



IFAD
INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT
Executive Board – Sixty-Sixth Session

Rome, 28-29 April 1999

FINANCIAL HIGHLIGHTS FOR THE YEAR ENDED
31 DECEMBER 1998

The following tables highlight some of the key financial figures of 1998. The numbers have been extracted from the Draft 1998 Financial Statements of IFAD. The Draft Financial Statements were reviewed by the Audit Committee on 15 March 1999 and are being presented to this Session of the Executive Board.

FINANCIAL HIGHLIGHTS FOR THE YEAR ENDED 31 DECEMBER 1998

SECTION I – INCOME AND EXPENDITURE ACCOUNT

The following table highlights the income generated from investment income and loan service charges for the year. Administrative expenses for the year are shown by major categories and are compared with the prior year and the approved budget at an exchange rate of ITL 1 742/USD 1.00.

	1997 Actual	1998 Actual	Change over 1997	1998 Budget @ 1 742 ITL/USD	1998 Actual as % of Budget
	(USD '000)				
Net investment income ¹	163 940	187 899	14.6%		
Income from loan service charges ²	42 035	46 493	10.6%		
TOTAL INCOME FOR THE YEAR	205 975	234 392	13.8%		
ADMINISTRATIVE EXPENSES					
Staff salaries and benefits ³	25 577	28 102	9.9%	28 111	100% ⁴
Operational and administrative expenses	8 656	8 596	(0.7%)	9 114	94% ⁵
Cooperating institutions and consultants	14 379	13 753	(4.4%)	14 233	97%
Governing Council and Executive Board	1 910	1 775	(7.1%)	1 775	100%
Total expenses	50 522	52 226	3.4%	53 233	98%
Excess of income over expenses for the year	155 453	182 166	17.2%		
Number of staff (approved posts)					
Professional staff	128	128		128	
General service staff	164	164		164	
Total	292	292		292	

¹ The breakdown of investment income is provided in the table on page 3. Complete information regarding investment income for the year ended 31 December 1998 is provided in the Report on IFAD's Investment Portfolio for 1998 presented to the Sixty-Sixth Session of the Executive Board.

² See footnote 7 on page 3.

³ Language factor (USD 1 million), post reclassifications (USD 380 000), pension validations (USD 400 000), salary increases/filling of vacant posts (USD 845 000), less early retirement included in 1997 (USD 600 000), are the main factors contributing to a large increase in 1998 compared to 1997. Excluding these factors, the underlying increase amounts to 2.0%.

⁴ This includes USD 600 000, which is the portion of the supplementary budget approval by Governing Council vote by correspondence for the International Labour Organization Administrative Tribunal (ILOAT) decision that relates to prior years, as well as USD 530 000 for human resources development shown under Up-Front Costs Relating to Re-Engineering.



⁵ This includes USD 644 000 relating to Information Systems Re-engineering shown under 1998 Up-Front Costs Relating to Re-Engineering

SECTION II – SUMMARY BALANCE SHEET

The table shows the financial position of the Fund as at 31 December, that is, its assets (resources) and liabilities due to its creditors and grantees, and the net worth of the Fund.

	1997	1998
	Actual	Actual
	(USD '000)	
Assets		
Cash in banks	74 359	60 848
Investments	2 063 527	2 261 071
Promissory notes	477 610	474 288
Contributions receivable	176 049	181 672
Other receivables	70 381	167 091
Loans outstanding	2 528 948	2 817 239
Total assets	<u>5 390 874</u>	<u>5 962 209</u>
Liabilities		
Payables for investments purchased	19 253	166 087
Accrued liabilities	34 666	33 898
Undisbursed grants	61 745	62 230
Amounts due to other funds	10 264	13 748
Total liabilities	<u>125 928</u>	<u>275 963</u>
Net assets (assets less liabilities)	<u>5 264 946</u>	<u>5 686 246</u>
The net assets of the Fund are made up of:		
Members' contributions net of provisions	3 683 468	3 768 087
Accumulated surplus	1 796 704	2 155 704
HIPC DI Trust Fund	-	5 183
General Reserve	95 000	95 000
Less grants	(310 226)	(337 728)
Net assets	<u>5 264 946</u>	<u>5 686 246</u>

SECTION III – OPERATIONAL STATISTICS

The table shows key operational statistics for the year.

	1997	1998
	Actual	Actual
	(USD '000)	
Resource flow to developing countries		
Loan disbursements	259 809	298 948
Grant disbursements	21 569	25 212
Total disbursed ⁶	281 378	324 160
Loan principal repayments	115 618	123 358
Interest and service charges received	43 014	41 898
Total receipts ⁷	158 632	165 256
Net resource outflow	122 746	158 904

⁶ Increased disbursements in 1998 compared to 1997 result from the strengthening of project and programme implementation practices; the rapid disbursement mechanism introduced in D.P.R. Korea; and the net increase in effective new loans, which passed from 26 in 1997 to 35 in 1998.

⁷ The increase in the income from loan service charges and principal repayments in 1998 is mainly due to the number of loans being billed (464 loans at the end of 1998 compared to 425 loans at the end of 1997).

Analysis of Investment Income (USD '000)		
	1997	1998
Global fixed-income bonds	159 038	201 760
Diversified corporate bonds	0	6 773
Equities	(8 685)	(17 724)
Internally managed funds	20 175	5 374
Net investment expenses including management and custody fees	(6 588)	(8 284)
Total investment income	163 940	187 899