD-only balance sheet*

As at 31 December 2015 and 2014

(Thousands of United States dollars)

<i>Assets</i>	<i>Consolidated</i>		<i>IFAD-only</i>	
	<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>
Cash on hand and in banks (note 4)	325 582	202 256	131 299	82 497
Investment at amortized cost	466 665	702 901	211 711	280 231
Investment at fair value	1 267 133	1 403 002	1 182 151	1 327 630
Investments (note 4)	1 733 798	2 105 903	1 393 862	1 607 861
Contributors' promissory notes (note 5)	402 250	481 649	211 392	284 038
Contributions receivable (note 5)	969 784	568 823	618 384	226 684
Less: qualified contribution receivables	(5 912)	(35 913)	(5 912)	(35 913)
Less: provisions (note 6)	(168 446)	(168 448)	(168 446)	(168 448)
Net contribution and promissory notes receivables	1 197 676	846 111	655 419	306 361
Other receivables (note 7)	14 807	15 342	151 089	148 744
Fixed and intangible assets (note 8)	11 027	11 920	11 027	11 920
Loans outstanding (note 9 and appendix H)	5 165 155	5 076 967	5 082 323	5 035 678
Less: accumulated allowance for loan impairment losses (note 9(a))	(4 557)	(4 386)	(4 557)	(4 386)
Less: accumulated allowance for the Heavily Indebted Poor Countries (HIPC) Debt Initiative (note 11(b) and appendix I)	(19 074)	(25 684)	(19 074)	(25 684)
Net loans outstanding	5 141 524	5 046 897	5 058 692	5 005 608
Total assets	8 424 414	8 228 429	7 401 388	7 162 991
<i>Liabilities and equity</i>	<i>Consolidated</i>		<i>IFAD-only</i>	
	<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>
Liabilities				
Payables and liabilities (note 12)	162 418	176 605	171 319	187 754
Undisbursed grants (note 14)	449 518	383 724	66 428	73 533
Deferred revenues (note 13)	413 109	475 967	73 225	68 449
Borrowing liabilities (note 15)	474 101	347 413	162 948	0
Total liabilities	1 499 146	1 383 709	473 919	329 735
Equity				
Contributions				
Regular	7 876 873	7 252 518	7 876 873	7 252 518
Special	20 349	20 349	20 349	20 349
Total contributions **	7 897 222	7 272 867	7 897 222	7 272 867
General Reserve	95 000	95 000	95 000	95 000
Retained earnings	(1 066 954)	(523 147)	(1 064 754)	(534 611)
Total equity	6 925 268	6 844 720	6 927 468	6 833 255
Total liabilities and equity	8 424 414	8 228 429	7 401 388	7 162 991

* The accompanying notes in appendix D form an integral part of these Financial Statements.

** For further details see appendix G "Summary of contributions".

Consolidated statement of comprehensive income*

For the years ended 31 December 2015 and 2014
(Thousands of United States dollars)

	2015	2014
Revenue		
Income from loans	57 937	52 241
Income/(losses) from cash and investments (note 17)	2 689	57 004
Income from other sources (note 18)	7 951	10 956
Income from contributions (note 19)	184 779	213 111
Total revenue	253 356	333 312
Operating expenses (note 20)		
Staff salaries and benefits (note 21)	(88 156)	(94 680)
Office and general expenses	(36 393)	(38 049)
Consultants and other non-staff costs	(38 417)	(42 185)
Cooperating institutions	(1 639)	(2 539)
Direct bank and investment costs (note 24)	(2 653)	(3 181)
Subtotal operating expenses	(167 258)	(180 634)
Loan interest expenditures	(2 749)	(2 051)
Reversal/(allowance) for loan impairment losses (note 9(a))	20 130	(3 511)
Debt Initiative for HIPC income/(expenses) (note 26)	(7 893)	(8 594)
Grant expenses (note 22)	(213 794)	(248 466)
Debt Sustainability Framework (DSF) expenses (note 23)	(125 586)	(157 342)
Depreciation (note 8)	(1 815)	(1 799)
Total expenses	(498 965)	(602 397)
(Deficit) before fair value and foreign exchange adjustments	(245 609)	(269 085)
Adjustment for changes in fair value (note 25)	(31 102)	21 979
IFAD (losses)/gains from currency exchange movements (note 16)	(274 680)	(425 083)
Net profit or (loss)	(551 391)	(672 191)
Other comprehensive income/(loss):		
(Losses)/gains from currency exchange movements and retranslation of consolidated entities (note 16)	(15 218)	(21 498)
Change in provision for After-Service Medical Coverage Scheme (ASMCS) benefits (note 21)	21 188	(22 342)
Total other comprehensive (loss)/income	5 970	(43 841)
Total comprehensive (loss)/income	(545 421)	(716 032)

* The accompanying notes in appendix D form an integral part of these Financial Statements.

IFAD-only statement of comprehensive income*

For the years ended 31 December 2015 and 2014

(Thousands of United States dollars)

	2015	2014
Revenues		
Income from loans	57 373	52 007
Income /(losses) from cash and investments (note 17)	852	52 217
Income from other sources	9 724	18 046
Income from contributions (note 19)	2 661	2 874
Total revenues	70 610	125 144
Operating expenses (note 20)		
Staff salaries and benefits (note 21)	(85 167)	(92 188)
Office and general expenses	(34 608)	(36 159)
Consultants and other non-staff costs	(34 052)	(37 859)
Cooperating institutions	(1 352)	(2 211)
Direct bank and investment costs	(2 449)	(2 962)
Subtotal operating expenses	(157 628)	(171 379)
Loan interest expenditures	(1 717)	0
Reversal/(allowance) for loan impairment losses (note 9(a))	20 130	(3 511)
Debt Initiative for HIPC income/(expenses) (note 26)	(7 893)	(8 594)
Grant expenses (note 22)	(44 840)	(52 618)
DSF expenses (note 23)	(125 586)	(157 342)
Depreciation (note 8)	(1 815)	(1 799)
Total expenses	(319 349)	(395 243)
(Deficit) before fair value and foreign exchange adjustments	(248 737)	(270 099)
Adjustment for changes in fair value	(29 526)	22 709
IFAD (losses)/gains from currency exchange movements (note 16)	(274 680)	(425 083)
Net profit or (loss)	(552 943)	(672 473)
Other comprehensive income/(loss):		
Change in provision for ASMCS benefits (note 21)	21 188	(22 342)
Total other comprehensive (loss)/income	21 188	(22 342)
Total comprehensive (loss)/income	(531 755)	(694 815)

* The accompanying notes in appendix D form an integral part of these Financial Statements.

Consolidated statement of changes in retained earnings*

For the years ended 31 December 2015 and 2014
(Thousands of United States dollars)

	<i>Total retained earnings</i>
Retained earnings as at 31 December 2013	192 885
(Deficit) revenue over expenses	(672 191)
Total other comprehensive (loss)	(43 841)
Retained earnings as at 31 December 2014	(523 147)
(Deficit) revenue over expenses	(551 391)
Total other comprehensive income	5 970
DSF compensation	1 612
Retained earnings as at 31 December 2015	(1 066 954)

IFAD-only statement of changes in retained earnings*

For the years ended 31 December 2015 and 2014
(Thousands of United States dollars)

	<i>Total retained earnings</i>
Retained earnings as at 31 December 2013	160 204
(Deficit) revenue over expenses	(672 473)
Total other comprehensive (loss)	(22 342)
Retained earnings as at 31 December 2014	(534 611)
(Deficit) revenue over expenses	(552 943)
Total other comprehensive income	21 188
DSF compensation	1 612
Retained earnings as at 31 December 2015	(1 064 754)

* The accompanying notes in appendix D form an integral part of these Financial Statements.

Consolidated cash flow statement*

For the years ended 31 December 2015 and 2014
(Thousands of United States dollars)

	2015	2014
Cash flows from operating activities		
Interest received from loans IFAD	47 783	46 847
Interest received from loans other funds	481	171
Receipts for non-replenishment contributions	101 489	87 616
Miscellaneous (payments)/receipts	4 117	17 024
Payments for operating expenses and other payments	(191 916)	(165 684)
Grant disbursements (IFAD)	(48 204)	(56 159)
Grant disbursements (supplementary funds)	(78 835)	(95 832)
DSF disbursements	(125 586)	(157 342)
Transfer to restricted cash	3 934	641
Net cash flows generated from operating activities	(286 737)	(322 718)
Cash flows from investing activities		
Loan disbursements IFAD	(486 701)	(485 464)
Loan disbursements other funds	(50 346)	(29 731)
Loan principal repayments IFAD	226 652	224 541
Loan principal repayments other funds	1 293	0
Transfers from/(to) investments at amortized costs	236 754	12 601
Receipts from investments	8 975	50 551
Net cash used in investing activities	(63 373)	(227 502)
Cash flows from financing activities		
Receipts for replenishment contributions	287 024	372 369
Receipts of borrowed funds	168 764	0
Payments for trust fund borrowing	(3 668)	(1 902)
Net cash used in financing activities	452 120	370 467
Effects of exchange rate movements on cash and cash equivalents	(109 285)	(111 992)
Net (decrease) in unrestricted cash and cash equivalents	(7 275)	(291 745)
Unrestricted cash and cash equivalents at beginning of year	1 597 321	1 889 066
Unrestricted cash and cash equivalents at end of year	1 590 046	1 597 321
Composed of:		
Unrestricted cash	325 480	198 218
Unrestricted investments excluding held-to-maturity and payables control accounts	1 264 566	1 399 103
Cash and cash equivalents at end of year	1 590 046	1 597 321

* The accompanying notes in appendix D form an integral part of these Financial Statements.

Summary of information on other consolidated entities

As at 31 December 2015

(Millions of United States dollars)

	<i>HIPC</i>	<i>Haiti Debt Relief</i>	<i>ASMCS Trust Fund</i>	<i>Spanish Food Security Cofinancing Facility Trust Fund</i>	<i>Adaptation for Smallholder Agriculture Programme Trust Fund</i>	<i>Supplementary Funds</i>
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	453.3
Retained earnings	(12.1)	(1.4)	(8.4)	8.7	(0.8)	(4.6)
Statement of comprehensive income						
Total revenue	0	0	0.2	1.8	81.1	49.4
Total operating expenses	0	0	0.2	4.9	79.9	48.4
Net revenue less operating expenses	0	0	0	(3.1)	1.2	1.0
<i>Net cash flow</i>	(1.5)	2.5	(3.9)	(3.8)	75.8	14.9

Summary of information on other consolidated entities

As at 31 December 2014

(Millions of United States dollars)

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

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). 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)
- Adaptation for Smallholder Agriculture Programme (ASAP) Trust Fund

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

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

(c) Translation and conversion of currencies

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

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from 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.
- All resulting exchange differences are recognized as a separate component of other comprehensive income.

(d) Measurement of financial assets and liabilities

Financial assets and liabilities are measured and classified in the following categories: amortized cost or at fair value through profit and loss. The classification depends on the contractual cash flow characteristics (contractual terms give rise on 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.

• Equity

This comprises the following three elements: (i) contributions (equity); (ii) General Reserve; and (iii) retained earnings.

(i) Contributions (equity)

(a) Background to contributions

The contributions to the Fund by each Member when due are payable in freely convertible currencies, except in the case of Category III Members up to the end of the Third Replenishment period, which were permitted to pay contributions in their own currency whether or not it was freely convertible. Each

contribution is to be made in cash or, to the extent that any part of the contribution is not needed immediately by the Fund in its operations, may be paid in the form of non-negotiable, irrevocable, non-interest-bearing promissory notes or obligations payable on demand.

A contribution to IFAD replenishment resources is recorded in full as equity and as receivable when a Member deposits an instrument of contribution, except for qualified instruments of 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.

(b) Provisions

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

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

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

In such cases, provisions will be set up.

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

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

(iii) The end of the financial year is currently used for determining the 24- and 48-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 2012. The Audit Committee agreed to conduct the next formal review in 2016 based on an interim assessment undertaken during 2015.

(iii) Retained earnings

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

(e) Loans

(i) Background to loans

IFAD loans are made only to developing states that are Members of the Fund or to intergovernmental organizations in which such Members participate. In the latter case, the Fund may require governmental or other guarantees. A loan becomes effective or enters into force when conditions precedent to effectiveness or entry into force have been fulfilled. Upon signature, disbursement may commence.

All IFAD loans are approved and loan repayments and interest are payable in the currency specified in the loan agreement. Loans approved are disbursed to borrowers in accordance with the provisions of the loan agreement.

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

(a) special loans on highly concessional terms shall be free of interest but bear a service charge of three fourths of one per cent (0.75 per cent) per annum and have a maturity period of forty (40) years, including a grace period of ten (10) years; (b) loans on hardened terms shall be free of interest but bear a service charge of three fourths of one per cent (0.75 per cent) per annum and have a maturity period of twenty (20) years, including a grace period of ten (10) years; (c) loans on blend terms shall be free of interest but bear a service charge of three fourths of one per cent (0.75 per cent) per annum plus a spread and have a maturity period of twenty (20) years, including a grace period of ten (10) years (these are applicable from 2013 onwards); (d) loans on intermediate terms shall have a rate of interest per annum equivalent to fifty per cent (50 per cent) of the variable reference interest rate, as determined annually by the Executive Board, and a maturity period of twenty (20) years, including a grace period of five (5) years; (e) loans on ordinary terms shall have a rate of interest per annum equivalent to one hundred per cent (100 per cent) of the variable reference interest rate, as determined annually by the Executive Board, and a maturity period of fifteen (15) to eighteen (18) years, including a grace period of three (3) years; and (f) no commitment charge shall be levied on any loan.

(ii) Loans to non-Member States

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

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

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

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

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

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

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

(iv) Measurement of loans

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

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

(v) Accumulated allowance for impairment losses

Delays in receiving loan payments result in present value losses to the Fund since it does not charge fees or additional interest on overdue interest or loan charges. An allowance is established on a specific basis for such losses based on the difference between the assets' carrying value and the present value of estimated future cash flows discounted at the financial assets' original effective interest rate (i.e. the effective interest rate calculated at initial recognition). In cases where it is not possible to estimate with any reasonable certainty the expected cash flows of a loan (as in all cases for which an allowance has been established to date), an alternative approach is followed that adopts a method similar to the benchmark used for the provisioning of Member States' contributions. This means that an allowance shall be made on loan instalments overdue for more than 24 months. An allowance is also made for loan instalments on the same loan overdue for less than 24 months. Once this trigger period has been reached, all amounts overdue at that time are considered to be in provision status, even in the event that part of the total outstanding debt is subsequently repaid. In cases where more than 48 months have elapsed, an allowance is made for all outstanding principal amounts of the loan concerned. The point in time to determine whether the given period has elapsed is the balance sheet date. Considering the positive historical loan reflow trends for which losses have not been recorded so far, the Fund has not established a collective impairment provision on loans not subject to specific impairment.

(vi) Non-accrual status

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

(f) Investments

The Fund's investments are classified at fair value through profit and loss or at amortized cost. Investments are classified at amortized cost when they belong to a portfolio managed by the Fund based on a business model to hold those securities until their maturity, by collecting solely maturing interest and principal in line with the contractual characteristics. If the above conditions are not met, the Fund carries investments at fair value through profit and loss. Fair value is determined in accordance with the hierarchy set in note 3. 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.

(g) Cash and cash equivalents

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

(h) Contributions (non-equity)

Contributions to non-replenishment resources are recorded as revenues in the period in which the related expenses occur. For project cofinancing activities, contributions received are

recorded as revenues in the period in which the related grant becomes effective. Contributions relating to programmatic grants, APOs, BFFS.JP and other supplementary funds are recorded in the balance sheet as deferred revenues and are recorded as revenue by the amount of project-related expenses in the statement of comprehensive income. Where specified in the donor agreements, contributions received (including management fees) and interest earned thereon, for which no direct expenses have yet been incurred, are deferred until future periods to be matched against the related costs. This is consistent with the accounting principle adopted with regard to IFAD's combined supplementary funds and serves to present the underlying nature of these balances more clearly. A list of such contributions can be found in appendix D1.

