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Investing in rural people

Financial Impact of Principal Due and Service Charges Forgone as a Result of the Implementation of the Debt Sustainability Framework

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For: Information

Financial Impact of Principal Due and Service Charges Forgone as a Result of the Implementation of the Debt Sustainability Framework

I. Background

1. By resolution 141/XXIX adopted on 16 February 2006, the Governing Council amended the Agreement Establishing IFAD in order to introduce the "debt sustainability mechanism" as the third form of IFAD financing alongside the traditional loans and grants. This amendment entered into force on 22 December 2006. For that purpose, the amended Agreement Establishing IFAD henceforth provides that the grant ceiling of one eighth of the resources available for commitment in any financial year shall remain unaffected by Debt Sustainability Framework (DSF) financing. However, the Agreement retains the requirement that the Executive Board, in the context of DSF financing, give due consideration to the long-term viability of the Fund.
2. At its ninetieth session in April 2007, the Executive Board approved the recommendation contained in document EB 2007/90/R.2¹ that IFAD implement a DSF to govern the form of its financial assistance to countries eligible for highly concessional lending, to enable Member States to reduce the risk of high future debt levels and better manage, overall, the level of debt in line with country development planning.
3. The implementation of the DSF has modified IFAD's terms of financial support to projects and programmes, as provided by the performance-based allocation system (PBAS), for countries eligible for highly concessional loans. The Fund now extends financial support in the following manner: (i) for countries with low debt sustainability, 100 per cent grant; (ii) for countries with medium debt sustainability, 50 per cent grant and 50 per cent loan; and (iii) for countries with high debt sustainability, 100 per cent loan.
4. DSF implementation has raised the proportion of grants in IFAD projects and programmes and, as a result, the major cost to IFAD is represented by the principal due on resources provided as DSF grants rather than as loans. In this respect, the ninetieth session of the Executive Board endorsed the concept of a pay-as-you-go compensation mechanism financed by IFAD Member States for the principal due. At that session, the Executive Board approved the recommendation that, commencing in 2008, Management report annually to the Board at its April session on the principal due and net service charges forgone as a result of DSF implementation.
5. The Board is thus provided annually with a report setting out the amount of principal due and net service charges forgone in relation to DSF grants approved so as to inform the Board of the DSF's impact on the financial resources of the Fund.
6. In accordance with the decisions taken at the ninetieth session, IFAD subsequently prepared a paper for the Consultation on the Eleventh Replenishment of IFAD's Resources (IFAD11) on its experience and those of other multilateral financial institutions since adoption of the DSF with regard to actual and estimated net losses in service charges.

¹ Proposed arrangements for implementation of a debt sustainability framework at IFAD.

7. During the IFAD11 Consultation, no change to IFAD's DSF compensation methodology was agreed to.² However, to ensure IFAD's long-term sustainability and in the context of enhanced borrowing, IFAD will report on the financial impact of DSF principal due and net service charges forgone, and will make proposals in this regard. IFAD will also monitor approaches used by other IFIs and developments in the criteria for debt sustainability to support the poorest and most vulnerable countries.

II. Projects and programmes approved under the DSF in 2017

8. Table 2 lists the 12 projects and programmes approved in 2017 under the DSF. Their total value is US\$184.3 million, or 14.1 per cent of the overall 2017 PoLG.
9. During 2017, IFAD also commenced approval of DSF grants denominated in both United States dollars and euros, in addition to special drawing rights (SDR).

III. Financial impact of principal due and net service charges forgone

10. In agreeing to maintain IFAD's current DSF compensation methodology, Members of the Consultation strongly urged all Member States to reinforce their commitment to full DSF principal compensation in the amount of US\$39.5 million during IFAD11.
11. Table 3 shows total principal payments due, stemming from DSF grants approved from 2007 to 2017 inclusive, amounting to US\$1,721.7 million. Compensation for this amount by Member States to IFAD began under the IFAD10 Consultation and will continue in subsequent replenishments.
12. The IFAD10 resolution (186/XXXVIII) was adopted by the Governing Council on 17 February 2015. As detailed in section II of the resolution, starting with the IFAD10 Consultation, Members were invited to announce their DSF contributions separately from and in addition to their core and complementary contributions.
13. During the IFAD10 period, IFAD is to receive DSF compensation of US\$3.4 million and, as at 31 December 2017, pledged amounts total US\$2.9 million. It is important to note that any non-payment by Member States of their DSF compensation due is a cost that will be borne by IFAD and will have a negative impact on IFAD's sustainable level of PoLG.
14. A detailed listing of funds received to date from Member States for DSF principal compensation as at 31 January 2018 is provided in annex III of the Report on the Status of the Tenth Replenishment of IFAD's Resources (EB 2018/123/R.33).
15. Further to requests made during the IFAD11 Consultation, and in order to provide Executive Board representatives with a more comprehensive view of DSF principal due and net service charges forgone, IFAD has added tables 4 and 5. These include assumed continued approvals up to 2027 (IFAD13) and to 2036 (IFAD16) respectively, based on assumptions of a DSF grant scenario per the IFAD11 target PoLG of US\$3.5 billion indexed for inflation and the same PBAS allocation to DSF as

