Document:	GC 39/L.3
Agenda:	7
Date:	22 December 2015
Distribution:	Public
Original:	English

IFAD
Investing in rural people

Consolidated audited financial statements of IFAD as at 31 December 2014

(including the Management assertion, report and an independent external attestation on the effectiveness of internal controls over financial reporting)

Note to Governors

Focal points:

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Governing Council — Thirty-ninth Session
Rome, 17-18 February 2016

For: Approval

Recommendation for approval

The Governing Council is invited to approve the following decision:

"The Governing Council considered and approved the financial statements showing the financial position of IFAD at 31 December 2014 and the results of its operations for the year ended on that date, as contained in appendices A to K inclusive of the current document and the external auditor's report thereon, and the attestation on the effectiveness of internal controls over financial reporting of the external auditor."

Consolidated audited financial statements of IFAD as at 31 December 2014

(including the Management assertion, report and an independent external attestation on the effectiveness of internal controls over financial reporting)

1. At its 114th session in April 2015, the Executive Board reviewed the audited financial statements of IFAD for the 2014 fiscal year (appendices A to K inclusive), and the report of the external auditor thereon, both contained in this document. These statements, prepared in accordance with International Financial Reporting Standards as recommended by the International Accounting Standards Board, were examined in detail by the Audit Committee at its 135th meeting and by the Executive Board. The Executive Board now submits them to the present 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:

   (a) Consolidated net assets decreased to about US$6.8 billion as at 31 December 2014 from US$7.5 billion as at 31 December 2013.

   (b) The consolidated cash and investment portfolio, including investment receivables and payables, decreased from US$2.7 billion as at 31 December 2013 to US$2.3 billion as at 31 December 2014.

   (c) Loans outstanding, net of accumulated allowances for loan impairment losses and the Debt Initiative for Heavily Indebted Poor Countries, remained stable at US$5.1 billion (fair value basis).

   (d) Contributions to regular resources, net of provisions, remained stable at US$7.3 billion (fair value basis).

   (e) In 2014, costs charged to IFAD's administrative expenditures amounted to US$152.9 million (2013: US$149.6 million) and other costs, principally relating to costs reimbursed by the Italian Government, amounted to US$18.4 million (2013: US$17.6 million).

   (f) Additional data have been provided where considered of interest to the reader, for example, complementary and supplementary contributions from Member States or other sources (appendix D1) and an IFAD-only balance sheet nominal value expressed in United States dollars and special drawing right (SDR) terms (appendix F), which shows movement in the underlying assets and liabilities, which are either denominated in, or pegged to, the SDR basket ratios.

(g) In 2014, IFAD issued the Management assertion report on the operational effectiveness of internal controls over financial reporting, as at 31 December 2014. This followed an independent review and testing by external consultants whose work was based on the framework provided by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). This assertion report provides an additional assurance as to the credibility and reliability of the financial statements.

3. The external auditors expressed an unqualified/favourable opinion on the consolidated financial statements of the Fund as at 31 December 2014. In addition, they issued the first external attestation on the effectiveness of internal controls over financial reporting.

Consolidated financial statements

For the year ended 31 December 2014

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These consolidated financial statements have been prepared using the symbols of the International Organization for Standardization (ISO), Geneva, International Standard 4217 and special drawing rights (SDR). The notes to the consolidated financial statements (appendix D) form an integral part of the financial statements.

Consolidated and IFAD-only balance sheet
As at 31 December 2014 and 2013 (Thousands of United States dollars)

	Consolidated		IFAD-only	
Assets	*2014*	*2013 restated*	*2014*	*2013 restated*
Cash on hand and in banks (note 4)	202 256	347 061	82 497	186 304
Investment at amortized cost	702 901	782 377	280 231	301 617
Investment at fair value	1 403 002	1 576 829	1 327 630	1 500 300
Investments (note 4)	2 105 903	2 359 206	1 607 861	1 801 917
Contributors' Promissory Notes (note 5)	481 649	547 751	284 038	377 543
Contributions receivable (note 5)	568 823	895 937	226 684	514 269
Less qualified contribution receivables	(35 913)	(65 912)	(35 913)	(65 912)
Less: provisions (note 6)	(168 448)	(168 448)	(168 448)	(168 448)
Net contribution and promissory notes receivables	846 111	1 209 328	306 361	657 452
Other receivables (note 7)	15 342	28 139	148 744	148 304
Fixed assets (note 8)	11 920	11 268	11 920	11 268
Loans outstanding (note 9 and appendix H)	5 076 967	5 107 421	5 035 678	5 092 759
Less: accumulated allowance for loan impairment losses (note 9(a))	(4 386)	(21 413)	(4 386)	(21 413)
Less: accumulated allowance for the Heavily Indebted Poor Countries (HIPC) Debt Initiative (note 11(b) and appendix I)	(25 684)	(32 722)	(25 684)	(32 722)
Net loans outstanding	5 046 897	5 053 286	5 005 608	5 038 624
Total assets	**8 228 429**	**9 008 288**	**7 162 991**	**7 843 869**

