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IFAD

INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

Executive Board – Eighty-First Session

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STATUS REPORT ON PRINCIPAL AND INTEREST PAYMENTS

1. The present document provides information on the status of arrears as at 31 December 2003 with respect to payment of principal and loan interest/service charges due under the Regular Programme and the Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification (SPA). It is comprised of five tables, as follows:

Table 1: Total Loan Interest/Service Charges and Principal in Arrears by Region and Lending Programme

2. Arrears in payments overdue for 15 days or more have increased to USD 76.2 million as at 31 December 2003 (USD 75.3 million under the Regular Programme and USD 853 282 under the SPA), from USD 72.2 million at 31 December 2002 (USD 71.3 million under the Regular Programme and USD 893 760 under the SPA). This delinquency situation is mainly concentrated in Africa, with 53% of total arrears (45% in the Africa I region and 8% in Africa II); in one country of the Latin America and the Caribbean region, Cuba, which accounts for 26%; and in one country of the Near East and North Africa region, Somalia, which accounts for 16%. The amount for countries with outstanding arrears over three years and for which there is no settlement plan, i.e. Cuba, Liberia, Somalia, Togo and the Solomon Islands, accounts for 68% of the total arrears figure.

Table 2: Total Loan Interest/Service Charges and Principal in Arrears by Borrower and Number of Days Overdue

3. This table details the overdue amounts by duration. The time periods reflect the procedure adopted by IFAD when the amount exceeds USD 10 000 or its equivalent. Sanctions begin on the 75th day of delinquency, with the suspension of disbursements for any active loans in arrears. At 120 days of delinquency, the entire portfolio of active loans is suspended for that borrower. At 180 days of delinquency, loans are placed in non-accrual status and reported as such in the year-end financial statements. This table also includes borrowers with approved settlement plans, as the amounts are still outstanding in IFAD's books, although not considered delinquent.

Table 3: Historical Analysis of Loans with Interest/Service Charges and Principal in Arrears for 75 Days or More

4. Table 3 gives a historical comparison of loans that have reached the critical 75th day, i.e. when disbursements for active loans in arrears are suspended. As will be seen from the table, although arrears continue to rise, the number of loans with arrears of over 75 days is 7% of the total number of loans billed.

Table 4: Summary of Amounts Overdue by Lending Terms

5. This table gives a breakdown of the amounts in arrears by lending-term category (highly concessional, intermediate and ordinary terms). The statistics highlight the difficult economic conditions of some countries that concluded loans on intermediate terms. They also demonstrate that this category of borrower is the one most affected by arrears, due to an earlier principal repayment cycle (a grace period of five years for loans on intermediate terms compared with ten years for loans on highly concessional terms).

Table 5: Ratio Reflows

6. Table 5 indicates the percentage of overdue amounts compared with total billing under IFAD loans. As at the end of December 2003, the percentage of unpaid arrears against total billed amounted to 3.2% (i.e. 96.8% recovery of loan charges).

**TABLE 1: TOTAL LOAN INTEREST/SERVICE CHARGES AND PRINCIPAL IN ARREARS
BY REGION AND LENDING PROGRAMME*
(as at 31 December 2003)
(USD)**

	No. of Loans	Principal Loan Repayments	Interest and Service Charges	Total Arrears
Regular Programme				
Africa I	29	22 816 016	10 888 489	33 704 505
Africa II	11	4 487 234	1 374 907	5 862 141
Asia and the Pacific	5	605 587	101 546	707 133
Latin America and the Caribbean	8	14 612 343	7 795 186	22 407 529
Near East and North Africa	6	9 477 810	3 172 025	12 649 835
Subtotal	59	51 998 990	23 332 153	75 331 143
Special Programme for Africa (SPA)				
Africa I	4	476 738	241 931	718 669
Africa II	2	98 716	35 897	134 613
Subtotal	6	575 454	277 828	853 282
Combined Regular Programme and SPA				
Africa I	33	23 292 755	11 130 420	34 423 175
Africa II	13	4 585 951	1 410 804	5 996 755
Asia and the Pacific	5	605 587	101 546	707 133
Latin America and the Caribbean	8	14 612 343	7 795 186	22 407 529
Near East and North Africa	6	9 477 810	3 172 025	12 649 835
Total	65	52 574 446	23 609 981	76 184 427

* Amounts reported have been delinquent for 15 days or more. Delinquencies of USD 10 000 or less are not included in this report.