² As per annex IX of GC 38/L.4/Rev.1, and annex VI of IFAD11/5/INF.2, for principal compensation this methodology uses the total pledges for the replenishment period in which the grants were approved. Further, annex VI states:

"(a) Member States reaffirm their commitment to compensate the Fund for principal due as a result of DSF implementation. In line with the practice at other IFIs, this would mean applying the pay-as-you-go principle approved by the Executive Board in April 2007. Adopting this approach would also ensure alignment of IFAD's practice with those of other IFIs [international financial institutions];

(b) IFAD should adopt the methodology used by AfDF [African Development Fund] to calculate the share of each Member State in order to compensate IFAD for DSF implementation since this is considered the most viable and relevant option for IFAD;"

As per EB 2007/90/R.2, the service charges forgone are not compensated and IFAD absorbs these charges, which in turn, would reduce the programme of loans and grants (PoLG).

in 2017. The resulting impact on compensation due could change if the assumptions change.

16. Based on the assumptions above, table 4 shows that principal due from Member States and service charge forgone would amount to US\$3.9 billion and US\$660.5 million respectively.
17. Based on the assumptions in paragraph 13 above, table 5 shows the principal due from Member States and service charge forgone, assumed continued approvals to 2036 (IFAD16) would amount to US\$6.2 billion and US\$1.1 billion respectively.
18. Tables 4 and table 5 aim to assist the Executive Board in the discharge of its responsibilities as per the Agreement Establishing IFAD to give due consideration to the long-term viability of the Fund.
19. As per the IFAD10 resolution, DSF compensation due is carved out of core contributions unless separately pledged. If DSF grant approvals continue and core contributions in real terms remain steady, core contributions (net of DSF) will decrease in proportion. Since borrowing is capped as a percentage of core contributions, borrowing will be reduced as will future loan reflows. Ultimately the IFAD PoLG will decrease by a maximum of US\$4.9 billion by the end of IFAD16 (2036) as shown in table 1.

Table 1

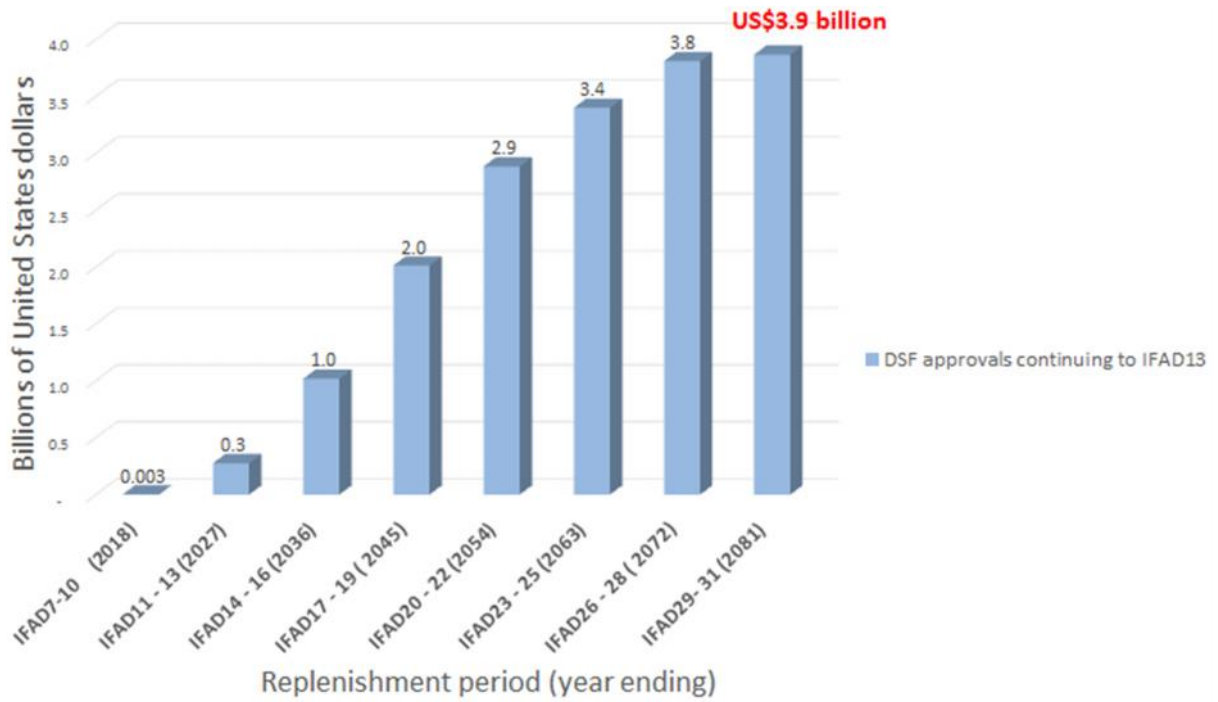
Cumulative impact of continued DSF grant approvals on PoLG
(Millions of United States dollars)