Individual donors provided human resources (in the form of APOs) to assist IFAD in its activities. The contributions received from donors are recorded as revenues and the related costs are included in staff costs.

(i) Grants

The Agreement Establishing IFAD empowers the Fund to provide grants to its Member States, or to intergovernmental organizations in which its Members participate, on such terms as the Fund deems appropriate.

Grants are recorded as expenses on disbursement date for the approved amount and as a liability for undisbursed amounts at fair value in accordance with IFRS9. Following the approval by the Executive Board of the revisions to the General Conditions for Agricultural Development Financing (April 2009), grants become disbursement when a recipient has the right to incur eligible expenditure.

Cancellations of undisbursed balances are recognized as an offset to the expense in the period in which they occur.

(j) Debt Sustainability Framework (DSF)

Under the DSF, countries eligible for highly concessional lending receive financial assistance on a grant rather than a loan basis. Principal amounts forgone by IFAD are expected to be compensated on a pay-as-you-go basis (according to the underlying loan amortization schedule) by the Member States, while the interest is relinquished. In line with the accounting policy on Contributions-Equity DSF Principal compensation contribution will be recorded in full as equity and as receivable when a Member deposits an instrument of contribution, except for qualified instruments of contribution, which are subject to national appropriation measures that will be proportionally reduced upon 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) on contingent assets). DSF financing is subject to IFAD's General Conditions for Agricultural Development Financing. DSF financing is implemented over an extended time-horizon and recognized as expenditure in the statement of comprehensive income in the period in which conditions for the release of funds to the recipient are met.

(k) Borrowing

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 ILA was signed for EUR 200 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.

(l) Employee schemes

- Pension obligations

IFAD participates in the United Nations Joint Staff Pension Fund (UNJSPF), which was established by the United Nations General Assembly to provide retirement, death, disability and related benefits. The Pension Fund is a funded, defined benefit plan. The financial obligation of the Fund to the UNJSPF consists of its mandated contribution, at the rate established by the United Nations General Assembly, together with any share of any actuarial deficiency payments under article 26 of the regulations of the Pension Fund. Such deficiency payments are only payable if and when the United Nations General Assembly has invoked the provision of article 26, following determination that there is a requirement for deficiency payments based on an assessment of the actuarial sufficiency of the Pension Fund as of the valuation date. At the time of this report, the United Nations General Assembly has not invoked this provision.

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

- After-Service Medical Coverage Scheme

IFAD participates in a multi-employer After-Service Medical Coverage Scheme 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. Due to the revisions to IAS 19R, the expected rate of return for accounting is set equal to the accounting discount rate.

(m) Provisions

Provisions are established when the Fund has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Employee entitlements to annual leave and long-service entitlements are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave and long-service separation entitlements as a result of services rendered by employees up to the balance sheet date.

(n) Taxation

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

(o) Revenue recognition

Service charge income and income from other sources are recognized as revenue in the period in which the related expenses are incurred (goods delivered or services provided).

(p) Tangible and intangible assets

Fixed assets

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

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

Intangible assets

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

NOTE 3

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

(a) Critical accounting estimates and assumptions

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

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

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

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

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

Level 1: Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2: Financial assets and liabilities whose values are based on quoted prices for similar assets or liabilities, or pricing models for which all significant inputs are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3: Financial assets or liabilities whose values are based on prices or valuation techniques 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)**

	<i>Thousands of United States dollars</i>	
	2015	2014
Unrestricted cash	325 480	198 218
Cash subject to restriction	102	4 038
Subtotal cash	325 582	202 256
Unrestricted investments at fair value	1 266 765	1 402 618
Investments at amortized cost	466 665	702 901
Investments subject to restriction	368	384
Subtotal investments	1 733 798	2 105 903
Total cash and investments	2 059 380	2 308 159

The composition of the portfolio by entity at 31 December was as follows:

	<i>Thousands of United States dollars</i>	
	2015	2014
IFAD	1 525 161	1 690 359
ASMCS Trust Fund	63 036	66 903
HIPC Trust Fund	3 007	4 473
Supplementary Funds	123 121	108 222
Spanish Trust Fund	237 068	319 446
Haiti Debt Relief Initiative (appendix J)	28 693	32 498
ASAP	79 294	86 258
Total cash and investments	2 059 380	2 308 159

(i) Cash and investments subject to restriction

In accordance with the Agreement Establishing IFAD, the amounts paid into the Fund by the then Category III Member States in their respective currencies on account of their initial or additional contributions are subject to restriction in usage.

IFAD has two escrow accounts that had a combined balance of US\$102,000 as at 31 December 2015.

(ii) Composition of the investment portfolio by instrument (consolidated)

At 31 December 2015, cash and investments, including payables and receivables, at market value amounted to US\$2,047.6 million (2014 - US\$2,307.1 million) and comprised the following instruments:

	<i>Thousands of United States dollars</i>	
	2015	2014
Cash	325 582	202 256
Fixed-income instruments	1 600 451	1 489 922
Unrealized (loss)/gain on forward contracts	4 280	(6 424)
Time deposits and other obligations of banks	120 095	618 210
Unrealized (loss)/gain on futures	8 972	4 195
Total cash and investments	2 059 380	2 308 159
Receivables for investments sold	360	-
Payables for investments purchased	(12 103)	(1 085)
Total investment portfolio	2 047 637	2 307 074

Fixed-income investments and cash include US\$478.3 million at amortized cost as at 31 December 2015 (2014 - US\$718.9 million). The fair value of amortized cost investments as at 31 December 2015 was US\$476.3 million (2014 - US\$721.7 million).

(iii) Composition of the investment portfolio by currency (consolidated)

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

	2015	2014
Euro	874 920	978 367
Japanese yen	81 914	111 988
Pound sterling	167 259	200 669
United States dollar	923 544	1 016 050
Total cash and investment portfolio	2 047 637	2 307 074

(iv) Composition of the investment portfolio by maturity (consolidated)

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

	<i>Thousands of United States dollars</i>	
	2015	2014
Due in one year or less	622 178	1 066 977
Due after one year through five years	770 001	578 369
Due from five to ten years	506 275	471 219
Due after ten years	149 183	190 509
Total cash and investment portfolio	2 047 637	2 307 074

The average life to maturity of the fixed-income investments included in the consolidated investment portfolio at 31 December 2015 was 55 months (2014 - 48 months).

(v) 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.

(vi) Market risk

IFAD's investment portfolio is allocated to several asset classes in the fixed-income universe in line with IFAD's investment policy. Occasionally IFAD Management has taken short-term tactical measures to protect the overall portfolio from adverse market conditions.

Cash and investments at amortized cost are managed internally, with the exception of those related to ASAP and the asset liability portfolio. Investments at fair value are managed by six external portfolio managers within four separate asset classes as at 31 December 2015.

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 2015 and 2014 are shown in table 1. Disclosures relate to IFAD-only accounts, for the net asset value.

Table 1

Asset class	Actual allocation		Investment policy
	2015	Millions of US dollars	%
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 credit bonds (formerly global diversified fixed-income)	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 class	Actual allocation		Investment policy
	2014	Millions of US dollars	%
Short-term liquidity	3.3	55.8	7.0
Global strategic portfolio	16.7	280.7	17.0
Global government bonds	30.6	515.3	36.0
Global diversified fixed-income (currently global credit bonds)	15.1	254.2	10.0
Global inflation-linked	21.1	355.3	20.0
Emerging market debt bonds	13.3	224.0	10.0
Total	100.0	1 685.3	100.0

Each asset class is managed according to its own investment guidelines that address a variety of market risks through restrictions on eligibility of instruments and on managers' activity by setting:

1. Pre-assigned benchmarks and limits on deviations from benchmarks in terms of tacking error limits.
2. Credit floors (refer to "(vii) credit risk").

The benchmark indices used for the respective portfolios are shown in table 2.

Table 2
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)
Asset liability portfolio	Liability repayment rate of return
Global government bonds	Barclays Global Government Bond Index (1 year maturity)
Global credit bonds (formerly global diversified fixed-income bonds)	Barclays Global Fixed-Income Index (A- or above)
Global inflation-linked bonds	Barclays Capital World Government Inflation-Linked Index (1-10 years maturity)
Emerging market debt bonds	Barclays Emerging Market Debt Investment Grade Index (BBB- or above)

Exposure to market risk is adjusted by modifying the duration of the portfolio, depending on the outlook for changes in securities market prices.

The upper limit for the duration is set at:

- One year above the benchmark for the global government bonds asset class.
- Two years above the benchmark for the global credit bonds (formerly global diversified fixed-income) asset class.
- Two years above the benchmark for the global inflation-linked bonds asset class.
- Two years above the benchmark for the emerging market debt asset class.

Both the global strategic portfolio and the asset liability portfolio are internally managed and no duration limit is prescribed, however those portfolios prescribe a maximum maturity limit for eligible investments. The average duration of IFAD's investment portfolio at 31 December 2015 and 2014 and respective benchmarks are shown in table 3.

Table 3
Average duration of portfolios and benchmarks in years (IFAD-only)
As at 31 December 2015 and 2014

Portfolio	Portfolio		Benchmark	
	2015	2014	2015	2014
Short-term liquidity	-	-	-	-
Global strategic portfolio	2.1	0.7	n.a.	n.a.
Asset liability portfolio	4.3	n.a.	n.a.	n.a.
Global government bonds	0.8	0.7	1.0	1.0
Global credit bonds (formerly diversified fixed-income)	4.2	4.0	4.6	4.6
Global inflation-linked	6.3	5.4	5.3	5.2
Emerging market debt bonds	6.6	7.2	6.5	7.0
Total average	3.5	2.9	2.9	2.5

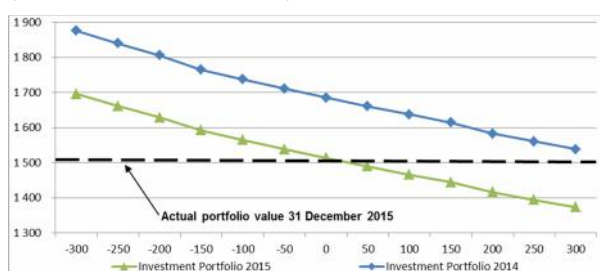
The sensitivity analysis of IFAD's overall investment portfolio in table 4 shows how a parallel shift in the yield curve (-300 to +300 basis points) would affect the value of the investment portfolio as at 31 December 2015 and 31 December 2014.

Table 4
Sensitivity analysis on investment portfolio (IFAD-only)

Basis point shift in yield curve	2015		2014	
	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	183	1 697	191	1 876
-250	148	1 662	155	1 840
-200	116	1 630	121	1 806
-150	79	1 593	80	1 765
-100	52	1 566	52	1 737
-50	25	1 539	25	1 711
0	-	1 514	-	1 685
50	(24)	1 490	(24)	1 661
100	(47)	1 467	(48)	1 637
150	(69)	1 445	(70)	1 615
200	(97)	1 417	(102)	1 583
250	(119)	1 395	(125)	1 560
300	(140)	1 374	(147)	1 539

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 2015, 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\$140 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\$183 million as a result of the capital gains on the marked-to-market portion of the portfolio.

Table 5 shows the tracking error limits defined by the Investment Policy Statement. Tracking error represents the annualized standard deviation of the excess return versus the benchmark, and is a measure of the active positions taken in managing a portfolio with respect to the benchmark.

Table 5
Tracking error ranges by portfolio

Portfolio	Tracking error maximum (percentage per annum)
Global strategic portfolio	n.a.
Asset liability portfolio	n.a.
Global government bonds	1.5
Global credit bonds (formerly global diversified fixed-income 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 2015 was 0.57 per cent (2014 - 0.43 per cent). Both the global

strategic portfolio and the asset liability portfolio are internally managed and no tracking error limit is prescribed.

(vii) Credit risk

The Investment Policy Statement and Investment Guidelines set credit rating floors for the eligibility of securities and counterparties. The eligibility of banks and bond issues is determined on the basis of ratings by major credit rating agencies. The minimum allowable credit ratings for portfolios within IFAD's overall investment portfolio under the Investment Policy Statement and Investment Guidelines are shown in table 6.

Table 6
Minimum credit rating floor per Investment Policy
Statement as at 31 December 2015

Eligible asset classes	Credit rating floors for Standard & Poor's (S&P), Moody's and Fitch
Money market	Counterparty must have a minimum short-term credit rating of A-1 (S&P) or 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) or 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 2015, the average credit ratings by portfolio were in line with the minimum allowable ratings under the Investment Policy Statement and Investment Guidelines (table 7).

Table 7
Average credit ratings by portfolio (IFAD-only)
As at 31 December 2015 and 2014

Portfolio	Average credit rating ^a	
	2015	2014
Operational cash	P-1	P-2
Global strategic portfolio	Aa2	Aa1
Asset liability portfolio	Aa3	n.a.
Global government bonds	Aaa	Aaa
Global credit bonds (formerly diversified fixed-income)	A2	A1
Global inflation-linked	Aaa	Aaa
Emerging market debt bonds	A3	Baa2

^a The average credit rating is calculated based on market values at 31 December 2015 and 2014 except for the global strategic portfolio average credit rating which is calculated on amortized cost basis. The credit ratings used are based on the best credit

ratings available from either Standard and Poor's (S&P) or Moody's or Fitch.

(viii) 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 2015 is shown in table 8.

Table 8
Alignment of assets to SDR basket (IFAD-only)
As at 31 December 2015

Currency group	Net asset amount (%)	SDR weights	Difference
United States dollar	48.3	47.7	0.6
Euro	30.2	33.2	(3.0)
Japanese yen	8.2	7.3	0.9
Pound sterling	13.3	11.8	1.5
Total	100.0	100.0	0.0

At 31 December 2015, had the United States dollar depreciated (or appreciated) by 10 per cent over the three other currencies in the SDR basket, the composition of IFAD's assets subject to SDR alignment would have been as shown in table 9.

Table 9
Sensitivity of assets aligned to SDR basket (IFAD-only)
As at 31 December 2015

Currency group	Difference towards SDR weights	
	-10% of US\$ (%)	+10% of US\$ (%)
United States dollar	(2.6)	2.4
Euro	1.6	(1.6)
Japanese yen	0.4	(0.3)
Pound sterling	0.6	(0.5)
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.

(ix) 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 Ninth Replenishment of IFAD's Resources (IFAD9) period (2013-2015), 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 2015 resources available for commitment under the sustainable cash flow approach, calculates a MLR of US\$680.0 million that is comfortably covered by IFAD's investment portfolio balance of US\$1,513.7 million.

(x) Capital risk

The overall resource policy is reviewed by Management on a regular basis. A joint review with the principal stakeholders is

also carried out at least once during each replenishment process. IFAD closely monitors its resource position on a regular basis in order to safeguard its ability to continue as a going concern. Consequently, it adjusts the amount of new commitments of loans and grants to be made during each calendar year depending on the resources available. Longer term resource forecasting is carried out within the analysis performed through IFAD's financial model.

NOTE 5

CONTRIBUTORS' PROMISSORY NOTES AND RECEIVABLES

	Thousands of United States dollars	
	2015	2014
Promissory notes to be encashed		
Replenishment contributions	213 119	285 519
ASAP	202 696	214 433
Total	415 815	499 952
Fair value adjustment	(13 565)	(18 303)
Promissory notes to be encashed	402 250	481 649
Contributions receivable		
Replenishment contributions	624 561	227 078
Supplementary contributions	331 044	321 157
ASAP	25 112	25 411
Total	980 717	573 646
Fair value adjustment	(10 933)	(4 823)
Contributions receivables	969 784	568 823
Qualified instruments of contribution	(5 912)	(35 913)
Total promissory notes and contributions receivables	1 366 120	1 014 559

(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 the table below.