	Consolidated		IFAD-only	
Liabilities and equity	*2014*	*2013 restated*	*2014*	*2013 restated*
Liabilities				
Payables and liabilities (note 12)	176 605	168 728	187 754	177 908
Undisbursed grants (note 14)	383 724	313 140	73 533	81 465
Deferred revenues (note 13)	475 967	593 043	68 449	79 371
Trust fund borrowing (note 15)	347 413	395 571	0	0
Total liabilities	**1 383 709**	**1 470 482**	**329 735**	**338 744**
Equity				
Contributions				
Regular	7 252 518	7 229 571	7 252 518	7 229 571
Special	20 349	20 349	20 349	20 349
Total contributions (appendix G)	**7 272 867**	**7 249 920**	**7 272 867**	**7 249 920**
General Reserve	95 000	95 000	95 000	95 000
Retained earnings	(523 147)	192 885	(534 611)	160 204
Total equity	**6 844 720**	**7 537 806**	**6 833 255**	**7 505 124**
Total liabilities and equity	**8 228 429**	**9 008 288**	**7 162 991**	**7 843 869**

The accompanying notes in appendix D form an integral part of these financial statements.

Consolidated statement of comprehensive income
For the years ended 31 December 2014 and 2013 (Thousands of United States dollars)

	2014	*2013*
Revenues		
Income from loans	52 241	48 582
Income /(Losses) from cash and investments (note 17)	57 004	(17 123)
Income from other sources (note 18)	10 956	10 878
Income from contributions (note 19)	213 111	104 358
Total revenues	**333 312**	**146 695**
Operating expenses (note 20)		
Staff salaries and benefits (note 21)	(94 680)	(104 250)
Office and general expenses	(38 049)	(32 754)
Consultants and other non-staff costs	(42 185)	(37 788)
Cooperating institutions	(2 539)	(2 502)
Direct bank and investment costs (note 24)	(3 181)	(3 095)
Subtotal operating expenses	**(180 634)**	**(180 389)**
Loan interest expenditures	(2 051)	(2 034)
Reversal of allowance for loan impairment losses (note 9(a))	(3 511)	(5 352)
Debt Initiative for HIPC income/(expenses) (note 26)	(8 594)	29 026
Grant expenses (note 22)	(248 466)	(108 870)
DSF expenses (note 23)	(157 342)	(142 665)
Depreciation (note 8)	(1 799)	(1 656)
Total expenses	**(602 397)**	**(411 940)**
(Deficit) before fair value adjustments	**(269 085)**	**(265 245)**
Adjustment for changes in fair value (note 25)	21 979	(70 951)
(Deficit) revenue over expenses	**(247 106)**	**(336 196)**
Other comprehensive (loss):		
(Losses) /Gains from currency exchange movements (note 16)	(446 584)	17 334
Change in provision for After-Service Medical Coverage Scheme (ASMCS) benefits (note 21)	(22 342)	6 771
Total other comprehensive (loss)/income	**(468 926)**	**24 105**
Total comprehensive (loss)	**(716 032)**	**(312 091)**

The accompanying notes in appendix D form an integral part of these financial statements.

IFAD-only statement of comprehensive income
For the years ended 31 December 2014 and 2013 (Thousands of United States dollars)

	2014	*2013*
Revenues		
Income from loans	52 007	48 513
Income /(Losses) from cash and investments (note 17)	52 217	(20 480)
Income from other sources	18 046	16 230
Income from contributions (note 19)	2 874	3 982
Total revenues	**125 144**	**48 245**
Operating expenses (note 20)		
Staff salaries and benefits (note 21)	(92 188)	(100 988)
Office and general expenses	(36 159)	(31 472)
Consultants and other non-staff costs	(37 859)	(32 985)
Cooperating institutions	(2 211)	(2 314)
Direct bank and investment costs	(2 962)	(2 889)
Subtotal operating expenses	**(171 379)**	**(170 648)**
Allowance for loan impairment losses (note 9(a))	(3 511)	(5 352)
Debt Initiative for HIPC income/(expenses) (note 26)	(8 594)	29 026
Grant expenses (note 22)	(52 618)	(40 959)
DSF expenses (note 23)	(157 342)	(142 665)
Depreciation (note 8)	(1 799)	(1 656)
Total expenses	**(395 243)**	**(332 254)**
(Deficit) revenue over expenses before fair value adjustments	**(270 099)**	**(284 009)**
Adjustment for changes in fair value	22 709	(66 505)
(Deficit) revenue over expenses	**(247 390)**	**(350 514)**
Other comprehensive (loss):		
(Losses)/Gain from currency exchange movements	(425 083)	7 702
Change in provision for ASMCS benefits (note 21)	(22 342)	6 771
Total other comprehensive (loss)/income	**(447 425)**	**14 473**
Total comprehensive (loss)	**(694 815)**	**(336 041)**

The accompanying notes in appendix D form an integral part of these financial statements.

