



IFAD
INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT
Executive Board – Seventy-Fifth Session

Rome, 22-23 April 2002

AUDITED FINANCIAL STATEMENTS OF IFAD AS AT 31 DECEMBER 2001

1. The Executive Board is invited to consider the attached Financial Statements (Appendices A-H) and the Report of the External Auditor thereon for submission to the Governing Council for approval. The Financial Statements have been prepared in accordance with accounting principles recommended by the International Accounting Standards Committee.
2. In accordance with Article 6, Section 11, of the Agreement Establishing IFAD, the Financial Statements will form part of IFAD's Annual Report for 2001 and, as in previous years, a note will be inserted to the effect that they have been submitted by the Executive Board to the Governing Council with a recommendation for their approval.
3. The Financial Statements reflect the following key points:

Statement of Activities and Changes in Net Assets (Appendix A)

- (a) The net loss on investments amounted to 42.9 million United States dollars (USD) in 2001 compared with a net loss of USD 47.0 million for 2000. An analysis of the investment loss may be found in Appendix H, Note 3 of the Financial Statements.
- (b) Income from interest and service charges on loans amounted to USD 42.3 million in 2001 compared with USD 44.3 million in 2000. The Fund has excluded interest and service charges on loans with arrears in excess of 180 days. The amount in 2001 was USD 2.4 million compared with USD 2.7 million in 2000.
- (c) The subtotal of operating expenses – minus USD 638 000 (2000 – USD 869 000) spent relative to the Strategic Change Programme (previously called Process Re-engineering Programme) – amounted to USD 49.2 million compared with a budget of USD 52.3 million. In addition, in 2001 there was a charge of USD 4.3 million representing the third of five tranches for the current deficit in the after-service medical coverage scheme.



- (d) IFAD has been participating in the Debt Initiative for Heavily Indebted Poor Countries (HIPC) since 1997 (in accordance with Resolution 101/XX of the Twentieth Session of the Governing Council). In 2001, there was a charge (prior to currency effects) of USD 97.5 million (2000 – USD 74.5 million). This charge represents the part approved during 2001 of the total cumulative cost of debt relief of USD 204.4 million as at 31 December 2001. As shown in Appendix G, the debt relief provided to date is some USD 10.8 million (principal) plus USD 4.2 million (interest). The remaining debt relief will be given in the period 2002 – 2037.
- (e) In accordance with a new accounting standard, in 2001 the Fund changed the accounting policy relating to the measurement of loans. Loans are now stated at amortized cost, less an allowance for impairment losses. An allowance may be established in cases that the full amount of the loan is not being repaid in accordance with the original repayment schedule. Previously loans were stated at cost. An adjustment of USD 75.0 million has been made to the opening balance of retained earnings, representing the impact of this standard on the prior years. In 2001 there was a net positive movement in the allowance of USD 2.8 million, leaving a balance of USD 72.2 million.

Statement of Changes in Accumulated Surplus (Appendix A1)

This statement complies with the requirements of International Accounting Standard (IAS) No. 21, which states that all gains and losses arising from foreign exchange rate movements should be taken through the Statement of Activities and Changes in Net Assets as opposed to passing through the Balance Sheet as in previous years. This policy was adopted in 1995.

The statement includes the accumulated surplus arising from the excess of revenue over expenses, foreign exchange rate movements and net charges for the cumulative commitments for the Debt Initiative.

Balance Sheet (Appendix B)

The Fund has made provisions relating to arrears in Members' contributions, as follows:

	USD '000
Promissory notes	106 082
Amounts receivable	<u>89 583</u>
	195 665

These are shown in Appendix B and detailed by Member State in Notes 6 and 7 of Appendix H.

It should be noted that, as at 31 December 2001, 13 countries had loans with arrears of 180 days or more and are thus in non-accrual status. The threshold for non-accrual status has been reduced from 300 days in 2000 to 180 days in 2001, in order to align IFAD to the practices of other international financial institutions (IFIs). Details of the countries and amounts involved are given in Note 8 of Appendix H.

As in the case of arrears on Members' contributions, the Fund is making continued efforts to eliminate all arrears on its loans.



Statement of Cash Flows (Appendix C)

Appendix C has been prepared in accordance with IAS No. 7 (revised). The movements in cash and investments (excluding equities) in the Balance Sheet are dealt with in detail in this appendix.

Statement of Resources Available for Commitment (Appendix D)

This statement includes all assets in freely convertible currencies that may be considered committable in accordance with the policy adopted at the Thirty-Fourth Session of the Executive Board. It should be noted that in 2001 use has been made for the first time of the Advance Commitment Authority, as regular resources were not sufficient to meet loan and grant commitments.

Statement of Members' Contributions and Special Contributions (Appendix E)

Appendix E combines contributions to the initial resources of the Fund and the First and Second Replenishments, as all amounts have been drawn down and full disclosure on non-payment has been made in Appendix H – Notes to the Financial Statements. Details on contributions to the Third, Fourth and Fifth Replenishments are also provided.

Statement of Loans (Appendix F)

The position, country-by-country, of the Fund's borrowers is given in this appendix, with a split between USD loans and loans in Special Drawing Rights (SDR).

Summary of the Debt Initiative for Heavily Indebted Poor Countries (Appendix G)

This appendix contains an analysis, country-by-country, of the debt relief provided to date and current commitments for future relief, as authorized by the Executive Board.

4. The Financial Statements for 2001 will be reviewed in detail at a meeting of the Audit Committee to be held on 15 March 2002. The Chairperson of the Audit Committee will make a formal report to the Seventy-Fifth Session of the Executive Board on the conclusions of the Committee with respect to these statements.

Recommendation

5. Accordingly, the Executive Board may wish to adopt the following decision:

“In accordance with Regulation XII-6 of the Financial Regulations of IFAD, the Executive Board considered the 2001 Financial Statements of IFAD and the Report of the External Auditor thereon and agreed to submit them to the Governing Council for approval.”



INTERNATIONAL FUND
FOR AGRICULTURAL DEVELOPMENT

FINANCIAL STATEMENTS

for the years ended 31 December 2001 and 31 December 2000

- Appendix A - Statement of Activities and Changes in Net Assets**
 - Appendix A1 - Statement of Changes in Accumulated Surplus**
 - Appendix B - Balance Sheet**
 - Appendix C - Statement of Cash Flows**
 - Appendix D - Statement of Resources Available for Commitment**
 - Appendix E - Statement of Members' Contributions and Special Contributions**
 - Appendix F - Statement of Loans**
 - Appendix G - Summary of the Debt Initiative for Heavily Indebted Poor Countries**
 - Appendix H - Notes to the Financial Statements**
- Report of the External Auditor**

These Financial Statements have been prepared using the symbols of the International Organization for Standardization (ISO), Geneva, International Standard 4217 and SDR. The Notes to the Financial Statements (Appendix H) form an integral part of the Financial Statements.



INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

Statement of Activities and Changes in Net Assets

Appendix A

For the years ended 31 December 2001 and 31 December 2000

(Expressed in thousands of United States dollars)

	2001	2000
Changes in Net Assets		
(Decrease)/Increase in value of net contributions	213 349	3 386
(Decrease)/Increase in complementary contributions	3 404	(244)
Special contributions received	0	0
Increase in approved grants net of cancellations	(26 274)	(31 443)
	190 479	(28 301)
Revenue		
Income from loans (Note 8)	42 323	44 288
Net loss from investments - IFAD (Note 3)	(42 856)	(46 966)
Total Revenue	(533)	(2 678)
Operating Expenses		
Staff salaries and benefits (Note 12)	(26 053)	(24 373)
Other operational and administrative costs	(7 736)	(7 749)
Cooperating institutions and consultants	(13 750)	(12 677)
Governing Council and Executive Board and other official meetings	(1 701)	(1 413)
Strategic Change Programme (Process Re-engineering Programme)	(638)	(869)
Subtotal	(49 878)	(47 081)
Provision for after-service medical coverage scheme (Note 12)	(4 300)	(4 300)
Total charge for Debt Initiative commitments (Notes 2 and 9)	(97 509)	(74 521)
Allowance for loan impairment losses (Note 8(c))	2 758	0
Total Operating Expenses	(148 929)	(125 902)
Net Revenue Less Operating Expenses	(149 462)	(128 580)
Net Foreign Exchange Rate Movements	(187 540)	(264 266)
Transfer to Accumulated Surplus	(337 002)	(392 846)
Decrease in Net Assets	(146 523)	(421 147)
Net Assets at Beginning of the Year	5 234 252	5 655 399
Adjustment to Accumulated Surplus for Loan Impairment Provision	(74 995)	0
Net Adjusted Assets at Beginning of the Year	5 159 257	0
Net Assets at End of the Year	5 012 734	5 234 252
<i>Reconciliation of changes in net assets from operating activities</i>		
<i>Loan disbursements</i>	299 584	285 144
<i>Loan repayments</i>	(128 036)	(132 858)
<i>Movement in accumulated allowance for Debt Initiative for HIPC</i>	(94 586)	(73 562)
<i>Movement in accumulated allowance for loan impairment losses</i>	2 758	0
	79 720	78 724
<i>Effect of foreign exchange movements on loans</i>	(103 321)	(145 672)
<i>Net decrease in loans outstanding</i>	(23 601)	(66 948)
<i>Increase/(Decrease) in net amounts receivable from contributors</i>	95 304	(42 201)
<i>Net decrease in promissory notes from contributors</i>	(74 797)	(56 982)
<i>Change in cash and investments</i>	(135 413)	(252 488)
<i>Net decrease in other receivables and liabilities</i>	(8 016)	(2 528)
Changes in net assets	(146 523)	(421 147)



INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

Statement of Changes in Accumulated Surplus
For the years ended 31 December 2001 and 31 December 2000
(Expressed in thousands of United States dollars)

Appendix A1

	Surplus from Operations	Foreign Exchange Effects ^{1/}	Total Accumulated Surplus
Opening Balance at 1 January 2000 Restated (Note 2)	1 923 828	279 677	2 203 505
Net revenue less operating expenses before the effect of foreign exchange rate movements	(128 580)		(128 580)
Net foreign exchange rate movements ^{1/}		(264 266)	(264 266)
Accumulated Surplus at 31 December 2000	1 795 248	15 411	1 810 659
Adjustment for change in accounting policy for loans (Note 2(a))	(74 995)		(74 995)
Accumulated Surplus at 1 January 2001	1 720 253	15 411	1 735 664
Net revenue less operating expenses before the effect of foreign exchange rate movements	(149 462)		(149 462)
Net foreign exchange rate movements ^{1/}		(187 540)	(187 540)
Accumulated Surplus at 31 December 2001	1 570 791	(172 129)	1 398 662

^{1/} See Appendix H, Note 2(d).



INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

Balance Sheet

31 December 2001 and 31 December 2000

(Expressed in thousands of United States dollars)

Appendix B

Assets			Liabilities, Contributions, Accumulated Surplus and Reserve	
	2001	2000	2001	2000
Cash in banks	71 702	60 149	Liabilities	
Investments (Notes 2 (a) and 3)	1 884 305	2 062 942	Payable for investments purchased	64 373
			Payables and accrued liabilities	35 343
			Undisbursed grants	64 771
			Amounts due to other funds	15 513
Cash and investments subject to restriction (Note 4)	48 343	32 630	Provision for after-service medical coverage	13 730
				193 730
Contributors' promissory notes (Note 6)	398 598	473 395	Contributions, accumulated surplus and reserve	
Less: Provision (Note 5(h))	(106 082)	(106 082)	IFAD Members' contributions (Appendix E and Note 5)	3 742 986
	292 516	367 313	Less: Provision (Note 5(h))	(195 655)
				3 547 331
Amounts receivable from Contributors (Note 7)	237 107	141 776	IFAD special contributions	20 139
Less: Provision (Note 5(h))	(89 583)	(89 555)		
	147 524	52 221	IFAD complementary contributions	45 029
			Debt Initiative for HIPC, BSF ^{2/} cash	(21 930)
Other receivables				
Accrued income on loans	12 313	12 996		
Accrued income on investments IFAD	19 489	18 935		
Accrued income on investments Debt Initiative for HIPC	55	90		
Receivable for investments sold	5 229	24 693		
Miscellaneous	5 624	4 603		
Due from other funds	7 107	10 845		
	49 817	72 162		
Loans (Note 8 and Appendix F)			SPA contributors - first phase (Appendix E and Note 5)	288 859
IFAD and SPA ^{1/} approved loans less cancellations (Note 8)			Less: Provision (Note 5(h))	(10)
2001 - USD 6 231 849			SPA contributors - second phase	62 364
2000 - USD 6 084 000			SPA special contributions	209
				351 422
Effective loans	5 691 267	5 436 779		
Less: Undisbursed balance of effective loans	(1 607 782)	(1 503 394)		
Repayments	(1 109 549)	(1 027 677)	Total accumulated surplus (Appendix A1)	1 398 662
Loans outstanding (Note 8)	2 973 936	2 905 708		
			Less: IFAD grants (Notes 2 (a) and 10)	(422 919)
Less: Accumulated allowance for loan impairment losses (Note 8)	(72 237)	0		
Less: Accumulated allowance for Debt Initiative for HIPC (Note 9)	(189 442)	(94 856)	General Reserve (Note 11)	95 000
Net loans outstanding	2 712 257	2 810 852		95 000
			Net Assets	5 012 734
	5 206 464	5 458 269		5 234 252
				5 206 464
				5 458 269

^{1/} Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification.

^{2/} Belgium Survival Fund for the Third World.



INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

Statement of Cash Flows ^{1/}

Appendix C

For the years ended 31 December 2001 and 31 December 2000

(Expressed in thousands of United States dollars)

	2001	2000
Cash flows from investing in development activities		
Loan disbursements	(299 584)	(285 144)
Loan principal repayments	128 036	132 858
Grant disbursements	(27 024)	(27 316)
Transfer from restricted funds for grant disbursements	0	228
Restricted funds represented by Interfund payable movement	(4 504)	0
Transfer of technical assistance grants to restricted funds	(3 842)	0
Transfer of funds to Debt Initiative for HIPC	(4 000)	(6 670)
Net cash flows used by investing in development activities	(210 918)	(186 044)
Cash flows from financing activities		
Receipts from Member States		
- Promissory notes drawn down	158 121	76 255
- Second Replenishment contributions	5	0
- Third Replenishment contributions	629	100
- Fourth Replenishment contributions	13 464	21 263
- Fifth Replenishment contributions	26 150	0
Net cash flows provided by financing activities	198 369	97 618
Cash flows from operating activities		
Interest income and net realized capital gains	43 667	99 390
Dividend income from equities	13 812	11 640
Net purchase of equities	(31 167)	(280 176)
Other investment income	2 881	30 962
Interest received from loans	42 109	43 988
Cash receipts/(payments) from miscellaneous and other funds	5 511	(5 814)
Payments for administrative and investment expenses	(64 303)	(59 720)
Transfer of after-service medical coverage to restricted cash	0	(4 853)
Exchange gain on operations	122	260
Net cash flows provided/(used) by operating activities	12 632	(164 323)
Effects of exchange rate movements on cash and investments excluding equities	(40 673)	(88 685)
Net (decrease) in unrestricted cash and cash equivalents	(40 590)	(341 434)
Unrestricted cash and cash equivalents at the beginning of year	1 240 670	1 582 104
Unrestricted cash and cash equivalents at the end of year	1 200 080	1 240 670
COMPOSED OF:		
Unrestricted cash	71 702	60 149
Unrestricted investments excluding equities	1 128 378	1 180 521
	1 200 080	1 240 670
Reconciliation of net income to net cash used by operating activities:		
Net revenue less operating expenses	(149 462)	(128 580)
Adjustment to reconcile net income to net cash provided by operations:		
- increase/(decrease) in accrued income on loans and investments	18 685	(10)
- increase/(decrease) in other receivables	5 511	(5 815)
- (decrease)/increase in other payables	(39 818)	25 792
- interest on restricted cash and investments	430	295
- unrealized capital gains on equities	21 345	185 874
- net charge from Debt Initiative for HIPC commitments	97 509	74 521
- change in book value of equities	55 794	(316 660)
- loan impairment provision movement	(2 758)	0
- after-service medical provision	5 274	0
- exchange gain on operations	122	260
Net cash flows provided/(used) by operating activities	12 632	(164 323)

1/ See Appendix H, Note 2(g).



INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

Statement of Resources Available for Commitment ^{1/}
31 December 2001 and 31 December 2000
 (Expressed in thousands of United States dollars)

Appendix D

		2001	2000
Assets in freely convertible currencies	Cash	71 702	60 149
	Investments	1 884 305	2 062 942
	Promissory notes - Member States	374 099	448 126
	Norway advance contributions to the Fifth Replenishment specifically allowable (Note 5(f))	0	5 469
	Other receivables	49 818	72 072
		2 379 924	2 648 758
Less	Payables and accrued liabilities	115 227	150 061
	General reserve	95 000	95 000
	Undisbursed effective loans	1 607 782	1 503 394
	Approved loans signed but not yet effective	225 772	365 206
	Undisbursed grants	49 919	47 463
		1 883 473	1 916 063
	Drawdowns on Initial Contribution promissory notes that have not been paid	43 075	43 075
	Drawdowns on First Replenishment promissory notes that have not been paid	41 370	41 370
	Drawdowns on Second Replenishment promissory notes that have not been paid	5 002	5 002
	Drawdowns on Third Replenishment promissory notes that have not been paid	20 795	27 694
	Member States' promissory notes that have not yet been drawn down (see Note 2 (c) (iii))	0	2 892
	Drawdowns on First Phase SPA promissory notes that have not been paid	10	10
		110 252	120 043
		2 203 952	2 281 167
Resources Available for Commitment		175 972	367 591
Less	Loans not yet signed	314 811	282 015
	Grants not yet signed	14 852	18 032
Net Resources pre-Advance Commitment Authority (ACA)		(153 691)	67 544
ACA approved at 72nd Executive Board		69 600	
ACA approved at 73rd Executive Board		100 133	
ACA approved at 74th Executive Board		205 800	
		375 533	
Less	ACA reversed in year	(221 842)	
ACA carried forward		153 691	
Net Resources Available for Commitment		0	67 544

1/ See Appendix H, Notes 2(c), 6 and 7.



INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

Statement of Members' Contributions and Special Contributions ^{1/}
31 December 2001 and 31 December 2000

Appendix E
Members - Category I

	Initial, First and Second Replenishment		Third Replenishment				
	USD		Instruments Deposited ^{2/}		Payments-USD Equivalent		
	Equivalent	Currency	Amount	Equivalent	Cash	Promissory Notes	Total
Australia	20 350 516	AUD	10 534 275	6 766 852	6 296 033	470 819	6 766 852
Austria ^{3/}	17 361 041	EUR	5 811 703	5 898 683	5 898 683		5 898 683
Belgium ^{3/}	35 949 263	EUR	9 052 877	9 466 263	9 466 263		9 466 263
Canada	78 727 037	CAD	26 983 253	18 236 878	15 288 816	2 948 062	18 236 878
Denmark	25 967 094	DKK	67 577 314	9 472 117	9 472 117		9 472 117
Finland ^{3/}	13 040 503	EUR	6 160 459	6 595 529	6 595 529		6 595 529
France ^{3/}	89 292 984	EUR	30 999 587	31 154 076	26 404 776	4 749 300	31 154 076
Germany	151 806 996	SDR	28 841 959	38 664 588	38 664 588		38 664 588
Greece ^{4/}		USD	600 000	600 000	600 000		600 000
Ireland ^{3/}	2 556 419	EUR	654 349	820 849	820 849		820 849
Italy ^{3/}	82 890 395	EUR	17 823 004	28 079 860	28 079 860		28 079 860
Japan	186 773 731	JPY	5 096 008 994	41 764 975	41 764 975		41 764 975
Luxembourg ^{3/}	944 574	EUR	236 167	238 431	238 431		238 431
Netherlands ^{3/}	119 344 690	EUR	19 384 984	19 660 180	19 660 180		19 660 180
New Zealand	4 593 709	NZD	2 102 069	1 264 829	1 264 829		1 264 829
Norway	63 693 719	NOK	110 723 560	16 842 864	16 842 864		16 842 864
Portugal ^{5/}							
Spain	4 966 000	USD	1 435 159	1 435 159	1 435 159		1 435 159
Sweden	68 671 403	SEK	137 458 556	17 063 378	17 063 378		17 063 378
Switzerland	41 497 300	CHF	16 270 000	11 692 082	11 692 082		11 692 082
United Kingdom	64 269 514	GBP	11 305 433	17 761 620	14 908 468	2 853 152	17 761 620
United States	459 874 400	USD	82 800 000	82 800 000	82 800 000		82 800 000
Subtotal, Category I							
31 December 2001	1 532 571 288			366 279 213	355 257 880	11 021 333	366 279 213
31 December 2000	1 532 571 288			368 897 808	324 820 740	44 077 068	368 897 808

Members - Category II

	Initial, First and Second Replenishment *		Third Replenishment				
	USD		Instruments Deposited ^{2/}		Payments-USD Equivalent		
	Equivalent	Currency	Amount	Equivalent	Cash	Promissory Notes	Total
Algeria	37 580 000	USD	12 000 000	12 000 000	9 912 000	2 088 000	12 000 000
Gabon ^{6/}	2 801 000	USD					
Indonesia	10 059 000	USD	6 900 000	6 900 000	6 900 000		6 900 000
Iran ^{6/}	124 750 000	USD	4 000 000	4 000 000	1 600 000		1 600 000
Iraq ^{6/}	53 099 000	USD					
Kuwait	117 041 000	USD	14 000 000	14 000 000	14 000 000		14 000 000
Libyan Arab Jamahiriya ^{6/}	36 000 000	USD	16 000 000	16 000 000		16 000 000	16 000 000
Nigeria ^{6/}	76 459 000	USD	10 000 000	10 000 000	5 830 000	4 170 000	10 000 000
Qatar ^{6/}	27 980 000	USD	1 000 000	1 000 000			
Saudi Arabia	333 778 000	USD	30 000 000	30 000 000	30 000 000		30 000 000
United Arab Emirates ^{6/}	47 180 000	USD	1 000 000	1 000 000	826 000	174 000	1 000 000
Venezuela	132 489 000	USD	28 000 000	28 000 000	28 000 000		28 000 000
Subtotal, Category II							
31 December 2001	999 216 000			122 900 000	97 068 000	22 432 000	119 500 000
31 December 2000	999 216 000			122 900 000	69 492 880	49 407 120	118 900 000

* A special contribution of USD 20 million paid by the OPEC Fund towards the First Replenishment is associated with Category II Members' contributions to the First Replenishment of IFAD's Resources.


INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

Statement of Members' Contributions and Special Contributions ^{1/}
31 December 2001 and 31 December 2000

Appendix E
Members - Category III

	Initial, First and Second Replenishment	Third Replenishment						Total
		Instruments Deposited ^{2/}		Payments-USD Equivalent				
		USD Equivalent	Currency	Amount	USD Equivalent	Cash	Promissory Notes	
Afghanistan	93							
Albania ^{7/}								
Angola ^{8/}		USD	20 000	20 000	20 000		20 000	
Antigua and Barbuda ^{8/}								
Argentina	1 900 016	USD	3 000 000	3 000 000	3 000 000		3 000 000	
Armenia ^{9/}								
Azerbaijan ^{10/}								
Bangladesh	1 456 030	USD	500 000	500 000	500 000		500 000	
Barbados	2 000	USD	1 000	1 000	1 000		1 000	
Belize ^{11/}	5 000	USD	100 333	100 333	100 333		100 333	
Benin	30 000	USD	20 000	20 000	20 000		20 000	
Bhutan	1 000	USD	25 000	25 000	25 000		25 000	
Bolivia		USD	300 000	300 000	300 000		300 000	
Bosnia and Herzegovina ^{10/}								
Botswana	35 000	USD	50 000	50 000	50 000		50 000	
Brazil ^{12/}	13 504 305	USD	7 000 000	7 000 000	7 000 000		7 000 000	
Burkina Faso	10 000	USD	20 000	20 000	20 000		20 000	
Burundi	19 861	USD	50 000	50 000	50 000		50 000	
Cambodia ^{7/}								
Cameroon	204 886	USD	100 000	100 000	100 000		100 000	
Cape Verde	1 000	USD	10 000	10 000	10 000		10 000	
Central African Republic	10 725							
Chad								
Chile	50 000	USD	55 000	55 000	55 000		55 000	
China	3 838 534	USD	8 000 000	8 000 000	8 000 000		8 000 000	
Colombia	10 000	USD	60 000	60 000	60 000		60 000	
Comoros ^{6/}	29 291							
Congo	148 092							
Cook Islands ^{9/}								
Costa Rica								
Côte d'Ivoire		USD	500 000	500 000	500 000		500 000	
Croatia ^{10/}								
Cuba	8 520							
Cyprus	62 000	USD	25 000	25 000	25 000		25 000	
D.P.R. Korea ^{6/ 8/}		USD	600 000	600 000		600 000	600 000	
D.R. Congo	27 691							
Djibouti	6 000							
Dominica	14 987	USD	30 000	30 000	30 000		30 000	
Dominican Republic	25 000							
Ecuador ^{6/}	90 993	USD	300 000	300 000	300 000		300 000	
Egypt	408 882	USD	5 000 000	5 000 000	5 000 000		5 000 000	
El Salvador	40 000	USD	60 000	60 000	60 000		60 000	
Equatorial Guinea								
Eritrea ^{10/}								
Ethiopia	70 869	USD	30 000	30 000	30 000		30 000	
Fiji	30 000	USD	100 000	100 000	100 000		100 000	
Gambia, The	10 000	USD	10 000	10 000	10 000		10 000	
Georgia ^{13/ 14/}								
Ghana	116 487	USD	250 000	250 000	250 000		250 000	
Greece ^{4/}	550 000							
Grenada		USD	25 000	25 000	25 000		25 000	
Guatemala		USD	250 000	250 000	250 000		250 000	
Guinea	89 725	USD	50 000	50 000	50 000		50 000	
Guinea-Bissau	10 000	USD	20 000	20 000	20 000		20 000	
Guyana	60 000	USD	150 000	150 000	150 000		150 000	
Haiti	37 118	USD	70 000	70 000	70 000		70 000	
Honduras	191 500	USD	150 000	150 000	150 000		150 000	
India	18 812 382	USD	8 000 000	8 000 000	6 616 520	1 383 480	8 000 000	
Israel	150 000							
Jamaica	25 814	USD	150 000	150 000	150 000		150 000	
Jordan	180 000	USD	75 000	75 000	75 000		75 000	
Kenya	2 407 784	USD	1 000 000	1 000 000	1 000 000		1 000 000	
Kyrgyzstan ^{9/}								
Laos	2 213							
Lebanon	25 000							
Lesotho	89 397	USD	50 000	50 000	50 000		50 000	
Liberia	39 000							
Madagascar	50 000	USD	50 000	50 000	50 000		50 000	
Malawi	33 346	USD	40 000	40 000	40 000		40 000	

(cont'd)



INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

Statement of Members' Contributions and Special Contributions ^{1/}
31 December 2001 and 31 December 2000

Appendix E
Members - Category III (cont'd)

	Initial, First and Second Replenishment		Third Replenishment				
	USD		Instruments Deposited ^{2/}		Payments-USD Equivalent		
	Equivalent	Currency	Amount	Equivalent	Cash	Notes	Total
Malaysia							
Maldives	1 000	USD	25 000	25 000	25 000		25 000
Mali	19 404	USD	11 146	11 146	11 146		11 146
Malta		USD	15 000	15 000	15 000		15 000
Mauritania ^{6/}	25 000	USD	25 000	25 000		25 000	25 000
Mauritius	30 000	USD	55 000	55 000	55 000		55 000
Mexico	13 630 985	USD	7 500 000	7 500 000	7 500 000		7 500 000
Mongolia ^{10/}							
Morocco	444 407	USD	3 000 000	3 000 000	3 000 000		3 000 000
Mozambique	390	USD	80 000	80 000	80 000		80 000
Myanmar ^{14/}		USD	250 000	250 000	250 000		250 000
Namibia ^{15/}		USD	20 000	20 000	20 000		20 000
Nepal	10 000	USD	50 000	50 000	50 000		50 000
Nicaragua	38 571						
Niger	154 872	USD	19 935	19 935	19 935		19 935
Oman	75 000	USD	75 000	75 000	75 000		75 000
Pakistan	2 933 776	USD	2 000 000	2 000 000	2 000 000		2 000 000
Panama	41 666	USD	25 000	25 000	25 000		25 000
Papua New Guinea	70 000	USD	100 000	100 000	100 000		100 000
Paraguay		USD	200 000	200 000	200 000		200 000
Peru	60 000	USD	100 000	100 000	100 000		100 000
Philippines	477 907	USD	500 000	500 000	500 000		500 000
Portugal ^{3/ 5/}		EUR	752 306	852 359	852 359		852 359
Republic of Korea	739 032	USD	2 000 000	2 000 000	2 000 000		2 000 000
Republic of Moldova ^{16/}							
Romania	453						
Rwanda	74 499	USD	50 000	50 000	50 000		50 000
Saint Christopher and Nevis ^{8/}		USD	10 000	10 000	10 000		10 000
Saint Lucia	2 000	USD	10 000	10 000	10 000		10 000
Saint Vincent and the Grenadines ^{11/ 14/}							
Samoa	10 000	USD	25 000	25 000	25 000		25 000
Sao Tome and Principe ^{6/}		USD	10 000	10 000			
Senegal	20 650	USD	60 000	60 000	60 000		60 000
Seychelles	5 000	USD	10 000	10 000	10 000		10 000
Sierra Leone	36 726						
Solomon Islands	10 000						
Somalia	10 000						
South Africa ^{16/}							
Sri Lanka	2 783 000	USD	1 000 000	1 000 000	1 000 000		1 000 000
Sudan	88 259	USD	200 000	200 000	200 000		200 000
Suriname ^{11/}							
Swaziland	32 875	USD	20 000	20 000	20 000		20 000
Syria	266 656						
Tajikistan ^{10/}							
Tanzania, United Republic of	39 385	USD	50 000	50 000	50 000		50 000
Thailand	300 000	USD	150 000	150 000	150 000		150 000
The Former Yugoslav Republic of Macedonia ^{10/}							
Togo	35 443						
Tonga		USD	25 000	25 000	25 000		25 000
Trinidad and Tobago ^{8/}							
Tunisia	359 806	USD	500 000	500 000	500 000		500 000
Turkey	36 365	USD	5 000 000	5 000 000	5 000 000		5 000 000
Uganda	50 000	USD	60 000	60 000	60 000		60 000
Uruguay		USD	200 000	200 000	200 000		200 000
Viet Nam	12	USD	3 000	3 000	3 000		3 000
Yemen	300 000	USD	300 000	300 000	300 000		300 000
Yugoslavia	108 170						
Zambia	207 262						
Zimbabwe	3 074	USD	1 600 000	1 600 000	1 600 000		1 600 000
Subtotal, Category III							
31 December 2001	68 452 186			62 482 773	60 464 293	2 008 480	62 472 773
31 December 2000	68 447 561			62 454 066	54 684 885	7 759 181	62 444 066
Total, Categories I, II and III							
31 December 2001	2 600 239 474			551 661 986	512 790 173	35 461 813	548 251 986
31 December 2000	2 600 234 849			554 251 874	448 998 504	101 243 369	550 241 873


INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

Statement of Members' Contributions and Special Contributions ¹¹
31 December 2001 and 31 December 2000