Contributions not paid/encashed As at 31 December 2015

Donor	Thousands of United States dollars	
	Replenishment	Amount
United States [*]	Sixth	459
United States [*]	Seventh	3 224
Brazil**	Eighth	4 455
United States*	Eighth	559

* Cases for which Members and IFAD have agreed to encashment schedules subject to ratification.

** Case for which Members and IFAD have agreed to special encashment schedules.

(b) Ninth and Tenth Replenishment

Details of contributions and payments made for the Ninth and Tenth Replenishment are shown in appendix G. The Tenth Replenishment 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 G.

(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 2015, contributions receivables and promissory notes still subject to national appropriation measures amounted to US\$5.9 million (US\$35.9 million as at 31 December 2014).

NOTE 6**PROVISIONS**

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

<i>Thousands of United States dollars</i>		
	2015	2014
Balance at beginning of the year	168 448	168 448
Revaluation	(2)	0
Balance at year-end	168 446	168 448

Analysed as follows:

Promissory notes of contributors (a)	80 861	80 861
Amounts receivable from contributors (b)	87 585	87 587
Total	168 446	168 448

(a) Provisions against promissory notes

As at 31 December 2015, IFAD replenishment contributions deposited in the form of promissory notes up to and including the Ninth Replenishment have been fully drawn down.

As at 31 December 2015 and 2014, all first and second phase SPA contributions have been fully drawn down.

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

<i>Thousands of United States dollars</i>		
	2015	2014
Initial contributions		
Iran (Islamic Republic of)	29 358	29 358
Iraq	13 717	13 717
	43 075	43 075
First Replenishment		
Iraq	31 099	31 099
	31 099	31 099
Third Replenishment		
Democratic People's Republic of Korea	600	600
Libya	6 087	6 087
	6 687	6 687
Total	80 861	80 861

(b) Provisions against amounts receivable from contributors

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

<i>Thousands of United States dollars</i>		
	2015	2014
Initial contributions		
Comoros	8	10
Iran (Islamic Republic of)	83 167	83 167
	83 177	83 177
Second Replenishment		
Iraq	2 000	2 000
	2 000	2 000
Third Replenishment		
Iran (Islamic Republic of)	2 400	2 400
Sao Tome and Principe	10	10
	2 410	2 410
Total	87 585	87 587

NOTE 7**OTHER RECEIVABLES**

<i>Thousands of United States dollars</i>		
	2015	2014
Receivables for investments sold	360	0
Other receivables	14 447	15 342
Total	14 807	15 342

The amounts above are all expected to be received within one year of the balance sheet date. The balance of other receivables includes reimbursements from the host country for expenditures incurred during the year.

NOTE 8**FIXED AND INTANGIBLE ASSETS**

<i>Thousands of United States dollars</i>				
	1 Jan 2015	Increase/ (decrease)	Revalued/ Adjustment	31 Dec 2015
Cost				
Computer hardware	3 030	510		3 540
Computer software	14 038	346		14 384
Vehicles	439	(90)		349
Furniture and fittings	407	49	(37)*	419
Leasehold improvement	937	153		1 090
Total cost	18 851	968	(37)	19 782
Depreciation				
Computer hardware	(2 118)	(350)	(47)	(2 515)
Computer software	(3 556)	(1 376)		(4 932)
Vehicles	(34)	(26)		(60)
Furniture and fittings	(369)	(12)	37*	(344)
Leasehold improvement	(854)	(50)		(904)
Total depreciation	(6 931)	(1 814)	(10)	(8 755)
Net fixed and intangible assets	11 920	(846)	(47)	11 027

* Due to foreign exchange movements on an item of fixed assets held in a euro-denominated unit.

NOTE 9**LOANS****(a) Accumulated allowance for impairment losses**

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

<i>Thousands of United States dollars</i>		
	2015	2014
Balance at beginning of year	58 156	58 325
Net (decrease)/increase in allowance	(20 130)	3 511
Revaluation	(2 508)	(3 680)
Balance at end of year at nominal value	35 518	58 156
Fair value adjustment	(30 961)	(53 770)
Total	4 557	4 386

All loans included within the accumulated allowance are 100 per cent impaired with the exception of the provision set against the Democratic People's Republic of Korea which are impaired for the instalments overdue.

In accordance with its policy, the Fund has established provisions against loans outstanding as at 31 December as follows:

<i>Amounts in SDR</i>	2015	2014
Democratic People's Republic of Korea	8 370	6 354
Somalia	17 299	17 299
Zimbabwe	-	16 570
Total	25 669	40 223
US\$ equivalent	35 518	58 156
Fair value adjustment	(30 961)	(53 770)
Total	4 557	4 386

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

(b) Non-accrual status

Had income from loans with overdue amounts in non-accrual status been recognized as income, income from loans as reported in the statement of comprehensive income for the year 2015 would have been higher by US\$650,159 (2014 - US\$1,281,351).

(c) Further analysis of loan balances

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

	<i>Thousands of United States dollars</i>	
	2015	2014
IFAD	6 270 436	6 269 276
Spanish Trust Fund	90 875	46 485
Total	6 361 311	6 315 761
Fair value adjustment	(1 196 156)	(1 238 794)
Total	5 165 155	5 076 967

	<i>Thousands of United States dollars</i>	
	2015	2014
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 H) *		
Approved loans	11 605 710	11 249 453
Undisbursed balance	(3 333 550)	(3 009 015)
Repayments	(2 202 679)	(2 196 610)
Interest/principal receivable	13 001	16 763
Loans outstanding at nominal value	6 082 482	6 060 591
Fair value adjustment	(1 127 016)	(1 162 213)
Loans outstanding	4 955 466	4 898 378
SPA-approved loans, less cancellations, less full repayments and the adjustment for movements in value of total SDR loans in terms of US\$ (appendix H)		
Approved loans	312 658	326 694
Repayments	(125 274)	(119 471)
Interest/principal receivable	570	1 462
Loans outstanding	187 954	208 685
Fair value adjustment	(61 097)	(71 385)
Loans outstanding	126 857	137 300
Total approved loans, less cancellations, less full repayments and the adjustment for movements in terms of US\$		
Approved loans	11 918 367	11 576 147
Undisbursed balance	(3 333 550)	(3 009 015)
Repayments	(2 327 953)	(2 316 081)
Interest/principal receivable	13 571	18 225
Loans outstanding at nominal value	6 270 436	6 269 276
Fair value adjustment	(1 188 113)	(1 233 598)
Loans outstanding	5 082 323	5 035 678

* The balance includes euro-denominated loans financed from the debt-financing facility.

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	314 413	362 660
Undisbursed balance	(225 409)	(316 226)
Repayments	(1 293)	0
Interest/principal receivable	164	80
Loans outstanding at nominal value	90 875	46 485
Fair value adjustment	(8 043)	(5 196)
Loans outstanding	82 832	41 289

The fair value of the outstanding-loan portfolio at year-end amounts to US\$5,804.4 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 90.3 per cent (31 December 2014 - 91.6 per cent) of the current outstanding portfolio relates to borrowers on highly concessional terms, hence not subject to variation on an annual basis. An analysis of the portfolio by type of lending term is presented in appendix H, sections 4 and 9.

(f) Fair value estimation

Other than initial recognition and determination, the assumptions used in determining fair value are not sensitive to changes in discount rates. The associated impact of the exchange rate movement is closely monitored.

NOTE 10**FINANCIAL INSTRUMENTS BY CATEGORY**

The table below provides information about the Fund's assets and liabilities classification, accounting policies for financial instruments have been applied to the line items below:

<i>Millions of United States dollars</i>				
<i>2015</i>	<i>Cash and bank deposits</i>	<i>Investments at fair value through profit and loss (FVTP)</i>	<i>Investments at amortized cost</i>	<i>Loans at amortized cost</i>
LEVEL 1				
Cash and bank balances	326			
Investment at FVTP		988		
Investments at amortized costs			399	
LEVEL 2				
Investments at FVTP		268		
Investment at amortized cost			137	
Loans outstanding				5 142
Total	326	1 255	467	5 142
<i>Millions of United States dollars</i>				
<i>2014</i>	<i>Cash and bank deposits</i>	<i>Investments at Fair value through profit and loss (FVTP)</i>	<i>Investments at amortized cost</i>	<i>Loans at amortized cost</i>
LEVEL 1				
Cash and bank balances	202			
Investment at FVTP		638		
Investments at amortized costs			137	
LEVEL 2				
Investments at FVTP		760		
Investment at amortized cost			565	
Loans outstanding				5 047
Total	202	1 398	703	5 047

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\$191,670,000 during the period 1998-2015. Details of funding from external donors on a cumulative basis are found in appendix D1.

For a summary of debt relief reimbursed since the start of the Initiative and expected in the future, please refer to appendix I. Debt relief approved by the Executive Board to date excludes all amounts relating to the enhanced Debt Initiative for Eritrea, Somalia and the Sudan. Authorization for IFAD's share of this debt relief is expected to be given by the Executive Board in 2016-2019. At the time of preparation of the 2015 Consolidated

Financial Statements, the estimate of IFAD's share of the overall debt relief for these countries, principal and interest, was US\$145,181,000 (2014 - US\$170,236,000 for Eritrea, Somalia and the Sudan).

Investment income amounted to US\$8,008,000 (2014 - US\$8,005,000) from the HIPC Trust Fund balances.

The total cumulative cost of debt relief derives from the following sources:

	<i>Thousands of United States dollars</i>		
	<i>2015</i>	<i>Movement</i>	<i>2014</i>
IFAD contributions 1998-2015	191 670	20 000	171 670
Total contributions from external sources (appendix D1)	282 417		282 417
Net cumulative investment income	8 008	3	8 005
(Surplus)/Shortfall between debt relief approved and funds available	(22 986)	(26 322)	3 334
Cumulative net exchange rate movements	25 223	(5 642)	30 865
Total (appendix I)	484 332		496 291

(b) Accumulated allowance for the HIPC Debt Initiative

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

	<i>Thousands of United States dollars</i>	
	<i>2015</i>	<i>2014</i>
Balance at beginning of year	36 808	47 111
New approvals	-	-
Change in provision	(7 685)	(7 567)
Exchange rate movements	(1 499)	(2 736)
Balance at end of year	27 624	36 808
Fair value adjustment	(8 550)	(11 124)
Total	19 074	25 684

NOTE 12**PAYABLES AND LIABILITIES**

	<i>Thousands of United States dollars</i>	
	<i>2015</i>	<i>2014</i>
Payable for investments purchased and impairment	12 103	1 085
ASMCS liability	80 035	95 935
Other payables and accrued liabilities	70 280	79 585
Total	162 418	176 605

Of the total above, an estimated US\$103,047,000 (2014 - US\$118,487,000) is payable in more than one year from the balance sheet date.

NOTE 13**DEFERRED REVENUE**

Deferred revenue represents contributions received for which revenue recognition has been deferred to future periods to match the related costs. Deferred income includes amounts relating to service charges received for which the related costs have not yet been incurred.

<i>Thousands of United States dollars</i>		
	2015	2014
Total	429 705	496 755
Fair value adjustment	(16 596)	(20 788)
Deferred revenue	413 109	475 967

NOTE 14**UNDISBURSED GRANTS**

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

<i>Thousands of United States dollars</i>		
	2015	2014
IFAD	68 057	74 951
Supplementary funds	264 218	256 636
ASAP	124 420	57 593
Balance at year-end	456 695	389 180
Fair value adjustment	(7 177)	(5 456)
Undisbursed grants	449 518	383 724

NOTE 15**BORROWING LIABILITIES**

The balance represents the funds received for borrowing activities plus interest accrued.

<i>Thousands of United States dollars</i>		
	2015	2014
IFAD	162 948	0
Spanish Trust Fund	311 153	347 413
Total borrowing liabilities	474 101	347 413

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:

<i>Year</i>	<i>United States dollars</i>
2015	1.38370
2014	1.44582
2013	1.54190

The balance of foreign exchange movement is shown below:

<i>Thousands of United States dollars</i>		
	2015	2014
IFAD	(274 680)	(425 085)
Other entities	(15 218)	(21 498)
Total movements in the year	(289 898)	(446 584)

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

<i>Thousands of United States dollars</i>		
	2015	2014
Opening balance 1 Jan	444 169	890 753
Exchange movements for the year on:		
Cash and investments	(77 284)	(118 265)
Net receivables/payables	13 806	15 558
Loans and grants outstanding	(209 183)	(323 715)
Promissory notes and Members' receivables	(33 609)	(52 520)
Member States' contributions	16 372	32 358
Total movements in the year	(289 898)	(446 584)
Closing balance 31 December	154 271	444 169

The movement in this account excludes the gain/loss related directly to operations, which is included in total foreign exchange rate movements.

NOTE 17**INCOME FROM CASH AND INVESTMENTS****(a) Investment management (IFAD only)**

Since 1994, a major part of IFAD's investment portfolio has been entrusted to external investment managers under investment guidelines provided by the Fund. At 31 December 2015, funds under external management amounted to US\$1.1 billion (2014 – US\$1.4 billion), representing 72 per cent of the Fund's total cash and investments (2014 – 80 per cent).

(b) Derivative instruments

The Fund's Investment Guidelines authorize the use of the following types of derivative instruments, primarily to ensure alignment to the SDR basket:

(i) Futures

<i>31 December</i>		
	2015	2014
Number of contracts open:		
Buy	352	278
Sell	(1 436)	(1 464)
Net unrealized market gains of open contracts (US\$ '000)	884	(1 149)
Maturity range of open contracts (days)	68 to 993	65 to 90

(ii) Forwards

The unrealized market value gain on forward contracts at 31 December 2015 amounted to US\$3.8 million (2014 – loss of US\$2.6 million).

The maturities of forward contracts at 31 December 2015 ranged from 7 to 77 days (31 December 2014 – 7 to 44 days).

(c) Income from cash and investments (consolidated)

Gross income from cash and investments for the year ended 31 December 2015 amounted to US\$2.7 million (2014 – gross loss of US\$57.0 million).

	2015		
	Thousands of United States dollars		
	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

	2014		
	Thousands of United States dollars		
	Fair value	Amortized cost	Total
Interest from banks and fixed-income Investments	35 130	8 029	43 159
Net expenses from futures/options and swaps	(16 862)		(16 862)
Realized capital gain/(loss) from fixed-income securities	(5 683)	(686)	(6 369)
Unrealized gain/(loss) from fixed-income securities	37 076		37 076
Total	49 661	7 343	57 004

For amortized cost investments, realized capital gains/(losses) relate to amortization and sales of securities.

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

	Thousands of United States dollars	
	2015	2014
IFAD	852	52 217
ASMCS Trust Fund	545	3 043
HIPC Trust Fund	4	11
Spanish Trust Fund	1 258	1 702
Haiti Debt Relief Initiative	197	177
ASAP	351	425
Supplementary funds	152	109
Less: income deferred/reclassified	(670)	(680)
Total	2 689	57 004

The annual rate of return on IFAD cash and investments in 2015 was negative 0.06 per cent net of investment expenses (2014 - positive 2.58 per cent net of investment expenses).

