



IFAD
INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT
Governing Council – Twenty-Fourth Session

Rome, 20-21 February 2001

AUDITED FINANCIAL STATEMENTS OF IFAD AS AT 31 DECEMBER 1999

1. At its Sixty-Ninth Session in May 2000, the Executive Board reviewed the Audited Financial Statements for 1999, Appendixes A to G inclusive, and the Report of the External Auditor thereon, which is contained in this document. These statements, which have been prepared in accordance with standards recommended by the International Accounting Standards Committee, were examined in detail by the Audit Committee. The Executive Board now submits them to the Twenty-Fourth Session of the Governing Council with a recommendation for their approval, in accordance with Regulation XII (6) of the Financial Regulations of IFAD.
2. The Financial Statements reflect the following key points:

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

- (a) Investment income amounted to USD 196.5 million in 1999 compared with USD 187.9 million in 1998. Investment income for 1999 includes interest from fixed-income investments of USD 89.4 million compared with USD 111.6 million in 1998. Dividend income for 1999 amounts to USD 8.7 million compared with USD 5.6 million in 1998. Total net realized and unrealized market value gains amounted to USD 104.0 million in 1999 compared with USD 75.1 million in 1998. Interest income from banks decreased from USD 1.0 million in 1998 to USD 0.9 million in 1999. IFAD used the services of external investment managers to manage the major part of its investment portfolio. The fees for investment managers and custody and other investment costs, which are charged against investment income, amounted to USD 10.1 million in 1999 compared with USD 8.3 million in 1998.
- (b) Income from interest and service charges on loans amounted to USD 43.5 million in 1999 compared with USD 46.5 million in 1998. In line with the policy initiated in 1988, the Fund has excluded interest and service charges on loans with arrears in excess of ten months. The amount in 1999 was USD 2.8 million compared with USD 2.7 million in 1998.



- (c) Total operational and administrative expenditures, as indicated in the Statement of Activities and Changes in Net Assets (Appendix A), amounted to USD 52.0 million compared with a budget of USD 54.3 million. In addition, in 1999 there was an additional charge of USD 2.6 million representing the first of five instalments for the After-Service Medical Coverage Scheme deficit, as approved by the Executive Board in December 1998.

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 transfers to the IFAD Trust Fund for Heavily-Indebted Poor Countries Debt Initiative (HIPC DI).

Balance Sheet (Appendix B)

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

	<u>USD '000</u>
Promissory notes	104 980
Amounts receivable	89 555
	194 535

These are shown in Appendix B and detailed by country in Notes 6 and 7 of Appendix G.

It should be noted that, at 31 December 1999, 11 countries had loans with arrears of ten months or more and were thus in non-accrual status. Details of the countries and amounts involved are given in Note 8 of Appendix G.

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 from 1999) 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 which may be considered committable in accordance with the policy adopted at the Thirty-Fourth Session of the Executive Board.

Statement of Members' and Special Contributions (Appendix E)

Appendix E combines contributions to the initial resources of the Fund and First and Second Replenishments as all amounts have been drawn down and full disclosure on non-payment has



been made in Appendix G - Notes to the Financial Statements. Details on contributions to the Third and Fourth 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 SDR loans.

3. The Financial Statements for 1999 were reviewed in detail at a meeting of the Audit Committee held on 16 March 2000. The Chairman of the Audit Committee made a formal report at the Sixty-Ninth Session of the Executive Board in May 2000. The Executive Board recommended the adoption of these statements by the Governing Council following the Audit Committee's report.

Recommendation

4. Upon concluding its consideration of this item, the Governing Council may wish to adopt the following decision:

“The Governing Council considered and approved the Financial Statements showing the financial position of IFAD as at 31 December 1999 and the results of its operations for the year ended on that date, as contained in Appendixes A to G inclusive of document GC 24/L.6 and the Report of the External Auditor thereon”.



INTERNATIONAL FUND
FOR AGRICULTURAL DEVELOPMENT

FINANCIAL STATEMENTS

for the years ended 31 December 1999 and 31 December 1998

- 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' and Special Contributions**
- Appendix F - Statement of Loans**
- Appendix G - 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 G) 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 1999 and 31 December 1998

(Expressed in thousands of United States Dollars)

	1999	1998
Changes in Net Assets		
(Decrease)/Increase in value of net contributions	(28 701)	69 049
(Decrease)/Increase in Complementary contributions	(6 821)	15 565
Special contributions received	5	5
Increase in approved grants net of cancellations	(29 459)	(27 502)
Transfer from Accumulated Surplus to HIPC DI (Note 8(a))	(4 000)	(4 000)
	(68 976)	53 117
Revenue		
Income from loans (Note 8)	43 531	46 493
Income from investments (Note 3)	196 513	187 899
Total Revenue	240 044	234 392
Operating Expenses		
Staff salaries and benefits (Note 11)	(27 153)	(28 102)
Other operational and administrative costs	(8 420)	(8 596)
Cooperating institutions and consultants	(14 119)	(13 753)
Governing Council and Executive Board and other official meetings	(2 296)	(1 775)
Provision for After-Service Medical Benefits	(2 600)	0
Total Operating Expenses	(54 588)	(52 226)
Net Revenue less Operating Expenses	185 456	182 166
Foreign Exchange (Losses)/Gains (Note 2(d))	(122 654)	180 834
Transfer to Accumulated Surplus	62 802	363 000
(Decrease)/Increase in Net Assets	(6 174)	416 117
Net Assets at Beginning of the Year	5 681 063	5 264 946
Net Assets at the End of the Year	5 674 889	5 681 063
<i>Reconciliation of changes in net assets from operating activities</i>		
<i>Loan Disbursements</i>	283 995	298 948
<i>Loan Repayments</i>	(133 219)	(123 358)
	150 776	175 590
<i>Effect of foreign exchange movements on loans</i>	(68 922)	112 701
<i>Net increase/(decrease) in loans outstanding</i>	81 854	288 291
<i>(Decrease)/increase in net amounts receivable from contributors</i>	(87 250)	5 623
<i>Net (decrease)/increase in promissory notes from contributors</i>	(49 993)	(3 322)
<i>Change in cash and investments</i>	65 509	126 149
<i>Net increase/(decrease) in other receivables and liabilities</i>	(16 294)	(624)
Changes in Net Assets	(6 174)	416 117



INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

Statement of Changes in Accumulated Surplus

Appendix A1

For the years ended 31 December 1999 and 31 December 1998

(Expressed in thousands of United States Dollars)

	Surplus from Operations	Foreign Exchange Effects 1/	Total Accumulated Surplus
Opening Balance at 1 January 1998	1 575 194	221 510	1 796 704
Net revenue less operating expenses before the effect of foreign exchange rate movements	182 166		182 166
Foreign exchange gains		180 834	180 834
Transfer to Trust Fund for the Heavily-Indebted Poor Countries Debt Initiative (HIPC DI) 2/	(4 000)		(4 000)
Accumulated Surplus at 31 December 1998	1 753 360	402 344	2 155 704
Net revenue less operating expenses before the effect of foreign exchange rate movements	185 456		185 456
Foreign exchange losses 1/		(122 654)	(122 654)
Transfer to Trust Fund for the Heavily-Indebted Poor Countries Debt Initiative (HIPC DI) 2/	(4 000)		(4 000)
Accumulated Surplus at 31 December 1999	1 934 816	279 690	2 214 506

1/ See Appendix G, Note 2(d)

2/ See Appendix G, Note 8(a)



INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

Balance Sheet

Appendix B

31 December 1999 and 31 December 1998

(Expressed in thousands of United States Dollars)

Assets	1999		1998		Liabilities, Contributions, Accumulated Surplus and Reserve	1999		1998	
Cash in banks	71 889	60 848			Liabilities				
					Payable for investments purchased	69 878		166 087	
Investments (Notes 2 (a) and 3)	2 284 212	2 235 269			Payables and accrued liabilities	37 690		33 898	
					Undisbursed grants (Note 9)	61 386		62 230	
Cash and Investments subject to restriction (Note 4)	22 493	25 802			Amounts due to other funds	14 544		13 748	
					Provision for After-Service Medical Benefits	2 600		0	
					HIPC DI undisbursed grants	6 808		5 183	
Contributors' promissory notes (Note 6)	529 275	573 666				192 906		281 146	
Less : Provision (Note 5(h))	(104 980)	(99 378)			Contributions, accumulated surplus and reserve				
	424 295	474 288			IFAD Members' contributions (Appendix E and Note 5)	3 524 340		3 545 191	
Amounts receivable from contributors (Note 7)	183 977	271 229			Less: Provision (Note 5(h))	(194 525)		(188 927)	
Less : Provision (Note 5(h))	(89 555)	(89 557)				3 329 815		3 356 264	
	94 422	181 672							
Other receivables					IFAD special contributions	20 139		20 134	
Accrued income on loans	14 143	14 809							
Accrued income on investments	28 050	34 000			IFAD complementary contributions	32 281		37 234	
Receivable for investments sold	15 886	97 311			HIPC DI contributions (Note 8(a))	(3 853)		(1 985)	
Miscellaneous	5 758	5 924				28 428		35 249	
Due from other funds	7 554	15 047							
	71 391	167 091			SPA contributors - First Phase (Appendix E and Note 5)	289 027		289 660	
Loans (Note 8 and Appendix F)					Less: Provision (Note 5(h))	(10)		(8)	
IFAD approved loans less cancellations and adjustment for movement in value of total SDR loans in terms of United States Dollars (Appendix D, F and Note 8):					SPA contributors - Second Phase	62 977		64 594	
1999 - USD 5 809 215					SPA special contributions	209		209	
1998 - USD 5 559 089						352 203		354 455	
Effective loans	5 267 760	4 994 399							
Less : Undisbursed balance of effective loans	(1 644 045)	(1 519 301)				3 730 585		3 766 102	
Repayments	(985 297)	(915 364)			IFAD	2 214 188		2 155 704	
Loans outstanding	2 638 418	2 559 734			HIPC DI (Note 8(a))	318		0	
					Total Accumulated Surplus (Appendix A1)	2 214 506		2 155 704	
SPA approved loans and adjustment for movement in value of total SDR loans in terms of United States Dollars (Appendix F)					Less : IFAD grants (Notes 2 (a) and 9)	(365 202)		(335 743)	
1999 - USD 345 213									
1998 - USD 355 250					General Reserve (Note 10)	95 000		95 000	
Effective loans	345 213	355 250							
Less : Undisbursed balance of effective loans	(77 251)	(93 795)			Net Assets	5 674 889		5 681 063	
Repayments	(7 287)	(3 950)							
Loans outstanding	260 675	257 505							
	5 867 795	5 962 209				5 867 795		5 962 209	



INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

Statement of Cash Flows 1/

Appendix C

For the years ended 31 December 1999 and 31 December 1998

(Expressed in thousands of United States Dollars)

	1999	1998
Cash flows from investing in development activities		
Loan disbursements	(283 995)	(298 948)
Loan principal repayments	133 219	123 358
Grant disbursements	(30 100)	(25 212)
Transfer of funds to HIPC DI	(8 000)	0
Net cash flows used by investing in development activities	(188 876)	(200 802)
Cash flows from financing activities		
Receipts from Member States		
- Promissory notes drawn down	78 636	75 701
- Third Replenishment contributions	1 086	572
- Fourth Replenishment contributions	20 913	4 096
- Advance Contributions to the Fifth Replenishment	8	8
- Special contributions	5	5
Net cash flows provided by financing activities	100 648	80 382
Cash flows from operating activities		
Interest income and net realised capital gains	82 031	170 425
Income from dividends	8 514	5 293
Net realised capital gains from equities	33 714	(14 862)
Other investment income	(118 894)	105 133
Net purchase of equities	(246 762)	(210 343)
Interest received from loans	44 197	41 898
Cash receipts from miscellaneous and other funds	8 455	319
Payments for administrative and investment expenses	(58 353)	(61 334)
Lifting of restriction for restricted currency	81	(81)
Exchange gain/(loss) on operations	376	(176)
Net cash flows provided by operating activities	(246 641)	36 272
Effects of exchange rate movements on cash and investments excluding equities	(51 016)	51 788
Net increase/(decrease) in unrestricted cash and cash equivalents	(385 885)	(32 360)
Unrestricted cash and cash equivalents at the beginning of year	1 971 617	2 003 977
Unrestricted cash and cash equivalents at the end of year	1 585 732	1 971 617
COMPOSED OF:		
Unrestricted cash	71 889	60 848
Unrestricted investments excluding equities	1 513 843	1 910 769
	1 585 732	1 971 617
Reconciliation of net income to net cash provided by operating activities:		
Net revenue less operating expenses	185 456	182 166
Adjustment to reconcile net income to net cash provided by operations:		
- decrease/(increase) in accrued income on loans and investments	6 616	(592)
- decrease/(increase) in other receivables	89 880	(92 636)
- (increase)/decrease in other payables	(92 400)	146 067
- interest on restricted cash and investments	58	(543)
- unrealised capital gains on equities	(192 546)	12 410
- net purchase of equities	(246 762)	(210 343)
- provision for After-Service Medical Benefits	2 600	0
- lifting of restriction for restricted currency	81	(81)
- exchange (loss)/gain on operations	376	(176)
Net cash flows provided by operating activities	(246 641)	36 272

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



INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

Statement of Resources Available for Commitment 1/
31 December 1999 and 31 December 1998

Appendix D

(Expressed in thousands of United States Dollars)

		1999	1998
Assets in freely-convertible currencies	Cash	71 889	60 848
	Investments	2 284 212	2 235 269
	Promissory Notes - Member States	510 845	555 971
	Other receivables	71 355	167 091
		2 938 301	3 019 179
Less	Payables and accrued liabilities	124 711	213 733
	Undisbursed effective loans	1 721 296	1 613 095
	Approved loans signed but not yet effective	240 876	324 973
	Undisbursed grants	51 534	42 973
	General Reserve	95 000	95 000
		2 108 706	2 076 041
	Advance Contributions to the Fifth Replenishment	25	17
	Drawdowns on Initial Contribution promissory notes which have not been paid	43 075	43 075
	Drawdowns on First Replenishment promissory notes which have not been paid	41 370	41 370
	Drawdowns on Second Replenishment promissory notes which have not been paid	5 002	5 002
	Drawdowns on Third Replenishment promissory notes which have not been paid	15 523	9 923
	Promissory notes of Member States which have not yet been drawn down (see Note 2 (c) (iii))	11 102	0
	Drawdowns on First Phase SPA promissory notes which have not been paid	10	8
	Promissory notes of Member States which have not yet been drawn down (see Note 2 (c) (iii)) (SPA)	0	2
		116 082	99 380
		2 349 524	2 389 171
Resources Available for Commitment		588 777	630 008
Less	Loans not yet signed	300 580	239 717
	Grants not yet signed	16 660	18 946
Net Resources Available for Commitment		271 537	371 345

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



INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

Statement of Members' and Special Contributions 1/
31 December 1999 and 31 December 1998

Appendix E
Members - Category I

	Initial, First & Second Replenishment	Third Replenishment					
		Instruments Deposited 2/			Payments-USD Equivalent		
		USD Equivalent	Currency	Amount	USD Equivalent	Cash	Promissory Notes
Australia	20 350 516	AUD	10 534 275	7 218 160	4 649 779	2 568 381	7 218 160
Austria 3/	17 361 041	EUR	5 811 703	6 126 228	3 691 607	2 434 621	6 126 228
Belgium 3/	35 949 263	EUR	9 052 877	9 883 478	6 098 176	3 785 302	9 883 478
Canada	78 727 037	CAD	26 983 253	18 648 505	10 852 455	7 796 050	18 648 505
Denmark	25 967 094	DKK	67 577 314	9 723 356	5 914 656	3 808 700	9 723 356
Finland 3/	13 040 503	EUR	6 160 459	6 835 645	4 254 924	2 580 721	6 835 645
France 3/	89 292 984	EUR	30 999 587	33 007 643	20 021 390	12 986 253	33 007 643
Germany	151 806 996	SDR	28 841 959	39 330 967	24 187 522	15 143 445	39 330 967
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	43 720 228	22 927 306	20 792 922	43 720 228
Luxembourg 3/	944 574	EUR	236 167	248 215	149 281	98 934	248 215
Netherlands 3/	119 344 690	EUR	19 384 984	20 329 156	12 208 457	8 120 699	20 329 156
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	17 750 826	11 344 666	6 406 160	17 750 826
Switzerland	41 497 300	CHF	16 270 000	11 756 005	10 567 266	1 188 739	11 756 005
United Kingdom	64 269 514	GBP	11 305 433	18 439 527	10 819 229	7 620 298	18 439 527
United States	459 874 400	USD	82 800 000	82 800 000	82 800 000		82 800 000
Sub-total, Category I							
31 December 1999	1 532 571 288			374 861 500	279 530 275	95 331 225	374 861 500
31 December 1998	1 532 571 288			381 475 085	235 235 434	146 239 651	381 475 085

Members - Category II

	Initial, First & Second Replenishment *	Third Replenishment					
		Instruments Deposited 2/			Payments-USD Equivalent		
		USD Equivalent	Currency	Amount	USD Equivalent	Cash	Promissory Notes
Algeria	37 580 000	USD	12 000 000	12 000 000	5 168 400	6 831 600	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	1 000 000		1 000 000
Iraq 6/	53 099 000	USD					
Kuwait	117 041 000	USD	14 000 000	14 000 000	8 162 000	5 838 000	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		10 000 000	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	17 490 000	12 510 000	30 000 000
United Arab Emirates 6/	47 180 000	USD	1 000 000	1 000 000	583 000	417 000	1 000 000
Venezuela	132 489 000	USD	28 000 000	28 000 000	13 699 880	14 300 120	28 000 000
Sub-total, Category II							
31 December 1999	999 216 000			122 900 000	53 003 280	65 896 720	118 900 000
31 December 1998	999 216 000			122 900 000	35 490 183	83 409 817	118 900 000

* A special contribution of USD 20 million paid by the OPEC Fund for International Development 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' and Special Contributions 1/
31 December 1999 and 31 December 1998

Appendix E
Members - Category III

	Initial, First & Second		Third Replenishment					
	Replenishment		Instruments Deposited 2/		Payments-USD Equivalent			
	USD	USD	Currency	Amount	USD	Cash	Promissory	Total
	Equivalent	Equivalent			Equivalent		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	301 350	198 650	500 000
Barbados	2 000		USD	1 000	1 000	1 000		1 000
Belize 11/			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	4 081 000	2 919 000	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							
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	4 664 000	3 336 000	8 000 000
Colombia	10 000		USD	60 000	60 000	60 000		60 000
Comoros 6/	30 231							
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	2 915 000	2 085 000	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	18 000 000		USD	8 000 000	8 000 000	4 672 587	3 327 413	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	971 293	971 293	971 293		971 293
Kyrgyzstan 9/								
Laos	2 213							
Lebanon	25 000							
Lesotho	89 397		USD	50 000	50 000	29 150	20 850	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
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