Replenishment period	Sustainable programme delivery (PoLG)	Reduced programme delivery*	Programme delivery shortfall	Cumulative programme delivery shortfall
IFAD11 (2021)	3 500	2 790	(710)	(710)
IFAD12 (2024)	3 710	2 958	(752)	(1 462)
IFAD13 (2027)	3 923	3 136	(787)	(2 249)
IFAD14 (2030)	4 169	3 324	(845)	(3 094)
IFAD15 (2033)	4 420	3 524	(896)	(3 990)
IFAD16 (2036)	4 686	3 736	(950)	(4 940)

* Reduction is based on a financial model that includes key elements described in paragraph 19.

20. The impact on IFAD's financial sustainability as a result of compensation due from Member States if DSF approvals continue up to IFAD13 (2027) is illustrated in graph 1 below.
21. The impact on IFAD's financial sustainability as a result of compensation due from Member States if DSF approvals continue up to IFAD16 (2036) is illustrated in graph 2 below.

Graph 1
Impact on IFAD's financial sustainability – Compensation due from IFAD Member States if DSF approvals continue to IFAD13 (2027)



Graph 2
Impact on IFAD's financial sustainability - Compensation due from IFAD Member States if DSF approvals continue to IFAD16 (2036)

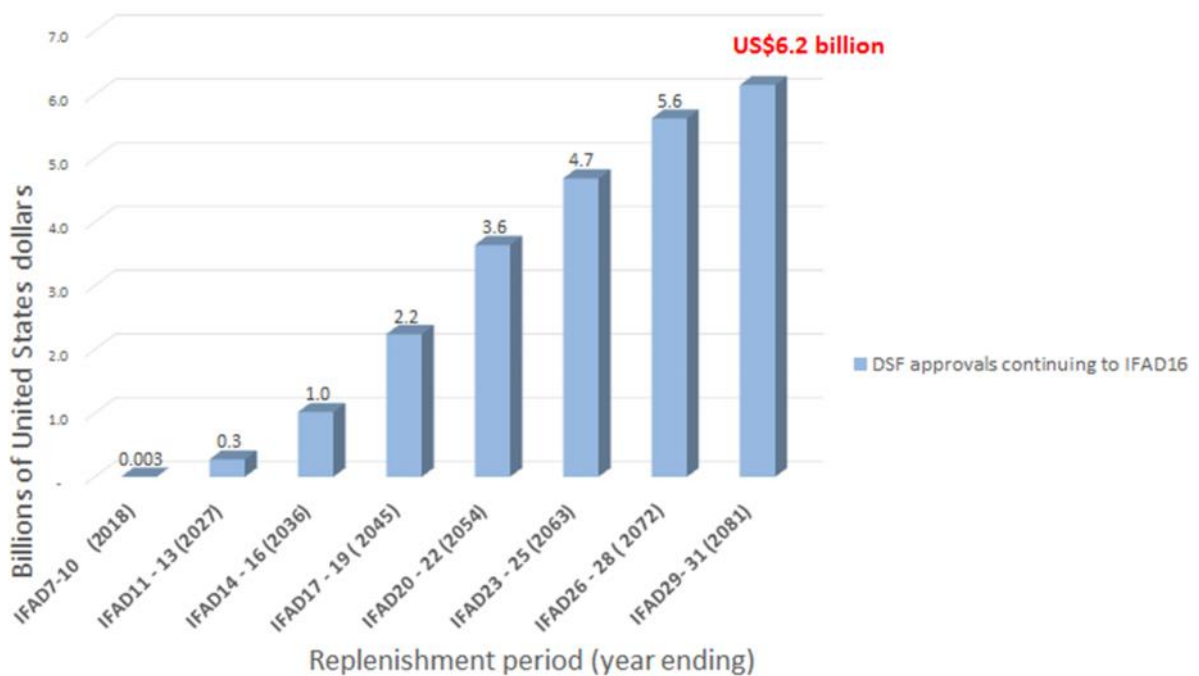


Table 2
Debt Sustainability Framework grants approved in 2017
 (Thousands of United States dollars)

<i>Region and country</i>	<i>Title</i>	<i>Amount</i>
Asia and the Pacific		
Afghanistan	Community Livestock and Agriculture Project	25 207 ^a
Tonga	Tonga Rural Innovation Project – Phase II (TRIP II)	1 552 ^b
East and Southern Africa		
Burundi	Value Chain Development Programme	6 266 ^b
	Project to Support Agricultural and Rural Financial Inclusion in Burundi (PAIFAR-B)	25 563 ^b
Comoros	Family Farming Productivity and Resilience Support Project	1 581 ^b
Madagascar	Vocational Training and Agricultural Productivity Improvement Programme	5 711 ^b
	Inclusive Agricultural Value Chains Development Programme	26 916 ^b
Malawi	Financial Access for Rural Markets, Smallholders and Enterprise Programme	21 000
Near East, North Africa and Europe		
Eritrea	National Agriculture Project	9 556 ^b
Sudan	Integrated Agricultural and Marketing Development Project	26 599 ^b
Tajikistan	Community-Based Agricultural Support Project	15 330
West and Central Africa		
Burkina Faso	Agricultural Value Chains Promotion Project (PAPFA)	19 000
Total 2017		184 281
Carried forward balance		1 546 594
Adjustment for prior year cancellations		(9 411)
Overall total		1 721 730