NOTE 18**INCOME FROM OTHER SOURCES**

This income relates principally to reimbursement from the host Government for specific operating expenses. It also includes service charges received from entities housed at IFAD as compensation for providing administrative services. A breakdown is provided below:

Consolidated	Thousands of United States dollars	
	2015	2014
Host Government income	7 923	9 595
Income from other sources	28	1 361
Total	7 951	10 956

NOTE 19**INCOME FROM CONTRIBUTIONS**

	Thousands of United States dollars	
	2015	2014
IFAD	2 661	2 874
ASAP	81 148	67 834
Supplementary funds	100 970	142 403
Total	184 779	213 111

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 K. The breakdown of the consolidated figures is set out below:

	Thousands of United States dollars	
	2015	2014
IFAD	157 628	171 379
Other entities	9 630	9 255
Total	167 258	180 634

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 2015 was as follows (breakdown by principal budget source):

Full-time equivalent	General Service		Total
	Professional		
IFAD			
administrative budget	278	197	475
APO/SPO [*]	11		11
Others	21	9	30
Programme funds	7	2	9
Total 2015	317	208	525
Total 2014	293	198	491

^{*}Associate professional officer/special programme officer.

(b) Non-staff

As in previous years, in order to meet its operational needs, IFAD engaged the services of consultants, conference personnel and other temporary staff, who are also covered by an insurance plan.

(c) Retirement plan

The latest actuarial valuation for the UNJSPF was prepared as at 31 December 2013. This valuation revealed an actuarial deficit, amounting to 0.72 per cent of pensionable remuneration. Despite the actuarial deficit from the 2013 valuation, it was assessed that the UNJSPF is adequately funded. Therefore the United Nations General Assembly did not invoke the provision of article 26, requiring participating agencies to provide additional payments. IFAD makes contributions on behalf of its staff and would be liable for its share of the unfunded liability, if any (current contributions are paid as 7.9 per cent of pensionable remuneration by the employee and 15.8 per cent by IFAD). Total retirement plan contributions made for staff in 2015 amounted to US\$10,490,112 (2014 - US\$10,338,726).

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

The latest actuarial valuation for the ASMCS was carried out as at 31 December 2015. The methodology used was the projected unit-credit-cost method with service prorates. The principal actuarial assumptions used were as follows: discount rate, 3.2 per cent; return on invested assets, 4.0 per cent; expected salary increase, 3.0 per cent; initial medical cost increase, 4.5 per cent; inflation, 2.5 per cent; and exchange rate EUR 1:US\$1.09. The results determined IFAD's liability as at 31 December 2015 to be US\$80,035,000. The 2015 and 2014 Financial Statements include a provision and related assets as follows as at 31 December.

<i>Thousands of United States dollars</i>		
	2015	2014
Past service liability	(80 035)	(95 935)
Plan assets	62 722	66 854
Surplus /(deficit)	(17 313)	(29 081)
Yearly movements		
Opening balance		
Surplus /(deficit)	(29 081)	(977)
Interest cost	(820)	(64)
Current service charge	(4 468)	(2 909)
Actuarial gains/(losses)	21 188	(22 342)
Interest earned on balances	435	3 048
Exchange rate movement	(4 567)	(5 837)
Closing balance		
Surplus /(deficit)	(17 313)	(29 081)
Past service liability		
Total provision at 1 January	(95 935)	(70 620)
Interest cost	(820)	(64)
Current service charge	(4 468)	(2 909)
Actuarial gains /(losses)	21 188	(22 342)
Provision at 31 December	(80 035)	(95 935)
Plan assets		
Total assets at 1 January	66 854	69 643
Interest earned on balances	435	3 048
Exchange rate movement	(4 567)	(5 837)
Total assets at 31 December	62 722	66 854

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 2015, such costs included under staff salaries and benefits in the Financial Statements amounted to US\$5,289,000 (2014 - US\$2,306,000).

Based on the 2015 actuarial valuation, the level of assets necessary to cover ASMCS liabilities is US\$55.9 million, in net present value terms. As reported above, at 31 December 2015 the assets already held in the trust fund are US\$62.7 million;

consequently this is more than sufficient to cover the level of liabilities.

(e) Actuarial valuation risk of the ASMCS

A sensitivity analysis of the principal assumptions of the liability and service cost contained within the group data as at 31 December 2015 is shown below:

<i>Impact on</i>	<i>Liability</i>	<i>Service cost</i>
Medical inflation:		
5.0 per cent instead of 4.0 per cent	20.1	1.4
3.0 per cent instead of 4.0 per cent	(16.1)	(1.0)

NOTE 22**GRANT EXPENSES**

The breakdown of the consolidated figures is set out below:

	<i>Thousands of United States dollars</i>	
	2015	2014
IFAD grants	44 840	52 618
Supplementary funds	89 186	129 952
ASAP	79 768	65 896
Total	213 794	248 466

NOTE 23**DSF EXPENSES**

The DSF expenses are set out below:

<i>IFAD-only</i>	<i>Thousands of United States dollars</i>	
	2015	2014
DSF expenses	125 586	157 342
Total	125 586	157 342

DSF financing is recognized as expenditures in the period in which conditions for the release of funds to the recipient are met.

NOTE 24**DIRECT BANK AND INVESTMENT COSTS**

	<i>Thousands of United States dollars</i>	
	2015	2014
Investment management fees	2 048	2 561
Other charges	605	620
Total	2 653	3 181

NOTE 25**ADJUSTMENT FOR CHANGE IN FAIR VALUE**

An analysis of the movement in fair value is shown below:

	<i>Thousands of United States dollars</i>	
	2015	2014
Loans outstanding	42 638	86 748
Accumulated allowance for loan impairment losses	(22 808)	16857
Accumulated allowance for HIPC Debt Initiative	(2 573)	(3 265)
Net loans outstanding	17 257	100 340
Contributors' promissory notes	4 738	(10 673)
Contributions receivable	(6 111)	13 392
Contributions	6 026	(6 030)
Undisbursed grants	1 965	2 214
Deferred revenues	(4 192)	3 392
Foreign exchange movement	(50 785)	(80 566)
Total	(31 102)	21 979

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:

	<i>Thousands of United States dollars</i>	
	2015	2014
International Land Coalition (ILC)	887	414
Total	887	414

NOTE 28**CONTINGENT LIABILITIES AND ASSETS****(a) Contingent liabilities**

IFAD has contingent liabilities in respect of debt relief announced by the World Bank/International Monetary Fund for three countries. See note 11 for further details of the potential cost of loan principal and interest relating to these countries, as well as future interest not accrued on debt relief already approved as shown in appendix I.

IFAD has a contingent liability for DSF financing effective but not yet disbursed for a global amount of US\$780.4 million (US\$715.9 million in 2014). In particular, at the end of December 2015, DSF financing disbursable but not yet disbursed, because the conditions for the release of funds were not yet met, amounted to US\$562.9 million (US\$581.8 million in 2014) and DSF projects approved but not yet effective amounted to US\$217.4 million (US\$134.1 million in 2014).

(a) Contingent assets

At the end of December 2015 the balance of qualified instruments of contribution amounted to US\$5.9 million. These contributions are subject to national appropriation measures, therefore those receivables will be considered due upon fulfillment 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 2015, 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 2015 amounted to US\$682.1 million (US\$556.1 million as at December 2014).

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 identified related parties and transactions carried out in 2015. These pertain to transactions with Member States for which IAS 24, para. 25 is applicable. These transactions and related outstanding balances are reported in appendices G and H. Key management personnel are the President, Vice-President and the 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 for key management personnel or their close family members arising from financial holdings, private affiliations or outside activities.

	<i>Thousands of United States dollars</i>	
	2015	2014
Salaries and other entitlements	1 864	2 090
Contribution to retirement and medical plans	280	283
Total	2 144	2 373
Total accruals	787	702

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 March 2016 and endorsement by the Executive Board in April 2016. The 2015 Consolidated Financial Statements will be submitted to the Governing Council for formal approval at its next session in February 2017. The 2014 Consolidated Financial Statements were approved by the Governing Council at its thirty-ninth session in February 2016.

Statements of complementary and supplementary contributions

Statement of cumulative supplementary contributions including project cofinancing from 1978 to 2015^a

(Thousands of United States dollars)

<i>Member States</i>	<i>Project cofinancing</i>	<i>APOs</i>	<i>Other supplementary funds</i>	<i>Global Environment Facility (GEF)</i>	<i>Total</i>
Algeria			76		76
Angola			7		7
Australia ^b	2 721		84		2 805
Austria	755				755
Bangladesh			43		43
Belgium	10 214	1 960	151 246		163 420
Canada	15 502		8 805		24 307
China			310		310
Colombia			25		25
Denmark	18 812	4 888	3 946		27 646
Estonia			147		147
Finland	2 834	4 921	12 114		19 869
France	1 032	1 131	7 633		9 796
Germany	46	7 149	7 227		14 422
Ghana			76		76
Greece			76		76
India			1 000		1 000
Indonesia			50		50
Ireland	6 602		912		7 514
Italy	30 778	6 269	26 252		63 299
Japan	1 692	2 026	4 131		7 849
Jordan			153		153
Kuwait			119		119
Lebanon			100		100
Luxembourg	2 112		3 031		5 143
Malaysia			28		28
Mauritania			50		50
Morocco			92		92
Netherlands	104 408	7 100	11 856		123 364
New Zealand	790		20		810
Nigeria			50		50
Norway	20 670	2 604	6 116		29 390
Pakistan			25		25
Paraguay			15		15
Portugal	142		714		856
Qatar			109		109
Republic of Korea	3 439	5 065	103		8 607
Saudi Arabia	3 300		109		3 409
Senegal			109		109
Sierra Leone			88		88
Spain	11 528		6 507		18 035
Suriname	2 000				2 000
Sweden	9 114	2 773	15 901		27 788
Switzerland	8 498	721	17 825		27 044
Turkey			47		47
United Kingdom	19 074		16 859		35 933
United States		322	86		408
Total Member States	276 063	46 929	304 272		627 264

^a Non-US\$ contributions have been translated at the year-end exchange rate.

^b Australia's withdrawal from IFAD membership became effective 31 July 2007.

Statement of cumulative supplementary contributions including project cofinancing from 1978 to 2015^a

(Thousands of United States dollars)

<i>Non-Member States and other sources</i>	<i>Project cofinancing</i>	<i>APOs</i>	<i>Other supplementary funds</i>	<i>GEF</i>	<i>Total</i>
African Development Bank	2 800		1 096		3 896
Arab Fund for Economic and Social Development	2 983				2 983
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			3 259		3 259
European Commission	814		491 117		491 931
Food and Agriculture Organization of the United Nations (FAO)	14		2 106		2 120
Global Agriculture and Food Security Program	100 000		6 160		106 160
Least Developed Countries Fund/Special Climate Change Fund			88 310		88 310
National Agricultural Cooperative Federation					
Office of the United Nations High Commissioner for Refugees					
OPEC Fund for International Development (OFID)	2 260				2 260
Other	386		2 380		2 766
United Nations Capital Development Fund (UNCDF)	382		240		622
United Nations Development Programme	467		1 161		1 628
United Nations Fund for International Partnerships	78		145		223
UNO	3 017				3 017
World Bank	1 357		527	104 155	106 039
Total non-Member States and other sources	114 857		599 536	104 155	818 548
Total 2015	390 919	46 928	903 809	104 155	1 445 811
Total 2014	383 198	44 694	890 298	99 635	1 417 825

^a Non-United States dollars contributions have been translated at the year-end exchange rate.

^b The balance includes US\$125,000 related to Mongolia.

Statement of cumulative complementary and other contributions from 1978 to 2015

(Thousands of United States dollars)

	<i>Amount</i>
Canada	1 511
Germany	458
India	1 000
Saudi Arabia	30 000
Sweden	13 827
United Kingdom	12 002
Cumulative contributions received from Belgium for the Belgian Fund for Food Security Joint Programme (BFFS.JP) in the context of replenishments	80 002
	138 800
<i>Contributions made in the context of replenishments to the HIPC Trust Fund</i>	
Italy	4 602
Luxembourg	1 053
Netherlands	14 024
	19 679
	302 854
<i>Contributions made to ASAP in the context of replenishment</i>	
	302 854
<i>Unrestricted Complementary Contribution Tenth Replenishment</i>	
Canada	7 199
Russian Federation	3 000
	10 199
Total complementary contributions 2015	471 532
Total complementary contributions 2014	455 959

Statement of contributions from Member States and donors to the HIPC Debt Initiative

(Thousands of United States dollars)

	<i>Amount</i>
<i>Contributions made in the context of replenishments (see previous table)</i>	19 679
Belgium	2 713
European Commission	10 512
Finland	5 193
Germany	6 989
Iceland	250
Norway	5 912
Sweden	17 000
Switzerland	3 276
World Bank HIPC Trust Fund	210 893
	262 738
Total contributions to IFAD's HIPC Trust Fund 2015	282 417
Total contributions to IFAD's HIPC Trust Fund 2014	282 417

Statement of complementary and supplementary contributions received in 2015

Contributions received for project cofinancing in 2015

	<i>Currency</i>	<i>Amount (thousands)</i>	<i>Thousands of US dollars equivalent</i>
Bill & Melinda Gates Foundation	US\$	516	516
European Commission	EUR	18 939	20 573
Food and Agriculture Organization of the United Nations (FAO)	EUR	432	469
Global Agriculture and Food Security Program	US\$	21 888	21 889
Germany	EUR	750	815
New Zealand	EUR	390	390
Saudi Arabia	US\$	660	660
Denmark	US\$	5 000	916
Netherlands	US\$	2 052	2 052
Total		50 627	48 280

Contributions received for associate professional officers in 2015

	<i>Currency</i>	<i>Amount (thousands)</i>	<i>Thousands of US dollars</i>
Denmark	US\$		141
Finland	US\$		191
Germany	US\$		446
Italy	US\$		420
Netherlands	US\$		764
Republic of Korea	US\$		216
Switzerland	US\$		378
Sweden	US\$		74
Total			2 630

Supplementary fund contributions received in 2015

	<i>Currency</i>	<i>Amount (thousands)</i>	<i>Thousands of US dollars equivalent</i>
France	EUR	150	163
European Commission	EUR	23 838	25 895
Estonia	EUR	45	49
FAO	US\$	83	83
FAO/World Food Programme (WFP)/IFAD	US\$	60	60
Luxemburg	EUR	500	543
Rockefeller Foundation	US\$	4	4
Switzerland	US\$	386	386
Switzerland	EUR	1 205	1 309
Germany	EUR	435	473
UNCDF	US\$	67	67
Republic of Korea	KRW	1 000 000	847
Netherlands	US\$	4 000	4 000
UNDP	US\$	970	970
Total			34 849
Grand total			85 507

Unspent project cofinancing funds

(Thousands of United States dollars)

	2015	2014
Member States		
Canada	6 162	4 440
Denmark	2 089	2 941
Finland	-	10
Italy	2 275	3 422
Luxembourg	140	140
Netherlands	3 089	2 647
Norway	1	4
New Zealand	790	400
Republic of Korea	1 089	679
Saudi Arabia	450	-
Spain	729	2 191
United Kingdom	142	142
Total Member States	16 956	17 016
Non-Member States		
Global Agriculture and Food Security Programme (GAFSP) Trust Fund	18 865	8 632
OPEC	394	199
Other	3	26
UNCDF	23	23
World Bank	7	7
Total non-Member States	19 292	8 887
Total	36 248	25 903

Unspent associate professional officer (APO) funds

(Thousands of United States dollars)

	<i>Unspent balance as at</i>	
	<i>31 December</i>	
	2015	2014
Belgium	-	383
Denmark	290	361
Finland	142	104
Germany	324	206
Italy	358	144
Netherlands	462	232
Norway	15	(59)
Republic of Korea	236	254
Sweden	-	(5)
Switzerland	216	-
Total	2 043	1 620

Other unspent complementary and supplementary funds

(Thousands of United States dollars)