(cont'd)


INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

Statement of Members' and Special Contributions 1/
31 December 1999 and 31 December 1998

Appendix E
Members - Category III (cont'd)

	Initial, First & Second Replenishment		Third Replenishment				
	USD Equivalent	Instruments Deposited 2/		USD Equivalent	Payments-USD Equivalent		
		Currency	Amount		Cash	Promissory Notes	Total
Malta		USD	15 000	15 000	15 000	15 000	
Mauritania 6/	25 000	USD	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	749 595	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	
Sub-total, Category III							
31 December 1999	67 635 744			62 354 066	48 581 748	13 762 318	62 344 066
31 December 1998	67 647 391			61 277 573	41 891 237	19 376 172	61 267 409
Total, Categories I, II & III							
31 December 1999	2 599 423 032			560 115 566	381 115 303	174 990 263	556 105 566
31 December 1998	2 599 434 679			565 652 658	312 616 854	249 025 640	561 642 494


INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

Statement of Members' and Special Contributions 1/
31 December 1999 and 31 December 1998

Appendix E

Fourth Replenishment Contributions 17/						
	Instruments Deposited 2/			Payments - USD Equivalent		Total
	Currency	Amount	USD Equivalent	Cash	Promissory Notes	
Afghanistan						
Albania 7/	USD	10 000	10 000	10 000		10 000
Algeria	USD	250 000	250 000		250 000	250 000
Angola	USD	40 000	40 000	40 000		40 000
Antigua and Barbuda						
Argentina	USD	1 500 000	1 500 000	997 475		997 475
Armenia 9/						
Australia	AUD	6 426 708	4 201 784		4 201 784	4 201 784
Austria 3/	EUR	5 428 010	5 452 963		5 452 963	5 452 963
Azerbaijan 10/						
Bangladesh	USD	600 000	600 000		150 000	150 000
Barbados	USD	7 000	7 000	7 000		7 000
Belgium 3/	EUR	7 213 702	7 246 860		7 246 860	7 246 860
Belize 11/						
Benin	USD	25 000	25 000	25 000		25 000
Bhutan	USD	25 000	25 000	25 000		25 000
Bolivia	USD	50 000	50 000	50 000		50 000
Bosnia and Herzegovina 10/						
Botswana	USD	75 000	75 000	75 000		75 000
Brazil 12/	USD	2 662 042	2 662 042		2 662 042	2 662 042
	SDR	3 657 989	5 020 626		5 020 626	5 020 626
Burkina Faso	USD	30 000	30 000	30 000		30 000
Burundi						
Cambodia 7/						
Cameroon						
Canada	CAD	27 286 744	18 905 841		12 603 894	12 603 894
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			
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	1 005 907	1 005 907	1 005 907		1 005 907
Croatia 10/						
Cuba						
Cyprus	USD	25 000	25 000	25 000		25 000
D.P.R. Korea	USD	100 000	100 000	30 000		30 000
D.R. Congo						
Denmark	DKK	160 000 000	21 625 187		21 625 187	21 625 187
Djibouti						
Dominica	USD	10 000	10 000	10 000		10 000
Dominican Republic						
Ecuador	USD	300 000	300 000			
Egypt	USD	3 000 000	3 000 000		3 000 000	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	2 806 329		2 806 329	2 806 329
France 3/	EUR	19 894 216	19 985 670		19 985 670	19 985 670
Gabon						
Gambia, The	USD	10 086	10 086	10 086		10 086
Georgia 13/						
Germany 3/	EUR	28 346 022	28 476 330		18 509 614	18 509 614
Ghana						
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						
Honduras	USD	212 246	212 246	212 246		212 246
India	USD	9 000 000	9 000 000		6 000 000	6 000 000
Indonesia	USD	10 000 000	10 000 000	7 000 000		7 000 000

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INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

Statement of Members' and Special Contributions 1/
31 December 1999 and 31 December 1998

Appendix E

Fourth Replenishment Contributions 17/						
	Instruments Deposited 2/			Payments - USD Equivalent		Total
	Currency	Amount	USD Equivalent	Cash	Promissory Notes	
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	24 044 613	6 549 933		6 549 933
Jamaica	USD	150 000	150 000	150 000		150 000
Japan	JPY	4 335 661 936	42 423 325		28 282 217	28 282 217
Jordan	USD	325 000	325 000	75 000	250 000	325 000
Kazakhstan 18/						
Kenya	USD	1 000 000	1 000 000			
Kuwait	USD	15 000 000	15 000 000		15 000 000	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	316 164		316 164	316 164
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						
Mongolia 10/						
Morocco	USD	2 000 000	2 000 000			
Mozambique 19/	USD	80 000	80 000		24 000	24 000
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	5 965 929		5 965 929	5 965 929
New Zealand	NZD	2 099 160	1 069 398	677 511	391 887	1 069 398
Nicaragua	USD	50 000	50 000			
Nigeria						
Norway 20/	NOK	118 216 205	14 704 358		14 704 358	14 704 358
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		200 000	200 000
Philippines	USD	384 946	384 946	384 946		384 946
Portugal 3/ 5/ 21/	EUR	583 256	585 937		390 625	390 625
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	1 000 000	1 000 000		1 000 000	1 000 000
Senegal	USD	11 301	11 301	11 301		11 301
Seychelles	USD	4 667	4 667	4 667		4 667
Sierra Leone						
Solomon Islands						
Somalia						
South Africa 16/	USD	500 000	500 000	500 000		500 000
Spain 3/	EUR	1 140 850	1 261 781	1 261 781		1 261 781
Sri Lanka	USD	1 100 000	1 100 000	1 100 000		1 100 000
Sudan	USD	198 656	198 656	198 656		198 656
Suriname 11/						
Swaziland	USD	59 454	59 454	59 454		59 454
Sweden	SEK	164 775 912	19 328 635		19 328 635	19 328 635

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INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

Statement of Members' and Special Contributions 1/
31 December 1999 and 31 December 1998

Appendix E

Fourth Replenishment Contributions 17/						
	Instruments Deposited 2/			Payments - USD Equivalent		Total
	Currency	Amount	USD Equivalent	Cash	Promissory Notes	
Switzerland	CHF	14 915 809	9 324 718		9 324 718	9 324 718
Syria	USD	150 000	150 000	150 000		150 000
Tajikistan 10/ Tanzania, United Republic of Thailand	USD	25 000	25 000	25 000		25 000
The Former Yugoslav Republic of Macedonia 10/ Togo						
Tonga	USD	30 000	30 000	30 000		30 000
Trinidad and Tobago						
Tunisia	USD	500 000	500 000	500 000		500 000
Turkey	USD	5 000 000	5 000 000	5 000 000		5 000 000
Uganda	USD	45 000	45 000	45 000		45 000
United Arab Emirates	USD	1 000 000	1 000 000		1 000 000	1 000 000
United Kingdom	GBP	13 586 773	21 961 651		21 961 651	21 961 651
United States	USD	30 000 000	30 000 000	15 000 000		15 000 000
Uruguay	USD	25 000	25 000	25 000		25 000
Venezuela	USD	4 000 000	4 000 000		4 000 000	4 000 000
Viet Nam	USD	100 000	100 000	65 000		65 000
Yemen	USD	188 914	188 914	188 914		188 914
Yugoslavia Zaire Zambia Zimbabwe	USD	500 000	500 000	300 000		300 000
Total Contributions						
31 December 1999			364 778 022	48 284 581	233 680 153	281 964 734
31 December 1998			380 087 357	26 914 027	191 743 603	218 657 630



INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

Statement of Members' and Special Contributions 1/
31 December 1999 and 31 December 1998

Appendix E

Advance Contributions to the Fifth Replenishment

	Instruments Deposited 2/			Payments - USD Equivalent		
	Currency	Amount	USD Equivalent	Cash	Promissory Notes	Total
Panama	USD	24 900	24 900	24 900		24 900
31 December 1999			24 900	24 900		24 900
31 December 1998			16 600	16 600	0	16 600

Summary of Members' Contributions

	At 31.12.99	At 31.12.98
Initial Contributions	1 017 308	1 017 320
First Replenishment	1 016 372	1 016 372
Second Replenishment	565 742	565 742
Third Replenishment	560 115	565 653
Fourth Replenishment	364 778	380 087
Advance Contributions to the Fifth Replenishment	25	17
Total	3 524 340	3 545 191

Statement of Complimentary Contributions to the Fourth Replenishment

	Instruments Deposited 2/			Payments - USD Equivalent		
	Currency	Amount	USD Equivalent	Cash	Promissory Notes	Total
Belgium 3/ 22/	EUR	19 831 482	19 922 640		16 802 456	16 802 456
Netherlands 3/ 23/	EUR	12 081 227	12 358 021	3 868 875		3 868 875
31 December 1999			32 280 661	3 868 875	16 802 456	20 671 331
31 December 1998			37 233 933	1 984 423	15 006 548	16 990 971