^a Project approved in US\$; US\$-SDR International Monetary Fund (IMF) exchange rate as at 31 December 2017.

^b Project approved in EUR; EUR-SDR IMF exchange rate as at 31 December 2017.

Table 3

**Principal due and net service charges forgone:
Debt Sustainability Framework grants approved from 2007 to 2017**
(Millions of United States dollars)

<i>Replenishment</i>	<i>Year</i>	<i>Approved</i>	<i>Disbursed/ to be disbursed</i>	<i>Principal reflows</i>	<i>Service charge (0.75%)</i>	<i>Total principal + service charge</i>	<i>Total principal + service charge by replenishment</i>	<i>Cumulative principal + service charge by replenishment</i>
IFAD7	2007	90.3	1.5	-	0.0	0.0	-	-
	2008	100.2	5.9	-	0.1	0.1	-	-
	2009	171.8	13.0	-	0.1	0.1	0.2	0.2
IFAD8	2010	138.6	37.5	-	0.4	0.4	-	-
	2011	193.0	73.3	-	0.9	0.9	-	-
	2012	285.0	117.0	-	1.7	1.7	3.0	3.2
IFAD9	2013	131.8	142.0	-	2.7	2.7	-	-
	2014	89.6	157.0	-	3.8	3.8	-	-
	2015	228.6	125.5	-	4.8	4.8	11.3	14.5
IFAD10	2016	108.2	124.1	-	5.7	5.7	-	-
	2017	184.5	127.3	-	6.8	6.8	-	-
	2018	-	136.3	3.4	7.4	10.4	23.0	37.5
IFAD11	2019	-	139.2	8.2	8.4	16.6	-	-
	2020	-	127.9	13.8	9.3	23.2	-	-
	2021	-	127.0	17.5	10.2	27.3	67.1	104.6
IFAD12	2022	-	82.2	23.6	10.8	34.4	-	-
	2023	-	63.2	33.5	11.1	44.6	-	-
	2024	-	63.4	37.0	11.4	48.4	127.4	232.0
IFAD13	2025	-	31.8	41.5	11.4	52.9	-	-
	2026	-	26.6	47.8	11.3	59.1	-	-
	2027	-	-	50.9	11.0	62.0	173.9	405.9
IFAD14	2028	-	-	57.0	10.6	67.6	-	-
	2029	-	-	57.0	10.2	67.2	-	-
	2030	-	-	57.0	9.8	66.7	201.5	607.4
IFAD15	2031	-	-	57.0	9.3	66.3	-	-
	2032	-	-	57.0	8.9	65.9	-	-
	2033	-	-	57.0	8.5	65.5	197.7	805.1
IFAD16	2034	-	-	57.0	8.1	65.0	-	-
	2035	-	-	57.0	7.6	64.6	-	-
	2036	-	-	57.0	7.2	64.2	193.8	998.9
IFAD17	2037	-	-	57.0	6.8	63.8	-	-
	2038	-	-	57.0	6.4	63.3	-	-
	2039	-	-	57.0	5.9	62.9	190.0	1 188.9
IFAD18	2040	-	-	57.0	5.5	62.5	-	-
	2041	-	-	57.0	5.1	62.0	-	-
	2042	-	-	57.0	4.6	61.6	186.1	1 375.0
IFAD19	2043	-	-	57.0	4.2	61.2	-	-
	2044	-	-	57.0	3.8	60.8	-	-
	2045	-	-	57.0	3.4	60.3	182.3	1 557.3
IFAD20	2046	-	-	57.0	2.9	59.9	-	-
	2047	-	-	57.0	2.5	59.5	-	-
	2048	-	-	54.0	2.1	56.1	175.4	1 732.8
IFAD21	2049	-	-	52.4	1.7	54.1	-	-
	2050	-	-	47.2	1.3	48.5	-	-
	2051	-	-	40.5	1.0	41.5	144.2	1 876.9
IFAD22	2052	-	-	34.1	0.7	34.8	-	-
	2053	-	-	25.0	0.5	25.5	-	-
	2054	-	-	20.3	0.3	20.6	80.9	1 957.9
IFAD23	2055	-	-	16.4	0.2	16.6	-	-
	2056	-	-	9.7	0.1	9.8	-	-
	2057	-	-	5.3	0.02	6.2	32.6	1 990.5
Total		1 721.7	1 721.7	1 721.7	268.7	1 990.5	1 990.5	