	<i>Unspent balance as at 31 December</i>	
	<i>2015</i>	<i>2014</i>
Member States		
Belgium	2 173	3 501
Canada	4 260	4 548
China	130	145
Denmark	130	130
Estonia	76	75
Finland	483	753
France	380	2 148
Germany	2 194	1 546
India	613	613
Ireland	38	171
Italy	2 077	3 105
Lebanon	99	99
Luxembourg	301	7
Malaysia	13	13
Netherlands	34	41
Norway	105	106
Portugal	-	4
Republic of Korea	1	1
Spain	2 259	3 384
Sweden	2 328	2 403
Switzerland	1 667	102
United Kingdom	773	1 188
Total Member States	20 134	24 083
Non-Member States		
Bill & Melinda Gates Foundation	450	-
European Commission	34 223	17 286
GAFSP	3 068	2 633
Platform for Agricultural Risk Management (PARM)	1 257	2 154
Least Developed Countries Fund	15 788	24 437
Other	286	423
Support for Farmers' Organizations in Africa Programme: main phase	3 030	3 506
Technical Assistance Facility	479	412
UNCDF	86	90
United Nations Development Programme	1 024	148
World Bank	11	13
Total non-Member States	59 702	51 102
Total	79 836	75 185

Global Environment Facility

(Thousands of United States dollars)

<i>Recipient country</i>	<i>Cumulative contributions received as at 31 December 2015</i>	<i>Unspent at 1 January 2015</i>	<i>Received from donors</i>	<i>Expenses</i>	<i>Unspent at 31 December 2015</i>
Armenia	4 011	-	4 011	(63)	3 948
ASEAN ^a regional	4 822	-	183	(123)	60
Brazil	5 931	-	-	-	-
Burkina Faso	2 086	-	70	(59)	11
China	4 895	-	-	-	-
Comoros	1 000	-	-	-	-
Ecuador	2 873	-	-	-	-
Eritrea	4 477	-	-	-	-
Ethiopia	4 750	-	-	-	-
Gambia (The)	96	-	-	-	-
Global supplement for UNCCD ^b	457	-	-	-	-
Indonesia	100	82	-	(80)	2
Jordan	7 886	15	-	-	15
Kenya	4 838	-	138	(92)	46
Malawi	183	-	183	(151)	32
Mali	6 314	-	-	1 519	1 519
Mauritania	4 350	-	-	14	14
MENARID ^c monitoring and evaluation	705	-	-	-	-
Mexico	5 100	5 000	-	(5 000)	-
Morocco	330	-	-	-	-
Niger	4 396	-	70	(14)	56
Panama	1 578	-	-	-	-
Peru	7 255	5 890	(535)	-	5 353
Sao Tome and Principe	2 501	-	-	-	-
Senegal	80	-	80	(55)	25
Sri Lanka	7 270	-	-	-	-
Sudan	3 750	3 653	-	(3 650)	3
Swaziland	2 189	-	138	(122)	16
Tunisia	5 350	-	-	-	-
United Republic of Tanzania	183	-	183	(130)	53
Venezuela (Bolivarian Republic of)	3 735	19	-	-	19
Viet Nam	755	-	-	-	-
Total	104 155	14 659	4 521	(8 006)	11 174

^a Association of Southeast Asian Nations.

^b United Nations Convention to Combat Desertification.

^c US\$326,000 received before the signature of the financial procedure agreement between IFAD and the GEF trustee, the Middle East and North Africa Regional Program for Promoting Integrated Sustainable Land Development (MENARID).

Summary of the Adaptation for Smallholder Agriculture Programme Trust Fund

As at 31 December 2015

Complementary contributions					
<i>Member States</i>	<i>Local currency</i>	<i>Pledges (Thousands of United States dollars)^a</i>	<i>Payment promissory^b notes</i>	<i>Payment cash^b</i>	<i>Total Payments</i>
Belgium	EUR 6 000	8 584		7 855	
Canada	CAD 19 849	20 347		19 879	
Finland	EUR 5 000	7 153		6 833	
Netherlands	EUR 40 000	57 225		26 519	
Norway	NOK 63 000	11 580		8 913	
Sweden	SEK 30 000	4 729		4 471	
Switzerland	CHF 10 000	11 844		10 949	
United Kingdom	GBP 147 523	239 176	217 435		
Total complementary contributions		360 636	217 435	85 419	302 854
Supplementary Funds					
Republic of Korea	US\$ 3 000	3 000		700	
Flemish Department for Foreign Affairs	EUR 2 000	2 486		1 276	
Total		366 122	217 435	87 395	307 830

^a Pledges counter-valued at replenishment exchange rate.^b Payments counter-valued at exchange rate prevailing at receipt date.

Summary of the Adaptation for Smallholder Agriculture Programme Trust Fund

Grants

<i>Grant recipient</i>	<i>Approved grants less cancellations</i>	<i>Disbursable</i>	<i>Disbursements 2015</i>	<i>Undisbursed portion of disbursable grants</i>	<i>Grants not yet disbursable as at 31 December 2015</i>
SDR grants (expressed in thousands)					
Bangladesh	9 900	(9 900)	(2 335)	7 565	0
Benin	3 220	0	0	0	3 220
Bhutan	3 580	0	0	0	3 580
Burundi	3 510	0	0	0	3 510
Bolivia (Plurinational State of)	6 500	(6 500)	(1 012)	5 488	0
Cambodia	10 150	0	(1 671)	8 479	0
Chad	3 240	3 240	(209)	3 031	0
Côte d'Ivoire	4 520	4 520	(414)	4 106	0
Djibouti	4 000	4 000	(359)	3 641	0
Egypt	3 380	3 380	(394)	2 986	0
El Salvador	3 560	0	0	0	3 560
Gambia (The)	3 570	0	0	0	3 570
Ghana	6 500	6 500	(578)	5 922	0
Kenya	7 100	0	0	0	7 100
Kyrgyzstan	6 500	6 500	(282)	6 218	0
Lao People's Democratic Republic	3 550	0	0	0	3 550
Lesotho	4 610	0	0	0	4 610
Liberia	3 280	0	0	0	3 280
Madagascar	4 200	0	0	0	4 200
Malawi	5 150	0	0	0	5 150
Mali	6 500	6 500	(1 478)	5 022	0
Morocco	1 295	0	0	0	1 295
Mozambique	3 260	3 260	(343)	2 917	0
Nepal	9 710	9 710	(9)	9 701	0
Nicaragua	5 310	5 310	(546)	4 764	0
Niger	9 250	9 250	0	9 250	0
Nigeria	9 800	0	0	0	9 800
Rwanda	4 510	4 510	(675)	3 835	0
Sudan	4 730	0	0	0	4 730
Tajikistan	3 600	0	0	0	3 600
Uganda	6 770	0	0	0	3 600
United Republic of Tanzania	6 770	0	0	0	6 770
Viet Nam	7 820	7 820	(826)	6 994	0
Yemen	6 630	0	0	0	6 630
Total SDR	192 825	101 050	(11 132)	89 918	91 775
US\$ equivalent	266 812	139 823	(15 403)	124 420	126 989

As at December 2014 the grants approved (US\$118.3 million) were not yet disbursable.



Investing in rural people

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

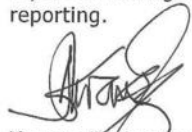
Management of the International Fund for Agricultural Development (IFAD) (the Fund) is responsible for the preparation, fair presentation and overall integrity of its Consolidated Financial Statements. The Financial Statements of the Fund have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

According to the Agreement Establishing IFAD, the President is responsible for establishing and maintaining adequate internal controls of the Fund including those over external financial reporting.

The Executive Board of the Fund established an Audit Committee, whose terms of reference, among other things, is to assist the Board in exercising supervision over the financial administration and internal oversight of the Fund, including effectiveness of internal controls over financial reporting. The Audit Committee is comprised entirely of selected members of the Executive Board and oversees the process for the selection of external auditors and makes a recommendation for such selection to the Executive Board for its approval. The external and internal auditors meet with the Audit Committee of the Executive Board to discuss their work plans and approach which covers review of the adequacy of internal controls over financial reporting and any other matter that may require the Audit Committee's attention.

The system of internal controls over financial reporting contains monitoring mechanisms and actions that are meant to detect, prevent and facilitate correction of deficiencies identified that may result in material weaknesses in internal controls over financial reporting. There are inherent limitations to the effectiveness of any system of internal control, including the possibility of human error and the circumvention or overriding of controls. Accordingly, an effective internal control system can only provide reasonable, as opposed to absolute assurance with respect to Financial Statements. Furthermore, the effectiveness of an internal control system can change with circumstances.

The Fund's Management assessed the effectiveness of internal controls over financial reporting for the financial statements presented in conformity with IFRS as of **31st December 2015**. The assessment was based on the criteria for effective internal controls over financial reporting described in the *Internal Controls-Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). A report was provided to Management providing reasonable assurance as to the operational effectiveness of these controls. Based on the work performed, Management believes that the Fund maintained an effective system of internal controls over financial reporting as of 31st December 2015, and is not aware of any material control weakness that could affect the reliability of the 2015 financial statements. IFAD's independent audit firm Deloitte, has audited the financial statements and has issued an attestation report on Management's assertion on the Fund's Internal controls over financial reporting.


Kanayo F. Nwanze
President


Shahin Lauritzen
Associate Vice President,
CFO and Chief Controller


Ruth Farrant
Director and Controller



Deloitte & Touche S.p.A.
Via della Camilluccia, 589/A
00135 Roma
Italia
Tel: +39 06 367491
Fax: +39 06 36749282
www.deloitte.it

INDEPENDENT AUDITOR'S REPORT

To the International Fund for Agricultural Development

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of the International Fund for Agricultural Development, which comprise the consolidated and IFAD-only balance sheets as at 31 December 2015, the consolidated and IFAD-only statements of comprehensive income and changes in retained earnings and the consolidated cash-flow statement for the year then ended, the statement of complementary and supplementary contributions and unspent funds, the summary of the Adaption for Smallholder Agriculture Programme Trust Fund and a summary of significant accounting policies and other explanatory information.

President's Responsibility for the Financial Statements

The President is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB), and for such internal control as the President determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova
Palermo Parma Roma Torino Treviso Verona

Sede Legale: Via Tortona, 25 - 20144 Milano - Capitale Sociale: Euro 10.328.220,00 i.v.
Codice Fiscale/Registro delle Imprese Milano n. 03049560166 - R.E.A. Milano n. 1720239
Partita IVA: IT 03049560166

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the International Fund for Agricultural Development as at December 31, 2015, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

DELOITTE & TOUCHE S.p.A.



Enrico Pietrarelli
Partner

Rome, February 29, 2016



Deloitte & Touche S.p.A.
Via della Camilluccia, 589/A
00135 Roma
Italia
Tel: +39 06 367491
Fax: +39 06 36749282
www.deloitte.it

INDEPENDENT AUDITOR'S REPORT

To the International Fund for Agricultural Development

We have examined management's assessment that the International Fund for Agricultural Development ("IFAD") maintained effective internal controls over financial reporting as of December 31, 2015, as contained in IFAD's Management Assertion Report on the effectiveness of internal controls over financial reporting, 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). 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 2015. Our responsibility is to express an opinion on management's assertion over the effectiveness of IFAD's internal control over financial reporting, based on our examination.

We conducted our examination in accordance with the International Standard on Assurance Engagements (ISAE) 3000. Our examination included obtaining an understanding of internal control over financial reporting, evaluating management's assessment and performing such other procedures as we considered necessary in the circumstances. We believe that our work provides a reasonable basis for our opinion.

An entity's internal control over financial reporting is a process designed by, or under the supervision of, the entity's principal executive and principal financial officers, or persons performing similar functions, and effected by the entity's board, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. An entity's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the entity; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the 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.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova
Palermo Parma Roma Torino Treviso Verona

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Partita IVA: IT 03049560166

In our opinion, management's assertion that IFAD maintained effective internal control over financial reporting, included within the Consolidated financial statements of IFAD as at 31 December 2015, 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, February 29, 2016

IFAD-only balance sheet at nominal value in United States dollars and retranslated in SDR

(as at 31 December 2015 and 2014)

<i>Assets</i>	<i>Thousands of US dollars</i>		<i>Thousands of SDR</i>	
	<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>
Cash on hand and in banks (note 4)	131 299	82 498	94 890	57 059
Investments (note 4)	1 393 862	1 607 861	1 007 344	1 112 077
Contributors' promissory notes (note 5)	213 119	285 519	154 021	197 479
Contributions receivable (note 5)	624 561	227 078	451 370	157 058
Less: provisions and qualified instruments of contribution	(174 357)	(204 361)	(126 009)	(141 344)
Net contribution and promissory notes receivables	663 323	308 236	479 382	213 193
Other receivables	151 089	148 747	109 192	102 878
Fixed and intangible assets	11 027	11 920	7 969	8 245
Loans outstanding (note 9 and appendix H)	6 270 436	6 269 276	4 531 645	4 336 139
Less: accumulated allowance for loan impairment losses (note 9(a))	(35 517)	(58 156)	(25 669)	(40 223)
Less: accumulated allowance for the HIPC Debt Initiative (note 11(b) and appendix I)	(27 624)	(36 808)	(19 964)	(25 458)
Net loans outstanding	6 207 294	6 174 312	4 486 012	4 270 458
Total assets	8 557 893	8 333 574	6 184 789	5 763 910

<i>Liabilities and equity</i>	<i>Thousands of US dollars</i>		<i>Thousands of SDR</i>	
	<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>
Liabilities				
Payables and liabilities	171 319	187 754	123 812	129 859
Undisbursed grants	68 057	74 951	49 185	51 839
Deferred revenues	73 225	68 449	52 920	47 343
Borrowing liabilities	162 948	-	117 762	-
Total liabilities	475 579	331 154	343 679	229 041
Equity				
Contributions				
Regular	7 884 776	7 254 395	7 309 220	6 417 836
Special	20 349	20 349	15 219	15 219
Total contributions (appendix G)	7 905 125	7 274 744	7 324 439	6 433 055
General Reserve	95 000	95 000	68 657	65 707
Retained earnings	82 219	632 676	(1 551 986)	(963 888)
Total equity	8 082 344	8 002 420	5 841 110	5 534 874
Total liabilities and equity	8 557 893	8 333 574	6 184 789	5 763 910

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.

Summary of contributions

	<i>Thousands of United States dollars</i>	
	2015	2014
Replenishments		
Initial contributions	1 017 371	1 017 373
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	962 978
Ninth Replenishment	976 894	964 947
Tenth Replenishment	590 197	244
Total IFAD	7 709 493	7 107 523
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	8 081 074	7 479 104
Complementary contributions		
Belgian Survival Fund	80 002	80 002
HIPC Debt Initiative	19 679	19 679
ASAP complementary contributions	302 854	297 480
Unrestricted complementary contributions Tenth Replenishment	10 199	-
Other complementary contributions	58 798	58 798
Total complementary contributions	471 532	455 959
HIPC contributions not made in the context of replenishment resources	262 738	262 738
Belgian Survival Fund contributions not made in the context of replenishment resources	63 836	63 836
Supplementary contributions^b		
Project cofinancing	390 919	383 198
Associate professional officer funds	46 928	44 694
Other supplementary funds	903 809	890 298
GEF	104 155	99 635
ASAP supplementary funds	1 976	1 276
Total supplementary contributions	1 447 787	1 419 101
Total contributions	10 326 867	9 627 738
Total contributions include the following:		
Total replenishment contributions (as above)	8 081 074	7 479 104
Less provisions	(168 446)	(168 448)
Less qualified instruments of contribution	(5 912)	(35 912)
Less DSF compensation	(1 591)	-
Total net replenishment contributions	7 905 125	7 274 744
Less fair value adjustment	(7 903)	(1 877)
Total replenishment contributions at fair value	7 897 222	7 272 867

^a Including Iceland's special contribution prior to membership and US\$20 million from OFID.

^b Includes interest earned according to each underlying agreement.

