



**IFAD**  
**INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT**  
**Governing Council – Twenty-Fifth Anniversary Session**

Rome, 19-20 February 2003

**FINANCIAL HIGHLIGHTS FOR THE YEAR ENDED 31 DECEMBER 2002**

The following tables highlight a number of key financial figures for 2002. The figures have been extracted from the draft 2002 financial statements of IFAD and are subject to audit by PricewaterhouseCoopers (External Auditors). The draft financial statements will be reviewed by the Audit Committee in March 2003 and presented for approval to the Seventy-Eighth Session of the Executive Board in April 2003.

**I. INCOME AND ADMINISTRATIVE EXPENDITURES**

1. The following table provides information on income deriving from loan interest, service charges and the net income generated in 2002 from investments. Administrative expenses for the year are shown by major categories and compared with the previous year and the approved budget at an exchange rate of EUR 1.072/USD 1.00 (2001: EUR 1.117 equivalent/USD 1.00).

	<b>2002 Actual (USD '000)</b>	<b>2001 Actual Restated<sup>1</sup> (USD '000)</b>	<b>2002 Budget @ EUR 1.072 (USD '000)</b>	<b>2002 Actual as a Percentage of Budget</b>
Income from loan interest and service charges	42 388	42 323		
Net investment income (loss) <sup>2</sup>	26 217	(42 857)		
<b>Total revenue for the year</b>	<b>68 605</b>	<b>(534)</b>		
Staff salaries and benefits	(27 638)	(26 053)	(29 505)	93.67
Operational and administrative expenses	(8 255)	(7 735)	(8 844)	93.34
Consultants and cooperating institutions <sup>1</sup>	(2 011)	(13 750)	(2 137)	94.10
Governing Council and Executive Board	(2 401)	(1 701)	(2 402)	99.96
PDFF expenses <sup>1</sup>	(23 160)	(9 666)	(26 745)	86.60
<b>Total administrative expenses<sup>3</sup></b>	<b>(63 465)</b>	<b>(58 905)</b>	<b>(69 633)</b>	<b>91.10</b>
<b>Net revenue less administrative expenses</b>	<b>5 140</b>	<b>(59 439)</b>		
Strategic Change Programme <sup>4</sup>	(2 724)	(638)	(6 000)	45.40
Provision for After-Service Medical Coverage Scheme <sup>5</sup>	(7 900)	(4 300)		

<sup>1</sup> The Programme Development Financing Facility (PDFF) finances the multi-year expenditures required for the design, implementation and supervision of projects and programmes financed by loans and grants from IFAD. The cost category was established by the Governing Council in February 2001, separate from IFAD's Programme of Work and Administrative Budget. During 2002, IFAD changed its accounting policy related to costs for the PDFF. These are now recorded as a cost when a financial obligation is incurred. Previously, they were recorded as a deduction from Contributions and Accumulated Surplus at the time of their approval. The prior-year figures have been restated accordingly. In 2001 cooperating institution costs were included in the administrative budget. These are now included in PDFF expenditures.

<sup>2</sup> The net investment income result reflects the positive impact of the new investment policy approved in December 2001.

<sup>3</sup> Total administrative expenses are higher than in 2001 due to underlying price increases and negative exchange rate movements. However, as may be seen, the actual 2002 expenses are substantially under budget.

<sup>4</sup> Costs for the Strategic Change Programme reflect the increased progress of the project.

<sup>5</sup> The provision for the After-Service Medical Coverage Scheme reflects an additional amount of USD 3.6 million approved by the Executive Board in December 2002 to reflect the increased liability in the latest actuarial valuation.

## II. SUMMARY BALANCE SHEET

2. The table below gives the Fund's financial position as at 31 December 2002, that is, its assets (resources), liabilities and net worth.

		<b>2002 Actual (USD '000)</b>	<b>2001 Actual (Restated) (USD '000)</b>
<b>Assets</b>			
	Cash in banks	322 899	71 702
	Investments	1 987 654	1 884 305
	Cash and investments subject to restriction	71 583	48 343
	Promissory notes, net of provisions	233 564	292 516
	Contributions receivables, net of provisions	103 372	147 524
	Receivables for investments sold	78 047	5 229
	Other receivables	68 706	44 588
	Loans outstanding, net of allowances for Debt Initiative (USD 236 056 000) and loan impairment (USD 78 071 000)	3 045 575	2 712 257
<b>Total assets</b>		<b>5 911 400</b>	<b>5 206 464</b>
	Payables for investments purchased	(316 726)	(64 373)
	Provision for after-service medical benefits <sup>6</sup>	(22 621)	(13 730)
	Payables and accrued liabilities	(41 133)	(35 343)
	PDFF accruals	(9 533)	0
	Undisbursed grants	(32 251)	(39 635)
	Amounts due to other funds	(17 587)	(15 513)
<b>Total liabilities</b>		<b>(439 851)</b>	<b>(168 594)</b>
<b>Net assets (assets less liabilities)</b>		<b>5 471 549</b>	<b>5 037 870</b>
<b>Net assets of the Fund are made up of:</b>			
	Members' contributions, net of provisions	4 070 258	3 941 991
	Accumulated surplus <sup>7</sup>	1 306 291	1 000 879
	General Reserve	95 000	95 000
<b>Net assets</b>		<b>5 471 549</b>	<b>5 037 870</b>

<sup>6</sup> This relates to funding for the After-Service Medical Coverage Scheme actuarial deficit. It also includes the current service costs relating to this coverage.

<sup>7</sup> In 2002, as in 2001, all of this balance has been committed for loans and grants.



### III. OPERATIONAL STATISTICS

3. The table below shows key loan and grant cash flows.

		<b>2002 Actual (USD '000)</b>	<b>2001 Actual (USD '000)</b>
<b>Resource flows to developing countries</b>			
	Loan disbursements	267 295	299 584
	Grant disbursements	21 793	27 024
<b>Total disbursed</b>		<b>289 088</b>	<b>326 608</b>
	Loan principal repayments	126 823	128 036
	Interest and service charges received	42 282	40 568
<b>Total receipts</b>		<b>169 105</b>	<b>168 604</b>
<b>Net resource outflow</b>		<b>119 983</b>	<b>158 004</b>

4. The table below shows the number of approved posts.

	<b>2002</b>	<b>2001</b>
<b>Number of staff (approved posts)</b>		
Professional staff <sup>8</sup>	132	132
General service staff	181.5	181
<b>Total</b>	<b>313.5</b>	<b>313</b>

<sup>8</sup> Excludes the President and Vice-President.