Appendix E

	Fourth Replenishment Contributions ^{17/}					
	Instruments Deposited ^{2/}			Payments - USD Equivalent		
	Currency	Amount	USD Equivalent	Cash	Promissory Notes	Total
Afghanistan						
Albania ^{7/}	USD	10 000	10 000	10 000		10 000
Algeria	USD	250 000	250 000	148 000	102 000	250 000
Angola	USD	40 000	40 000	40 000		40 000
Antigua and Barbuda						
Argentina	USD	1 500 000	1 500 000	1 500 000		1 500 000
Armenia ^{9/}						
Australia	AUD	6 426 708	3 259 209		3 259 209	3 259 209
Austria ^{3/}	EUR	5 428 010	4 824 856	4824856		4 824 856
Azerbaijan ^{10/}						
Bangladesh	USD	600 000	600 000	355 200	244 800	600 000
Barbados	USD	7 000	7 000	7 000		7 000
Belgium ^{3/}	EUR	7 213 702	6 221 053	3 601 839	2 619 214	6 221 053
Belize ^{11/}						
Benin	USD	25 000	25 000	25 000		25 000
Bhutan	USD	25 000	25 000	25 000		25 000
Bolivia	USD	300 000	300 000	300 000		300 000
Bosnia and Herzegovina ^{10/}						
Botswana	USD	75 000	75 000	75 000		75 000
Brazil ^{12/}	USD	2 662 042	2 662 042	287 501	2 374 541	2 662 042
	SDR	3 657 989	4 594 987	494 370	4 100 617	4 594 987
Burkina Faso	USD	30 000	30 000	30 000		30 000
Burundi						
Cambodia ^{7/}						
Cameroon	USD	100 000	100 000	100 000		100 000
Canada	CAD	27 286 744	17 133 446		17 133 446	17 133 446
Cape Verde	USD	15 000	15 000	15 000		15 000
Central African Republic						
Chad						
Chile	USD	500 000	500 000			
China	USD	8 500 000	8 500 000	2 608 000		2 608 000
Colombia	USD	200 000	200 000	200 000		200 000
Comoros						
Congo	USD	3 000	3 000	3 000		3 000
Cook Islands ^{9/}	USD	5 000	5 000	5 000		5 000
Costa Rica						
Côte d'Ivoire	USD	1 003 707	1 003 707	1 003 707		1 003 707
Croatia ^{10/}						
Cuba						
Cyprus	USD	25 000	25 000	25 000		25 000
D.P.R. Korea	USD	100 000	100 000	100 000		100 000
D.R. Congo						
Denmark	DKK	160 000 000	19 034 106	19 034 106		19 034 106
Djibouti						
Dominica	USD	10 000	10 000	10 000		10 000
Dominican Republic						
Ecuador	USD	300 000	300 000	250 000		250 000
Egypt	USD	3 000 000	3 000 000	1 776 000	1 224 000	3 000 000
El Salvador						
Equatorial Guinea						
Eritrea ^{10/}	USD	5 000	5 000	5 000		5 000
Ethiopia	USD	30 000	30 000	30 000		30 000
Fiji	USD	64 228	64 228	64 228		64 228
Finland ^{3/}	EUR	2 793 487	2 436 007	1 432 474	1 003 532	2 436 006
France ^{3/}	EUR	19 894 216	17 516 662		17 516 662	17 516 662
Gabon						
Gambia, The	USD	10 086	10 086	10 086		10 086
Georgia ^{13/}						
Germany ^{3/}	EUR	28 346 022	24 962 111	2 699 224	22 262 888	24 962 112
Ghana	USD	300 000	300 000	300 000		300 000
Greece ^{4/}	USD	600 000	600 000	600 000		600 000
Grenada						
Guatemala	USD	193 021	193 021	193 021		193 021
Guinea	USD	15 000	15 000	15 000		15 000
Guinea Bissau						
Guyana	USD	269 921	269 921	269 921		269 921
Haiti						

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INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

Statement of Members' Contributions and Special Contributions ^{1/}
31 December 2001 and 31 December 2000

Appendix E

	Fourth Replenishment Contributions ^{17/}					
	Instruments Deposited ^{2/}			Payments - USD Equivalent		
	Currency	Amount	USD Equivalent	Cash	Promissory Notes	
Honduras	USD	212 246	212 246	212 246		212 246
India	USD	9 000 000	9 000 000		9 000 000	9 000 000
Indonesia	USD	10 000 000	10 000 000	10 000 000		10 000 000
Iran						
Iraq						
Ireland ^{3/}	EUR	653 067	712 083	712 083		712 083
Israel	USD	150 000	150 000	150 000		150 000
Italy ^{3/}	EUR	23 311 013	21 753 005	21 753 005		21 753 005
Jamaica	USD	150 000	150 000	150 000		150 000
Japan	JPY	4 335 661 936	34 302 266	20 893 112	13 409 155	34 302 267
Jordan	USD	325 000	325 000	75 000	250 000	325 000
Kazakhstan ^{18/}						
Kenya	USD	1 000 000	1 000 000	22 053		22 053
Kuwait	USD	15 000 000	15 000 000	8 880 000	6 120 000	15 000 000
Kyrgyzstan ^{9/}						
Laos	USD	50 000	50 000	50 000		50 000
Lebanon	USD	89 999	89 999	89 999		89 999
Lesotho	USD	50 000	50 000	50 000		50 000
Liberia						
Libyan Arab Jamahiriya						
Luxembourg ^{3/}	EUR	314 718	274 443	161 384	113 059	274 443
Madagascar	USD	8 357	8 357	8 357		8 357
Malawi						
Malaysia	USD	500 000	500 000	500 000		500 000
Maldives	USD	25 000	25 000		25 000	25 000
Mali	USD	10 969	10 969	10 969		10 969
Malta	USD	19 985	19 985	19 985		19 985
Mauritania						
Mauritius	USD	80 000	80 000	80 000		80 000
Mexico	USD	3 000 000	3 000 000	3 000 000		3 000 000
Mongolia ^{10/}						
Morocco	USD	2 000 000	2 000 000		600 000	600 000
Mozambique	USD	80 000	80 000	47 360	32 640	80 000
Myanmar						
Namibia ^{15/}	USD	300 000	300 000	300 000		300 000
Nepal	USD	50 000	50 000	50 000		50 000
Netherlands ^{3/}	EUR	5 938 629	5 224 707	3 091 314	2 133 393	5 224 707
New Zealand	NZD	2 099 160	989 072	989 072		989 072
Nicaragua	USD	50 000	50 000	33 000		33 000
Nigeria	USD	5 000 000	5 000 000	1 500 000		1 500 000
Norway	NOK	118 216 205	12 949 510	7 597 252	5 352 259	12 949 511
Oman						
Pakistan	USD	2 000 000	2 000 000		2 000 000	2 000 000
Panama	USD	33 299	33 299	33 299		33 299
Papua New Guinea						
Paraguay	USD	404 842	404 842	404 842		404 842
Peru	USD	200 000	200 000	118 400	81 600	200 000
Philippines	USD	500 000	500 000	500 000		500 000
Portugal ^{3/ 5/}	EUR	583 256	520 504	178 136	342 367	520 503
Qatar ^{6/}						
Republic of Korea	USD	2 500 000	2 500 000	2 500 000		2 500 000
Republic of Moldova ^{16/}						
Romania	USD	50 000	50 000			
Rwanda	USD	35 000	35 000	35 000		35 000
Saint Christopher and Nevis ^{8/}	USD	10 000	10 000	10 000		10 000
Saint Lucia	USD	10 000	10 000	10 000		10 000
Saint Vincent and the Grenadines ^{11/}						
Samoa	USD	15 000	15 000	15 000		15 000
Sao Tome and Principe						
Saudi Arabia	USD	3 000 000	3 000 000	1 776 000	1 224 000	3 000 000
Senegal	USD	60 000	60 000	60 000		60 000
Seychelles	USD	4 667	4 667	4 667		4 667
Sierra Leone						
Solomon Islands						
Somalia						

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INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

Statement of Members' Contributions and Special Contributions ^{1/}
31 December 2001 and 31 December 2000

Appendix E

	Fourth Replenishment Contributions ^{17/}				
	Instruments Deposited ^{2/}			Payments - USD Equivalent	
	Currency	Amount	USD Equivalent	Cash	Promissory Notes
South Africa ^{16/}	USD	500 000	500 000	500 000	
Spain ^{3/}	EUR	1 140 850	1 261 781	1 261 781	
Sri Lanka	USD	1 100 000	1 100 000	1 100 000	
Sudan	USD	198 656	198 656	198 656	
Suriname ^{11/}					
Swaziland	USD	59 454	59 454	59 454	
Sweden	SEK	164 775 912	15 538 212	9 241 785	6 296 426
Switzerland	CHF	14 915 809	8 877 991	952 915	7 925 076
Syria	USD	150 000	150 000	150 000	
Tajikistan ^{10/}					
Tanzania, United Republic of	USD	25 000	25 000	25 000	
Thailand					
The Former Yugoslav Republic of Macedonia ^{10/}					
Togo					
Tonga	USD	30 000	30 000	30 000	
Trinidad and Tobago					
Tunisia	USD	500 000	500 000	500 000	
Turkey	USD	5 000 000	5 000 000	5 000 000	
Uganda	USD	45 000	45 000	45 000	
United Arab Emirates	USD	1 000 000	1 000 000		1 000 000
United Kingdom	GBP	13 586 773	19 706 283		19 706 283
United States	USD	30 000 000	30 000 000	24 989 000	
Uruguay	USD	25 000	25 000	25 000	
Venezuela	USD	4 000 000	4 000 000		4 000 000
Viet Nam	USD	100 000	100 000	100 000	
Yemen	USD	188 914	188 914	188 914	
Yugoslavia					
Zambia					
Zimbabwe	USD	500 000	500 000	500 000	
Total Contributions					
31 December 2001			342 261 687	173 411 573	151 452 167
31 December 2000			354 113 521	69 856 539	253 406 982
					324 863 740
					323 263 521


INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

Statement of Members' Contributions and Special Contributions ^{1/}
31 December 2001 and 31 December 2000

Appendix E

	Fifth Replenishment Contributions					
	Instruments Deposited ^{2/}			Payments - USD Equivalent		
	Currency	Amount	USD Equivalent	Cash	Promissory Notes	Total
Afghanistan						
Albania ^{7/}	USD	10 000	10 000	10 000		10 000
Algeria	USD	500 000	500 000		500 000	500 000
Angola	USD	100 000	100 000	100 000		100 000
Antigua and Barbuda						
Argentina						
Armenia ^{9/}						
Australia	AUD	7 857 744	3 984 938			
Austria ^{3/}	EUR	5 665 180	5 056 165	5 056 165		5 056 165
Azerbaijan ^{10/}						
Bangladesh	USD	600 000	600 000		600 000	600 000
Barbados						
Belgium ^{3/}	EUR	8 924 167	7 857 642		2 619 214	2 619 214
Belize ^{11/}	USD	100 000	100 000	100 000		100 000
Benin	USD	25 000	25 000	25 000		25 000
Bhutan	USD	27 000	27 000	27 000		27 000
Bolivia	USD	300 000	300 000	50 000		50 000
Bosnia and Herzegovina ^{10/}						
Botswana						
Brazil ^{12/}	USD	7 916 263	7 916 263			
Burkina Faso	USD	40 000	40 000			
Burundi						
Cambodia ^{7/}	USD	210 000	210 000	69 985		69 985
Cameroon						
Canada	CAD	31 010 700	19 471 732		14 339 332	14 339 332
Cape Verde						
Central African Republic						
Chad						
Chile						
China	USD	10 000 000	10 000 000			
Colombia	USD	100 000	100 000	100 000		100 000
Comoros						
Congo						
Cook Islands ^{9/}						
Costa Rica						
Côte d'Ivoire	USD	55 115	55 115	55 115		55 115
Croatia ^{10/}						
Cuba						
Cyprus	USD	25 000	25 000	25 000		25 000
D.P.R. Korea						
D.R. Congo						
Denmark	DKK	193 300 000	22 985 846		7 610 420	7 610 420
Djibouti						
Dominica						
Dominican Republic						
Ecuador						
Egypt						
El Salvador						
Equatorial Guinea						
Eritrea ^{10/}						
Ethiopia	USD	30 000	30 000	30 000		30 000
Fiji						
Finland ^{3/}	EUR	3 456 720	3 043 608			
France ^{3/}	EUR	24 005 000	21 136 167		6 340 850	6 340 850
Gabon						
Gambia, The						
Georgia ^{13/}						
Germany ^{3/}	EUR	28 806 000	25 363 400		7 609 020	7 609 020
Ghana						
Greece ^{4/}						
Grenada	USD	25 000	25 000	25 000		25 000
Guatemala	USD	54 195	54 195	54 195		54 195
Guinea	USD	20 000	20 000	20 000		20 000
Guinea Bissau						
Guyana						
Haiti						

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INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

Statement of Members' Contributions and Special Contributions ^{1/}
31 December 2001 and 31 December 2000

Appendix E

	Fifth Replenishment Contributions					
	Instruments Deposited ^{2/}			Payments - USD Equivalent		
	Currency	Amount	USD Equivalent	Cash	Promissory Notes	Total
Honduras	USD	145 347	145 347	145 347		145 347
Iceland	USD	5 000	5 000	5 000		5 000
India	USD	12 000 000	12 000 000	4 000 000		4 000 000
Indonesia	USD	10 000 000	10 000 000	3 500 000		3 500 000
Iran						
Iraq						
Ireland ^{3/}	EUR	986 000	873 457	584 332		584 332
Israel						
Italy ^{3/}						
Jamaica						
Japan						
Jordan						
Kazakhstan ^{18/}						
Kenya						
Kuwait	USD	2 000 000	2 000 000		2 000 000	2 000 000
Kyrgyzstan ^{9/}						
Laos	USD	51 000	51 000	51 000		51 000
Lebanon						
Lesotho						
Liberia						
Libyan Arab Jamahiriya						
Luxembourg ^{3/}						
Madagascar	USD	50 361	50 361	50 361		50 361
Malawi						
Malaysia	USD	250 000	250 000	250 000		250 000
Maldives						
Mali						
Malta	USD	20 000	20 000	20 000		20 000
Mauritania						
Mauritius	USD	85 000	85 000	85 000		85 000
Mexico	USD	3 000 000	3 000 000			
Mongolia ^{10/}						
Morocco						
Mozambique	USD	80 000	80 000			
Myanmar						
Namibia ^{15/}						
Nepal						
Netherlands ^{3/}	EUR	26 885 600	23 662 880	7 109 664	16 553 216	23 662 880
New Zealand	NZD	2 160 000	908 785	310 681	598 104	908 785
Nicaragua						
Nigeria						
Norway	NOK	145 185 200	16 110 991		10 740 661	10 740 661
Oman						
Pakistan						
Panama	USD	33 200	33 200	33 200		33 200
Papua New Guinea						
Paraguay						
Peru	USD	200 000	200 000			
Philippines	USD	300 000	300 000	87 197		87 197
Portugal ^{3/5/}	EUR	720 150	634 085			
Qatar ^{6/}						
Republic of Korea	USD	2 500 000	2 500 000	750 000		750 000
Republic of Moldova ^{16/}						
Romania						
Rwanda						
Saint Christopher and Nevis ^{8/}						
Saint Lucia						
Saint Vincent and the Grenadines ^{11/}						
Samoa						
Sao Tome and Principe						
Saudi Arabia	USD	3 000 000	3 000 000		1 500 000	1 500 000
Senegal	USD	4 650	4 650	4 650		4 650
Seychelles						
Sierra Leone						
Solomon Islands						
Somalia						

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INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

Statement of Members' Contributions and Special Contributions ^{1/}
31 December 2001 and 31 December 2000

Appendix E

	Fifth Replenishment Contributions					
	Instruments Deposited ^{2/}			Payments - USD Equivalent		
	Currency	Amount	USD Equivalent	Cash	Promissory Notes	Total
South Africa ^{16/}						
Spain ^{3/}	USD	1 980 000	1 980 000	1 980 000		1 980 000
Sri Lanka	USD	1 000 000	1 000 000	1 000 000		1 000 000
Sudan						
Suriname ^{11/}						
Swaziland						
Sweden	SEK	202 838 412	18 997 237		12 348 204	12 348 204
Switzerland	CHF	17 718 494	10 547 919	879 967	9 667 952	10 547 919
Syria	USD	250 000	250 000	250 000		250 000
Tajikistan ^{10/}	USD	200	200	200		200
Tanzania, United Republic of	USD	100 000	100 000	50 527		50 527
Thailand	USD	150 000	150 000	150 000		150 000
The Former Yugoslav Republic of Macedonia ^{10/}						
Togo						
Tonga						
Trinidad and Tobago						
Tunisia	USD	600 000	600 000	208 071		208 071
Turkey	USD	5 000 000	5 000 000	1 239 272		1 239 272
Uganda	USD	45 000	45 000	45 000		45 000
United Arab Emirates						
United Kingdom						
United States						
Uruguay						
Venezuela	USD	4 600 000	4 600 000		4 600 000	4 600 000
Viet Nam	USD	500 000	500 000	100 000		100 000
Yemen						
Yugoslavia						
Zambia	USD	100 000	100 000	100 000		100 000
Zimbabwe						
Total Contributions						
31 December 2001			248 822 183	28 736 929	97 626 973	126 363 902
31 December 2000			20 767 663	1 396 763	5 469 295	6 866 058



INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

Statement of Members' Contributions and Special Contributions ^{1/}
31 December 2001 and 31 December 2000

Appendix E

Summary of Members' Contributions

	Value in USD '000	
	At 31.12.2001	At 31.12.2000
Initial Contributions	1 017 307	1 017 308
First Replenishment	1 016 372	1 016 372
Second Replenishment	566 560	566 555
Third Replenishment	551 662	554 251
Fourth Replenishment	342 262	354 114
Fifth Replenishment	248 823	20 768
Total	3 742 986	3 529 368