Statements of contributions

Statement of Members' contributions to Replenishments until IFAD9^a

As at 31 December 2015

Member States	Initial, First, Second, Third, Fourth, Fifth, Sixth, Seventh, and Eighth Replenishments (thousands of US dollars equivalent)	Ninth Replenishment					
		Currency	Instruments deposited		Payments (thousands of US dollars equivalent)		Total
			Amount (thousands)	Thousands of US dollars equivalent	Cash	Promissory notes	
Afghanistan	0						
Albania	50	US\$	10	10	10	10	
Algeria	62 430	US\$	10 000	10 000	10 000	10 000	
Angola	2 360	US\$	1 900	1 900	1 900	1 900	
Argentina	12 400	US\$	7 500	7 500	7 500	7 500	
Armenia	35	US\$	10	10	10	10	
Australia ^b	37 247		0	0			
Austria	69 995	EUR	16 000	20 177	20 177	20 177	
Azerbaijan	200	US\$	100	100	100	100	
Bangladesh	4 956	US\$	650	650	650	650	
Barbados	10		0	0			
Belgium	120 625	EUR	24 000	29 068	29 068	29 068	
Belize	205		0	0			
Benin	325	US\$	104	104	104	104	
Bhutan	165	US\$	30	30	30	30	
Bolivia (Plurinational State of)	1 500		0	0			
Bosnia and Herzegovina	165		0	0			
Botswana	560	US\$	135	135	135	135	
Brazil ^c	65 296	US\$	16 700	16 700	0	16 700	
Burkina Faso	359	US\$	125	125	125	125	
Burundi	90	US\$	10	10	10	10	
Cabo Verde	26	US\$	20	20	20	20	
Cambodia	840	US\$	210	210	210	210	
Cameroon	2 511	US\$	554	554	554	554	
Canada	277 706	CAD	75 000	72 575	72 575	72 575	
Central African Republic	11	EUR	2	3	3	3	
Chad	62	EUR	250	329	329	329	
Chile	860		0	0			
China	78 839	US\$	27 000	27 000	27 000	27 000	
Colombia	840	US\$	200	200	200	200	
Comoros ^d	31		0	0			
Congo	818		0	0			
Cook Islands	5		0	0			
Côte d'Ivoire	1 559	US\$	70	70	70	70	
Cuba	9		0	0			
Cyprus	252	US\$	60	60	20	20	
Democratic Republic of the Congo	1 580	US\$	290	290	290	290	
Denmark	138 210	DKK	85 000	14 404	14 404	14 404	
Djibouti	31		0	0			
Dominica	51		0	0			
Dominican Republic	88		0	0			
Ecuador	841	US\$	400	400	400	400	
Egypt	20 409	US\$	3 000	3 000	3 000	3 000	
El Salvador	100		0	0			
Eritrea	40	US\$	30	30	30	30	
Estonia	59		0	0			
Ethiopia	251	US\$	40	40	40	40	
Fiji	204	US\$	70	70	70	70	
Finland	56 538	EUR	12 000	15 358	15 358	15 358	

Statements of contributions

Statement of Members' contributions to Replenishments until IFAD9^a (cont.)

As at 31 December 2015

	<i>Initial, First, Second, Third, Fourth, Fifth, Sixth, Seventh, and Eighth Replenishments (thousands of US dollars equivalent)</i>	<i>Ninth Replenishment</i>					<i>Total</i>
		<i>Currency</i>	<i>Instruments deposited</i>		<i>Payments (thousands of US dollars equivalent)</i>		
			<i>Amount (thousands)</i>	<i>Thousands of US dollars equivalent</i>	<i>Cash</i>	<i>Promissory notes</i>	
France	285 024	EUR	35 000	44 750	44 750		44 750
Gabon	3 704	US\$	20	20	20		20
Gambia (The)	75	US\$	15	15	15		15
Germany	394 940	EUR	52 389	67 036	67 036		67 036
Ghana	2 066	US\$	400	400	260		260
Greece	4 196		0	0			
Grenada	75		0	0			
Guatemala	1 043		0	0			
Guinea	410	US\$	80	80	80		80
Guinea-Bissau	30		0	0			
Guyana	1 118	US\$	718	718	718		718
Haiti	107	US\$	90	90	90		90
Honduras	801		0	0			
Hungary	0	US\$	100	100	100		100
Iceland	350	US\$	25	25	25		25
India	105 497	US\$	30 000	30 000	30 000		30 000
Indonesia	51 959	US\$	10 000	10 000	6 000		6 000
Iran (Islamic Republic of) ^d	128 750		0	0			
Iraq ^d	56 099		0	0			
Ireland ^e	23 831	EUR	6 000	7 390	7 390		7 390
Israel	300	EUR	113	151	151		151
Italy	347 462	EUR	58 017	70 840	70 840		70 840
Jamaica	326		0	0			
Japan	434 908	JPY	5 930 003	51 375	26 727	24 648	51 375
Jordan	940	US\$	100	100	100		100
Kazakhstan	0	US\$	20	20	20		20
Kenya	4 718	US\$	472	472	472		472
Kiribati	5	EUR	10	14	14		14
Democratic People's Republic of Korea	800		0	0			
Kuwait	173 041	US\$	15 000	15 000	15 000		15 000
Lao People's Democratic Republic	306	US\$	51	51	51		51
Lebanon	495		0	0			
Lesotho	489	US\$	100	100	100		100
Liberia	39	US\$	25	25	25		25
Libya ^d	52 000		0	0			
Luxembourg	5 510	EUR	1 678	2 123	2 123		2 123
Madagascar	574	US\$	50	50	50		50
Malawi	123		0	0			
Malaysia	1 175		0	0			
Maldives	51		0	0			
Mali	286	EUR	71	92	92		92
Malta	55		0	0			
Mauritania	135		0	0			
Mauritius	275	US\$	5	5	5		5
Mexico	33 131	US\$	5 000	5 000	5 000		5 000
Mongolia	12	US\$	3	3	3		3
Morocco	7 244	US\$	700	700	700		700
Mozambique	485	US\$	85	85	85		85
Myanmar	250	EUR	4	5	5		5
Namibia	360		0	0			

Statements of contributions

Statement of Members' contributions to Replenishments until IFAD9^a (cont.)

As at 31 December 2015

	<i>Initial, First, Second, Third, Fourth, Fifth, Sixth, Seventh, and Eighth Replenishments (thousands of US dollars equivalent)</i>	<i>Ninth Replenishment</i>					
		<i>Currency</i>	<i>Instruments deposited</i>		<i>Payments (thousands of US dollars equivalent)</i>		<i>Total</i>
			<i>Amount (thousands)</i>	<i>Thousands of US dollars equivalent</i>	<i>Cash</i>	<i>Promissory notes</i>	
Nepal	210	US\$	60	60	60	60	
Netherlands	344 656	US\$	75 000	75 000	75 000	75 000	
New Zealand	7 991	US\$	3 588	3 588	3 588	3 588	
Nicaragua	119	US\$	200	200	200	200	
Niger	275		0	0			
Nigeria	121 459	US\$	7 500	7 500	7 500	7 500	
Norway	221 787	NOK	270 000	43 221	43 221	43 221	
Oman	300	US\$	50	50	50	50	
Pakistan	22 934	US\$	8 000	8 000	8 000	8 000	
Panama	224	US\$	25	25	25	25	
Papua New Guinea	170		0	0			
Paraguay	1 206	US\$	150	150	150	150	
Peru	1 260	US\$	375	375	375	375	
Philippines	1 978	US\$	200	200	200	200	
Portugal	4 384		0	0			
Qatar	39 980		0	0			
Republic of Korea	19 239	US\$	6 900	6 900	6 900	6 900	
Republic of Moldova	45	US\$	30	30	30	30	
Romania	250		0	0			
Russian Federation	0	US\$	6 000	6 000	6 000	6 000	
Rwanda	221	US\$	50	50	50	50	
Saint Kitts and Nevis	20		0	0			
Saint Lucia	22		0	0			
Samoa	50		0	0			
Sao Tome and Principe	10		0	0			
Saudi Arabia	409 778	US\$	23 000	23 000	23 000	23 000	
Senegal	564	EUR	140	190	190	190	
Seychelles	20	US\$	50	50	50	50	
Sierra Leone	37		0	0			
Solomon Islands	10		0	0			
Somalia	10		0	0			
South Africa	1 413	US\$	500	500	500	500	
Southern Sudan	0	EUR	8	10	10	10	
Spain	101 664		0	0			
Sri Lanka	8 886	US\$	1 001	1 001	1 001	1 001	
Sudan	1 139	EUR	175	233	233	233	
Swaziland	273	US\$	20	20	20	20	
Sweden	255 168	SEK	460 560	65 429	65 429	65 429	
Switzerland	139 448	CHF	28 500	30 996	30 996	30 996	
Syrian Arab Republic	1 817		0	0			
Tajikistan ^a	1	US\$	1	1	1	1	
Thailand	1 200	US\$	300	300	300	300	
Togo	35	EUR	76	98	98	98	
Tonga	55		0	0			
Tunisia	3 778	US\$	750	750	750	750	
Turkey	17 436	US\$	1 200	1 200	1 200	1 200	
Uganda	380	US\$	50	50	50	50	
United Arab Emirates	53 180	US\$	1 000	1 000	1 000	1 000	
United Kingdom	272 907	GBP	51 133	80 745	80 745	80 745	
United Republic of Tanzania	444	US\$	120	120	120	120	
United States ^c	791 674	US\$	90 000	90 000	54 000	34 481	88 481
Uruguay	525	US\$	200	200	200	200	
Uzbekistan	10	US\$	15	15	15	15	
Venezuela (Bolivarian Republic of)	196 258		0	0			

Statements of contributions

Statement of Members' contributions^a to Replenishments until IFAD9^a (cont.)

As at 31 December 2015

	<i>Initial, First, Second, Third, Fourth, Fifth, Sixth, Seventh, and Eighth Replenishments (thousands of US dollars equivalent)</i>	<i>Ninth Replenishment</i>					
		<i>Instruments deposited</i>			<i>Payments (thousands of US dollars equivalent)</i>		<i>Total</i>
		<i>Currency</i>	<i>Amount (thousands)</i>	<i>Thousands of US dollars equivalent</i>	<i>Cash</i>	<i>Promissory notes</i>	
Viet Nam	2 103	US\$	600	600	600	600	
Yemen	3 377	US\$	972	97	972	972	
The former Yugoslav Republic of Macedonia	108		0	0			
Zambia	494	US\$	100	100	100	100	
Zimbabwe	2 103		0				
Total contributions 31 December 2015	6 142 402			976 894	895 366	75 829	971 195
Prior year	6 142 332			964 947	634 150	195 598	829 748

^a Payments include cash and promissory notes. Amounts are expressed in thousands of United States dollars, therefore payments received for less than US\$500 are not shown in appendix G. Consequently, contributions from Afghanistan (US\$93) and Tajikistan (US\$400) do not appear above.

^b Australia's withdrawal from membership of IFAD became effective on 31 July 2007.

^c See appendix D, note 5(a).

^d See appendix D, notes 6(a) and (b).

^e In addition to its pledge to the Eighth Replenishment of EUR 6 million, Ireland has made a further contribution of EUR 891,000.

Statement of Members' contributions to IFAD10

As at 31 December 2015

	Tenth Replenishment						Receivables
	Instruments Deposited		Payments (thousands of US dollars equivalent)				
	Currency	Amount (thousands)	Thousands of US dollars equivalent	Cash	Promissory Notes	Total	
Member States							
Armenia	US\$	5	5	5	0	5	-
Burkina Faso	US\$	125	125	-	0	-	125
Burundi	US\$	10	10	10	0	10	-
Cambodia	US\$	315	315	315	0	315	-
Canada	CAD	75 000	54 501	9 508	0	9 508	44 993
China	US\$	60 000	60 000	-	0	-	60 000
Côte d'Ivoire	US\$	6	6	6	0	6	0
Cuba	EUR	44	48	48	0	48	0
Cyprus	US\$	60	60	-	0	-	60
Djibouti	US\$	6	6	6	0	6	0
Timor-Leste	US\$	100	100	100	0	100	0
Finland	EUR	13 000	14 122	-	0	0	14 122
France	EUR	35 000	38 021	-	0	0	38 021
Georgia	US\$	30	30	30	0	30	-
Germany	EUR	52 389	56 910	-	0	-	56 910
Guatemala	US\$	500	500	125	0	125	375
Guinea	US\$	40	40	40	0	40	-
Guyana	US\$	240	240	240	0	240	-
India	US\$	37 000	37 000	13 000	0	13 000	24 000
Japan	JPY	5 903 108	49 072	-	24 536	24 536	24 536
Kazakhstan	US\$	10	10	10	0	10	-
Kenya	US\$	500	500	18	0	18	482
Lao People's Democratic Republic	US\$	61	61	61	0	61	-
Liberia	US\$	25	25	25	0	25	-
Maldives	US\$	50	50	15	0	15	35
Mauritania	US\$	49	49	49	0	49	-
Mexico	US\$	5 000	5 000	1 667	0	1 667	3 333
Micronesia	US\$	1	1	1	0	1	-
Nepal	US\$	75	75	75	0	75	-
Netherlands	US\$	75 221	75 221	-	0	-	75 221
Nicaragua	US\$	50	50	50	0	50	-
Norway	NOK	315 000	35 588	0	0	0	35 588
Paraguay	US\$	200	200	0	0	0	200
Russian Federation	US\$	6 000	6 000	0	0	0	6 000
Rwanda	US\$	50	50	50	0	50	0
Saudi Arabia	US\$	23 000	23 000	-	23 000	23 000	0
Senegal	EUR	34	43	43	0	43	0
Sri Lanka	US\$	1	1	1	0	1	0
Sudan	US\$	237	237	237	0	237	0
Switzerland	CHF	45 086	45 041	-	0	-	45 041
Tajikistan	US\$	0	0	0	0	0	0
United Republic of Tanzania	US\$	108	108	108	0	108	0
Togo	US\$	33	33	33	0	33	0
United Arab Emirates	US\$	3 000	3 000	0	0	0	3 000
United Kingdom	GBP	57 077	84 126	0	0	0	84 126
Viet Nam	US\$	600	600	0	0	0	600
Total contribution 31 December 2015			590 197	25 876	47 536	73 412	516 798
Prior year			244	244		244	

Special Programme for Africa

As at 31 December 2015

	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	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 2015			288 868		62 364	351 232
31 December 2014			288 868		62 364	351 232

Statement of Members' replenishment contributions received in 2015^a

As at 31 December 2015 and 2014
(Thousands of United States dollars)

Member States	Instruments deposited ^{b,c}	Promissory note deposit ^c	Payments	
			Cash	Promissory note encashment
IFAD8				
Brazil				167
Cameroon			71	
Total IFAD8	0	0	71	167
IFAD9				
Algeria			3 500	
Argentina			7 500	
Austria				5 942
Bangladesh				228
Belgium			8 560	
Botswana			45	
Cameroon			554	
China			7 000	
Colombia			200	
Cyprus			20	
Denmark			4 267	
Ecuador			100	
Finland			4 560	
France			13 090	
Germany				21 219
Ghana			140	
Indonesia			3 561	
Ireland			2 170	
Italy			21 463	
Japan				12 237
Kenya			354	
Republic of Korea			2 900	
Kuwait				5 250
Luxembourg			666	
Morocco				350
Netherlands				25 000
New Zealand			1 173	
Nicaragua			100	
Nigeria			7 500	
Norway			11 859	
Pakistan				2 667
Panama			8	
Philippines			100	
Russian Federation			3 000	
Saudi Arabia				11 000
Sri Lanka			333	
Sweden				17 968
Switzerland			9 821	
Tunisia			265	
Turkey			126	
United Arab Emirates			350	
United Kingdom				25 866
United States		30 000		18 000
Uzbekistan			5	
Viet Nam			200	
Total IFAD9		30 000	115 490	145 727

Statement of Members' replenishment contributions received in 2015^a

As at 31 December 2015 and 2014
(Thousands of United States dollars)

Member States	Instruments deposited ^{b,c}	Promissory note deposit ^f	Payments	
			Cash	Promissory note encashment
IFAD10				
Armenia			5	
Burkina Faso	125			
Burundi			10	
Georgia			30	
Cambodia			315	
Canada	56 961		9 508	
China	60 000			
Cuba			48	
Cyprus	60			
Finland	14 600			
France	37 005			
Germany	58 416			
Guatemala	500		125	
Guinea			40	
Guyana			240	
India	37 000		13 000	
Japan	47 476	24 756		
Kazakhstan			10	
Kenya	500		18	
Lao People's Democratic Republic			61	
Liberia			25	
Maldives	50		15	
Mauritania			49	
Mexico	5 000		1 667	
Micronesia			1	
Nepal			75	
Netherlands	75 221			
Nicaragua			50	
Norway	39 100			
Paraguay	200			
Rwanda			50	
Russian Federation	6 000			
Saudi Arabia	23 000	23 000		
Sudan			237	
Sri Lanka			1	
Switzerland	46 478			
Tajikistan ^a				
Timor-Leste			50	
Togo			33	
United Arab Emirates	3 000			
United Kingdom	84 945			
Viet Nam	600			
Total IFAD10	596 237	47 756	25 633	
Grand total	596 237	77 756	141 194	145 894

^a Amounts are expressed in thousands of United States dollars, therefore the payment from Tajikistan (US\$150) for the Tenth Replenishment does not appear.