Special Contributions

	Initial, First and Second Replenishment USD Equivalent	Third Replenishment USD Equivalent	Fourth Replenishment USD Equivalent	Total USD Equivalent
OPEC Fund	20 000 000			20 000 000
Iceland			10 000	10 000
Other	123 453	4 832	738	129 023
31 December 1999	20 123 453	4 832	10 738	20 139 023
31 December 1998	20 123 453	4 832	5 700	20 133 985



INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

**Statement of Contributions and Special Contributions 1/
31 December 1999 and 31 December 1998**
Special Programme for Africa - First Phase

Appendix E

Contributors	Instruments Deposited 2/			Payments - USD Equivalent		
	Currency	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	18 692 757	18 530 568	162 189	18 692 757
Djibouti	USD	1 000	1 000	1 000		1 000
European Union 3/	EUR	15 000 000	17 618 919	17 618 919		17 618 919
Finland 3/	EUR	9 960 089	12 219 875	12 119 816	100 059	12 219 875
France 3/	EUR	32 014 294	37 741 205	37 419 590	321 615	37 741 205
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	23 254 458	23 254 458		23 254 458
	USD	10 000 000	10 000 000	10 000 000		10 000 000
Japan	JPY	2 553 450 000	21 515 954	21 266 105	249 848	21 515 953
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	17 731	17 731		17 731
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	19 083 709	18 929 222	154 487	19 083 709
Switzerland	CHF	25 000 000	17 048 554	17 048 554		17 048 554
United Kingdom	GBP	7 000 000	11 152 663	11 039 516	113 148	11 152 664
United States	USD	10 000 000	10 000 000	10 000 000		10 000 000
31 December 1999			289 026 966	287 915 792	1 111 174	289 026 966
31 December 1998			289 660 866	281 930 215	7 730 651	289 660 866

**Statement of Contributions and Special Contributions 1/
31 December 1999 and 31 December 1998**
Special Programme for Africa - Second Phase

Contributors	Instruments Deposited 2/			Payments - USD Equivalent		
	Currency	Amount	USD Equivalent	Cash	Promissory Notes	Total
Belgium 3/	EUR	11 155 209	12 587 913	8 852 418	3 735 495	12 587 913
France 3/	EUR	3 811 225	4 207 676	2 948 019	1 259 657	4 207 676
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	10 065 000	4 935 000	15 000 000
Netherlands 3/	EUR	8 848 714	9 620 886	7 934 181	1 686 705	9 620 886
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 1999			62 976 913	51 360 056	11 616 857	62 976 913
31 December 1998			64 594 176	46 569 866	18 024 310	64 594 176
Total First & Second Phase						
31 December 1999			352 003 879	339 275 848	12 728 031	352 003 879
31 December 1998			354 255 042	328 500 081	25 754 961	354 255 042

Special Contributions First Phase

31 December 1999	209 345	209 345	209 345
Special Contributions			
31 December 1998	209 345	209 345	209 345



Notes to Statement of Members' and Special Contributions

- 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
ECU	European Currency Unit	1
ATS	Austrian Shilling	13.7603
BEF	Belgian Franc	40.3399
LUF	Luxembourg Franc	40.3399
DEM	Deutsche Mark	1.95583
FRF	French Franc	6.55957
IEP	Irish Punt	0.787564
ITL	Italian Lire	1 936.27
NLG	Dutch Guilder	2.20371
FIM	Finnish Mark	5.94573
PTE	Portugal Escudos	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 G, Notes 6 and 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/ This Member State completed its 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 has become effective and consequently Categories have been replaced by Lists, while all Member Countries are now 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/ In February 2000 IFAD was advised that the Mozambique Ministry of Planning and Finance had deposited with the Banco de Mozambique a Promissory Note with value date 3 March 1999 amounting to USD 56 000. This amount is not included in the 1999 figures.
- 20/ Norges Bank, Central Bank of Norway, on 12 February 1999 advised IFAD that the Norwegian Ministry of Foreign Affairs had deposited a Promissory Note amounting to NOK 40 000 000 (USD 5 263 172). This amount had not been included in the 1998 figures.
- 21/ Banco do Portugal, on 11 February 1999, advised IFAD that the Instituto de Gestão do Crédito Público had deposited a Promissory Note amounting to PTE 38 977 425 (USD 226 839). This amount had not been included in the 1998 figures.
- 22/ 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 for the Third World.
- 23/ 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.


INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

Statement of Loans 1/
31 December 1999 and 31 December 1998

Appendix F

Borrower or Guarantor	Approved		Effective Loans				Outstanding Loans
	Loans less Cancellations	Loans not yet Effective	Undisbursed Portion	Disbursed Portion	Repayments		
USD Loans 1/	USD	USD	USD	USD	USD	USD	USD
Bangladesh	30 000 000	0	0	30 000 000	8 250 000		21 750 000
Cape Verde	2 003 243	0	0	2 003 243	550 770		1 452 473
Haiti	3 500 000	0	0	3 500 000	1 006 250		2 493 750
Nepal	11 538 262	0	0	11 538 262	3 186 500		8 351 762
Sri Lanka	12 000 000	0	0	12 000 000	3 600 000		8 400 000
Tanzania, United Republic of	9 488 457	0	0	9 488 457	2 727 939		6 760 518
Sub-total 1/	68 529 962	0	0	68 529 962	19 321 459		49 208 503
Exchange adjustment on USD Loans	3 221 415			3 221 415	2 942 433		278 982
Sub-total							
USD Loans 1/	71 751 377			71 751 377	22 263 892		49 487 485

SDR Loans 1/	SDR	SDR	SDR	SDR	SDR	SDR
Albania	24 050 000	9 600 000	5 362 747	9 087 253	0	9 087 253
Algeria	19 000 000	0	8 965 121	10 034 879	6 722 591	3 312 288
Angola	12 000 000	0	9 999 516	2 000 484	0	2 000 484
Argentina	32 350 000	12 800 000	10 149 909	9 400 091	4 270 604	5 129 487
Armenia	14 950 000	0	2 179 752	12 770 248	0	12 770 248
Azerbaijan	6 450 000	0	4 852 169	1 597 831	0	1 597 831
Bangladesh 2/	188 359 842	13 650 000	44 527 917	130 181 925	17 097 417	113 084 508
Belize	3 416 200	0	1 604 264	1 811 936	1 100 176	711 760
Benin	48 484 720	0	15 441 713	33 043 007	4 293 330	28 749 677
Bhutan	18 034 372	6 950 000	0	11 084 372	1 196 307	9 888 065
Bolivia	51 550 001	0	9 889 022	41 660 979	13 840 624	27 820 355
Bosnia and Herzegovina	14 447 402	0	1 847 642	12 599 760	0	12 599 760
Botswana	4 667 402	0	0	4 667 402	4 257 422	409 980
Brazil	44 200 000	17 800 000	13 424 630	12 975 370	3 030 000	9 945 370
Burkina Faso	35 683 564	6 950 000	12 584 985	16 148 579	2 522 920	13 625 659
Burundi 2/	34 546 617	0	19 212 467	15 334 150	3 441 583	11 892 567
Cambodia	9 650 000	6 350 000	2 845 813	454 187	0	454 187
Cameroon	33 918 924	8 050 000	7 455 629	18 413 295	7 313 089	11 100 206
Cape Verde	10 889 724	6 950 000	0	3 939 724	196 984	3 742 740
Central African Republic	26 821 088	0	5 123 391	21 697 697	1 261 281	20 436 416
Chile	5 500 000	0	2 658 902	2 841 098	733 332	2 107 766
China	281 843 291	21 000 000	46 675 593	214 167 698	31 416 644	182 751 054
Colombia	17 076 543	0	9 310 354	7 766 189	5 461 666	2 304 523
Comoros	4 186 867	0	700 000	3 486 867	246 345	3 240 522
Congo	10 876 210	0	5 217 310	5 658 900	3 003 138	2 655 762
Costa Rica	10 122 172	0	2 815 462	7 306 710	6 176 668	1 130 042
Côte d'Ivoire	38 351 647	0	28 258 481	10 093 166	7 552 390	2 540 776
Cuba	10 581 121	0	0	10 581 121	2 272 855	8 308 266
D.P.R. Korea	31 350 000	0	7 914 280	23 435 720	0	23 435 720
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	278 940	1 432 891
Dominica	4 246 460	0	1 120 274	3 126 186	1 006 750	2 119 436
Dominican Republic	32 638 742	8 750 000	2 638 530	21 250 212	15 621 618	5 628 594
Ecuador	26 861 535	0	16 421 942	10 439 593	4 833 940	5 605 653
Egypt	121 249 069	18 850 000	28 486 691	73 912 378	18 211 482	55 700 896
El Salvador	43 400 000	9 550 000	14 288 779	19 561 221	6 168 192	13 393 029
Equatorial Guinea	6 841 492	0	1 076 777	5 764 715	185 625	5 579 090
Eritrea	8 550 000	0	7 048 269	1 501 731	0	1 501 731
Ethiopia	82 697 049	0	36 531 144	46 165 905	6 451 802	39 714 103
Gabon	15 900 000	8 850 000	2 437 008	4 612 992	2 103 770	2 509 222
Gambia, The	20 608 432	0	8 772 282	11 836 150	1 367 898	10 468 252
Georgia	4 700 000	0	3 058 491	1 641 509	0	1 641 509
Ghana	52 840 184	8 300 000	15 561 723	28 978 461	2 620 510	26 357 951
Grenada	1 372 469	0	0	1 372 469	1 145 451	227 018
Guatemala	36 730 001	10 850 000	10 857 701	15 022 300	5 651 090	9 371 210
Guinea	55 580 302	10 200 000	21 203 068	24 177 234	2 194 338	21 982 896
Guinea-Bissau	5 117 134	0	0	5 117 134	604 688	4 512 446
Guyana	12 144 316	0	6 703 542	5 440 774	2 642 762	2 798 012
Haiti	34 651 777	10 950 000	5 401 777	18 300 000	3 305 643	14 994 357
Honduras	53 522 371	12 000 000	21 492 744	20 029 627	6 203 936	13 825 691
India	275 522 422	16 950 000	58 313 516	200 258 906	33 565 833	166 693 073
Indonesia 2/	154 279 153	0	40 252 658	114 026 495	59 840 600	54 185 895
Jamaica	9 983 480	0	0	9 983 480	8 093 671	1 889 809
Jordan	46 809 130	7 450 000	11 900 622	27 458 508	17 470 456	9 988 052
Kenya	21 070 492	0	3 069 268	18 001 224	1 761 552	16 239 672