Consolidated statement of changes in retained earnings
For the years ended 31 December 2014 and 2013 (Thousands of United States dollars)

	Total retained earnings
Retained earnings as at 31 December 2012	**504 976**
(Deficit) revenue over expenses	(336 196)
Total other comprehensive (loss)	24 105
Retained earnings as at 31 December 2013	**192 885**
(Deficit) revenue over expenses	(247 106)
Total other comprehensive loss	(468 926)
Retained earnings as at 31 December 2014	**(523 147)**

IFAD-only statement of changes in retained earnings
For the years ended 31 December 2014 and 2013 (Thousands of United States dollars)

	Total retained earnings
Retained earnings as at 31 December 2012	**496 245**
(Deficit) revenue over expenses	(350 514)
Total other comprehensive (loss)	14 473
Retained earnings as at 31 December 2013	**160 204**
(Deficit) revenue over expenses	(247 390)
Total other comprehensive loss	(447 425)
Retained earnings as at 31 December 2014	**(534 611)**

The accompanying notes in appendix D form an integral part of these financial statements.

Consolidated cash flow statement

For the years ended 31 December 2014 and 2013 (Thousands of United States dollars)

	2014	*2013*
Cash flows from operating activities		
Interest received from loans IFAD	46 847	46 640
Interest received from loans other funds	171	28
Receipts for non-replenishment contributions	87 616	107 159
Miscellaneous (payments)/receipts	17 024	13 058
Payments for operating expenses and other payments	(165 684)	(184 120)
Grant disbursements (IFAD)	(56 159)	(45 281)
Grant disbursements (supplementary funds)	(95 832)	(64 227)
DSF disbursements	(157 342)	(142 665)
Transfer to restricted cash	641	(4 618)
Net cash flows generated from operating activities	**(322 718)**	**(274 026)**
Cash flows from investing activities		
Loan disbursements IFAD	(485 464)	(482 213)
Loan disbursements other funds	(29 731)	(17 510)
Loan principal repayments	224 541	214 457
Transfers from/(to) investments at amortized costs	12 601	12 330
Receipts from investments	50 551	(36 560)
Net cash used in investing activities	**(227 502)**	**(309 496)**
Cash flows from financing activities		
Receipts for replenishment contributions	372 369	310 123
Payments for trust fund borrowing	(1 902)	(8 007)
Net cash used in financing activities	**370 467**	**302 116**
Effects of exchange rate movements on cash and cash equivalents	**(111 992)**	**(2 283)**
Net (decrease) in unrestricted cash and cash equivalents	**(291 745)**	**(283 689)**
Unrestricted cash and cash equivalents at beginning of year	1 889 066	2 172 755
Unrestricted cash and cash equivalents at end of year	**1 597 321**	**1 889 066**
COMPOSED OF:		
Unrestricted cash	198 218	342 385
Unrestricted investments excluding held-to-maturity and payables control accounts	1 399 103	1 546 681
Cash and cash equivalents at end of year	**1 597 321**	**1 889 066**

The accompanying notes in appendix D form an integral part of these financial statements.

Summary of information on other consolidated entities
As at 31 December 2014 (Millions of United States dollars)

	HIPC	*Haiti Debt Relief*	*After-Service Medical Coverage Scheme Trust Fund*	*Spanish Food Security Cofinancing Facility Trust Fund*	*Adaptation for Smallholder Agriculture Programme Trust Fund*	*Supplementary Funds*
Balance sheet						
Total assets	4.5	32.5	66.9	360.7	308.9	425.4
Total liabilities	10.9	33.2	71.3	347.5	311 .7	426.3
Retained earnings	(6.4)	(0.7)	(4.4)	13.2	(2.8)	(0.9)
Statement of comprehensive income						
Total revenue	0	0	0.2	1.9	67.8	142.4
Total operating expenses	0	0	0.2	4.1	67.1	142.5
Net revenue less operating expenses	0	0	0	(2.2)	0.7	(0.1)
Net cash flow	(6.7)	0.2	(2.8)	4.9	(2.5)	(7.6)

Summary of information on other consolidated entities
As at 31 December 2013 (Millions of United States dollars)