^b Instruments deposited also include equivalent instruments recorded on receipt of cash or promissory note where no instrument of contribution has been received.

^c Instruments deposited and promissory note deposits received in currencies other than United States dollars are translated at the date of receipt.

1. IFAD: Statement of outstanding loans

As at 31 December 2015 and 2014

<i>Borrower or guarantor</i>	<i>Approved loans less cancellations</i>	<i>Disbursed portion</i>	<i>Undisbursed portion</i>	<i>Repayments</i>	<i>Outstanding loans</i>
US\$ loans (expressed in thousands)					
Bangladesh	30 000	30 000	-	20 250	9 750
Cabo Verde	2 003	2 003	-	1 352	651
Haiti	3 500	3 500	-	2 406	1 094
Nepal	11 538	11 538	-	7 794	3 744
Sri Lanka	12 000	12 000	-	8 400	3 600
United Republic of Tanzania	9 488	9 488	-	6 523	2 965
Subtotal^a	68 529	68 529	-	46 725	21 804
Euro loans (expressed in thousands)					
Bosnia and Herzegovina	11 120	-	11 120	-	-
China	73 100	5 000	68 100	-	5 000
Ecuador	14 250	-	14 250	-	-
Egypt	50 250	3 080	47 170	-	3 080
El Salvador	10 850	-	10 850	-	-
Fiji	3 100	-	3 100	-	-
Indonesia	93 150	-	93 150	-	-
Mexico	5 870	-	5 870	-	-
Paraguay	15 800	-	15 800	-	-
Philippines	50 110	-	50 110	-	-
Swaziland	8 550	-	8 550	-	-
Turkey	15 950	-	15 950	-	-
Venezuela (Bolivarian Republic of)	6 810	-	6 810	-	-
Total euro	358 910	8 080	350 830	0	8 080
US\$ equivalent	389 884	8 777	381 107	0	8 777
SDR loans^a (expressed in thousands)					
Albania	34 975	34 525	450	7 345	27 180
Angola	24 891	15 148	9 743	3 587	11 561
Argentina	31 343	29 487	1 856	12 521	16 966
Armenia	61 562	50 797	10 766	6 630	44 167
Azerbaijan	44 905	41 616	3 290	3 330	38 286
Bangladesh	443 346	330 670	112 676	82 852	247 818
Belize	3 067	2 511	556	1 543	968
Benin	100 357	74 825	25 532	23 973	50 852
Bhutan	38 496	32 602	5 894	6 940	25 662
Bolivia (Plurinational State of)	72 572	49 782	22 790	14 858	34 924
Bosnia and Herzegovina	48 251	38 102	10 149	6 577	31 525
Botswana	2 600	372	2 228	260	112
Brazil	127 837	50 231	77 606	24 566	25 665
Burkina Faso	88 255	71 959	16 295	15 648	56 311
Burundi	40 859	40 859	-	13 681	27 178
Cabo Verde	20 191	14 768	5 424	3 154	11 614
Cambodia	62 954	37 868	25 086	3 936	33 932
Cameroon	67 260	46 636	20 624	8 183	38 453
Central African Republic	26 494	24 880	1 614	10 232	14 648
Chad	18 139	17 384	755	1 851	15 533
China	519 795	451 408	68 387	101 783	349 625
Colombia	32 024	14 359	17 664	3 518	10 841
Comoros	4 182	4 182	0	1 765	2 417
Congo	51 793	38 270	13 522	11 425	26 845
Côte d'Ivoire	27 645	16 961	10 684	4 224	12 737
Cuba	20 838	14 357	6 481	5 129	9 228
Democratic People's Republic of Korea	50 496	50 496	-	10 525	39 971
Democratic Republic of the Congo	23 092	13 183	9 909	292	12 891
Djibouti	7 146	4 778	2 368	1 202	3 576
Dominica	2 902	2 902	0	2 417	485
Dominican Republic	27 444	16 800	10 644	8 279	8 521
Ecuador	37 376	29 782	7 594	9 024	20 758

<i>Borrower or guarantor</i>	<i>Approved loans less cancellations</i>	<i>Disbursed portion</i>	<i>Undisbursed portion</i>	<i>Repayments</i>	<i>Outstanding loans</i>
Egypt	197 593	127 107	70 486	53 331	73 776
El Salvador	68 418	60 381	8 037	23 853	36 528
Equatorial Guinea	5 794	5 794	-	4 803	991
Eritrea	23 892	23 892	-	3 871	20 021
Ethiopia	255 766	197 309	58 457	37 539	159 770
Gabon	3 800	3 362	438	1 151	2 211
Gambia (The)	34 239	29 188	5 052	8 416	20 772
Georgia	32 569	23 663	8 906	2 544	21 119
Ghana	156 776	116 090	40 687	23 626	92 464
Grenada	4 400	3 473	926	1 815	1 658
Guatemala	42 686	25 225	17 461	21 104	4 121
Guinea-Bissau	8 487	5 208	3 279	2 956	2 252
Guinea	64 283	64 160	123	19 865	44 295
Guyana	8 523	8 522	-	2 033	6 489
Haiti	60 221	56 146	4 075	17 481	38 665
Honduras	89 240	69 096	20 143	16 775	52 321
India	624 269	409 189	215 080	137 186	272 003
Indonesia ^b	161 436	131 878	29 557	23 062	108 816
Jordan	32 956	24 787	8 169	18 257	6 530
Kenya	175 494	89 476	86 018	11 203	78 273
Kyrgyzstan	20 797	9 201	11 596	2 033	7 168
Lao People's Democratic Republic	49 353	48 561	792	11 407	37 154
Lebanon	6 429	4 590	1 839	3 690	900
Lesotho	30 852	24 796	6 056	6 284	18 512
Liberia	29 360	12 025	17 335	2 040	9 985
Madagascar ^b	167 975	110 913	57 062	22 877	88 036
Malawi ^b	103 280	72 289	30 991	23 612	48 677
Maldives	10 843	10 113	730	2 516	7 597
Mali	127 797	92 906	34 892	24 711	68 195
Mauritania	49 971	44 924	5 047	11 003	33 921
Mauritius	8 527	8 527	0	6 313	2 214
Mexico	48 232	35 975	12 257	21 967	14 008
Mongolia	20 689	18 176	2 513	1 887	16 289
Morocco	84 731	45 069	39 662	27 358	17 711
Mozambique	144 058	110 601	33 457	24 455	86 146
Myanmar	32 150	1 078	31 072	-	1 078
Nepal	109 907	73 281	36 626	27 337	45 944
Nicaragua	49 620	43 405	6 215	7807	35 598
Niger	73 720	55 067	18 653	10 039	45 028
Nigeria	179 949	82 641	97 308	11 750	70 891
Pakistan	303 416	205 868	97 549	56 309	149 559
Panama	2 600	832	1 768	780	52
Papua New Guinea	23 450	4 132	19 318	-	4 132
Paraguay	16 318	13 059	3 259	393	12 666
Peru	61 083	53 114	7 968	29 217	23 897
Philippines	85 200	68 631	16 569	9 810	58 821
Republic of Moldova	55 998	46 379	9 620	1 840	44 539
Romania	12 400	12 400	-	9 920	2 480
Rwanda ^b	109 897	99 583	10 314	21 015	78 568
Saint Lucia	1 242	1 242	-	1 206	36
Samoa	1 908	1 908	-	864	1 044
Sao Tome and Principe	13 761	13 761	-	3 681	10 080
Senegal	114 388	80 412	33 976	12 814	67 598
Seychelles	1 980	370	1 610	-	370
Sierra Leone	45 835	39 664	6 171	12 275	27 389
Solomon Islands	4 069	2 519	1 550	1 249	1 270
Somalia	17 710	17 710	-	411	17 299
Sri Lanka	160 181	117 704	42 477	26 432	91 272
Sudan	145 627	139 553	6 074	35 840	103 713
Swaziland	15 950	14 190	1 760	7 149	7 041
Syrian Arab Republic	64 664	33 614	31 051	19 705	13 909
The former Yugoslav Republic of Macedonia	11 721	11 721	-	2 788	8 933
Tajikistan	6 200	-	6 200	-	-
Togo	24 583	18 079	6 504	8 168	9 911
Tonga	4 837	4 837	-	1 948	2 889
Tunisia	61 318	40 588	20 730	25 043	15 545
Turkey	55 579	33 697	21 883	14 083	19 614
Uganda	251 033	174 009	77 024	34 964	139 045
United Republic of Tanzania	266 408	176 805	89 603	22 550	154 255

<i>Borrower or guarantor</i>	<i>Approved loans less cancellations</i>	<i>Disbursed portion</i>	<i>Undisbursed portion</i>	<i>Repayments</i>	<i>Outstanding loans</i>
Uruguay	12 902	10 677	2 225	8 068	2 609
Uzbekistan	23 190	2 545	20 645	-	2 545
Venezuela (Bolivarian Republic of)	14 586	10 450	4 136	7 257	3 193
Viet Nam	216 901	173 765	43 136	14 735	159 030
Yemen	138 389	138 389	-	47 689	90 700
Zambia	119 634	90 606	29 027	23 213	67 393
Zimbabwe	26 511	26 511	-	4 772	21 739
Total	8 053 638	5 919 908	2 133 731	1 557 395	4 362 513
Fund for Gaza and the West Bank ^c	2 513	2 513	0	713	1 800
Total SDR	8 056 151	5 922 421	2 133 731	1 558 108	4 364 313
US\$ equivalent	11 147 296	8 194 853	2 952 444	2 155 953	6 038 900
Total loans 31 December 2015 US\$ at nominal value	11 605 710	8 272 160	3 333 550	2 202 679	6 069 482
Other receivables					13 001
Fair value adjustment					(1 127 016)
31 December 2015 US\$ at fair value	11 605 710	8 272 160	3 333 550	2 202 679	4 955 466
Total loans 31 December 2014 US\$ at nominal value	11 249 453	8 240 438	3 009 015	2 196 610	6 060 591
Fair value adjustment					(1 162 213)
December 2014 US\$ at fair value					4 897 378

^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 1.3837 at 31 December 2015. During 2015, 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 0.9205560 at 31 December 2015.

^b Repayment amounts include participation by the Netherlands and Norway in specific loans to these countries, resulting in partial early repayment and a corresponding increase in committable resources.

^c The amount of the loan to the Fund for Gaza and West Bank is included in the above balance. See appendix D, note 2(e)(ii).

2. IFAD: Summary of loans approved at nominal value

As at 31 December 2015

Approved loans in thousands of SDR					Value in thousands of United States dollars					
		As at 1 January 2015	Loans cancelled	Loans fully repaid	As at 31 December 2015	As at 1 January 2015	Loans cancelled	Loans fully repaid	Exchange rate movement SDR/US\$	As at 31 December 2015
1978	US\$	68 530	-	-	68 530	68 530	-	-	-	68 530
1979	SDR	201 485	-	-	201 485	291 310	-	-	(12 516)	278 794
1980	SDR	176 647	-	-	176 647	255 400	-	-	(10 973)	244 427
1981	SDR	193 026	-	(10 780)	182 246	279 081	-	(15 051)	(11 856)	252 174
1982	SDR	103 109	-	-	103 109	149 077	-	-	(6 405)	142 672
1983	SDR	146 412	-	(14 322)	132 090	211 685	-	(19 996)	(8 916)	182 773
1984	SDR	131 907	-	-	131 907	190 713	-	-	(8 193)	182 520
1985	SDR	60 332	-	-	60 332	87 229	-	-	(3 748)	83 481
1986	SDR	23 663	-	-	23 663	34 212	-	-	(1 469)	32 743
1987	SDR	60 074	-	-	60 074	86 857	-	-	(3 732)	83 125
1988	SDR	52 100	-	-	52 100	75 328	-	-	(3 237)	72 091
1989	SDR	98 066	-	(11 860)	86 206	141 785	-	(16 559)	(5 943)	119 283
1990	SDR	47 203	-	(7 139)	40 064	68 246	-	(9 967)	(2 843)	55 436
1991	SDR	98 025	-	-	98 025	141 727	-	-	(6 089)	135 638
1992	SDR	98 917	-	(19 030)	79 887	143 016	-	(26 569)	(5 907)	110 540
1993	SDR	132 763	-	(10 523)	122 240	191 951	-	(14 692)	(8 115)	169 144
1994	SDR	123 788	-	(1 191)	122 597	178 975	-	(1 663)	(7 674)	169 638
1995	SDR	193 343	-	(18 830)	174 513	279 539	-	(26 290)	(11 775)	241 474
1996	SDR	205 445	-	(4 670)	200 775	297 036	-	(6 520)	(12 704)	277 812
1997	SDR	260 836	-	-	260 836	377 121	-	-	(16 202)	360 919
1998	SDR	267 020	(441)	-	266 578	386 062	(612)	-	(16 585)	368 865
1999	SDR	275 119	-	-	275 119	397 772	-	-	(17 090)	380 682
2000	SDR	272 919	-	-	272 919	394 591	-	-	(16 953)	377 638
2001	SDR	258 403	(1 008)	(8 203)	249 192	373 604	(1 397)	(11 453)	(15 947)	344 807
2002	SDR	237 009	(2 134)	-	234 875	342 671	(2 957)	-	(14 718)	324 996
2003	SDR	224 993	(1 400)	-	223 593	325 299	(1 941)	-	(13 973)	309 385
2004	SDR	257 099	(2 504)	-	254 595	371 718	(3 469)	-	(15 966)	352 283
2005	SDR	315 154	(489)	-	314 666	455 656	(677)	-	(19 576)	435 403
2006	SDR	339 145	(17 949)	-	321 196	490 341	(24 872)	-	(21 030)	444 439
2007	SDR	273 498	(321)	-	273 177	395 428	(445)	-	(16 988)	377 995
2008	SDR	268 433	(409)	-	268 024	388 105	(567)	-	(16 673)	370 865
2009	SDR	277 731	-	-	277 731	401 548	-	-	(17 252)	384 296
2010	SDR	426 485	(7 209)	-	419 276	616 620	(9 990)	-	(26 478)	580 152
2011	SDR	459 940	(4 665)	-	455 275	664 990	(6 464)	-	(28 562)	629 964
2012	SDR	411 080	(2 793)	-	408 287	594 347	(3 900)	-	(25 501)	564 946
2013	SDR	353 686	-	-	353 686	511 365	-	-	(21 970)	489 395
2014	SDR	337 626	-	-	337 625	488 148	-	-	(20 975)	467 173
2015	SDR	-	-	-	541 541	-	-	-	-	749 328
2014	EUR	84 600	-	-	84 600	102 370	-	-	(10 469)	91 901
2015	EUR	-	-	-	274 310	-	-	-	-	297 983
Total	US\$	68 530			68 530	68 530				68 530
Total	SDR	7 662 481	(41 322)	(106 548)	8 056 151	11 078 553	(57 291)	(148 760)	(474 534)	11 147 296
Total	EUR	84 600			358 910	102 370			(10 469)	389 884
Total		7 815 611	(41 322)	(106 548)	8 483 591	11 249 453	(57 290)	(148 760)	(485 005)	11 605 710