Statement of Complementary Contributions

	Instruments Deposited ^{2/}			Payments - USD Equivalent		
	Currency	Amount	USD Equivalent	Cash	Promissory Notes	Total
Fourth Replenishment						
Belgium ^{3/19/}	EUR	19 831 482	17 853 005	2 672 427	15 180 578	17 853 005
Netherlands ^{3/20/}	EUR	12 081 227	11 253 255	7 008 638		7 008 638
31 December 2001		29 106 260	29 106 260	9 681 065	15 180 578	24 861 643
31 December 2000			31 593 564	7 018 466	18 400 403	25 418 869
Fifth Replenishment						
Belgium	EUR	10 379 102	9 179 879	1 260 991	7 918 888	9 179 879
Germany	EUR	7 669 378	6 743 026	2 691 338		2 691 338
31 December 2001		15 922 905	15 922 905	3 952 329	7 918 888	11 871 217
31 December 2000			2 411 475	1 116 881	0	1 116 881
Total 31 December 2001			45 029 165	13 633 394	23 099 466	36 732 860
Total 31 December 2000			34 005 039	8 135 347	18 400 403	26 535 750

Special Contributions

	Initial, First and Second Replenishments USD Equivalent	Third Replenishment USD Equivalent	Fourth Replenishment USD Equivalent	Total USD Equivalent
OPEC Fund	20 000 000			20 000 000
Iceland ^{21/}			10 000	10 000
Other	123 454	4 833	763	129 050
31 December 2001	20 123 454	4 833	10 763	20 139 050
31 December 2000	20 123 453	4 832	10 763	20 139 048



INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

Statement of Members' Contributions and Special Contributions ^{1/}
31 December 2001 and 31 December 2000
Special Programme for Africa - First Phase

Appendix E

Contributors	Currency	Instruments Deposited ^{2/}		Payments – USD Equivalent		
		Amount	USD Equivalent	Cash	Promissory Notes	Total
Australia	AUD	500 000	388 871	388 871		388 871
Belgium ^{3/}	EUR	31 234 584	34 974 559	34 974 559		34 974 559
Denmark	DKK	120 000 000	18 672 803	18 672 803		18 672 803
Djibouti	USD	1 000	1 000	1 000		1 000
European Union ^{3/}	EUR	15 000 000	17 618 920	17 618 920		17 618 920
Finland ^{3/}	EUR	9 960 089	12 205 384	12 205 384		12 205 384
France ^{3/}	EUR	32 014 294	37 690 272	37 690 272		37 690 272
Germany ^{3/}	EUR	14 827 465	17 360 511	17 360 511		17 360 511
Greece	USD	37 030	37 030	37 030		37 030
Guinea	USD	25 000	25 000	25 000		25 000
Ireland ^{3/}	EUR	380 921	418 410	418 410		418 410
Italy ^{3/}	EUR	15 493 707	23 254 457	23 254 457		23 254 457
	USD	10 000 000	10 000 000	10 000 000		10 000 000
Japan	JPY	2 553 450 000	21 473 957	21 473 957		21 473 957
Luxembourg ^{3/}	EUR	247 894	266 099	266 099		266 099
Mauritania ^{6/}	USD	25 000	25 000	15 172	9 828	25 000
Netherlands ^{3/}	EUR	15 882 308	16 174 040	16 174 040		16 174 040
New Zealand	USD equiv. of					
	NZD	500 000	251 500	251 500		251 500
Niger ^{3/}	EUR	15 245	17 730	17 730		17 730
Norway	NOK	138 000 000	19 759 121	19 759 121		19 759 121
Spain	USD	1 000 000	1 000 000	1 000 000		1 000 000
Sweden	SEK	131 700 000	19 054 920	19 054 920		19 054 920
Switzerland	CHF	25 000 000	17 048 554	17 048 554		17 048 554
United Kingdom	GBP	7 000 000	11 141 044	11 039 516	101 528	11 141 044
United States	USD	10 000 000	10 000 000	10 000 000		10 000 000
31 December 2001			288 859 182	288 747 826	111 356	288 859 182
31 December 2000			288 930 618	287 915 791	1 014 827	288 930 618

Statement of Members' Contributions and Special Contributions ^{1/}
31 December 2001 and 31 December 2000
Special Programme for Africa - Second Phase

Contributors	Currency	Instruments Deposited ^{2/}		Payments-USD Equivalent		
		Amount	USD Equivalent	Cash	Promissory Notes	Total
Belgium ^{3/}	EUR	11 155 209	12 262 561	12 262 561		12 262 561
France ^{3/}	EUR	3 811 225	4 008 189	4 008 189		4 008 189
Greece	USD	40 000	40 000	40 000		40 000
Ireland ^{3/}	EUR	253 948	288 600	288 600		288 600
Italy ^{3/}	EUR	5 132 368	6 785 447	6 785 447		6 785 447
Kuwait	USD	15 000 000	15 000 000	15 000 000		15 000 000
Netherlands ^{3/}	EUR	8 848 714	9 533 084	9 533 084		9 533 084
Nigeria	USD	250 000	250 000	250 000		250 000
Sweden	SEK	25 000 000	4 196 391	4 196 391		4 196 391
United States	USD	10 000 000	10 000 000	10 000 000		10 000 000
31 December 2001			62 364 272	62 364 272	0	62 364 272
31 December 2000			62 533 768	59 520 019	3 013 749	62 533 768
Total First and Second Phase						
31 December 2001			351 223 454	351 112 098	111 356	351 223 454
31 December 2000			351 464 386	347 435 810	4 028 576	351 464 386

Special Contributions First Phase

31 December 2001		209 345	209 345	209 345
Special Contributions				
31 December 2000		209 345	209 345	209 345



Notes to Statement of Members' Contributions and Special Contributions

Appendix E

- 1/ Members' contributions have been translated on the basis of the following:
- (i) At year-end market rates of exchange for amounts paid in the form of promissory notes and not yet drawn down, and for non-convertible currencies not yet disbursed.
- (ii) At market rates of exchange as at date of receipt in respect of cash, including drawdown payments, and at market rates of exchange as at date of disbursement in the case of non-convertible currencies.
- 2/ In those cases where no instrument has been received, the amounts shown are the equivalent of the actual payments.
- 3/ These contributions were promised or paid in the constituent currencies of the euro prior to the introduction of the euro. For accounting convenience IFAD has converted all of these contributions into euro from the said constituent currencies at the following rates fixed by the European Central Bank:

	Currency	Euro
ATS	Austrian shilling	13.7603
BEF	Belgian franc	40.3399
DEM	Deutsche mark	1.95583
NLG	Dutch guilder	2.20371
ECU	European currency unit	1
FIM	Finnish mark	5.94573
FRF	French franc	6.55957
GRD	Greek dracma	340.75
IEP	Irish punt	0.787564
ITL	Italian lire	1 936.27
LUF	Luxembourg franc	40.3399
PTE	Portugal escudo	200.482
ESP	Spanish peseta	166.386

- 4/ The Twelfth Session of the Governing Council of IFAD adopted Resolution 53/XII, reclassifying Greece from membership of Category III to that of Category I, with effect from 24 January 1989.
- 5/ The Fourteenth Session of the Governing Council of IFAD adopted Resolution 65/XIV, reclassifying Portugal from membership of Category III to that of Category I, with effect from 29 May 1991.
- 6/ See Appendix H, Notes 6 and/or 7.
- 7/ The Fifteenth Session of the Governing Council adopted Resolution 68/XV on 21 January 1992, approving the application for membership of these countries.
- 8/ These Member States completed their membership formalities after the period of the First Replenishment.
- 9/ The Sixteenth Session of the Governing Council adopted Resolution 73/XVI on 22 January 1993, approving the application for membership of these countries.
- 10/ The Seventeenth Session of the Governing Council adopted Resolution 78/XVII on 26 January 1994, approving the application for membership of these countries.
- 11/ The Sixth Session of the Governing Council approved Resolution 23/VI on 13 December 1982, approving the application for membership of these countries.
- 12/ The Eighteenth Session of the Governing Council adopted Resolution 88/XVIII on 26 January 1995, deciding that the balance of the non-convertible currency contributions of Brazil to the First and Second Replenishments shall be converted into freely convertible currencies and transferred as its contribution to the Fourth Replenishment of IFAD's Resources. As agreed with the Government of Brazil, this has taken place upon effectiveness of the Fourth Replenishment.
- 13/ The Eighteenth Session of the Governing Council adopted Resolution 84/XVIII on 25 January 1995, approving the application for membership of this country.
- 14/ These Member States completed their membership formalities after the period of the Second Replenishment.
- 15/ The Fourteenth Session of the Governing Council adopted Resolution 64/XIV on 29 May 1991, approving the application for membership of this country.
- 16/ The Nineteenth Session of the Governing Council adopted Resolution 91/XIX on 17 January 1996, approving the application for membership of these countries.
- 17/ With the adoption of Resolution 86/XVIII on 26 January 1995 and its entry into force on 20 February 1997, and with the effectiveness of Resolution 87/XVIII on 29 August 1997, the Fourth Replenishment became effective and consequently Categories were replaced by Lists, with all Member States listed in alphabetical order.
- 18/ The Twenty-First Session of the Governing Council adopted Resolution 103/XXI on 11 February 1998, approving the application for membership of this country.
- 19/ The Twentieth Session of the Governing Council adopted Resolution 98/XX amending Resolutions 87/XVIII and 93/XIX, which listed, inter alia, the complementary contribution to the Fourth Replenishment by Belgium. The Governing Council has decided that this complementary contribution shall be used for the specific objective of, and in conformity with, the procedures of the Belgian Survival Fund.
- 20/ The Twentieth Session of the Governing Council adopted Resolution 98/XX amending Resolutions 87/XVIII and 93/XIX, which listed, inter alia, the complementary contribution to the Fourth Replenishment by The Netherlands.
- 21/ The Twenty-Fourth Session of the Governing Council adopted Resolution 120/XXIV on 20 February 2001, approving the application for membership of the Republic of Iceland.


INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

Statement of Loans ^{1/}

31 December 2001 and 31 December 2000

Appendix F

Borrower or Guarantor	Approved		Effective Loans				Outstanding Loans
	Loans Less	Loans Not	Undisbursed	Disbursed	Repayments		
	Cancellations	Yet Effective					
USD Loans ^{1/}	USD	USD	USD	USD	USD	USD	
Bangladesh	30 000 000	0	0	30 000 000	9 750 000	20 250 000	
Cape Verde	2 003 243	0	0	2 003 243	651 040	1 352 203	
Haiti	3 500 000	0	0	3 500 000	1 137 500	2 362 500	
Nepal	11 538 262	0	0	11 538 262	3 762 500	7 775 762	
Sri Lanka	12 000 000	0	0	12 000 000	4 200 000	7 800 000	
Tanzania, United Republic of	9 488 456	0	0	9 488 456	3 202 362	6 286 094	
Subtotal ^{1/}	68 529 961	0	0	68 529 961	22 703 402	45 826 559	
Exchange adjustment on USD Loans	2 743 203			2 743 203	3 171 187	(427 984)	
Subtotal USD Loans ^{1/}	71 273 164			71 273 164	25 874 589	45 398 575	

SDR Loans ^{1/}	SDR	SDR	SDR	SDR	SDR	SDR
Albania	24 050 000	0	11 915 723	12 134 277	0	12 134 277
Algeria	21 297 507	9 700 000	146 976	11 450 531	8 322 958	3 127 573
Angola	12 000 000	0	8 558 332	3 441 668	0	3 441 668
Argentina	32 350 000	12 800 000	8 389 867	11 160 133	7 014 572	4 145 561
Armenia	27 300 000	0	11 169 376	16 130 624	0	16 130 624
Azerbaijan	13 350 000	0	8 556 521	4 793 479	0	4 793 479
Bangladesh ^{2/}	203 988 303	17 550 000	35 941 173	150 497 130	21 058 440	129 438 690
Belize	3 416 200	0	1 307 229	2 108 971	1 288 848	820 123
Benin	65 804 313	7 850 000	20 687 614	37 266 699	5 609 590	31 657 109
Bhutan	18 034 372	0	5 785 869	12 248 503	1 609 851	10 638 652
Bolivia	60 800 000	9 250 000	6 640 993	44 909 007	17 338 125	27 570 882
Bosnia and Herzegovina	23 997 401	9 550 000	0	14 447 401	0	14 447 401
Botswana	4 667 402	0	0	4 667 402	4 564 904	102 498
Brazil	44 200 000	0	23 030 227	21 169 773	6 550 000	14 619 773
Burkina Faso	44 233 563	8 550 000	15 853 217	19 830 346	3 082 977	16 747 369
Burundi ^{2/}	34 546 617	0	16 807 873	17 738 744	4 410 160	13 328 584
Cambodia	17 500 000	0	12 224 138	5 275 862	0	5 275 862
Cameroon	33 918 923	0	13 857 245	20 061 678	9 970 810	10 090 868
Cape Verde	10 889 724	0	6 296 613	4 593 111	393 968	4 199 143
Central African Republic	24 577 923	0	1 544 122	23 033 801	1 758 492	21 275 309
Chad	8 250 000	0	8 250 000	0	0	0
Chile	5 500 000	0	1 773 126	3 726 874	1 466 664	2 260 210
China	305 387 771	23 800 000	43 119 222	238 468 549	41 945 225	196 523 324
Colombia	17 076 542	0	8 690 311	8 386 231	7 353 664	1 032 567
Comoros	4 186 867	0	452 893	3 733 974	335 925	3 398 049
Congo	5 658 900	0	0	5 658 900	3 616 318	2 042 582
Costa Rica	5 722 172	0	2 041 270	3 680 902	2 603 469	1 077 433
Côte d'Ivoire	30 677 969	0	20 487 507	10 190 462	5 989 378	4 201 084
Cuba	10 581 121	0	0	10 581 121	2 272 855	8 308 266
D.P.R. Korea	50 500 000	0	18 110 162	32 389 838	696 666	31 693 172
D.R. Congo	18 742 557	0	0	18 742 557	595 125	18 147 432
Djibouti	1 711 831	0	0	1 711 831	355 460	1 356 371
Dominica	4 246 460	0	622 134	3 624 326	1 300 250	2 324 076
Dominican Republic	24 691 867	0	7 557 395	17 134 472	10 018 466	7 116 006
Ecuador	26 850 450	0	6 921 518	19 928 932	6 412 686	13 516 246
Egypt	120 639 402	0	37 752 189	82 887 213	23 904 734	58 982 479
El Salvador	58 864 293	15 650 000	18 333 534	24 880 759	8 942 204	15 938 555
Equatorial Guinea	5 793 838	0	0	5 793 838	319 163	5 474 675
Eritrea	8 550 000	0	3 242 743	5 307 257	0	5 307 257
Ethiopia	100 847 049	20 150 000	27 962 959	52 734 090	8 514 619	44 219 471
Gabon	4 792 609	0	0	4 792 609	3 236 106	1 556 503
Gambia, The	20 608 432	0	5 875 046	14 733 386	1 773 235	12 960 151
Georgia	10 800 000	0	7 848 462	2 951 538	0	2 951 538
Ghana	70 790 184	17 950 000	16 478 924	36 361 260	4 024 910	32 336 350
Grenada	4 622 469	3 250 000	0	1 372 469	1 327 063	45 406
Guatemala	36 677 360	0	18 894 490	17 782 870	7 683 838	10 099 032
Guinea	55 580 303	0	20 552 837	35 027 466	2 736 456	32 291 010
Guinea-Bissau	5 117 134	0	0	5 117 134	731 796	4 385 338
Guyana	12 144 316	0	5 906 743	6 237 573	3 271 778	2 965 795
Haiti	34 651 777	0	13 067 490	21 584 287	4 186 326	17 397 961
Honduras	69 022 371	0	35 887 271	33 135 100	7 135 740	25 999 360
India	303 522 422	28 000 000	59 183 515	216 338 907	42 023 291	174 315 616
Indonesia ^{2/}	141 584 268	0	32 187 432	109 396 836	52 327 041	57 069 795
Jamaica	9 983 480	0	0	9 983 480	9 179 991	803 489
Jordan	37 649 370	0	11 875 213	25 774 157	12 296 488	13 477 669
Kenya	27 020 492	0	8 451 586	18 568 906	2 551 552	16 017 354

(cont'd)


INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

Statement of Loans (cont'd)
31 December 2001 and 31 December 2000

Appendix F

Borrower or Guarantor	Approved	Loans Not Yet Effective	Effective Loans			
	Loans Less Cancellations		Undisbursed Portion	Disbursed Portion	Repayments	Outstanding Loans
SDR Loans ^{1/}	SDR	SDR	SDR	SDR	SDR	SDR
Kyrgyzstan	8 250 000	0	4 484 094	3 765 906	0	3 765 906
Laos	25 736 983	0	5 807 137	19 929 846	1 909 767	18 020 079
Lebanon	32 950 000	10 250 000	14 542 388	8 157 612	2 839 996	5 317 616
Lesotho	14 540 054	0	5 501 088	9 038 966	1 745 481	7 293 485
Liberia	10 179 774	0	0	10 179 774	0	10 179 774
Madagascar ^{2/}	57 766 665	0	14 578 737	43 187 928	4 439 881	38 748 047
Malawi ^{2/}	59 694 191	10 700 000	5 570 248	43 423 943	6 716 874	36 707 069
Maldives	5 880 830	0	658 324	5 222 506	521 109	4 701 397
Mali	61 313 528	0	26 429 129	34 884 399	4 579 636	30 304 763
Mauritania	26 128 634	8 800 000	56 655	17 271 979	2 566 856	14 705 123
Mauritius	13 418 617	0	7 402 645	6 015 972	5 045 170	970 802
Mexico	62 989 810	0	22 140 246	40 849 564	24 606 998	16 242 566
Mongolia	3 450 000	0	1 872 003	1 577 997	0	1 577 997
Morocco	75 935 261	14 100 000	19 833 266	42 001 995	25 087 999	16 913 996
Mozambique ^{2/}	74 776 845	14 000 000	27 374 802	33 402 043	4 406 700	28 995 343
Namibia	4 200 000	0	844 905	3 355 095	522 592	2 832 503
Nepal	67 619 857	15 600 000	5 589 466	46 430 391	7 742 209	38 688 182
Nicaragua	45 550 000	0	12 798 752	32 751 248	11 990 000	20 761 248
Niger	30 975 121	0	13 615 600	17 359 521	1 660 602	15 698 919
Nigeria	73 062 748	23 800 000	16 750 000	32 512 748	12 963 940	19 548 808
Pakistan ^{2/}	194 181 916	24 550 000	36 383 426	133 248 490	43 295 013	89 953 477
Panama	45 000 000	19 400 000	10 647 804	14 952 196	8 149 925	6 802 271
Papua New Guinea	9 129 388	0	1 014 258	8 115 130	5 333 123	2 782 007
Paraguay	23 435 723	0	2 968 031	20 467 692	13 769 456	6 698 236
Peru	57 778 851	0	14 907 103	42 871 748	24 413 632	18 458 116
Philippines	60 970 216	11 600 000	17 657 192	31 713 024	13 988 093	17 724 931
Republic of Moldova	5 800 000	0	5 179 876	620 124	0	620 124
Romania	12 400 000	0	10 400 723	1 999 277	0	1 999 277
Rwanda ^{2/}	57 251 544	9 400 000	14 949 094	32 902 450	3 729 755	29 172 695
Saint Lucia	2 784 838	0	401 586	2 383 252	1 164 660	1 218 592
Saint Vincent and the Grenadines	1 484 045	0	0	1 484 045	495 000	989 045
Samoa	1 907 723	0	0	1 907 723	221 800	1 685 923
Sao Tome and Principe	13 782 694	7 950 000	288 667	5 544 027	527 394	5 016 633
Senegal	41 445 355	0	28 301 871	13 143 484	1 967 688	11 175 796
Seychelles	824 334	0	0	824 334	471 885	352 449
Sierra Leone	22 496 564	0	2 058 687	20 437 877	3 237 389	17 200 488
Solomon Islands	2 519 083	0	0	2 519 083	300 769	2 218 314
Somalia	17 709 534	0	0	17 709 534	410 968	17 298 566
Sri Lanka	60 133 020	0	12 505 440	47 627 580	6 811 216	40 816 364
Sudan ^{2/}	78 199 504	0	18 473 746	59 725 758	10 709 604	49 016 154
Swaziland	22 522 340	11 900 000	2 405 491	8 216 849	6 000 400	2 216 449
Syria	55 997 374	0	33 599 845	22 397 529	12 252 850	10 144 679
Tanzania, United Republic of	82 193 945	12 950 000	26 340 234	42 903 711	1 371 392	41 532 319
The Former Yugoslav Republic of Macedonia	11 850 000	6 200 000	2 425 119	3 224 881	0	3 224 881
Thailand	25 312 653	0	0	25 312 653	21 144 759	4 167 894
Togo	26 505 879	0	9 207 106	17 298 773	1 520 745	15 778 028
Tonga	4 837 121	0	0	4 837 121	337 623	4 499 498
Tunisia	57 478 109	0	16 268 100	41 210 009	24 519 998	16 690 011
Turkey	39 678 164	0	8 619 696	31 058 468	23 438 426	7 620 042
Uganda ^{2/}	91 261 819	9 600 000	34 787 094	46 874 725	8 572 554	38 302 171
Uruguay	19 061 556	0	10 412 803	8 648 753	3 135 000	5 513 753
Venezuela	37 150 000	9 750 000	9 119 589	18 280 411	14 919 619	3 360 792
Viet Nam	60 400 000	16 400 000	15 065 404	28 934 596	0	28 934 596
Yemen ^{2/}	100 637 109	0	19 507 364	81 129 745	13 746 299	67 383 446
Zambia	65 273 698	9 150 000	14 142 166	41 981 532	3 679 668	38 301 864
Zimbabwe	49 158 137	0	18 273 883	30 884 254	15 383 160	15 501 094
Subtotal	4 592 939 478	430 150 000	1 252 399 963	2 910 389 515	782 467 850	2 127 921 665
Fund for Gaza and the West Bank ^{3/}	5 800 000	0	5 421 218	378 782	0	378 782
Total	4 598 739 478	430 150 000	1 257 821 181	2 910 768 297	782 467 850	2 128 300 447
USD equivalent ^{1/}	5 779 373 864	540 582 410	1 580 741 613	3 658 049 842	1 067 446 911	2 590 602 931
Exchange adjustment on SDR loan repayments	84 096 090			84 096 090		84 096 090
Subtotal SDR loans ^{1/}	5 863 469 954	540 582 410	1 580 741 613	3 742 145 932	1 067 446 911	2 674 699 021
31 December 2001 ^{1/} USD	5 934 743 118	540 582 410	1 580 741 613	3 813 419 096	1 093 321 500	2 720 097 596
31 December 2000 USD	5 772 717 821	647 220 543	1 462 326 053	3 663 171 225	1 016 112 639	2 647 058 586

Statement of Loans^{1/}
31 December 2001 and 31 December 2000
Summary (in '000)

Appendix F

		Approved Loans				Value in USD				
		At 31.12.00	Loans Cancelled	Loans Fully Repaid	At 31.12.01	At 31.12.00	Loans Cancelled	Loans Fully Repaid	Movement in Exchange Rate SDR/USD	At 31.12.01
1978	USD	68 530			68 530	68 530				68 530
1979	SDR	210 786			210 786	274 635			(9 734)	264 901
1980	SDR	201 879		(14 651)	187 228	263 030		(19 089)	(8 646)	235 295
1981	SDR	246 442		(13 470)	232 972	321 091		(17 550)	(10 758)	292 783
1982	SDR	210 912			210 912	274 800			(9 741)	265 059
1983	SDR	209 285		(3 443)	205 842	272 679		(4 486)	(9 505)	258 688
1984	SDR	166 409			166 409	216 815			(7 683)	209 132
1985	SDR	94 338			94 338	122 914			(4 356)	118 558
1986	SDR	63 331			63 331	82 513			(2 923)	79 590
1987	SDR	94 454			94 454	123 065			(4 362)	118 703
1988	SDR	101 106			101 106	131 732			(4 669)	127 063
1989	SDR	119 821			119 821	156 116			(5 533)	150 583
1990	SDR	139 936	(6 291)		133 645	182 324	(8 197)		(6 171)	167 956
1991	SDR	155 549	(823)	(2 678)	152 048	202 667	(1 073)	(3 490)	(7 020)	191 084
1992	SDR	186 587	(7 163)		179 424	243 106	(9 333)		(8 285)	225 488
1993	SDR	190 738	(625)		190 113	248 515	(814)		(8 780)	238 921
1994	SDR	208 550	(2 548)		206 002	271 722	(3 320)		(9 513)	258 889
1995	SDR	251 896	204		252 100	328 198	266		(11 642)	316 822
1996	SDR	267 107	(1 999)		265 108	348 018	(2 605)		(12 243)	333 170
1997	SDR	288 250			288 250	375 564			(13 311)	362 253
1998	SDR	299 700			299 700	390 482			(13 840)	376 642
1999	SDR	316 050			316 050	411 785			(14 595)	397 190
2000	SDR	312 250			312 250	406 834			(14 420)	392 414
2001	SDR				316 850					398 195
Total	SDR	4 335 376	(19 245)	(34 242)	4 598 739					
	USD	68 530			68 530					
Total					USD	5 717 135	(25 076)	(44 615)	(197 730)	5 847 909
Exchange adjustment on loans disbursed						55 583				86 834
					USD	5 772 718				5 934 743

Maturity Structure of Outstanding Loans
as at 31 December 2001

PERIODS	USD '000
1 January 2002 to 31 December 2002	145 944
1 January 2003 to 31 December 2003	117 616
1 January 2004 to 31 December 2004	114 547
1 January 2005 to 31 December 2005	112 801
1 January 2006 to 31 December 2006	112 267
1 January 2007 to 31 December 2011	559 026
1 January 2012 to 31 December 2016	431 299
1 January 2017 to 31 December 2021	359 140
1 January 2022 to 31 December 2026	318 906
1 January 2027 and thereafter	448 552
TOTAL	2 720 098

1/ Loans approved in 1978 were denominated in United States dollars and are repayable in the currencies in which withdrawals are made. From 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 USD/SDR rate of 1.25673/1 at 31 December 2001. Since the loans were valued at 31 December 2000 at the then-prevailing rate of 1.30291/1, there is a decrease in value in terms of United States dollars, attributable to the movement in exchange rates from 31 December 2000 to 31 December 2001 of USD 197 730 000 (from 1999 to 2000, there was a decrease in value in terms of USD 279 252 000).

2/ Repayment amounts include participation by The Netherlands and Norway in specific loans to these countries resulting in partial early repayment and corresponding increase in committable resources.

3/ See Appendix H, Note 8(f).

**Statement of Loans - Special Programme for Africa
31 December 2001 and 31 December 2000**

Appendix F

Borrower or Guarantor	Effective Loans						Outstanding Loans
	Loans less Cancellations	Loans not yet Effective	Undisbursed Portion	Disbursed Portion	Repayments		
	SDR	SDR	SDR	SDR	SDR	SDR	
Angola	2 767 309	0	1 378 656	1 388 653	17 523		1 371 130
Burkina Faso	10 546 145	0	422 929	10 123 216	579 608		9 543 608
Burundi	5 050 000	0	1 194 296	3 855 704	0		3 855 704
Cape Verde	2 182 547	0	0	2 182 547	86 250		2 096 297
Chad	9 880 000	0	508 762	9 371 238	0		9 371 238
Comoros	2 450 000	0	1 082 897	1 367 103	0		1 367 103
Djibouti	113 718	0	0	113 718	1 410		112 308
Ethiopia	9 422 826	0	2 919 763	6 503 063	601 170		5 901 893
Gambia, The	2 638 448	0	0	2 638 448	131 920		2 506 528
Ghana	22 806 749	0	964 827	21 841 922	943 300		20 898 622
Guinea	10 761 866	0	0	10 761 866	843 966		9 917 900
Guinea-Bissau	2 126 406	0	0	2 126 406	79 740		2 046 666
Kenya	13 900 000	0	6 703 281	7 196 719	248 750		6 947 969
Lesotho	7 634 693	0	284 681	7 350 012	425 100		6 924 912
Madagascar	1 100 000	0	1 936	1 098 064	0		1 098 064
Malawi	5 850 000	0	73 067	5 776 933	0		5 776 933
Mali	10 193 236	0	0	10 193 236	1 024 840		9 168 396
Mauritania	19 087 176	0	826 609	18 260 567	1 028 420		17 232 147
Mozambique	8 291 210	0	0	8 291 210	932 760		7 358 450
Niger	12 339 566	0	1 405 712	10 933 854	1 041 680		9 892 174
Senegal	23 376 422	0	1 540 538	21 835 884	842 938		20 992 946
Sierra Leone	3 650 000	0	1 993 348	1 656 652	0		1 656 652
Sudan	26 018 419	0	211 543	25 806 876	1 457 270		24 349 606
Tanzania, United Republic of	6 789 416	0	0	6 789 416	339 480		6 449 936
Uganda	8 123 651	0	0	8 123 651	812 360		7 311 291
Zambia	8 610 311	0	3 607	8 606 704	771 786		7 834 918
Subtotal	235 710 114	0	21 516 452	214 193 662	12 210 271		201 983 391
USD Equivalent ^{1/}	296 223 972		27 040 371	269 183 601	16 227 719		252 955 882
Exchange adjustment on SDR loan repayments	882 705			882 705			882 705
31 December 2001 USD	297 106 677		27 040 371	270 066 306	16 227 719		253 838 587
31 December 2000 USD	311 281 843		41 068 300	270 213 543	11 564 036		258 649 507

Summary (in '000)

	Approved Loans				Value in USD			
	At 31.12.00	Loans Cancelled	At 31.12.01	At 31.12.00	Loans Cancelled	Movement in Exchange Rate SDR/USD	At 31.12.01	
1986 SDR	24 902		24 902	32 446		(1 151)	31 295	
1987 SDR	41 292		41 292	53 801		(1 908)	51 893	
1988 SDR	34 770		34 770	45 302		(1 605)	43 697	
1989 SDR	25 756		25 756	33 558		(1 190)	32 368	
1990 SDR	18 400	(1 017)	17 383	23 973	(1 325)	(802)	21 846	
1991 SDR	19 730	(1 369)	18 361	25 706	(1 784)	(847)	23 075	
1992 SDR	9 096		9 096	11 851		(420)	11 431	
1993 SDR	40 450	(500)	39 950	52 702	(651)	(1 845)	50 206	
1994 SDR	16 700		16 700	21 759		(772)	20 987	
1995 SDR	7 500		7 500	9 772		(346)	9 426	
Total SDR	238 596	(2 886)	235 710	310 870	(3 760)	(10 886)	296 224	

**Maturity Structure of Outstanding Loans
as at 31 December 2001**

PERIODS	USD '000
1 January 2002 to 31 December 2002	5 729
1 January 2003 to 31 December 2003	5 674
1 January 2004 to 31 December 2004	7 134
1 January 2005 to 31 December 2005	7 572
1 January 2006 to 31 December 2006	7 863
1 January 2007 to 31 December 2011	38 754
1 January 2012 to 31 December 2016	37 740
1 January 2017 to 31 December 2021	36 584
1 January 2022 to 31 December 2026	34 114
1 January 2027 and thereafter	72 675
TOTAL	253 839

1/ Loans have been denominated in SDR and, for purposes of presentation in the Balance Sheet, the accumulated amount has been valued at the USD/SDR rate of 1.25673/1 as at 31 December 2001. Since the loans were valued at 31 December 2000, at the then-prevailing rate of 1.30291/1, there has been a decrease in value, in terms of United States dollars, attributable to the movement in exchange rates from 31 December 2000 to 31 December 2001 of USD 10 886 000 (from 1999 to 2000 there was a decrease in value in terms of USD 16 603 000).



INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

Summary of the Debt Initiative for Heavily Indebted Poor Countries

Appendix G

(Expressed in thousands of United States dollars)

At 31 December 2001, the cumulative position of the debt relief provided and estimated to be provided, under both the enhanced and initial Debt Initiative framework is as follows:

	Debt Relief Provided to Date		Debt Relief to be Provided		Total		Total	
	Principal	Interest	Principal ^{1/}	Interest	Principal	Interest		
Benin			5 813	1 749	5 813	1 749	7 562	
Bolivia	3 195	928	5 100	1 606	8 295	2 534	10 829	
Burkina Faso	564	289	7 222	1 134	7 786	1 423	9 209	
Cameroon			2 912	337	2 912	337	3 249	
Chad			1 380	492	1 380	492	1 872	
Cote d'Ivoire			149	0	149	0	149	
Gambia, The			2 177	731	2 177	731	2 908	
Guinea			6 238	2 136	6 238	2 136	8 374	
Guinea Bissau			2 560	977	2 560	977	3 537	
Guyana	730	185	1 307	170	2 037	355	2 392	
Honduras			1 510	491	1 510	491	2 001	
Madagascar			8 432	2 629	8 432	2 629	11 061	
Malawi			11 259	3 470	11 259	3 470	14 729	
Mali	595	239	7 749	2 425	8 344	2 664	11 008	
Mauritania			10 919	3 186	10 919	3 186	14 105	
Mozambique	1 753	691	16 071	3 929	17 824	4 620	22 444	
Nicaragua			16 018	2 749	16 018	2 749	18 767	
Niger			8 770	2 737	8 770	2 737	11 507	
Rwanda			15 098	3 777	15 098	3 777	18 875	
Sao Tome and Principe			4 275	995	4 275	995	5 270	
Senegal			2 648	946	2 648	946	3 594	
Tanzania, United Republic of			16 949	5 267	16 949	5 267	22 216	
Uganda	3 915	1 878	11 500	3 562	15 415	5 440	20 855	
Zambia			23 386	4 826	23 386	4 826	28 212	
31 December 2001	10 752	4 210	189 442	50 321	200 194	54 531	254 725	
							Less future interest debt relief not accrued	50 321
							Total cumulative cost of debt relief at 31 December 2001	204 404
31 December 2000	7 075	2 670	94 858	28 998	101 933	31 668	133 601	
							Less future interest debt relief not accrued	28 998
							Total cumulative cost of debt relief at 31 December 2000	104 603

1/ See Note 9(b).