Notes:

1. A cut-off date of 31 December 2017 is applied for all DSF commitments approved.
2. Approvals, disbursements and repayments for DSF are predominantly determined in SDR; however, for ease of readability, the table shows amounts in the United States dollar equivalent at the SDR-US\$ exchange rate as of 31 December 2017.
3. Service charge calculations from 2018 (inclusive) are estimated on disbursements and repayments occurring mid-year. The purpose of this change was to address comments made by the Audit Committee and it provides a reasonable basis for calculating service charges forgone.

Table 4

**Principal due and net service charges forgone:
Debt Sustainability Framework grants approved and assumed projected from 2007 to 2027**
(Millions of United States dollars)

<i>Replenishment</i>	<i>Year</i>	<i>Approved to 2017/ assumed projected 2018 to 2027</i>	<i>Disbursed/ to be disbursed</i>	<i>Principal reflows</i>	<i>Service charge (0.75%)</i>	<i>Total principal + service charge</i>	<i>Total principal + service charge by replenishment</i>	<i>Cumulative principal + service charge by replenishment</i>
IFAD7	2007	90.3	1.7	-	0.0	0.0	-	-
	2008	100.2	5.3	-	0.1	0.1	-	-
	2009	171.8	11.8	-	0.1	0.1	.2	.2
IFAD8	2010	138.6	34.9	-	0.4	0.4	-	-
	2011	193.0	66.3	-	0.9	0.9	-	-
	2012	285.0	108.7	-	1.7	1.7	3.0	3.2
IFAD9	2013	131.8	133.1	-	2.7	2.7	-	-
	2014	89.6	147.5	-	3.8	3.8	-	-
	2015	228.6	127.7	-	4.8	4.8	11.3	14.5
IFAD10	2016	108.2	127.8	-	5.7	5.7	-	-
	2017	184.5	139.5	-	6.8	6.8	-	-
	2018	169.6	145.3	3.4	7.9	10.9	23.4	37.9
IFAD11	2019	202.9	163.1	8.2	9.0	17.2	-	-
	2020	206.9	174.9	13.8	10.2	24.1	-	-
	2021	211.0	198.9	17.1	11.6	28.7	69.9	107.8
IFAD12	2022	215.1	177.7	23.6	12.7	36.3	-	-
	2023	219.3	182.5	33.5	13.9	47.4	-	-
	2024	223.6	203.5	37.0	15.1	52.1	135.8	243.6
IFAD13	2025	228.0	192.6	41.5	16.2	57.7	-	-
	2026	232.5	208.5	47.8	17.4	65.2	-	-
	2027	237.1	211.4	50.9	18.6	69.6	192.5	436.1
IFAD14	2028	-	210.4	61.2	19.8	81.0	-	-
	2029	-	195.2	66.3	20.7	87.0	-	-
	2030	-	170.0	71.5	21.5	92.9	260.9	697.1