(cont'd)


INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

Statement of Loans (cont'd)
31 December 1999 and 31 December 1998

Appendix F

Borrower or Guarantor	Approved		Effective Loans			
	Loans less Cancellations	Loans not yet Effective	Undisbursed Portion	Disbursed Portion	Repayments	Outstanding Loans
SDR Loans 1/	SDR	SDR	SDR	SDR	SDR	SDR
Kyrgyzstan	8 250 000	0	6 608 865	1 641 135	0	1 641 135
Laos	25 736 983	0	10 523 124	15 213 859	1 282 915	13 930 944
Lebanon	22 700 000	0	18 301 716	4 398 284	973 332	3 424 952
Lesotho	14 540 054	6 350 000	0	8 190 054	1 336 365	6 853 689
Liberia	10 179 774	0	0	10 179 774	0	10 179 774
Madagascar 2/	48 050 958	0	13 455 120	34 595 838	3 312 221	31 283 617
Malawi 2/	51 164 191	0	13 523 582	37 640 609	5 544 929	32 095 680
Maldives	5 880 830	0	1 296 721	4 584 109	322 065	4 262 044
Mali	63 363 639	0	33 177 179	30 186 460	3 412 708	26 773 752
Mauritania	17 528 635	0	1 306 741	16 221 894	2 063 160	14 158 734
Mauritius	13 418 617	8 200 000	0	5 218 617	4 351 450	867 167
Mexico	46 850 000	0	17 150 865	29 699 135	16 798 682	12 900 453
Mongolia	3 450 000	0	2 693 239	756 761	0	756 761
Morocco	61 835 262	0	27 156 741	34 678 521	18 695 289	15 983 232
Mozambique 2/	60 776 845	16 550 000	19 245 595	24 981 250	3 525 360	21 455 890
Namibia	4 200 000	0	1 504 600	2 695 400	0	2 695 400
Nepal	56 019 857	0	13 369 605	42 650 252	5 662 344	36 987 908
Nicaragua	45 550 000	10 150 000	9 484 866	25 915 134	9 925 000	15 990 134
Niger	22 175 121	0	8 785 017	13 390 104	1 120 099	12 270 005
Nigeria	49 668 010	16 700 000	2 571 013	30 396 997	10 730 530	19 666 467
Oman	3 850 000	3 850 000	0	0	0	0
Pakistan 2/	174 375 589	0	50 164 319	124 211 270	31 259 492	92 951 778
Panama	36 442 512	0	13 797 426	22 645 086	16 175 097	6 469 989
Papua New Guinea	9 129 388	0	1 996 335	7 133 053	4 417 055	2 715 998
Paraguay	25 506 488	0	8 043 175	17 463 313	11 225 702	6 237 611
Peru	67 278 851	13 900 000	5 722 589	47 656 262	28 077 888	19 578 374
Philippines	50 590 689	0	25 119 973	25 470 716	11 433 022	14 037 694
Republic of Moldova	5 800 000	5 800 000	0	0	0	0
Romania	12 400 000	0	12 400 000	0	0	0
Rwanda 2/	37 972 824	0	12 245 518	25 727 306	2 519 326	23 207 980
Saint Lucia	2 784 838	0	848 773	1 936 065	993 000	943 065
Saint Vincent and the Grenadines	1 650 000	0	519 089	1 130 911	275 000	855 911
Samoa	1 907 723	0	0	1 907 723	177 440	1 730 283
Sao Tome and Principe	5 832 694	0	621 404	5 211 290	338 234	4 873 056
Senegal	32 301 372	5 400 000	16 560 322	10 341 050	1 690 280	8 650 770
Seychelles	824 334	0	0	824 334	363 441	460 893
Sierra Leone	22 496 565	0	2 653 173	19 843 392	2 763 741	17 079 651
Solomon Islands	2 600 000	0	80 917	2 519 083	236 953	2 282 130
Somalia	17 709 534	0	0	17 709 534	410 968	17 298 566
Sri Lanka	61 133 020	0	19 907 469	41 225 551	5 130 930	36 094 621
Sudan 2/	64 926 637	7 750 000	257 363	56 919 274	8 503 817	48 415 457
Swaziland	10 622 340	0	3 357 833	7 264 507	4 587 150	2 677 357
Syria	56 997 374	0	42 892 957	14 104 417	8 178 770	5 925 647
Tanzania, United Republic of	56 462 442	12 550 000	11 667 158	32 245 284	748 272	31 497 012
The Former Yugoslav Republic of Macedonia	5 650 000	0	4 424 009	1 225 991	0	1 225 991
Thailand	34 379 149	0	0	34 379 149	26 660 987	7 718 162
Togo	27 774 604	0	12 411 553	15 363 051	1 241 379	14 121 672
Tonga	4 837 125	0	36 585	4 800 540	205 767	4 594 773
Tunisia	72 986 299	0	23 221 648	49 764 651	31 397 954	18 366 697
Turkey	59 799 163	0	22 741 111	37 058 052	30 334 914	6 723 138
Uganda 2/	77 657 298	19 100 000	16 282 432	42 274 866	7 298 910	34 975 956
Uruguay	8 550 000	0	501 830	8 048 170	1 995 000	6 053 170
Venezuela	27 400 000	0	12 571 058	14 828 942	10 270 707	4 558 235
Viet Nam	44 000 000	0	28 595 264	15 404 736	0	15 404 736
Yemen 2/	104 012 662	8 900 000	22 161 135	72 951 527	10 306 584	62 644 943
Zambia	69 830 182	20 700 000	7 034 679	42 095 503	6 432 877	35 662 626
Zimbabwe	49 158 137	0	23 192 755	25 965 382	13 243 935	12 721 447
Sub-total	4 170 096 714	388 700 000	1 197 838 316	2 583 558 398	697 284 079	1 886 274 319
Fund for Gaza and the West Bank 3/	5 800 000	5 800 000	0	0	0	0
Total	4 175 896 714	394 500 000	1 197 838 316	2 583 558 398	697 284 079	1 886 274 319
USD equivalent 1/	5 731 459 999	541 455 195	1 644 045 067	3 545 959 737	963 033 261	2 582 926 476
Exchange adjustment on SDR loan repayments	6 003 890			6 003 890		6 003 890
Sub-total SDR loans 1/	5 737 463 889	541 455 195	1 644 045 067	3 551 963 627	963 033 261	2 588 930 366
31 December 1999 1/ USD	5 809 215 266	541 455 195	1 644 045 067	3 623 715 004	985 297 153	2 638 417 851
31 December 1998 USD	5 559 089 096	564 690 432	1 519 300 669	3 475 097 995	915 364 339	2 559 733 656


INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

Statement of Loans^{1/}

31 December 1999 and 31 December 1998

Summary (in '000)

Appendix F

		Approved Loans			Value in USD					
		At	Loans	Loans	At	At	Loans	Loans	Movement in	At
		31.12.98	Cancelled	Fully Repaid	31.12.99	31.12.98	Cancelled	Fully Repaid	Exchange Rate	31.12.99
									SDR/USD	
1978	USD	83 805		(15 275)	68 530	83 805		(15 275)		68 530
1979	SDR	246 703		(28 003)	218 700	347 365		(39 429)	(7 768)	300 168
1980	SDR	241 106			241 106	339 484			(8 564)	330 920
1981	SDR	253 842			253 842	357 417			(9 016)	348 401
1982	SDR	229 004			229 004	322 445			(8 135)	314 310
1983	SDR	209 285			209 285	294 680			(7 434)	287 246
1984	SDR	166 879			166 879	234 971			(5 928)	229 043
1985	SDR	94 338			94 338	132 831			(3 351)	129 480
1986	SDR	67 936	(193)	(4 412)	63 331	95 656	(272)	(6 214)	(2 248)	86 922
1987	SDR	94 454			94 454	132 994			(3 356)	129 638
1988	SDR	108 439	(87)		108 352	152 685	(123)		(3 848)	148 714
1989	SDR	128 645	(219)		128 426	181 136	(308)		(4 562)	176 266
1990	SDR	152 293	(743)		151 550	214 433	(1 046)		(5 383)	208 004
1991	SDR	168 977	(3 547)		165 430	237 925	(4 995)		(5 877)	227 053
1992	SDR	202 588	(245)		202 343	285 250	(345)		(7 187)	277 718
1993	SDR	199 150	(368)	(131)	198 651	280 409	(518)	(185)	(7 057)	272 649
1994	SDR	215 050		(551)	214 499	302 797		(777)	(7 619)	294 401
1995	SDR	251 896			251 896	354 677			(8 947)	345 730
1996	SDR	275 961			275 961	388 561			(9 802)	378 759
1997	SDR	288 250			288 250	405 865			(10 239)	395 626
1998	SDR	303 550			303 550	427 408			(10 783)	416 625
1999	SDR				316 050					433 782
Total	SDR	3 898 346	(5 402)	(33 097)	4 175 897					
	USD	83 805		(15 275)	68 530					
Total					USD	5 572 794	(7 607)	(61 880)	(137 104)	5 799 985
Exchange adjustment on loans disbursed						(13 705)				9 230
					USD	5 559 089				5 809 215