NOTES TO THE FINANCIAL STATEMENTS

Appendix H

Note 1: Brief Description of the Fund

The International Fund for Agricultural Development (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.

The objective of the Fund is to mobilize additional resources to be made available on concessional terms for primarily 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.

Membership of 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.

Note 2: Summary of Significant Accounting and Related Policies**(a) Basis of Accounting**

The Financial Statements of the Fund are prepared in accordance with International Accounting Standards (IAS) and under the historical cost convention. The excess of revenue over expenses net of the effects of changes in foreign exchange rate movements is transferred to Accumulated Surplus. The format of the Statement of Activities and Changes in Net Assets has changed from 1998 onwards in order to present more comprehensively the activities of the Fund for the year and changes in its net assets. This new format underscores the Fund as a not-for-profit international financial institution established to mobilize resources for the purpose of providing concessional loans and grants for the implementation of projects in developing member countries. In prior years these data were included only in other appendices to the Financial Statements.

Certain reclassifications of the prior year's information have been made to conform to the current year's presentation.

The preparation of the Financial Statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Financial Statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates. Significant judgements have been used in the computation of estimated losses for the Debt Initiative for Heavily Indebted Poor Countries (HIPC) and overdue loan repayments.

The Executive Board, at its Fifty-Fifth Session, decided that Phase I and Phase II of the Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification (SPA) be terminated on 31 December 1995 and integrated into IFAD's Article 4 Resources on 1 January 1996. The Financial Statements from 1996 onwards reflect this decision.

In 2001 the Fund changed its accounting policy for loans, in accordance with the requirements of a new accounting standard, IAS 39, which came into effect from 1 January 2001. This IAS involves the recognition and movements of financial instruments that, in IFAD's case, covers investments, Members' contributions and loans. IFAD already complies with the requirements of this standard except in the case of loans. From 2001, loans are stated at amortized cost, less an accumulated allowance for impairment losses to be made in cases that the full amount of the loan is not being repaid in accordance with the original repayment schedule. Previously, loans were stated at cost. In accordance with IAS 39, this change has been applied prospectively. The opening balance of

the accumulated surplus has been adjusted to reflect the cumulative effect of the new accounting policy up to 31 December 2000. The effects of changing this policy are summarized in Note 2(h) and Note 8.

In 2000 the Fund changed its accounting policy for the Debt Initiative. This change was made in order to present more clearly the underlying effect of the transactions. In accordance with IAS No. 8, this change was applied retroactively and comparative information was restated accordingly. The effects of changing this policy are summarized in Notes 2(h) and 9.

The Fund carries its investment securities at market value. 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, which is the date that the Fund commits to purchase or sell the assets. Costs of purchase include transaction costs.

A contribution from a Member is recorded in full as receivable when the Member deposits its Instrument of Contribution. Amounts receivable from Member States as contributions, loans and other receivables have been recorded at their full value except for the policy on overdue contributions described in subparagraph (b) below and on overdue loans and the Debt Initiative described in the paragraph below.

Loans are recorded at amortized cost, less an allowance for impairment losses. A summary of the accounting policy and movement in provision are included in Note 8. In addition, in instances where IFAD participates in debt relief under the Debt Initiative framework, an allowance is established for the estimated impairment loss. A summary of the accounting policy and debt relief provided are included in Note 9 and Appendix G.

Balances relating to the IFAD Trust Fund for the Debt Initiative have been consolidated in these Financial Statements as this is a special-purpose entity that is substantially controlled by IFAD and its activities are inherently linked to those of IFAD. All transactions, balances and unrealized gains/losses on transactions between the Funds are eliminated.

Grants are recorded as a deduction from Contributions and Accumulated Surplus at the time of their approval.

Cost of equipment owned by the Fund is charged directly to expense when purchased.

(b) Provisions Against Arrears in Members' Contributions

At the Thirty-Fourth Session of the Executive Board in September 1988, on the recommendation of the External Auditor, the Fund adopted a policy on provisions against arrears in Members' contributions as follows:

- (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) In the past, the date of issue of the External Auditor's opinion was used for determining the 24- and 48-month



periods, with respect to a particular year's Financial Statements. With effect from 1996, the end of the financial year is used for determining the 24- and 48-month periods, as approved by the Fifty-Eighth Session of the Executive Board.

- (iv) The provision will be disclosed directly on the Balance Sheet itself.
- (v) Where exceptional circumstances arise that call for the establishment of a provision, without regard to the specific time periods established in paragraphs (i), (ii) and (iii) above, or that suggest that a provision is not appropriate even if those time periods have been exceeded, the President's opinion about such special circumstances and their impact on provisions shall be referred to the Executive Board. However, in any situation where time requirements would not allow prior consultation with the Executive Board, the President shall be authorized to take action with regard to such special circumstances and shall inform the Board subsequently of such action as had been taken.

(c) Resources Available for Commitment

Resources available for commitment are those resources in freely convertible currencies defined in Article 4, Section 1, of the Agreement Establishing IFAD, which have been contributed by Members and others or have been derived, or are to be derived, from operations or loan repayments by borrowers, to the extent that these resources have not already been committed for loans and grants or appropriated to the General Reserve.

At the Thirty-Fourth Session of the Executive Board, the Fund adopted a policy for determining resources available for commitment as follows:

- (i) Only actual payments in the form of cash or promissory notes will be included in committable resources. The value of Instruments of Contribution against which payment in the form of cash or promissory notes has not yet been made will be excluded from committable resources.
- (ii) For any Member that has paid in the form of promissory note(s) and on which payments are overdue for 18 months, the total amount of unpaid drawdown calls will be excluded from committable resources.
- (iii) For any Member that has paid in the form of promissory note(s) and on which payments are overdue for a period of 36 months or more, the entire value of all outstanding promissory notes, for the funding period in question and for any subsequent funding periods, will be excluded from committable resources.
- (iv) Where exceptional circumstances arise that call for exceptions to paragraphs (i) to (iii) above, the President's opinion about such exceptional circumstances and their impact upon the committable resources shall be referred to the Executive Board. However, in any situation where time requirements would not allow prior consultation with the Executive Board, the President shall be authorized to take action with regard to such exceptional circumstances and shall inform the Board subsequently of such action as had been taken.

- (v) Advance Commitment Authority (ACA). The Governing Council, at its Twentieth Session in February 1997, approved changes to Article 4, Section 1, of the Agreement Establishing IFAD and the Financial Regulations of IFAD (Regulation IV, paragraph 1) that permits IFAD's resources to include "...funds derived or to be derived from operations or otherwise accruing...". With this change to the Agreement Establishing IFAD, the Governing Council, in Resolution 100/XX, decided that "The Executive Board may, from time to time and having regard to the resources of IFAD available for commitment to loans and grants, including investment income net of administrative costs, employ an Advance Commitment Authority (ACA) in a prudent and cautious manner to compensate, year by year, for fluctuations in the resources available for commitment and to act as a reserve resource."

As shown in Appendix D, in 2001, the use of ACA has been made for the first time, as regular resources were not sufficient to meet loan and grant commitments.

A loan or grant is considered to be committed when a formal agreement is signed by the Fund and the respective borrower or grantee. The Fund's Executive Board reviews a statement of resources available for commitment at every Executive Board meeting to ensure that resources are available to meet loans presented for approval. The Statement of Resources Available for Commitment, Appendix D, also indicates the specific amounts against which no commitments have been made.

(d) Translation and Conversion of Currencies

- (i) The Fund, as an international organization, conducts its operations in several currencies, and at the present time maintains its accounting records in United States dollars. The Financial Statements are expressed in United States dollars solely for the purpose of summarizing the financial position.
- (ii) The Fund has translated all items in its Balance Sheet, except its Members' contributions in currencies other than the United States dollar, at market rates of exchange at year-end. Members' contributions have been translated at market rates of exchange as at date of receipt in respect of cash, including drawdown payments, and at market rates of exchange as at date of disbursement in the case of non-convertible currencies.
- (iii) Revenue and expense items in currencies other than the United States dollar have been recorded at appropriate rates of exchange during the period.
- (iv) The exchange adjustments arising from the translation of assets and liabilities in currencies other than the United States dollar are credited or charged to an exchange adjustment account and taken through the Statement of Activities and Changes in Net Assets, in line with the requirements of IAS No. 21 (revised).
- (v) The following rates of one unit of SDR in terms of USD as at 31 December were used:

<u>Year</u>	<u>SDR/USD</u>
1997	1.34925
1998	1.40803
1999	1.37251
2000	1.30291
2001	1.25673

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

	<u>USD '000</u>	
	<u>2001</u>	<u>2000</u>
Opening balance at 1 January	15 411	279 677
Exchange movements for the year on:		
Cash and investments	(40 691)	(87 865)
Equities	(47 016)	(29 358)
Net receivables/payables	(909)	(142)
Loans and grants outstanding	(103 557)	(147 105)
Promissory notes and Members' Receivables	(17 469)	(29 099)
Members' contributions	17 468	28 121
Allowance for Debt Initiative for HIPC	4 512	922
Net exchange gain on operations	<u>122</u>	<u>260</u>
Total movements in the year	<u>(187 540)</u>	<u>(264 266)</u>
Closing balance at 31 December	<u>(172 129)</u>	<u>15 411</u>

(e) Provisions

Provisions are established when the Fund has a present legal or constructive obligation as a result of past events and 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 leave 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.

(f) Valuation of Financial Instruments

(i) Investments

All investment securities held by the Fund are considered to be available for sale and are reported at estimated fair value represented by the market value at the Balance Sheet date. The fair value of a financial instrument is defined as the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Both purchases and sales of investment securities are accounted for at trade date.

IFAD carries its investments at market value and this represents the fair value of the investment portfolio.

(ii) Loans

Loans are carried in the Financial Statements at amortized cost, i.e. at the full-face amount of the borrower's outstanding obligations, less an allowance for impairment losses.

(g) Statement of Cash Flows

Appendix C, Statement of Cash Flows, has been prepared in accordance with IAS No. 7 (revised). For the purpose of the cash flow statement, 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. From 1999, equities and net investment payables have been excluded from readily convertible investments for cash flow purposes in accordance with the accounting standard on the basis of the increased materiality of these balances.

(h) Accounting Changes

In accordance with a new accounting standard, from 1 January 2001, the Fund changed its accounting policy relating to the measurement of loans. Under the new accounting policy, loans are stated at amortized cost, less an allowance for impairment losses. Previously, loans were stated at cost. In line with this standard, the comparative Financial Statements have not been restated, although an adjustment

has been made to the opening balance of retained earnings. A summary of the new accounting policy is found in Note 8.

During 2000, the Fund changed its accounting policy related to the Debt Initiative for HIPC and restated its Financial Statements of prior years to apply retroactively the new policy. A summary of the new accounting policy and details of debt relief provided under the Initiative are presented in Note 9.

Note 3: Investments

(a) Basic Principles

The basic principles governing the investment of funds are contained in Regulation VIII of the Financial Regulations of IFAD, which were adopted by the Governing Council at its First Session, 13-16 December 1977, as follows:

"1. The President may place or invest cash funds, not needed immediately for the Fund's operations or administrative expenditures.

2. In investing the resources of the Fund, the President shall be guided by the paramount consideration of security and liquidity. Within these constraints the President shall seek the highest possible return in a non-speculative manner.

3. Income earned from investments may, *inter alia*, be used by the Fund to meet its administrative and other expenditures in accordance with the approved budget."

Investments are traded in active markets and are valued at market value at the close of business on 31 December by reference to quoted market prices.

(b) Investment Management

Since 1994, management of the major part of IFAD's investment portfolio has been entrusted to a number of external investment managers under investment guidelines provided by the Fund. At 31 December 2001, funds under external management amounted to USD 1 847.1 million (2000 – USD 2 034.3 million), representing some 94.0% (2000 – 96.9%) of total cash and investments.

(c) Risk Management

The Fund has addressed investment risks through the provisions of the investment guidelines and custodial arrangements:

(i) Credit Risk

The investment guidelines permit investments in time deposits with selected commercial banks, government and government-guaranteed bonds, bonds issued by multilateral development banks and exchange-traded derivatives of such securities. The eligibility of banks and bond issues is determined on the basis of ratings made by major credit rating agencies.

(ii) Market Risk

Exposure to market risk is adjusted by modifying the duration of the portfolio, depending on the outlook for securities prices. The upper limit for the duration (some 7.7 years) of the fixed-income portion of the portfolio is set at two years above the benchmark average. Options and futures are held for managing market risk rather than for trading purposes.

(iii) Currency Risk

The majority of the Fund's commitments are expressed in SDR. Consequently the overall assets of the Fund, including the investment portfolio and promissory notes, are maintained in such way as to ensure that, to the extent possible, commitments for undisbursed loans and grants denominated in SDR are matched by assets denominated in the currencies and in the 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 the same currency.

To increase returns, the Fund may invest in securities denominated in currencies other than those included in the SDR valuation basket, and enter into covered forward foreign exchange agreements in order to maintain the matching in currency terms of commitments denominated in Special Drawing Rights and United States dollars.

In November 1998, the Fund selected a currency overlay manager to control the currency risk in emerging markets. This activity commenced in 1999.

(iv) Custodial Risk

IFAD has entrusted the safekeeping of its investment assets to a major custodian bank. The custodian safeguards the funds and maintains separate accounts for each externally managed investment sub-portfolio, and settles the investment transactions initiated by external investment managers.

(d) Derivative Instruments

The Fund's investment guidelines authorize the use of the following types of derivative instruments:

(i) Futures

Futures are contracts for delayed delivery of securities or money-market instruments in which the seller agrees to make delivery at a specified future date of a specified instrument at a specified price or yield. Initial margin requirements are met with cash or securities, and changes in the market price are recorded daily. Changes in the market value of open futures contracts are recognized as gains or losses in the period of the change and included in income from investments.

Relevant data for futures contracts open at year-end are as follows:

	<u>31 December</u>	
	<u>2001</u>	<u>2000</u>
Number of contracts open:		
Buy	375	319
Sell	178	216
Margin variation paid for open contracts at year end (USD '000)	(295)	47
Maturity date of contracts	March 2002	March 2001

(ii) Options

Options are contracts that allow the holder of the option to purchase or sell a financial instrument at a specified price within a specified period of time from or to the seller of the option, who then bears the risk of an unfavourable change in the price of the financial instrument underlying the option. IFAD only permits the use of investment in exchange-traded options. The initial price of an option contract is equal to the premium paid by the purchaser and is significantly less than the contract or notional amount. IFAD does not write option contracts.

Relevant data for Options at year-end are as follows:

	<u>31 December</u>	
	<u>2001</u>	<u>2000</u>
Number of contracts open:		
Buy	2 409	120
Sell	0	65
Market value of open contracts gain/(loss) (USD '000)	530	54
Net unrealized gains of open contracts (USD '000)	44	28
Average maturity of open options	183 days	119 days

(iii) Covered Forwards

Covered forwards are agreements in which cash in one currency is converted into a different currency and simultaneously a forward exchange contract is executed providing for a future exchange of the two currencies in order to recover the currency converted. The unrealized market value gains on forward contracts at 31 December 2001 amounted to USD 1 124 000 (2000 – loss of USD 2 146 000). The maturity of forward contracts at 31 December 2001 ranged from two to 79 days (31 December 2000 – two to 80 days). Both realized and unrealized gains or losses are recognized in the period in which they occur and included in Income from Investments.

(e) Valuation

The Fund marks its investment portfolio to market. Both realized and unrealized gains and losses are included in Income from Investments.