IFAD15	2031	-	144.3	76.7	22.0	98.7	-	-
	2032	-	120.6	82.1	22.3	104.4	-	-
	2033	-	96.3	87.6	22.3	109.9	313.0	1 010.1
IFAD16	2034	-	76.5	93.2	22.2	115.4	-	-
	2035	-	56.2	98.9	21.9	120.8	-	-
	2036	-	35.6	104.7	21.4	126.1	362.2	1 372.3
IFAD17	2037	-	-	110.6	20.5	131.2	-	-
	2038	-	-	110.6	19.7	130.3	-	-
	2039	-	-	110.6	18.9	129.5	391.0	1 763.4
IFAD18	2040	-	-	110.6	18.1	128.7	-	-
	2041	-	-	110.6	17.2	127.9	-	-
	2042	-	-	110.6	16.4	127.0	383.6	2 146.9
IFAD19	2043	-	-	110.6	15.6	126.2	-	-
	2044	-	-	110.6	14.7	125.4	-	-
	2045	-	-	110.6	13.9	124.5	376.1	2 523.0
IFAD20	2046	-	-	110.6	13.1	123.7	-	-
	2047	-	-	110.6	12.2	122.9	-	-
	2048	-	-	107.6	11.4	119.1	365.6	2 888.6
IFAD21	2049	-	-	106.1	10.6	116.7	-	-
	2050	-	-	100.8	9.9	110.7	-	-
	2051	-	-	94.2	9.2	103.4	330.8	3 219.4
IFAD22	2052	-	-	87.8	8.5	96.3	-	-
	2053	-	-	78.6	7.9	86.6	-	-
	2054	-	-	74.0	7.4	81.3	264.2	3 483.6
IFAD23	2055	-	-	70.1	6.8	77.0	-	-
	2056	-	-	63.4	6.4	69.8	-	-
	2057	-	-	59.8	5.9	65.7	212.4	3 696.1
IFAD24	2058	-	-	53.7	5.5	59.2	-	-
	2059	-	-	53.7	5.1	58.8	-	-
	2060	-	-	53.7	4.7	58.4	176.3	3 872.4
IFAD25	2061	-	-	53.7	4.3	58.0	-	-
	2062	-	-	53.7	3.9	57.6	-	-
	2063	-	-	53.7	3.5	57.2	172.7	4 045.1
IFAD26	2064	-	-	53.7	3.1	56.8	-	-
	2065	-	-	53.7	2.7	56.4	-	-
	2066	-	-	53.7	2.3	56.0	169.1	4 214.2
IFAD27	2067	-	-	53.7	1.9	55.6	-	-
	2068	-	-	49.4	1.5	50.9	-	-
	2069	-	-	44.3	1.2	45.5	152.0	4 366.2

<i>Replenishment</i>	<i>Year</i>	<i>Approved to 2017/ assumed projected 2018 to 2027</i>	<i>Disbursed/ to be disbursed</i>	<i>Principal reflows</i>	<i>Service charge (0.75%)</i>	<i>Total principal + service charge</i>	<i>Total principal + service charge by replenishment</i>	<i>Cumulative principal + service charge by replenishment</i>
	2070	-	-	39.2	0.9	40.1	-	-
IFAD28	2071	-	-	33.9	0.6	34.5	-	-
	2072	-	-	28.5	0.4	29.0	103.6	4 469.8
	2073	-	-	23.0	0.3	23.3	-	-
IFAD29	2074	-	-	17.4	0.1	17.6	-	-
	2075	-	-	11.7	0.0	11.8	52.7	4 522.4
	2076	-	-	5.5	0.0	5.9	-	-
IFAD30	2077	-	-	-	0.0	0.0	-	-
	2078	-	-	-	0.0	0.0	5.9	4 528.4
	Total	3 867.9	3 867.9	3 867.9	660.5	4 528.4	4 528.4	

Notes:

1. The table includes actual DSF commitments approved as at 31 December 2017 and assumed projected approvals from 2018 to 2027, i.e. a DSF grant scenario of assumed projections beginning in 2018 up to 2027 (IFAD13) based on the IFAD11 target of a PoLG of US\$3.5 billion indexed for inflation.
2. Approvals, disbursements and repayments for DSF are predominantly determined in SDR; however, for ease of readability, the table shows amounts in the United States dollar equivalent at the SDR-USD exchange rate as of 31 December 2017.
3. DSF grant scenario assumed projections beginning in 2018 up to 2027 (IFAD13) are based on IFAD11 targets of a PoLG of US\$3.5 billion indexed for inflation and a PBAS allocation to DSF of 20.83 per cent in 2018 and 16.74 per cent in subsequent years .
4. Service charge calculations from 2018 (inclusive) are estimated on disbursements and repayments occurring mid-year. This purpose of this change was to address comments made by the Audit Committee and it provides a reasonable basis for calculating service charges foregone.

Table 5

**Principal due and net service charges forgone:
Debt Sustainability Framework grants approved and assumed projected from 2007 to 2036**
(Millions of United States dollars)

<i>Replenishment</i>	<i>Year</i>	<i>Approved to 2017/ assumed projected 2018 to 2036</i>	<i>Disbursed /to be disbursed</i>	<i>Principal reflows</i>	<i>Service charge (0.75%)</i>	<i>Total principal + service charge</i>	<i>Total principal + service charge by replenishment</i>	<i>Cumulative principal + service charge by replenishment</i>
	2007	90.3	1.7	-	0.0	0.0	-	-
IFAD7	2008	100.2	5.3	-	0.1	0.1	-	-
	2009	171.8	11.8	-	0.1	0.1	.2	.2
	2010	138.6	34.9	-	0.4	0.4	-	-
IFAD8	2011	193.0	66.3	-	0.9	0.9	-	-
	2012	285.0	108.7	-	1.7	1.7	3.0	3.2
	2013	131.8	133.1	-	2.7	2.7	-	-
IFAD9	2014	89.6	147.5	-	3.8	3.8	-	-
	2015	228.6	127.7	-	4.8	4.8	11.3	14.5
	2016	108.2	127.8	-	5.7	5.7	-	-
IFAD10	2017	184.5	139.5	-	6.8	6.8	-	-
	2018	169.6	145.3	3.4	7.9	10.9	23.4	37.9
	2019	202.9	163.1	8.2	9.0	17.2	-	-
IFAD11	2020	206.9	174.9	13.8	10.2	24.1	-	-
	2021	211.0	198.9	17.1	11.6	28.7	69.9	107.8
	2022	215.1	177.7	23.6	12.7	36.3	-	-
IFAD12	2023	219.3	182.5	33.5	13.9	47.4	-	-
	2024	223.6	203.5	37.0	15.1	52.1	135.8	243.6
	2025	228.0	192.6	41.5	16.2	57.7	-	-
IFAD13	2026	232.5	208.5	47.8	17.4	65.2	-	-
	2027	237.1	211.4	50.9	18.6	69.6	192.5	436.1
	2028	241.7	220.0	61.2	19.8	81.1	-	-
IFAD14	2029	246.5	224.4	66.3	21.0	87.3	-	-
	2030	251.3	228.8	71.5	22.2	93.7	262.0	698.2
	2031	256.3	233.3	76.7	23.4	100.1	-	-
IFAD15	2032	261.3	237.8	82.1	24.5	106.7	-	-
	2033	266.4	242.5	87.6	25.7	113.3	320.1	1 018.2
	2034	271.7	247.3	93.2	26.9	120.1	-	-
IFAD16	2035	277.0	252.1	98.9	28.0	126.9	-	-
	2036	282.4	257.1	104.7	29.2	133.9	380.8	1 399.1
	2037	-	250.6	110.6	30.2	140.8	-	-
IFAD17	2038	-	232.5	116.7	31.1	147.7	-	-
	2039	-	202.5	122.8	31.7	154.5	443.1	1 842.2
	2040	-	171.9	129.1	32.0	161.1	-	-
IFAD18	2041	-	143.6	135.5	32.1	167.6	-	-
	2042	-	114.8	142.1	31.9	173.9	502.6	2 344.8
	2043	-	91.1	148.7	31.4	180.1	-	-
IFAD19	2044	-	67.0	155.5	30.8	186.3	-	-