**TABLE 2: TOTAL LOAN INTEREST/SERVICE CHARGES AND PRINCIPAL IN ARREARS
BY BORROWER AND NUMBER OF DAYS OVERDUE
(as at 31 December 2003)
(USD '000)**

Borrower	15 to 29 Days	30 to 59 Days	60 to 74 Days	75 to 119 Days¹	120 to 179 Days²	180 Days and Over³	Total Amount Overdue
Angola	-	30	-	-	-	-	30
Burundi	225	-	-	-	-	-	225*
Cambodia	-	14	-	-	-	-	14*
Central African Republic	-	184	-	365	46	2 506	3 101
Chad	147	-	-	-	-	-	147
Cuba	-	-	-	-	258	19 597	19 855
D.P.R. Korea	-	-	300	-	-	-	300**
D.R. Congo	-	-	-	277	-	6 649	6 926** *
Gabon	254	-	-	-	-	-	254
Guinea-Bissau	55	-	120	-	-	1 619	1 794** *
Guinea	-	-	614	-	-	-	614
Haiti	200	308	-	-	15	27	550
Liberia	-	292	-	-	-	16 087	16 379
Malawi	-	-	-	11	-	-	11
Nepal	-	51	-	-	-	-	51
Nigeria	206	-	-	-	-	-	206
Paraguay	-	1 021	-	-	-	960	1 981*
Seychelles	-	-	-	-	59	162	221
Sierra Leone	-	-	-	-	225	1 596	1 821** *
Solomon Islands	-	-	-	59	-	283	342
Somalia	-	160	6	-	174	12 025	12 365
Sudan	-	-	23	262	-	-	285*
Togo	7	-	-	387	-	2 786	3 180
Uganda	-	6	-	-	-	5	11**
Venezuela	21	-	-	-	-	-	21
Zambia	-	16	-	-	-	-	16*
Zimbabwe	-	16	-	736	36	4 695	5 483
Total	1 115	2 098	1 063	2 097	813	68 997	76 183

* Paid as of date of this report.

** Partially paid as of date of this report.

*** Borrowers with debt settlement plans or arrears covered under the Debt Initiative for Heavily Indebted Poor Countries.

¹ Active loans with arrears in suspension.

² Country portfolio suspension.

³ Loans in non-accrual status.

**TABLE 3: HISTORICAL ANALYSIS OF LOANS WITH INTEREST/SERVICE CHARGES
AND PRINCIPAL IN ARREARS FOR 75 DAYS OR MORE
(as at 31 December 2003)**

Reporting Date	Total Loans Billed	Number of Loans Billed with Arrears of 75 Days or More	Percentage of Loans with Arrears Overdue 75 Days or More Compared with Total Number of Loans Billed	Principal Loan Repayments in Arrears (USD '000)	Loan Interest and Service Charges in Arrears (USD '000)	Total Amount Overdue (USD '000)
31-Dec-87	186	15	8	671	792	1 463
31-Dec-88	211	21	10	4 558	3 076	7 634
31-Dec-89	228	28	12	6 667	5 028	11 695
31-Dec-90	250	33	13	15 267	7 710	22 977
31-Dec-91	275	34	12	15 054	8 400	23 454
31-Dec-92	287	38	13	15 870	5 602	21 472
31-Dec-93	313	28	9	16 731	7 916	24 647
31-Dec-94	341	37	11	23 305	10 045	33 350
31-Dec-95	369	44	12	27 635	12 120	39 755
31-Dec-96	395	41	10	29 775	12 797	42 572
31-Dec-97	425	40	9	30 011	12 886	42 897
31-Dec-98	464	35	7	34 179	13 352	47 531
31-Dec-99	488	29	6	35 426	15 737	51 163
31-Dec-00	510	44	9	38 585	17 034	55 619
31-Dec-01	530	43	8	38 907	18 682	57 589
31-Dec-02	549	47	9	47 049	21 092	68 141
31-Dec-03	561	42	7	51 212	23 093	74 305

TABLE 4: SUMMARY OF AMOUNTS OVERDUE BY LENDING TERMS
(as at 31 December 2003)
(USD '000)

Lending Terms	Principal	Interest Service Charges	Total	Percent
Highly concessional	24 530	9 411	33 941	44.6
Intermediate	16 265	13 500	39 765	52.2
Ordinary	1 780	698	2 478	3.2
Total	52 575	23 609	76 184	100.0

TABLE 5: RATIO REFLWS
(as at 31 December 2003)
(USD '000)

Year	Interest	Principal	Total
1979	1	-	1
1980	128	-	128
1981	717	-	717
1982	2 129	-	2 129
1983	4 121	1 471	5 592
1984	7 595	15 262	22 857
1985	10 775	12 217	22 992
1986	17 130	23 468	40 598
1987	22 512	18 535	41 047
1988	25 482	30 813	56 295
1989	26 735	38 927	65 662
1990	30 142	47 672	77 814
1991	35 273	69 206	104 479
1992	38 383	76 895	115 278
1993	36 119	81 783	117 902
1994	37 431	89 015	126 446
1995	42 926	109 949	152 875
1996	39 989	110 069	150 058
1997	42 427	116 805	159 232
1998	41 917	122 556	164 473
1999	43 679	133 216	176 895
2000	43 991	136 423	180 414
2001	42 113	127 920	170 033
2002	42 296	127 551	169 847
2003	47 471	139 625	187 096
Total paid	681 482	1 629 378	2 310 860
Arrears as at 31 December 2003			76 184
Total billed			2 387 044

Note: Total arrears compared with total billed (capital and interest) since the inception of IFAD are 3.2%.