(f) Composition of the Investment Portfolio by Instrument

At 31 December 2001, cash and investments, excluding restricted and non-convertible currencies, at market value amounted to USD 1 916 353 000 (2000 – USD 2 067 444 000), and comprise the following instruments:

	<u>USD '000</u>	
	<u>2001</u>	<u>2000</u>
Cash	71 702	60 149
Fixed-income instruments	994 840	979 051
Unrealized market value (loss)/ gain on forward contracts	1 125	(2 145)
Time deposits and other obligations of banks	131 922	203 515
Equities	755 927	882 420
Futures	(39)	47
Options	530	54
Total investments	1 884 305	2 062 942
Accrued income on investments	18 991	18 238
Accrued dividends	499	697
Receivables for investments sold	5 229	24 693
Payables for investments purchased	(64 373)	(99 275)
Total	<u>1 916 353</u>	<u>2 067 444</u>

(g) Composition of the Investment Portfolio by Currency

The currency composition of cash and investments at 31 December 2001 and 31 December 2000 was as follows:

	<u>USD '000</u>	
	<u>2001</u>	<u>2000</u>
Euro	469 691	460 903
Japanese yen	181 801	308 916
Pound sterling	218 780	252 680
United States dollar	781 771	807 234
Others	<u>264 310</u>	<u>237 711</u>
Total	<u>1 916 353</u>	<u>2 067 444</u>

From 1999 the SDR basket incorporates the euro in place of the French franc and German mark.

(h) Composition of the Investment Portfolio by Maturity

The composition of cash and investments by maturity at 31 December 2001 and 31 December 2000 was as follows:

	<u>USD '000</u>	
	<u>2001</u>	<u>2000</u>
Due in one year or less	167 244	214 233
Due after one year through five years	259 510	199 960
Due from five to ten years	416 315	490 579
Due after ten years	317 357	280 252
No fixed maturity (equities)	<u>755 927</u>	<u>882 420</u>
Total	<u>1 916 353</u>	<u>2 067 444</u>

The average life to maturity of the fixed-income investments included in the investment portfolio at 31 December 2001 was 126 months (2000 – 117 months).

Loss from Investments

The net loss from investments for the year ended 31 December 2001 amounted to USD 42 856 000 (2000 – loss of USD 46 966 000). The components of Net Loss/Income from Investments are as follows:

	<u>USD '000</u>	
	<u>2001</u>	<u>2000</u>
Interest from fixed-income investments	58 387	67 952
Dividend income from equities	13 614	11 760
Net income from futures	96	1 384
Net income from options	84	103
Cumulative realized capital (losses)/gains (net)	(75 390)	8 482
Cumulative unrealized capital losses (net)	(30 983)	(127 429)
Income from securities lending and commission recapture	841	309
Interest income from banks including restricted bank accounts	<u>855</u>	<u>867</u>
	<u>(32 496)</u>	<u>(36 572)</u>
Investment management and custody fees	(9 705)	(11 012)
Other net investment expenses	<u>(780)</u>	<u>(266)</u>
IFAD net investment loss	(42 981)	(47 850)
Income from Supplementary Funds	<u>125</u>	<u>884</u>
Total	<u>(42 856)</u>	<u>(46 966)</u>

The average rate of return on the investment portfolio in 2001 was 2.3% negative (2000 – 2.2% negative).

Net investment income from the Debt Initiative for HIPC amounts to USD 475 000 in 2001 (2000 – USD 365 000). This income has been included within total net Debt Initiative debt relief as described in Note 9.

Note 4: Cash and Investments Subject to Restriction

(a) Currencies Not Freely Convertible

Cash and investments held by the Fund at 31 December 2001 in currencies that are not freely convertible amounted to USD 364 000 (2000 – USD 357 000) and USD 372 000 (2000 – USD 390 000) respectively.

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

Such amounts may be used only:

- (i) after consultation with the Member concerned for the payment of administrative expenditures and other costs of the Fund in the territories of that Member; or
- (ii) with the consent of that Member, for the payment of goods and services produced in its territories and required for activities financed by the Fund in other states.

(b) Other Amounts Restricted

Included in "Cash and Investments Subject to Restriction" are the following amounts:

- (i) USD 11 359 000 (2000 – USD 8 757 000) being investments held in the Fund's name on behalf of the Credit Union of IFAD Employees.
- (ii) USD 7 984 000 (2000 – USD 2 239 000) being amounts held in the Fund's bank accounts on behalf of supplementary funds.

Amounts indicated above as "Other amounts restricted" are shown as "Amounts due to other funds" and excluded from the Statement of Cash Flows.

(c) Trust Fund Balances

These comprise USD 12 000 000 (2000 – USD 10 500 000) relating to amounts invested on behalf of the IFAD Debt Initiative for HIPC Trust Fund and USD 2 451 000 (2000 – USD 524 000) representing bank balances of the Trust Fund.

(d) Provision for After-Service Medical Coverage

This provision consists of USD 13.7 million (2000 – USD 8.4 million) relating to costs charged for this medical scheme (see Note 12(c)).

(e) Advance Contributions to the Fifth Replenishment

In 2000, amounts received in cash as advance payments for Fifth Replenishment contributions totalled USD 1.4 million. In 2001, these advance payments were reclassified as part of regular resources due to the effectiveness of the Fifth Replenishment.

**Note 5: Members' Contributions**

The contributions to the Fund by each Member when due are payable in freely convertible currencies, except that Category III Members up to the end of the Third Replenishment period may pay contributions in their own currency whether or not it is 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, it may be paid in the form of non-negotiable, irrevocable, non-interest-bearing promissory notes or obligations payable on demand. The Fund, on the recommendation of its External Auditor, has considered it prudent to establish provisions against unpaid contributions (see Notes 2(b), 6 and 7).

(a) Initial Contributions

Initial contributions have been fully paid except as detailed in Notes 6 and 7.

(b) First Replenishment

First Replenishment contributions have been fully paid except as detailed in Note 6.

(c) Second Replenishment

Second Replenishment contributions have been fully paid except as detailed in Notes 6 and 7.

(d) Third Replenishment

Details of Third Replenishment contributions are shown in Appendix E. The drawdown calls made to date have been fully paid except as detailed in Notes 6 and 7.

(e) Fourth Replenishment

Details of Fourth Replenishment contributions are shown in Appendix E.

(f) Fifth Replenishment

Details of Fifth Replenishment contributions are shown in Appendix E.

The Fund's Fifth Replenishment came into effect on 7 September 2001, when Instruments of Contributions were deposited amounting in aggregate to 50% of the respective contributions from Members as set forth in Resolution 119/XXIV adopted by the Twenty-Fourth Session of the Governing Council, as amended.

Given that at 31 December 2000, the requirements for the effectiveness of the Fifth Replenishment had not yet been met, any contributions received at that date were excluded from the resources of the Fund unless specifically allowed by the individual donor, as shown in Appendix D.

(g) Special Programme for Africa

Details of contributions to SPA under the First Phase and Second Phase are shown in Appendix E.

(h) Provisions

In accordance with the policy referred to in Note 2(b), the Fund has established provisions as follows:

(i)	IFAD	<u>USD '000</u>	
		<u>2001</u>	<u>2000</u>
	Promissory notes of contributors	106 072	106 072
	Amounts receivable from contributors	<u>89 583</u>	<u>89 555</u>
	Total	<u>195 655</u>	<u>195 627</u>
(ii)	Special Programme for Africa	<u>USD '000</u>	
		<u>2001</u>	<u>2000</u>
	Promissory notes of contributors	<u>10</u>	<u>10</u>

Note 6: Promissory Notes of Contributors**(a) IFAD**

All promissory notes for Initial, First and Second Replenishment contributions have been encashed except those from the Member States noted below.

As at 31 December 2001, Third Replenishment contributions deposited in the form of promissory notes have been drawn down to the extent of 100% (31 December 2000 – 82.6%) and Fourth Replenishment contributions to the extent of 59.2% (31 December 2000 – nil).

In accordance with the policy referred to in Note 2(b), the Fund has established a provision against promissory notes as indicated hereunder; and in accordance with the policy referred to in Note 2(c), the Fund has excluded amounts from resources available for commitment, as indicated hereunder.

Provisions Established

		<u>USD '000</u>	
		<u>2001</u>	<u>2000</u>
(i)	Initial Contributions		
	Iran	29 358	29 358
	Iraq	<u>13 717</u>	<u>13 717</u>
		43 075	43 075
(ii)	First Replenishment		
	Iraq	31 099	31 099
	Qatar	<u>10 271</u>	<u>10 271</u>
		41 370	41 370
(iii)	Second Replenishment		
	Mauritania	2	2
	Qatar	<u>5 000</u>	<u>5 000</u>
		5 002	5 002
(iv)	Third Replenishment		
	D.P.R. Korea	600	600
	Libyan Arab Jamahiriya	16 000	16 000
	Mauritania	<u>25</u>	<u>25</u>
		<u>16 625</u>	<u>16 625</u>
	Total	<u>106 072</u>	<u>106 072</u>

Excluded from Committable Resources - Convertible Currency

	<u>USD '000</u>	
	<u>2001</u>	<u>2000</u>
(i) Initial Contributions		
Iran	29 358	29 358
Iraq	<u>13 717</u>	<u>13 717</u>
	43 075	43 075
(ii) First Replenishment		
Iraq	31 099	31 099
Qatar	<u>10 271</u>	<u>10 271</u>
	41 370	41 370
(iii) Second Replenishment		
Mauritania	2	2
Qatar	<u>5 000</u>	<u>5 000</u>
	5 002	5 002
(iv) Third Replenishment		
D.P.R. Korea	600	600
Libyan Arab Jamahiriya	16 000	16 000
Mauritania	25	25
Nigeria	4 170	4 533
Venezuela	—	<u>9 428</u>
	<u>20 795</u>	<u>30 586</u>
Total	<u>110 242</u>	<u>120 033</u>

(b) Special Programme for Africa

In accordance with the policy referred to in Note 2(b), SPA has established a provision against promissory notes as indicated hereunder; and in accordance with the policy referred to in Note 2(c), it has excluded amounts from resources available for commitment, as also indicated hereunder:

Provisions Established	<u>USD '000</u>	
	<u>2001</u>	<u>2000</u>
First Phase		
Mauritania	<u>10</u>	<u>10</u>
Total	<u>10</u>	<u>10</u>

Excluded from Committable Resources – Convertible Currency

	<u>USD '000</u>	
	<u>2001</u>	<u>2000</u>
First Phase		
Mauritania	<u>10</u>	<u>10</u>
Total	<u>10</u>	<u>10</u>

Note 7: Amounts Receivable from Contributors

Amounts receivable from Member States towards the Fund's Initial Contributions, First, Second, Third, Fourth and Fifth Replenishments (including Special and Complementary Contributions) totalled USD 147 525 000 (2000 - USD 52 221 000) after provisions.

In accordance with the policy referred to in Note 2(b), the Fund has established provisions against certain of these amounts as indicated hereunder.

In accordance with the policy referred to in Note 2(c), the Fund has excluded amounts from resources available for commitment as

indicated hereunder and does not include amounts receivable related to the Fourth and Fifth Replenishments.

Provisions Established	<u>USD '000</u>	
	<u>2001</u>	<u>2000</u>
(i) Initial Contributions		
Comoros	7	7
Iran	<u>83 167</u>	<u>83 167</u>
	83 174	83 174
(ii) Second Replenishment		
Gabon	371	371
Iraq	<u>2 000</u>	<u>2 000</u>
	2 371	2 371
(iii) Third Replenishment		
Iran	2 400	3 000
Qatar	1 000	1 000
Sao Tome and Principe	<u>10</u>	<u>10</u>
	<u>3 410</u>	<u>4 010</u>
(iv) Fourth Replenishment		
Kenya	<u>628</u>	—
Total	<u>89 583</u>	<u>89 555</u>

Subsequent to 31 December 2000, an amount of USD 0.6 million was received from Iran in payment of Third Replenishment pledges. Had this amount been received prior to 31 December 2000, the total provisions would have been reduced to USD 88 955 000.

Note 8: Loans

(a) Background to Loans

Fund 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 when IFAD has received a satisfactory legal opinion from the borrower and any other conditions precedent to effectiveness have been fulfilled. Upon effectiveness, disbursement may commence.

Loan repayments and related interest payments for loans approved during 1978 are required to be made in the currency in which the respective portion of the loan was advanced or as specified in the agreement. In respect of all Fund loans approved after 1 January 1979, loan repayments and interest are payable in the currency specified in the loan agreement in amounts equivalent to the SDR due, based on International Monetary Fund (IMF) rates on the due dates. Loans approved are disbursed to borrowers in accordance with the provisions of the loan agreement.

Originally, paragraph 31 of the Lending Policies and Criteria contained the lending terms: "The Fund will provide financial resources to its Member States for approved projects and programmes on the following terms and conditions: (i) special loans on highly concessional terms, carrying a service charge of 1 per cent annually, and a maturity period of 50 years including a grace period of ten years; (ii) loans on intermediate terms with an interest rate of 4 per cent annually and a maturity period of 20 years including a grace period of 5 years; and (iii) loans on ordinary terms, with an interest rate of 8 per cent and a maturity period of 15 to 18 years including a grace period of 3 years."

Effective 28 January 1994, the Governing Council adopted Resolution 83/XVII, which approved the following changes to the Lending Policies and Criteria:

"2. (a) loans on highly concessional terms shall be free of interest but bear a service charge of three fourths of a per cent (0.75%) per annum and have a repayment period of forty (40) years, including a grace period of ten (10) years; (b) loans on intermediate terms shall have a rate of interest equivalent to 50% of the variable reference interest rate, as determined annually by the Executive Board, and a repayment period of twenty (20) years, including a grace period of five (5) years; (c) loans on ordinary terms shall have a rate of interest equivalent to 100% of the variable reference interest rate, as determined annually by the Executive Board, and a repayment period of fifteen (15) to eighteen (18) years, including a grace period of three (3) years; and (d) no commitment charge shall be levied on any loan."

From 2001, loans are stated at amortized cost, minus an allowance for impairment losses. In prior years' Financial Statements, loans are stated at cost. This change in accounting principle has been made in order to align to the requirements of IAS 39, "Financial Instruments: Recognition and Measurement", which came into effect on 1 January 2001. This accounting standard requires IFAD to review its loan portfolio regularly for impairment (a possible reduction in value of an asset). It should make an allowance in the event of any uncertainty about the receipt of the full amount in accordance with the original repayment schedule. The resulting write-down does not extinguish the liability of any Member State to discharge its obligations. If the write-down is no longer required, it is reversed. The net movement in the allowance for impairment loss is included as a separate line in the statement of activities and changes in net assets, and also separately on the face of the Balance Sheet.

(b) Summary of Impact of Change in Accounting Policy

In accordance with the relevant accounting standard, the comparative Financial Statements for the year ended 31 December 2000 have not been restated. However, an adjustment has been made to the opening balance of retained earnings, as shown in the table included in (c) below. The amount included in the 2001 Financial Statements as a result of this change in accounting policy is some USD 72.2 million, of which USD 75.0 million relates to the prior years and USD 2.8 million (reversal of write-down) to the current year.

(c) Accumulated Allowance for Impairment Losses

The allowance is based on the difference between expected cash flows between those calculated on the estimated or renegotiated repayment schedule, and the nominal value. The entire loan, and not just the overdue instalment, is subject to impairment. 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 allowed that adopts a similar method to the benchmark used for the provisioning of Members States' contributions. This means that an allowance shall be made on loan instalments overdue by more than 24 months for all cases where a settlement plan is not being actively followed. An allowance is made also for loan instalments on the same loan overdue by 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 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 from which it is necessary to determine whether or not the given period has elapsed is the Balance Sheet date.

An analysis of the Accumulated Allowance for Impairment Losses is shown below:

	USD '000	
	2001	2000
Balance at beginning of year	0	0
Adjustment to opening balance*	74 995	0
Adjusted balance at beginning of year	74 995	0
Net reduction in allowance for impairment losses	(2 758)	0
Balance at end of year	72 237	0

* Adjustment made in accordance with the requirements of IAS 39 relating to prior years

(d) Non Accrual Status

Interest and service charges are recognized as income only when actually received for loans with overdue amounts in excess of 180 days. In prior years, the relevant time period was 10 months (300 days). This change in time period has been made to align IFAD more closely to the practices of other international financial institutions. The prior year's figures have not been restated on the grounds of immateriality. Follow-up action is being taken with the respective governments to obtain settlement of these obligations.