Maturity Structure of Outstanding Loans

as at 31 December 1999

PERIODS	USD '000
1 January 2000 to 31 December 2000	176 293
1 January 2001 to 31 December 2001	133 003
1 January 2002 to 31 December 2002	125 687
1 January 2003 to 31 December 2003	112 387
1 January 2004 to 31 December 2004	101 955
1 January 2005 to 31 December 2009	498 464
1 January 2010 to 31 December 2014	389 184
1 January 2015 to 31 December 2019	325 881
1 January 2020 to 31 December 2024	299 037
1 January 2025 and thereafter	476 527
TOTAL	2 638 418

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 SDR/USD rate of 1/1.37251 at 31 December 1999. Since the loans were valued at 31 December 1998 at the then prevailing SDR/USD rate of 1/1.40803, there is a decrease in value in terms of United States Dollars, attributable to the movement in exchange rates from 31 December 1998 to 31 December 1999 of USD 137 104 000 (from 1997 to 1998, there was an increase in value in terms of USD 211 301 000).

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 G, Note 8.



INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

Statement of Loans - Special Programme for Africa
31 December 1999 and 31 December 1998

Appendix F

Borrower or Guarantor	Loans less Cancellations	Loans not yet Effective	Effective Loans			Outstanding Loans
			Undisbursed Portion	Disbursed	Repayments	
SDR Loans 1/	SDR	SDR	SDR	SDR	SDR	SDR
Angola	2 767 309		1 821 754	945 555		945 555
Burkina Faso	10 546 145		1 998 677	8 547 468	289 804	8 257 664
Burundi	5 050 000		2 363 360	2 686 640		2 686 640
Cape Verde	3 450 000		1 361 855	2 088 145		2 088 145
Chad	12 050 000		5 143 786	6 906 214		6 906 214
Comoros	2 450 000		1 490 956	959 044		959 044
Djibouti	113 718			113 718		113 718
Ethiopia	9 422 826		4 142 483	5 280 343	385 650	4 894 693
Gambia, The	2 638 448			2 638 448		2 638 448
Ghana	22 806 750		1 923 964	20 882 786	258 690	20 624 096
Guinea	10 761 866			10 761 866	403 569	10 358 297
Guinea-Bissau	2 126 406			2 126 406	79 740	2 046 666
Kenya	17 850 000		11 827 084	6 022 916		6 022 916
Lesotho	7 634 693		769 363	6 865 330	191 700	6 673 630
Madagascar	1 100 000		293 774	806 226		806 226
Malawi	9 350 000		4 746 646	4 603 354		4 603 354
Mali	10 688 409		752 169	9 936 240	509 710	9 426 530
Mauritania	19 168 362		2 528 263	16 640 099	400 000	16 240 099
Mozambique	8 291 210		0	8 291 210	518 200	7 773 010
Niger	12 339 566		1 476 551	10 863 015	378 525	10 484 490
Senegal	26 730 297		7 273 740	19 456 557	313 225	19 143 332
Sierra Leone	3 650 000		1 993 348	1 656 652		1 656 652
Sudan	26 018 419		2 631 596	23 386 823	754 090	22 632 733
Tanzania, United Republic of	6 789 416			6 789 416		6 789 416
Uganda	8 123 651			8 123 651	406 180	7 717 471
Zambia	9 610 311		1 745 039	7 865 272	428 770	7 436 502
Sub-total	251 527 802		56 284 408	195 243 394	5 317 853	189 925 541
USD Equivalent 1/	345 224 422		77 250 913	267 973 510	7 287 330	260 686 180
Exchange adjustment on SDR Loan Repayments	(11 476)			(11 476)		(11 476)
31 December 1999	USD 345 212 946		77 250 913	267 962 034	7 287 330	260 674 704
31 December 1998	USD 355 250 310		93 794 623	261 455 687	3 950 476	257 505 211

Summary (in '000)

Approved Loans				Value in USD				
		At 31.12.98	Loans Cancelled	At 31.12.99	At 31.12.98	Loans Cancelled	Movement in Exchange Rate SDR/USD	At 31.12.99
1986	SDR	24 902		24 902	35 063		(885)	34 178
1987	SDR	41 292		41 292	58 140		(1 466)	56 674
1988	SDR	35 286	(20)	35 266	49 684	(28)	(1 253)	48 403
1989	SDR	28 405	(165)	28 240	39 995	(232)	(1 003)	38 760
1990	SDR	23 250	(650)	22 600	32 737	(915)	(803)	31 019
1991	SDR	22 400		22 400	31 540		(796)	30 744
1992	SDR	9 200	(22)	9 178	12 954	(31)	(326)	12 597
1993	SDR	43 450		43 450	61 179		(1 544)	59 635
1994	SDR	16 700		16 700	23 514		(593)	22 921
1995	SDR	7 500		7 500	10 560		(267)	10 293
Total	SDR	252 385	(857)	251 528	355 366	(1 206)	(8 936)	345 224

Maturity Structure of Outstanding Loans
as at 31 December 1999

PERIODS	USD '000
1 January 2000 to 31 December 2000	4 878
1 January 2001 to 31 December 2001	5 359
1 January 2002 to 31 December 2002	6 106
1 January 2003 to 31 December 2003	6 392
1 January 2004 to 31 December 2004	8 108
1 January 2005 to 31 December 2009	43 188
1 January 2010 to 31 December 2014	41 525
1 January 2015 to 31 December 2019	40 064
1 January 2020 to 31 December 2024	35 029
1 January 2025 and thereafter	70 026
TOTAL	260 675

1/ Loans have been denominated in SDR and, for purposes of presentation in the Balance Sheet, the accumulated amount has been valued at the SDR/USD rate of 1/1.37251 as at 31 December 1999. Since the loans were valued at 31 December 1998, at the then prevailing SDR/USD rate of 1/1.40803, there has been a decrease in value, in terms of United States Dollars, attributable to the movement in exchange rates from 31 December 1998 to 31 December 1999 of USD 8 936 000 (from 1997 to 1998 there was an increase in value in terms of USD 14 836 000).

**NOTES TO THE FINANCIAL STATEMENTS**
31 December 1999 and 31 December 1998**Note 1: Brief Description of the Fund**

The International Fund for Agricultural Development (the Fund) is a specialized agency of the United Nations. The Fund 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 Policies**(a) Basis of Accounting**

The Financial Statements of the Fund are prepared in accordance with international accounting standards 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 Revenue and Expenses 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 this data was included only in other appendices to the Financial Statements.

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 foreign exchange rate account as they arise.

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 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.

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 adoption from 1988 of the policy on overdue contributions described in (b).

Technical assistance 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.

Balances relating to the IFAD Trust Fund for Heavily-Indebted Poor Countries Debt Initiative (HIPC DI) have been included in these financial statements as this is a special purpose entity which is substantially controlled by IFAD and its activities are inherently linked to those of IFAD. This trust fund was established in 1998 (see Note 8(a)).

(b) Provisions Against Overdue 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 overdue 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 which call for the establishment of a provision, without regard to the specific time periods established in paragraphs (i), (ii) and (iii) above, or which 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 which has paid in the form of promissory note(s) and on which payments are overdue for a period of three drawdown tranche calls (i.e., a period of approximately 18 months), the total amount of unpaid drawdown calls will be excluded from committable resources.
- (iii) For any Member which 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 which 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."

The Fund has not required the use of ACA to date as regular resources have been sufficient to meet its 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.

From 1998 onwards amounts receivable from contributors are not included in the Statement of Resources Available for Commitment

(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.

The basis of translation for its Members' contributions is the following:

- (1) At year-end market rates of exchange for amounts receivable, for amounts paid in the form of promissory notes and not yet drawn down and for non-convertible currencies not yet disbursed.
- (2) At market rates of exchange as at date of receipt in respect of cash, including draw down 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 International Accounting Standard (IAS) No. 21 (revised).
- (v) The following rates of 1 unit of SDR in terms of USD as at 31 December were used:

Year	SDR/USD
1995	1.48649
1996	1.43796
1997	1.34925
1998	1.40803
1999	1.37251

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

	1999	1998
	USD '000s	
Opening balance at 1 January	402 344	221 510
Exchange movements for the year on:		
Cash and investments	(51 016)	51 788
Equities	(7 437)	12 575
Net Receivables/Payables	5 310	4 078
Loans and grants outstanding	(68 828)	112 701
Promissory Notes and Members' Receivables	(30 786)	22 888
Members' contributions	29 727	(23 020)
Exchange gain/(loss) on operations	376	(176)
Total movements in the year	(122 654)	180 834
Closing balance at 31 December	279 690	402 344

(e) Provisions

Provisions are established when the Fund has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits 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) Fair 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.

