



Investing in rural people

Executive Board

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Status report on arrears in principal, interest and service charge payments

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Action: The Executive Board is invited to note the information contained in this document.

Technical questions:

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Status report on arrears in principal, interest and service charge payments

1. For the information of the Executive Board, the present document contains information pertaining to arrears on IFAD sovereign loans as at 30 June 2024. In particular, table 1 below provides a summary of the loans in arrears by region, while table 2 provides details of borrowers in arrears by more than 75 days.
2. The Fund enjoys preferred creditor status and adopts several operational measures to reduce default risk. These include suspending disbursements on loans that are 75 days in arrears (after a grace period) and suspending disbursements on the entire country portfolio. At the end of June 2024, the non-performing loan (NPL) ratio (calculated as NPLs outstanding over the overall outstanding loan portfolio balance) stood at approximately 2.3 per cent (2.3 per cent as at 30 June 2023).

Table 1
Year-on-year comparison of arrears by region, 2024–2023*

Region	Number of loans	Thousands of United States dollars			
		Principal	Interest and service charges	Total arrears	Percentage
Asia and the Pacific					
As at 30 June 2024	4	25 916	4 835	30 751	28
As at 30 June 2023	3	24 160	4 330	28 490	27
East and Southern Africa					
As at 30 June 2024	1	152	36	188	0
As at 30 June 2023	5	908	143	1 051	1
Latin America and the Caribbean					
As at 30 June 2024	5	3 626	1 497	5 123	5
As at 30 June 2023	5	2 800	503	3 303	3
Near East, North Africa and Europe**					
As at 30 June 2024	40	58 043	14 989	73 032	66
As at 30 June 2023	38	52 223	13 100	65 323	63
West and Central Africa					
As at 30 June 2024	9	480	248	729	1
As at 30 June 2023	35	4 983	1 004	5 987	6
Total all regions					
As at 30 June 2024	59	88 216	21 606	109 823	
As at 30 June 2023	86	85 074	19 080	104 154	

* Figures reclassified according the established de minimis threshold. Balances have been converted into United States dollars at 30 June 2024 International Monetary Fund exchange rates.

** Amounts as at 30 June 2024 include the following:

- Somalia US\$12.8 million, covered by Heavily Indebted Poor Countries (HIPC) debt relief and bilateral debt relief compensation, clearance expected in the third quarter of 2024.
- Sudan US\$10.0 million HIPC debt relief.

Table 2
Summary of borrowers with arrears exceeding 75 days
(As at 30 June 2024)

<i>Borrower*</i>	<i>Thousands of United States dollars</i>			
	<i>Principal</i>	<i>Interest and service charges</i>	<i>Total arrears</i>	<i>Loan outstanding</i>
Democratic People's Republic of Korea	25 916	4 810	30 726	52 553
Myanmar**	-	25	25	22 154
Venezuela (Bolivarian Republic of)	2 111	406	2 516	2 110
Cuba	1 515	1 092	2 607	17 363
Lebanon	402	123	526	1 609
Yemen	41 531	8 143	49 674	117 672
Arrears > 75 days	71 476	14 599	86 074	213 461
Arrears < 75 days	16 741	7 008	23 748	400 852
Total	88 216	21 606	109 823	614 312

* As at 30 June 2024, these countries represent 78 per cent of total arrears due to IFAD.

** Borrower in arrears by more than 75 days, not yet at NPL status.