Had these amounts been recognized as income, income from loans as reported in the Statement of Revenue and Expenses for the year 2001 would have been greater by USD 2 221 000 (2000 - USD 2 373 000). The corresponding figures relating to SPA were USD 162 000 (2000 - USD 285 000). The Member Countries concerned are shown below:

Borrowers in Non-Accrual Status - IFAD

	USD '000		31 December 2001	
	Principal Outstanding	Principal Overdue	Income Not Accrued in 2001	In Arrears Since
Cameroon	12 682	885	203	Sept. 1993
Central African Republic	26 737	236	92	May 2001
Congo	2 567	1 654	112	Apr. 1993
Cuba	10 441	10 339	422	Sept. 1989
Djibouti	1 705	23	8	June 2001
D.R. Congo	22 806	5 222	231	Feb. 1993
Guinea-Bissau	5 511	591	57	Nov. 1995
Liberia	12 793	10 005	376	Nov. 1995
Niger	19 729	56	58	May 1989
Sierra Leone	21 616	1 259	224	Mar. 1998
Solomon Islands	2 788	87	28	April 2001
Somalia	21 740	7 891	220	Jan. 1991
Togo	19 829	758	190	Sept. 2000
Total	180 944	39 006	2 221	

Borrowers in Non-Accrual Status - SPA

	USD '000		31 December 2001	
	Principal Outstanding	Principal Overdue	Income Not Accrued In 2001	In Arrears Since
Guinea-Bissau	2 572	246	26	Dec. 1995
Niger	12 432	0	115	Jan. 1996
Sierra Leone	2 082	0	21	Mar. 1998
Total	17 086	246	162	



The income from loans reported in the Statement of Revenue and Expenses for 2001 includes USD 640 000 (2000 - USD 1 305 000) in respect of income received relating to prior years.

Details of loans approved and disbursed and of loan repayments appear in Appendix F.

(e) **Further Analysis of Loan Balances**

	<u>2001</u>	<u>2000</u>
IFAD-approved loans less cancellations and adjustment for movement in value of total SDR loans in USD terms (Appendix D and F)		
2001 – USD 5 934 743		
2000 – USD 5 772 718		
Effective loans	5 394 161	5 125 497
Less: Undisbursed balance of effective loans	(1 580 742)	(1 462 326)
Repayments	<u>(1 093 322)</u>	<u>(1 016 113)</u>
Loans outstanding	2 720 097	2 647 058
SPA-approved loans and adjustment for movements in value of total SDR loans in USD terms (Appendix F)		
2001 – USD 297 106		
2000 – USD 311 282		
Effective loans	297 106	311 282
Less: Undisbursed balance of effective loan	(27 040)	(41 068)
Repayments	<u>(16 227)</u>	<u>(11 564)</u>
Loans outstanding	253 839	258 650
Total approved loans less cancellations and adjustment for movements in value of SDR loans in USD terms		
2001 – USD 6 231 849		
2000 – USD 6 084 000		
Effective loans	5 691 267	5 436 779
Less: Undisbursed balance of effective loans	(1 607 782)	(1 503 394)
Repayments	<u>(1 109 549)</u>	<u>(1 027 677)</u>
Loans outstanding	2 973 936	2 905 708

(f) **Loans to Non-Member States**

Fund for Gaza and the West Bank (FGWB)

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. 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.

Note 9: Debt Initiative for Heavily Indebted Poor Countries

(a) **Background to the Initiative**

The Executive Board proposed IFAD's participation in the IMF/World Bank Debt Initiative for HIPC as an element of IFAD's broader policy framework for managing operational partnerships with countries that have arrears with IFAD, or that face the risk of having arrears in the future because of their debt-service burden. The Governing Council, at its Twentieth Session held in February 1997, approved IFAD's participation in the Debt Initiative with the adoption of Resolution 101/XX.

In February 2000, the Governing Council gave approval for IFAD to provide debt relief under the enhanced Debt Initiative framework by forgiving a portion of an eligible country's debt service obligations as they become due. Amounts of debt service forgiven are expected to be

reimbursed by IFAD's Debt Initiative for HIPC Trust Fund on a pay-as-you-go basis to the extent that resources are available in the Trust Fund.

The Governing Council delegated the Executive Board to approve, on a country-by-country basis, the debt relief required from IFAD as part of the overall Debt Initiative effort to reduce a country's debt to a sustainable level.

The Initiative involves two basic sets of financial movements with regard to IFI participants:

- (i) agreed reduction of debt repayments from debtor countries to IFI creditors; and
- (ii) payments to the loan fund accounts of IFIs to compensate for the loss of financial reflows implicit in the reduction of debt repayments.

Each IFI will decide upon the most appropriate mechanism for the mobilization and management of resources to compensate loan fund accounts for the loss of reflows.

A Trust Fund for the Debt Initiative for HIPC was established with the adoption by the Governing Council of Resolution 105/XXI on 11 February 1998. This Trust Fund receives resources from within IFAD and from other sources, specifically dedicated as compensation to the loan fund account(s) for agreed reductions in loan repayments under the Initiative. IFAD has received an Instrument of Contribution of NLG 26 623 520 – EUR 12 081 000 (currently worth USD 11 253 000) from The Netherlands as a complementary contribution to the Fourth Replenishment in support of IFAD's participation in the Debt Initiative and has received cash payments for NLG 16 000 000 – EUR 7 260 000 (USD 7 009 000). In addition, IFAD has received an Instrument of Contribution of EUR 7 669 000 (currently worth USD 6 743 000) from Germany as a complementary contribution to the Fifth Replenishment in support of IFAD's participation in the Initiative and has received cash payments for EUR 3 068 000 (USD 2 691 000).

As resolved at the Sixty-Fifth Session of the Executive Board in December 1998, a transfer has been made from IFAD's Accumulated Surplus to the Initiative of USD 4 000 000 each in 1998, 1999, 2000 and 2001. In addition, and as resolved at the Sixty-Sixth Session of the Executive Board in April 1999, a transfer has been made from IFAD's resources to the Initiative of USD 2 700 000 specifically to cover the expected shortfall in resources for debt relating to Mali. This transfer took place in 2000.

(b) **Impact of the Debt Initiative for HIPC**

Upon approval of the individual debt relief by the Executive Board, the nominal value of the principal component of the estimated debt relief costs is recorded as a reduction of the disbursed and outstanding loans under Accumulated Allowance for the Debt Initiative for HIPC, and as a charge to income. This estimate is subject to periodic revision. Significant judgements have been used in the computation of estimated nominal value of allowances for the Debt Initiative.

The accumulated allowance for the Initiative is reduced when debt relief is provided by the Trust Fund (see subparagraph (c) below).

For a summary of debt relief reimbursed since the start of the Initiative and of that expected in the future, please refer to Appendix G. Debt relief approved by the Executive Board to date excludes all amounts relating to the enhanced Debt Initiative for Burundi, Central African Republic, Comoros, D.R. Congo, The Congo, Côte d'Ivoire, Ethiopia, Ghana, Laos, Liberia, Sierra Leone, Somalia, The Sudan and Togo. Debt relief for these countries at the end of 2001 was announced by the World Bank/IMF. Authorization for IFAD's share of this debt relief is expected to be given by the Executive Board in 2002. At the time of preparation of the 2001 Financial Statements, the estimate of IFAD's share of the overall debt relief for these countries, principal and interest was USD 200 271 000.

Net investment income of USD 475 000 (2000 – USD 365 000) from the Debt Initiative for HIPC Trust Fund balances is included in the net

charge for Debt Initiative commitments in the Statement of Activities and Changes in Net Assets,

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

	<u>USD '000</u>	
	<u>2001</u>	<u>2000</u>
Contribution to the Debt Initiative approved in 1998	16 000	16 000
Contribution to the Debt Initiative approved in 1999	2 670	2 670
Shortfall between debt relief approved and funds available in 2001/2000	172 031	74 521
Cumulative net exchange rate movements	<u>(5 452)</u>	<u>(909)</u>
Total cumulative cost of the Initiative included in IFAD accumulated surplus	<u>185 249</u>	<u>92 282</u>
Resources provided by The Netherlands' contribution	11 253	11 638
Resources provided by Germany's contribution	6 743	-
Debt Initiative's cumulative investment income	<u>1 159</u>	<u>683</u>
Total (see Appendix G)	<u>204 404</u>	<u>104 603</u>

(c) Accumulated Allowance for the Debt Initiative

On approval of the Executive Board, the estimated nominal value of the principal component of the debt relief to be provided under the Debt Initiative framework is included as a cost to the Accumulated Allowance for the Initiative. This cost is offset by income receivable from the Debt Initiative for HIPC Trust Fund to the extent that resources are available. These amounts are net of any debt relief delivered to date. The balances for the years ended 31 December 2001 and 31 December 2000 restated are summarized below:

	<u>USD '000</u>	
	<u>2001</u>	<u>2000</u>
Balance at the beginning of year	94 856	21 294
Allowance for principal component of new debt relief	99 019	74 484
Net exchange rate movements	<u>(4 433)</u>	<u>(922)</u>
Balance at the end of year	<u>189 442</u>	<u>94 856</u>

Note 10: Grants

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

(a) Technical Assistance

The Fund provides grants for project preparation, loan components, agricultural research, the Project Development Fund, Special Operations Facility and other related purposes. The cumulative amount of such grants disbursed up to 31 December 2001 was USD 324 578 000 (2000 – USD 297 576 000).

(b) Services to Member States

In prior years, Services to Member States included grants for project identification, special studies and monitoring and evaluation activities. These services have now been discontinued. The cumulative amount of such grants disbursed up to 31 December 2001 was USD 33 569 000 (2000 – USD 33 569 000).

Note 11: General Reserve

The Fourth Session of the Governing Council in 1980, recognizing the need to cover the Fund's potential over-commitment risk as a result of exchange rate fluctuations, and possible delinquencies in receipt of loan service payments or in the recovery of amounts due to the Fund from the investment of its liquid assets, established a General Reserve.

Transfers from Accumulated Surplus to the General Reserve are determined by the Executive Board after taking into account the Fund's financial position. The Executive Board, at its Fifty-Fourth Session in April 1995, decided to maintain the General Reserve unchanged at USD 95 million. The adequacy of the General Reserve will be reviewed periodically by the Executive Board. Withdrawals from the General Reserve will be subject to the prior approval of the Executive Board.

Note 12: Staff Costs and Retirement Benefits

(a) Staff Numbers

The number of approved posts of the Fund, including the President and the Vice-President, at 31 December was as follows:

	<u>2001</u>	<u>2000</u>
Professional	134	134
General Service	<u>181</u>	<u>158</u>
	<u>315</u>	<u>292</u>

The increase in General Service staff relates to the regularization of long-term temporary staff into fixed-term positions.

As in previous years, IFAD engaged the services of consultants, conference personnel and other temporary staff to enable it to meet its operational needs.

(b) Retirement Plan

IFAD is a member organization participating 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 organization 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 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 Fund as of the valuation date. At the time of this report, the United Nations General Assembly had not invoked this provision.

The actuarial method adopted is the Open Group Aggregate method. The cost of providing pensions is charged to the income statement so as to spread the regular cost over the service lives of employees in accordance with the advice of actuaries who carry out a full valuation of the period plan every two years. The latest actuarial valuation was prepared as of 31 December 1999. IFAD makes contributions on behalf of its staff (currently payable by the participant and IFAD at 7.9% and 15.8%, respectively, of the staff member's pensionable remuneration) and would be liable for its share of the unfunded liability, if any. The total retirement plan contributions made in 2001 for staff amounted to USD 3 709 000 (2000 – USD 3 555 000). IFAD is not able to identify its share of the underlying financial position and performance of the plan with sufficient reliability for accounting purposes and hence has not recorded any assets in its accounts in this regard, nor included other related information such as the return on plan assets.

**(c) After-Service Medical Coverage**

IFAD participates in a multi-employer after-service medical coverage (ASMC) 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 ASMC operates on a pay-as-you-go basis, meeting annual costs out of annual budgets and staff contributions. In 1995, FAO engaged an actuary, which determined that there was an unfunded accrued liability as of 1 January 1996 of USD 212.5 million, of which IFAD's share would be USD 10.8 million, based on the number of active staff. This valuation was calculated on a closed group basis using the projected unit credit method. The results to update the formal valuation to 31 December 1997 show the fair value of the ASMC's assets of USD 25 million and an increase in the deficit to USD 229.3 million, of which IFAD's share increased to USD 12.9 million. IAS No. 19 (revised), which is effective from 1 January 1999, requires that this liability is fully provided in the accounts of an organization within a limited time period. IFAD decided to make provision for its share by treating the deficit as an expense on a straight-line basis over a five-year period from the date of adoption, as permitted by the IAS.

The latest actuarial valuation was carried out as at 31 December 1999. The methodology used was the projected unit credit cost method with service prorate. The principal actuarial assumptions used were as follows: discount rate – 6.5%; expected salary increases – 3.5%; medical cost increases – 5% and inflation – 3%. The results determine IFAD's share of the unfunded liability as at 31 December 1999 to be some USD 19.7 million. This represents an increase of some USD 6.8 million from the estimated deficit at 31 December 1997. In accordance with the transitional requirements of IAS No. 19, the total cost should recognize the deficit that existed at the time of effectiveness of the new standard, i.e. on 1 January 1999. On the basis of prudence, IFAD has treated the increase in deficit as if existing at the time of the introduction of the new standard. In December 2000, the Executive Board authorized the amortization of the increase in initial liability of USD 6.8 million to be spread over the remaining period, i.e. 2000 – 2003, on a straight-line basis. Accordingly, the 2001 and 2000 Financial Statements include a provision constituted as follows as at 31 December:

	USD million	
	2001	2000
Provision brought forward	8.4	3.5
One fifth of estimated initial deficit of USD 12.9 million	2.6	2.6
One fourth of integration to original deficit of USD 6.8 million	1.7	1.7
Total charge for unfunded deficit	4.3	4.3
Service costs charged in year	1.0	0.6
Total costs charged in year	5.3	4.9
Cumulative provision	13.7	8.4

From 1 January 1998, IFAD provides for the full annual current service cost of this medical coverage. In 2001, such cost included within staff salaries and benefits in the Financial Statements amounted to USD 974 000 (including, USD 324 000 relating to prior years' service costs) (2000 – USD 553 000). In 1999 the liability for service costs was included in Payables and Accrued Liabilities; in 2000 these have been reclassified to Provision for After-Service Medical Benefits for reasons of clarity. In addition, in 2000 this liability has been included as restricted cash in the Balance Sheet.

It is intended that actuarial valuations will continue to be carried out at least every two years.

Note 13: 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 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.

Note 14: Contingencies**(a) Contingent Liabilities**

(i) At 31 December 1999 the organization had contingent liabilities in respect of expenditures incurred in 1998 for exhibition structure costs and costs related to office fixtures, equipment and fittings for the new IFAD/2 offices operations. Expenditures amounting to ITL 1 079 million (now USD 491 000) are due to be reimbursed by the Italian Government although final clearance has not been given to date. Of these monies, some ITL 919 million (USD 418 000) were specifically discussed and approved by the Italian Permanent Representation. On the basis of prudence, the remaining ITL 161 million was expensed in the 2000 Financial Statements.

(ii) IFAD has contingent liabilities in respect of debt relief announced by the World Bank/IMF for 14 countries. See Note 9(b) for further details of the potential cost of loan principal and interest relating to these countries and also the future interest not accrued for on debt relief already approved as shown in Appendix G.

(b) Contingent Assets

The organization expects to receive some ITL 1 924 million (currently USD 875 000) in reimbursement of taxation deducted on investment income in prior years. These costs had been fully provided for in the accounts in previous years as the exact amount and year in which the reimbursement will be made was not certain. IFAD has recently submitted formal requests to the Italian Government to reclaim these taxes, although it is not expected that these monies will be received prior to 2001.

Note 15: Date of Authorization for Issue of Financial Statements

The Financial Statements are authorized for issue following the endorsement of the Seventy-Fifth Session of the Executive Board in April 2002 on the recommendation of the Audit Committee in March 2002. The 2001 Financial Statements will be submitted to the Governing Council for approval at its next session in February 2003. The 2000 Financial Statements were approved by the Governing Council at its Twenty-Fifth Session in February 2002.



Attachment to letter of 15 February 2002

PricewaterhouseCoopers SpA

DRAFT

The International Fund for Agricultural Development
Rome

We have audited the accompanying financial statements (Appendices A through H) of the International Fund for Agricultural Development (the Fund) as at and for the years ended 31 December 2001 and 2000. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements give a true and fair view of the financial position of the International Fund for Agricultural Development at 31 December 2001 and 2000, and the results of its operations and its cash flows for the years then ended in accordance with International Accounting Standards.

Rome,

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