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

(ii) Loans

IFAD loans have a significant grant element because of the concessional nature of their terms. Estimating the fair value of IFAD's outstanding loans is not practicable. Accordingly, loans are carried in the financial statements at the full face amount of the borrower's outstanding obligations.

(g) Statement of Cash Flows

Appendix C, Statement of Cash Flows, has been prepared in accordance with International Accounting Standard (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 which 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. Prior year comparative figures have been restated to conform to the 1999 presentation.

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 considerations 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."

(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 1999, funds under external management amounted to USD 2 260.8 million (1998 - USD 2 132.9 million), representing some 96.1% (1998 - 93.3%) 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 of the fixed income portion of the portfolio is set at 2 years above the benchmark average (some 7.5 years). 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 undischarged 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 USD are matched by assets denominated in USD.

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 SDR and USD.

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 safekeeps the funds and maintains separate accounts for each externally managed investment subportfolio, 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. There were 205 Buy contracts and 417 Sell contracts outstanding at 31 December 1999 (1998 - 41 Buy contracts) which had net unrealized market value losses amounting to USD 309 000 (1998 - USD 7 700 loss). The market value of futures contracts open at 31 December 1999 amount to USD 48 000. The maturity date of these contracts at 31 December 1999 was March 2000.

(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. There were 74 Call contracts open at 31 December 1999 (1998 – Nil) which had net unrealized market value gains of USD 49 000. The market value of option contracts open at 31 December 1999 was USD 28 000 loss (Call options). The maturity of these options at 31 December 1999 averaged 61 days. No options were used during 1998.

	1999	1998
	USD '000s	
Euro	461 240	0
German Mark	0	318 927
French Franc	0	89 990
Japanese Yen	406 337	236 027
Pound Sterling	302 605	293 153
United States Dollar	823 890	994 959
Others	<u>336 051</u>	<u>328 285</u>
Total	<u>2 330 123</u>	<u>2 261 341</u>

In 1999 the SDR basket incorporates the Euro in place of the French franc and German mark.

(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 gain on forward contracts at 31 December 1999 amounted to USD 1 154 000 (1998 - gain of USD 4 694 000). The maturity of forward contracts at 31 December 1999 ranged from three to seventy-five 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 1999, the cash and investments, excluding restricted and non-convertible currencies, at market value amounted to USD 2 330 123 000 (1998 – USD 2 261 341 000), and comprise the following instruments:

	1999	1998
	USD '000s	
Cash	<u>71 889</u>	<u>60 848</u>
Fixed income instruments	1 340 818	1 696 049
Unrealized market value gain on forward contracts	1 154	4 694
Time deposits and other obligations of banks	171 853	209 604
Equities	770 369	324 500
Futures	48	422
Options	<u>(30)</u>	<u>0</u>
Total investments	2 284 212	2 235 269
Accrued income on investments	27 437	34 000
Accrued dividends	577	0
Receivables for investments sold	15 886	97 311
Payable for investments purchased	<u>(69 878)</u>	<u>(166 087)</u>
Total	<u>2 330 123</u>	<u>2 261 341</u>

(g) Composition of the Investment Portfolio by Currency

The currency composition of cash and investments at 31 December 1999 and 31 December 1998 was as follows:

(h) Composition of the Investment Portfolio by Maturity

The composition of cash and investments by maturity at 31 December 1999 and 31 December 1998 was as follows:

	1999	1998
	USD '000s	
Due in one year or less	252 666	270 932
Due after one year through five years	398 425	349 606
Due from five to ten years	637 726	930 691
Due after ten years	270 937	385 612
No fixed maturity (equities)	<u>770 369</u>	<u>324 500</u>
Total	<u>2 330 123</u>	<u>2 261 341</u>

The average life to maturity of the fixed income investments included in the investment portfolio at 31 December 1999 was 108 months (1998 – 99 months).

Income from Investments

Net income from investments for the year ended 31 December 1999 amounted to USD 196 513 000 (1998 - USD 187 899 000). The components of Income from Investments are as follows:

	1999	1998
	USD '000s	
Interest from fixed income investments	89 396	111 640
Dividend income from equities	8 684	5 654
Net income from futures	1 240	1 838
Net loss from options	(95)	0
Cumulative realized capital gains (net)	3 538	39 008
Cumulative unrealized capital gains (net)	136 561	36 111
Prior years unrealized capital losses (net)	(36 111)	0
Income from securities lending	539	905
Interest income from banks including restricted bank accounts	857	1 028
Investment management and custody fees	(9 510)	(7 739)
Other investment expenses	<u>(630)</u>	<u>(546)</u>
IFAD net investment income	194 469	187 899
Income from Supplementary Funds relating to prior years	1 726	0
HIPC DI net investment income	<u>318</u>	<u>0</u>
Total	<u>196 513</u>	<u>187 899</u>

The average rate of return on the investment portfolio in 1999 was 8.7% (1998 - 8.5%).

**Note 4: Cash and Investments Subject to Restriction****(a) Currencies not Freely Convertible**

Cash and investments held by the Fund at 31 December 1999 in currencies which are not freely convertible amounted to USD 471 000 (1998 - USD 667 000) and USD 436 000 (1998 - USD 6 287 000), respectively. In 1998 these balances included USD 5 876 000 of cash and investments held in Malaysian Ringgits by one fund manager (of which USD 81 000 is in cash and USD 5 795 000 in equities). This currency was subject to temporary restriction since September 1998 but restrictions were lifted during 1999.

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 additional amounts:

- (i) USD 8 055 000 (1998 - USD 9 579 000) being investments held in the Fund's name on behalf of the Credit Union of IFAD Employees.
- (ii) USD 6 474 000 (1998 - USD 4 086 000) 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 6 500 000 (1998 - USD 1 900 000) relating to amounts invested on behalf of the IFAD Heavily-Indebted Poor Countries Debt Initiative (HIPC DI) Trust Fund and USD 557 000 (1998 - USD 3 283 000) representing bank balances of the Trust Fund.

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

The Fund's Fourth Replenishment came into effect on 29 August 1997, when Instruments of Contributions were deposited amounting in aggregate to 50% of the respective contributions from Members as set forth in Column A-3 of Attachment A to Resolution 87/XVIII adopted by the Eighteenth Session of the Governing Council, as amended.

Details of Fourth Replenishment contributions are shown in Appendix E.

(f) Advance Contributions to the Fifth Replenishment

Details of Advance Contributions to the Fifth Replenishment are shown in Appendix E.

(g) Special Programme for Africa

Details of contributions to the Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification 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>1999</u>	<u>1998</u>
		<u>USD '000s</u>	
	Promissory notes of contributors	104 970	99 370
	Amounts receivable from contributors	<u>89 555</u>	<u>89 557</u>
	Total	<u>194 525</u>	<u>188 927</u>
(ii)	Special Programme for Africa	<u>1999</u>	<u>1998</u>
		<u>USD '000s</u>	
	Promissory notes of contributors	<u>10</u>	<u>8</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 1999, Third Replenishment contributions deposited in the form of promissory notes have been drawn down to the extent of 58.3% (31 December 1998: 37.27%).

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>1999</u>	<u>1998</u>
	<u>USD '000s</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		
Qatar	5 000	5 000
Mauritania	<u> 2</u>	<u> 2</u>
	5 002	5 002
(iv) Third Replenishment		
D.P.R. Korea	350	224
Libyan Arab Jamahiriya	9 328	5 963
Nigeria	5 830	3 727
Mauritania	<u> 15</u>	<u> 9</u>
	<u>15 523</u>	<u>9 923</u>
Total	<u>104 970</u>	<u>99 370</u>

Excluded from Committable Resources - Convertible Currency

	<u>1999</u>	<u>1998</u>
	<u>USD '000s</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		
Qatar	5 000	5 000
Mauritania	<u> 2</u>	<u> 2</u>
	5 002	5 002
(iv) Third Replenishment		
D. P. R. Korea	600	224
Libyan Arab Jamahiriya	16 000	5 963
Nigeria	10 000	3 727
Mauritania	<u> 25</u>	<u> 9</u>
	<u>26 625</u>	<u>9 923</u>
Total	<u>116 072</u>	<u>99 370</u>

Subsequent to 31 December 1999, an amount of USD 2.0 million was received from Nigeria in payment of Third Replenishment drawdowns. Had this amount been received prior to 31 December 1999, the total provision against promissory notes would have been reduced to USD 99 140 000 and the total exclusion from Committable Resources to USD 106 072 000.

(b) Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification

In accordance with the policy referred to in Note 2(b), the Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification has established a provision against promissory notes as indicated hereunder and in accordance with the policy referred to in Note 2(c), the Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification has excluded amounts from resources available for commitment, as indicated hereunder:

Provisions Established

	<u>1999</u>	<u>1998</u>
	<u>USD '000s</u>	
First Phase		
Mauritania	10	8
Total	<u>10</u>	<u>8</u>

Excluded from Committable Resources - Convertible Currency

	<u>1999</u>	<u>1998</u>
	<u>USD '000s</u>	
First Phase		
Mauritania	10	8
Provisions not yet drawn down		
Mauritania	<u> 0</u>	<u> 2</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 and Fourth Replenishments (including Special and Complementary Contributions) totalled USD 94 422 000 (1998 - USD 181 672 000) 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 Replenishment.