3. IFAD: Maturity structure of outstanding loans by period at nominal value

As at 31 December 2015 and 2014
(Thousands of United States dollars)

<i>Period due</i>	<i>2015</i>	<i>2014</i>
Less than 1 year	280 639	292 216
1-2 years	259 631	244 651
2-3 years	275 687	262 666
3-4 years	284 527	271 485
4-5 years	281 677	274 127
5-10 years	1 437 851	1 376 767
10-15 years	1 229 942	1 214 643
15-20 years	963 942	981 025
20-25 years	679 358	712 754
More than 25 years	376 228	413 494
Total	6 069 481	6 043 828

4. IFAD: Summary of outstanding loans by lending type at nominal value

As at 31 December 2015 and 2014
(Thousands of United States dollars)

	<i>2015</i>	<i>2014</i>
Highly concessional terms	5 481 409	5 518 388
Hardened terms	23 220	19 810
Intermediate terms	217 821	234 858
Ordinary terms	335 203	266 106
Blended terms	11 829	4 666
Total	6 069 481	6 043 828

5. Disbursement structure of undisbursed loans at nominal value

Projected as at 31 December 2015 and 2014
(Thousands of United States dollars)

<i>Disbursements in</i>	<i>2015</i>	<i>2014</i>
Less than 1 year	507 758	634 006
1-2 years	507 497	572 502
2-3 years	477 287	493 453
3-4 years	423 364	425 205
4-5 years	363 031	339 102
5-10 years	1 054 613	544 747
Total	3 333 550	3 009 015

6. Special Programme for Africa: Statement of loans at nominal value

As at 31 December 2015 and 2014

<i>Borrower or guarantor</i>	<i>Approved loans less cancellations</i>	<i>Disbursed portion</i>	<i>Undisbursed portion</i>	<i>Repayments</i>	<i>Outstanding loans</i>
SDR loans (expressed in thousands)					
Angola	2 714	2 714	-	941	1 773
Burkina Faso	10 546	10 546	-	4 350	6 196
Burundi	4 494	4 494	-	1 419	3 075
Cabo Verde	2 183	2 183	-	849	1 334
Chad	9 617	9 617	-	3 649	5 968
Comoros	2 289	2 289	-	841	1 448
Djibouti	114	114	-	46	68
Ethiopia	6 660	6 660	-	3 011	3 649
Gambia (The)	2 638	2 638	-	1 055	1 583
Ghana	22 321	22 321	-	8 507	13 814
Guinea-Bissau	2 126	2 126	-	1 010	1 116
Guinea	10 762	10 762	-	4 574	6 188
Kenya	12 241	12 241	-	4 327	7 914
Lesotho	7 481	7 481	-	2 899	4 582
Madagascar	1 098	1 098	-	384	714
Malawi	5 777	5 777	-	1 734	4 043
Mali	10 193	10 193	-	4 586	5 607
Mauritania	19 020	19 020	-	7 863	11 157
Mozambique	8 291	8 291	-	3 835	4 456
Niger	11 119	11 119	-	4 927	6 192
Senegal	23 234	23 234	-	8 902	14 332
Sierra Leone	1 505	1 505	-	489	1 016
Sudan	26 012	26 012	-	10 118	15 894
Uganda	8 124	8 124	-	3 656	4 468
United Republic of Tanzania	6 789	6 789	-	2 716	4 073
Zambia	8 607	8 607	-	3 847	4 760
Total	225 955	225 955	-	90 535	135 420
US\$ equivalent	312 658	312 658	-	125 274	187 384
Other receivables					570
Fair value adjustment					(61 097)
31 December 2015 US\$ at fair value					126 857
31 December 2014 US\$ at nominal value	326 694	326 694	-	119 471	208 685
Fair value adjustment					(71 385)
31 December 2014 US\$ at fair value					137 300

7. Special Programme for Africa: Summary of loans approved at nominal value

As at 31 December 2015

		<i>Approved loans in thousands of SDRs</i>			<i>Value in thousands of United States dollars</i>			
		<i>As at 1 January 2015</i>	<i>Loans cancelled</i>	<i>As at 31 December 2015</i>	<i>As at 1 January 2015</i>	<i>Loans cancelled</i>	<i>Exchange rate movement SDR/US\$</i>	<i>As at 31 December 2015</i>
1986	SDR	24 902	-	24 902	36 005	-	(1 548)	34 457
1987	SDR	41 292	-	41 292	59 700	-	(2 565)	57 135
1988	SDR	34 770	-	34 770	50 270	-	(2 158)	48 112
1989	SDR	25 756	-	25 756	37 238	-	(1 600)	35 638
1990	SDR	17 370	-	17 370	25 113	-	(1 078)	24 035
1991	SDR	18 246	-	18 246	26 384	-	(1 137)	25 247
1992	SDR	6 952	-	6 952	10 051	-	(432)	9 620
1993	SDR	34 268	-	34 268	49 545	-	(2 128)	47 418
1994	SDR	16 320	-	16 320	23 596	-	(1 013)	22 583
1995	SDR	6 079	-	6 079	8 793	-	(382)	8 411
Total	SDR	225 955	-	225 955	326 694	-	(14 040)	312 658

8. Special Programme for Africa: Maturity structure of outstanding loans by period at nominal value

As at 31 December 2015 and 2014

(Thousands of United States dollars)

<i>Period due</i>	<i>2015</i>	<i>2014</i>
Less than 1 year	8 040	11 429
1-2 years	8 038	8 399
2-3 years	8 038	8 399
3-4 years	8 038	8 399
4-5 years	8 038	8 399
5-10 years	40 191	41 995
10-15 years	40 191	41 995
15-20 years	39 107	41 676
20-25 years	23 374	29 260
More than 25 years	4 329	7 272
Total	187 384	207 223

9. Special Programme for Africa: Summary of outstanding loans by lending type at nominal value

As at 31 December 2015 and 2014

(Thousands of United States dollars)

	<i>2015</i>	<i>2014</i>
Highly concessional terms	187 384	207 223
Total	187 384	207 223

IFAD-only statement of grants

As at 31 December 2015 and 2014
(Thousands of United States dollars)

	<i>Undisbursed as at 1 January 2015</i>	<i>2015 movements</i>			<i>Exchange rate</i>	<i>Undisbursed as at 31 December 2015</i>
		<i>Disbursable</i>	<i>Disbursements</i>	<i>Cancellations</i>		
Other grants	74 951	46 402	(48 204)	(4 223)	(869)	68 057
Fair value adjustment						(1 629)
Total 2015 at fair value						66 428
Total 2014	82 814	53 389	(56 159)	(3 645)	(1 448)	74 951
Fair value adjustment						(1 418)
Total 2014 at fair value						73 533

IFAD-only Debt Sustainability Framework

As at 31 December 2015 and 2014

(Thousands of United States dollars)

<i>Borrower or guarantor</i>	<i>Undisbursed as at 1 January 2015</i>	<i>Effective/ (cancellations) 2015</i>	<i>Disbursements 2015</i>	<i>Exchange difference</i>	<i>Undisbursed as at 31 December 2015</i>
DSF projects denominated in US\$	1 776	(178)	(127)	-	1 471
SDR Debt Sustainability Framework					
Afghanistan	33 160	3 910	(6 295)		30 775
Benin	10 260	-	(1 578)		8 682
Burkina Faso	46 156	-	(1 531)		44 625
Burundi	19 556	(139)	(5 812)		13 605
Cambodia	7 259	(157)	(4 779)		2 323
Central African Republic	2 058	-	(443)		1 615
Chad	4 390	11 150	(3 721)		11 819
Comoros	126	-	-		126
Congo	1 549	-	(207)		1 342
Côte d'Ivoire	11 277	11 280	(3 615)		18 942
Democratic Republic of the Congo	51 201	-	(6 581)		44 620
Djibouti	63	-	(63)		-
Eritrea	14 117	(431)	(3106)		10 580
Ethiopia	19 563	-	(5 846)		13 717
Gambia (The)	10 796	-	(1 802)		8 994
Guinea-Bissau	989	2 381	(91)		3 279
Guinea	2 729	15 175	(1 661)		16 243
Guyana	252	-	(252)		-
Haiti	9 799	-	(1 019)		8 780
Kyrgyzstan	12 524	-	(1373)		11 151
Kiribati	-	1 940	(227)		1 713
Lao People's Democratic Republic	11 532	-	(3 809)		7 723
Lesotho	2 758	-	(530)		2 228
Liberia	48	-	-		48
Malawi	15 070	-	(3 971)		11 099
Maldives	1 423	-	-		1 423
Mali	10 410	-	(596)		9 814
Mauritania	6 911	-	(1 864)		5 047
Nepal	15 117	6 470	(1 572)		20 015
Nicaragua	8 313	-	(2 117)		6 196
Niger	159	17 091	(150)		17 100
Rwanda	14 497	-	(4 181)		10 316
Sao Tome and Principe	2 340	-	(1 030)		1 310
Sierra Leone	10 174	-	(4 003)		6 171
South Sudan	3 215	-	(2 504)		711
Sudan	12 497	18 620	(5 458)		25 659
Tajikistan	11 000	-	(6 224)		4 776
Timor-Leste	171	-	(169)		2
Togo	1 372	7 018	(1 211)		7 179
Tonga	1 730	-	(299)		1 431
Yemen	14 622	-	-		14 622
Subtotal SDR DSF	401 183	94 308	(89 690)		405 801
Subtotal SDR DSF (US\$ equivalent)	555 117	130 493	(124 105)		561 507
2015 Total US\$ and SDR DSF	556 893	130 318	(124 232)		562 979
Exchange difference			(1 354)		
Total 2015 disbursements			(125 586)		
2014 Total US\$ and SDR DSF	588 787	143 176	(157 342)	100	581 815

Summary of the Heavily Indebted Poor Countries Debt Initiative

As at 31 December 2015, the cumulative position of the debt relief provided and estimated to be provided under both the original and the enhanced Heavily Indebted Poor Countries Debt Initiative is as follows:
(Thousands of United States dollars)

	<i>Debt relief provided to 31 December 2015</i>		<i>Debt relief to be provided as approved by the Executive Board</i>			
	<i>Principal</i>	<i>Interest</i>	<i>To be covered by IFAD</i>		<i>To be covered by</i>	
			<i>Principal</i>	<i>Interest</i>	<i>World Bank contribution</i>	<i>Total debt relief</i>
Completion point countries						
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	6 664	1 840	2 903	470	3 692	15 569
Cameroon	3 074	727	-	-	-	3 801
Comoros	563	111	638	88	975	2 375
Central African Republic	8 675	2 750	415	86	619	12 545
Chad	264	51	2 449	421	-	3 185
Congo	0	99	-	-	-	99
Côte d'Ivoire	1 814	326	-	-	-	2 140
Democratic Republic of the Congo	7 866	2 675	2 390	224	2 060	15 215
Ethiopia	20 569	5 904	-	-	-	26 473
Gambia (The)	2 508	619	-	-	-	3 127
Ghana	15 585	5 003	-	-	-	20 588
Guinea	5 852	1 208	2 029	358	1 796	11 243
Guinea-Bissau	3 146	1 009	1 029	101	646	5 931
Guyana	1 526	299	-	-	-	1 825
Haiti	1 946	635	-	-	-	2 581
Honduras	1 077	767	-	-	-	1 844
Liberia	8 509	6 167	336	43	403	15 458
Madagascar	7 810	2 096	-	-	-	9 906
Malawi	12 044	2 992	2 748	480	3 904	22 168
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	9 134	2 464	621	116	810	13 145
Rwanda	14 417	4 745	2 363	471	-	21 996
Sao Tome and Principe	1 239	338	793	119	700	3 189
Senegal	2 247	882	0	-	-	3 129
Sierra Leone	7 705	1 899	1 074	149	929	11 756
United Republic of Tanzania	12 691	4 293	-	-	-	16 984
Togo	2 008	759	-	-	-	2 767
Uganda	12 449	4 655	-	-	-	17 104
Zambia	18 640	4 818	176	32	180	23 846
31 December 2015 SDR	241 734	76 212	19 964	3 158	16 714	357 782
Less future interest on debt relief not accrued (including interest covered by the World Bank contribution)						(7 755)
Total cumulative cost of debt relief as at 31 December 2015 (thousands of SDR)						350 027
31 December 2015 US\$	334 489	105 454	27 624	4 368	23 127	484 332
Total cumulative cost of debt relief as at 31 December 2015 (thousands of SDR)						
Fair value adjustment			(8 550)			
31 December 2015 at fair value			19 074			
31 December 2014 SDR	228 944	73 700	25 460	4 289	20 897	353 290
Less future interest on debt relief not accrued						(10 030)
Total cumulative cost of debt relief as at 31 December 2013 (thousands of SDR)						343 260
31 December 2014 US\$	331 016	106 556	36 808	6 202	30 213	496 291
Total cumulative cost of debt relief as at 31 December 2014 (thousands of US\$)						
Fair value adjustment			(11 124)			
31 December 2014 at fair value			25 684			

Summary of the Haiti Debt Relief Initiative

As at 31 December 2015

<i>Member States</i>	<i>Thousands of US dollars</i>	<i>Thousands of SDR</i>
Austria	685	438
Belgium	775	509
Canada	3 500	2 303
Denmark	513	339
France	1 700	1 080
Germany	2 308	1 480
Japan	2 788	1 743
Luxembourg	280	178
Mauritius	5	3
Norway	1 626	1 066
Sweden	1 719	1 115
Switzerland	962	637
United Kingdom	2 700	1 717
United States	8 000	5 217
Total contributions received by Member States	27 561	17 825
Interest earned	748	
Debt relief provided	(12 624)	
Total administrative account Member States 2015	15 685	
IFAD contribution	15 200	10 088
Interest earned	603	
Debt relief provided	0	
Total administrative account IFAD	15 803	
Grand total	31 488	
<i>Exchange rate movement</i>	(2 794)	
Haiti Debt Relief Initiative cash and investments	28 694	
<hr/>		
2014		
Grand total	36 688	
<i>Exchange rate movement</i>	584	
Haiti Debt Relief Initiative cash and investments	37 269	

IFAD-only analysis of operating expenses

An analysis of IFAD operating expenses by principal sources of funding
For the years ended 31 December 2015 and 2014

(Thousands of United States dollars)

	<i>Administrative expenses^a</i>	<i>Direct charges^b</i>	<i>Other sources^c</i>	<i>Total</i>
Staff salaries and benefits	85 167	-	-	85 167
Office and general expenses	25 770	536	8 302	34 608
Consultants and other non-staff costs	32 417	194	1 441	34 052
Cooperating institutions	1 328	-	23	1 352
Direct bank and investment costs	-	2 449	-	2 449
Total 2015	144 682	3 179	9 766	157 628
Total 2014	152 896	3 532	14 951	171 379

^a These refer to IFAD's regular budget, the budget of the Independent Office of Evaluation of IFAD (IOE), 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.