<i>Replenishment</i>	<i>Year</i>	<i>Approved to 2017/ assumed projected 2018 to 2036</i>	<i>Disbursed /to be disbursed</i>	<i>Principal reflows</i>	<i>Service charge (0.75%)</i>	<i>Total principal + service charge</i>	<i>Total principal + service charge by replenishment</i>	<i>Cumulative principal + service charge by replenishment</i>
	2045	-	42.4	162.4	29.9	192.3	558.7	2 903.4
IFAD20	2046	-	-	169.5	28.6	198.1	-	-
	2047	-	-	169.5	27.3	196.8	-	-
	2048	-	-	166.5	26.1	192.5	587.4	3 490.9
	2049	-	-	164.9	24.8	189.8	-	-
IFAD21	2050	-	-	159.7	23.6	183.3	-	-
	2051	-	-	153.1	22.5	175.5	548.6	4 039.5
	2052	-	-	146.6	21.4	168.0	-	-
IFAD22	2053	-	-	137.5	20.3	157.9	-	-
	2054	-	-	132.8	19.4	152.2	478.1	4 517.6
	2055	-	-	129.0	18.4	147.4	-	-
IFAD23	2056	-	-	122.3	17.5	139.7	-	-
	2057	-	-	118.7	16.6	135.2	422.3	4 939.9
	2058	-	-	112.5	15.7	128.3	-	-
IFAD24	2059	-	-	112.5	14.9	127.4	-	-
	2060	-	-	112.5	14.0	126.6	382.2	5 322.1
	2061	-	-	112.5	13.2	125.7	-	-
IFAD25	2062	-	-	112.5	12.4	124.9	-	-
	2063	-	-	112.5	11.5	124.0	374.6	5 696.7
	2064	-	-	112.5	10.7	123.2	-	-
IFAD26	2065	-	-	112.5	9.8	122.3	-	-
	2066	-	-	112.5	9.0	121.5	367.0	6 063.8
	2067	-	-	112.5	8.1	120.7	-	-
IFAD27	2068	-	-	108.3	7.3	115.6	-	-
	2069	-	-	103.2	6.6	109.8	346.0	6 409.8
	2070	-	-	98.0	5.8	103.9	-	-
IFAD28	2071	-	-	92.8	5.1	97.9	-	-
	2072	-	-	87.4	4.5	91.8	293.6	6 703.4
	2073	-	-	81.9	3.9	85.8	-	-
IFAD29	2074	-	-	76.3	3.3	79.6	-	-
	2075	-	-	70.6	2.8	73.4	238.7	6 942.1
	2076	-	-	64.8	2.3	67.1	-	-
IFAD30	2077	-	-	58.9	1.8	60.7	-	-
	2078	-	-	52.8	1.4	54.2	182.0	7 124.1
	2079	-	-	46.7	1.1	47.7	-	-
IFAD31	2080	-	-	40.4	.8	41.2	-	-
	2081	-	-	34.0	.5	34.5	123.4	7 247.4
	2082	-	-	27.4	.3	27.8	-	-
IFAD32	2083	-	-	20.8	.2	20.9	-	-
	2084	-	-	14.0	.1	14.0	62.7	7 310.2

<i>Replenishment</i>	<i>Year</i>	<i>Approved to 2017/ assumed projected 2018 to 2036</i>	<i>Disbursed /to be disbursed</i>	<i>Principal reflows</i>	<i>Service charge (0.75%)</i>	<i>Total principal + service charge</i>	<i>Total principal + service charge by replenishment</i>	<i>Cumulative principal + service charge by replenishment</i>
	2085	-	-	7.1	.0	7.1	-	-
IFAD33	2086	-	-	-	.0	.0	-	-
	2087	-	-	-	.0	.0	7.1	7 317.2
	Total	6 222.5	6 222.5	6 222.9	1 094.7	7 317.2	7 317.2	

Notes:

1. The table includes actual DSF commitments approved as at 31 December 2017 and assumed projected approvals from 2018 to 2036, i.e. a DSF grant scenario with assumed projections from 2018 to 2036 (IFAD16), based on the IFAD11 target of a PoLG of US\$3.5 billion indexed for inflation.
2. Approvals, disbursements and repayments for DSF are predominantly determined in SDR; however, for ease of readability, the table shows amounts in the United States dollar equivalent at the SDR-US\$ exchange rate as of 31 December 2017.
3. DSF grant scenario assumed projections from 2018 to 2036 (IFAD16) are based on IFAD11 targets of a PoLG of US\$3.5 billion indexed for inflation and a PBAS allocation to DSF of 20.83 per cent in 2018 and 16.74 per cent in subsequent years .
4. Service charge calculations from 2018 (inclusive) are estimated on disbursements and repayments occurring mid-year. The purpose of this change was to address comments made by the Audit Committee and it provides a reasonable basis for calculating service charges forgone.