Provisions Established

	<u>1999</u>	<u>1998</u>
	<u>USD '000s</u>	
(i) Initial Contributions		
Iran	83 167	83 167
Comoros	<u> 7</u>	<u> 9</u>
	83 174	83 176
(ii) Second Replenishment		
Gabon	371	371
Iraq	<u>2 000</u>	<u>2 000</u>
	2 371	2 371
(iii) Third Replenishment		
Iran	3 000	3 000
Qatar	1 000	1 000
Sao Tome and Principe	<u> 10</u>	<u> 10</u>
	<u>4 010</u>	<u>4 010</u>
Total	<u>89 555</u>	<u>89 557</u>

**Note 8: 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 Special Drawing Rights (SDR) due, based on International Monetary Fund rates on the due dates. Loans approved will be 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 percent 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 percent 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 percent 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:

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

As at 31 December 1999, principal instalments of USD 33 564 000 (1998 - USD 32 138 000) and service charges and interest equivalent to USD 15 107 000 (1998 - USD 14 024 000) were overdue by more than three months. Principal instalments of USD 271 000 and service charges of USD 346 000 (1998 - USD 286 000) were overdue by more than three months relating to SPA loans.

No losses are expected against the overdue instalments from the following Member States: Cameroon, Central African Republic, Congo, Cuba, D.P.R. Korea, the Democratic Republic of the Congo, Gabon, Grenada, Guinea-Bissau, Liberia, Niger, Sierra Leone, Somalia and Togo and consequently no provision has been made.

Follow-up action is being taken with the governments concerned to obtain settlement of these obligations.

The principal disbursed and outstanding on all loans to the borrowers who have not settled their overdue obligations since year-end amounts to USD 222 734 000 (1998 - USD 194 000 000). On loans with overdue amounts in excess of ten months as at 31 December 1999, interest and service charges are recognized as income only when actually received.

Had these amounts been recognized as income, income from loans as reported in the Statement of Revenue and Expenses for the year 1999 would have been greater by USD 2 565 000 (1998 - USD 2 525 000). The corresponding figures relating to SPA were USD 288 000 (1998 - USD 195 000). The member countries concerned are shown below:

Borrowers in Non-Accrual Status - IFAD

	USD '000s		31 December 1999	
	Principal Outstanding	Principal Overdue	Income Not Accrued in 1999	In Arrears Since
Cameroon	15 235	2 733	319	Sept. 1993
Congo	3 645	1 940	145	Apr. 1993
Cuba	11 403	10 075	454	Sept. 1989
D.R. Congo	24 908	4 004	248	Feb. 1993
Gabon	3 444	756	308	June 1998
Grenada	312	62	18	Dec. 1999
Guinea-Bissau	6 193	455	62	Nov. 1995
Liberia	13 972	8 723	404	May 1989
Niger	16 840	352	140	Jan. 1996
Sierra Leone	23 442	858	231	Mar. 1998
Somalia	<u>23 743</u>	<u>6 282</u>	<u>236</u>	Jan. 1991
Total	<u>143 137</u>	<u>36 240</u>	<u>2 565</u>	

Borrowers in Non-Accrual Status - SPA

	USD '000s		31 December 1999	
	Principal Outstanding	Principal Overdue	Income Not Accrued in 1999	In Arrears Since
Guinea-Bissau	2 809	109	28	Dec. 1995
Niger	14 390	162	237	Jan. 1996
Sierra Leone	<u>2 274</u>	-	<u>23</u>	Mar. 1998
Total	<u>19 473</u>	<u>271</u>	<u>288</u>	

The income from loans reported in the Statement of Revenue and Expenses for 1999 includes USD 528 000 (1998 - USD 771 000) in respect of income received relating to prior years.

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

(a) Heavily-Indebted Poor Countries Debt Initiative (HIPC DI)

The Executive Board proposed IFAD's participation in the International Monetary Fund (IMF)/World Bank Debt Initiative for Heavily-Indebted Poor Countries (HIPC DI) 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 HIPC DI with the adoption of Resolution 101/XX.

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 HIPC DI effort to reduce a country's debt to a sustainable level.

The HIPC DI involves two basic sets of financial movements with regard to the international financial institution (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 HIPC DI was established with the adoption of Resolution 105/XXI on 11 February 1998 by the Governing Council. 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 HIPC DI. IFAD has received an instrument of contribution of NLG 26 623 520 – EUR 12 081 227 (USD 12 358 021) from The Netherlands as a complementary contribution to the Fourth Replenishment in support of IFAD's participation in the HIPC DI and received cash payments for NLG 8 000 000 (USD 3 853 234). The Executive Board has approved IFAD's participation in the HIPC DI for the following countries:

Member State	Amount Approved (SDR)		Executive Board Session Approval
Uganda	4 160 000	i./iii.	Sixty-First
Burkina Faso	1 780 000		Sixty-Second
Côte d'Ivoire	164 300	i.	Sixty-Fourth
Mozambique	12 380 000	ii.	Sixty-Fourth
Bolivia	2 200 000	i.	Sixty-Fourth
Guyana	630 000	i.	Sixty-Fourth
Mali	1 575 000	i.	Sixty-Sixth

- i. Net present value
- ii. Nominal value
- iii. The Agreement has been signed by the borrower and is in nominal value terms.

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 HIPC DI of USD 4 000 000 each in 1998 and 1999 out of the total amount approved of USD 16 000 000. Included in IFAD's Financial Statements are the following principal financial transactions and balances of the HIPC DI Trust Fund:

	1999	1998
	USD '000s	
IFAD cash contribution (Appendix A1)	8 000	4 000
Netherlands cash contribution	<u>3 853</u>	<u>1 985</u>
Total cash contributions received	11 853	5 985
Repayment of loan instalments falling due	<u>(5 045)</u>	<u>(802)</u>
Net Trust Fund balances (Appendix B)	6 808	5 183
Net investment income	<u>318</u>	<u>0</u>
Total	<u>7 126</u>	<u>5 183</u>

In 1998 the net Trust Fund balances were included in net assets, but in 1999 these have been reclassified to undisbursed grants.

(b) 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 the Gaza Strip 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: 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, project development fund, special operations facility and other related purposes. The cumulative amount of such grants disbursed up to 31 December 1999 was USD 270 227 000 (1998 - USD 239 852 000).

(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 1999 was USD 33 589 000 (1998 - USD 33 665 000).

Note 10: General Reserve

The Fourth Session of the Governing Council in 1980 recognized the need to cover the Fund's potential overcommitment 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, and 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 11: 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:

	1999	1998
Professional	134	128
General Service	<u>158</u>	<u>164</u>
	292	292

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 of the United Nations Joint Staff Pension Fund (UNJSPF), which was established to provide retirement, death, disability and related benefits for the relevant staff. The UNJSPF is a funded defined benefit plan, providing benefits based on retirement age, pensionable remuneration and length of contributory service. The actuarial method adopted is the Open Group Aggregate method. Actuarial calculations are performed at least once every three years. The latest actuarial valuation was prepared as of 31 December 1997. 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 1999 for staff amounted to USD 3 693 000 (1998 - USD 3 494 000). 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 (ASMC)



IFAD participates in a multi-employer After-Service Medical Coverage Scheme (ASMC) administered by the Food and Agriculture Organization (FAO) of the United Nations 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 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 has 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. Accordingly, the 1999 financial statements include a provision of USD 2 600 000 (1998: Nil).

It is intended that actuarial valuations will be carried out every two years. An updated valuation will be prepared as at 31 December 1999. The results of this valuation will be available only following the finalisation of the 1999 financial statements. Any significant variation in IFAD's deemed share of unfunded liabilities will be amortised over a period not to exceed the average remaining service period of staff in accordance with the accounting standard.

From 1 January 1998, IFAD provides for the full annual service cost of this medical coverage. In 1999, such cost included in the financial statements amounted to USD 452 000 (1998 - USD 428 000).

Note 12: 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 13: EURO

On 1 January 1999 the Euro was introduced as a currency being legal tender in 11 European Union Member States, including Italy, and three other European states. Although this has little impact on the actual operations of IFAD, certain reported balances, such as relevant Members' contributions, have been re-denominated from the legacy currencies to the Euro during 1999 (see note 3 to Appendix E).

Note 14: Contingencies

(a) Contingent Liabilities

At 31 December 1999 the organisation 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 Lire 1 079 million (USD 559 000) are due to be reimbursed by the Italian Government although final clearance has not been given to date. Of these monies, some Lire 919 million (USD 477 000) were specifically discussed and approved by the Italian Permanent Representation.

(b) Contingent Assets

The organisation expects to receive some Lire 1 924 million (USD 998 000) 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 Authorisation for Issue of Financial Statements

The financial statements are authorised for issue following the endorsement of the Executive Board at its meeting of 3-4 May 2000 on the recommendation of the Audit Committee in its meeting in March 2000. The 1999 financial statements will be submitted to the Governing Council for approval at its next session in February 2001. The 1998 financial statements have been approved by the Governing Council at its session in February 2000.



PricewaterhouseCoopers SpA

The International Fund for Agricultural Development
Rome

We have audited the accompanying financial statements (Appendices A through G) of the International Fund for Agricultural Development (the Fund) as at and for the years ended 31 December 1999 and 1998. 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 1999 and 1998, and the results of its operations and its cash flows for the years then ended in accordance with International Accounting Standards.

Rome, 15 February 2000

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