	HIPC	*Haiti Debt Relief*	*After-Service Medical Coverage Scheme Trust Fund*	*Spanish Food Security Cofinancing Facility Trust Fund*	*Adaptation for Smallholder Agriculture Programme Trust Fund*	*Supplementary Funds*
Balance sheet						
Total assets	11.2	37.3	69.7	414.7	328.9	422.9
Total liabilities	10.5	36.8	68.9	397.2	327.4	422.9
Retained earnings	0.7	0.5	0.8	17.5	1.5	0
Statement of comprehensive income						
Total revenue	0.0	0.0	0.1	21.0	2.4	79.5
Total operating expenses	0.0	0.0	(0.1)	(2.6)	(2.1)	(79.8)
Net revenue less operating expenses	0.0	0.0	0.0	18.4	0.3	(0.3)
Net cash flow	6.8	0.1	2.9	(0.5)	(44.9)	(9.7)

Notes to the consolidated financial statements

NOTE 1

BRIEF DESCRIPTION OF THE FUND AND THE NATURE OF OPERATIONS

The International Fund for Agricultural Development (herein after IFAD or the Fund) is a specialized agency of the United Nations. IFAD formally came into existence on 30 November 1977, on which date the agreement for its establishment entered into force, and has its headquarters in Rome, Italy. The Fund and its operations are governed by the Agreement Establishing the International Fund for Agricultural Development.

Membership in 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.

The objective of the Fund is to mobilize additional resources to be made available on concessional terms primarily for 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. IFAD mobilizes resources and knowledge through a dynamic coalition of the rural poor, governments, financial and development institutions, non-governmental organizations and the private sector, including cofinancing. Financing from non-replenishment sources in the form of supplementary funds and human resources forms an integral part of IFAD's operational activities.

NOTE 2

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

The consolidated financial statements of the Fund are prepared in accordance with International Financial Reporting Standards (IFRS). Information is provided separately in the financial statements for entities where this is deemed of interest to the readers of the financial statements.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires Management to exercise judgement in the process of applying accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 3.

In 2014, IFAD changed the following accounting policy. This change results in the financial statements providing more reliable and relevant information about the effects of transactions.

With retroactive effect to prior periods, IFAD adopted this new accounting policy for qualified instruments of contributions (instrument of contributions still subject to national appropriation measures), whereby deposited Instruments of Contribution are recognized as receivable and equity only upon fulfilment of the related conditions, while previously, Instruments of Contribution qualified and non- qualified were recognized as receivable and equity as soon as deposited, even if not immediately encashable.

US$ million	*31 Dec 2013 previously reported*	*31 Dec 2013 after restatement*	*Differential*
IFAD-only balance sheet			
Contributors' Promissory notes	377.5	377.4	(0.1)
Contributions receivable	514.3	448.5	(65.8)
Equity contributions	7 295.5	7 229.6	(65.9)
Consolidated balance sheet			
Contributors' promissory notes	547.8	547.7	(0.1)
Contributions receivable	895.9	830.1	(65.8)
Equity contributions	7 295.5	7 229.6	(65.9)

(b) Area of consolidation

Financing in the form of supplementary funds and human resources forms an integral part of IFAD's operational activities. As such the Fund prepares consolidated accounts, which include the transactions and balances for the following entities:

- Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification (SPA)
- IFAD Fund for Gaza and the West Bank (FGWB)
- Other supplementary funds, including technical assistance grants, cofinancing, associate professional officers (APOs) and programmatic and thematic supplementary funds; the Belgian Fund for Food Security Joint Programme (BFFS.JP); and the Global Environment Facility (GEF)
- IFAD's Trust Fund for the Heavily Indebted Poor Countries (HIPC) Debt Initiative
- IFAD's After-Service Medical Coverage Scheme (ASMCS) Trust Fund
- Administrative account for Haiti Debt Relief Initiative (Haiti Debt Relief Initiative)
- Spanish Food Security Cofinancing Facility Trust Fund (Spanish Trust Fund)
- Adaptation for Smallholder Agriculture Programme (ASAP) Trust Fund

These entities have a direct link to IFAD's core activities and are substantially controlled by IFAD. In line with the underlying agreements and recommendations establishing those entities, IFAD has the power to govern the related financial and operating policies; IFAD is exposed, or has rights, to the results/effects from its involvement with these and has the ability to affect those results/effects through its power over the components. Accordingly, they are consolidated in IFAD's financial statements. All transactions and balances among these entities have been eliminated. Additional financial data for funds are drawn up as and when requested to meet specific donor requirements. All entities included in the consolidation area have a fiscal period corresponding to the solar year.

Entities housed at IFAD. These entities do not form part of the core activities of the Fund and IFAD does not have the power of governing the related financial and operating policies. As such, they are not consolidated as they are not substantially controlled. These entities are the International Land Coalition (ILC) (formerly called the Popular Coalition to Eradicate Hunger and Poverty) and the High-Level Task Force (HLTF) (hosted until 31 March 2014).

(c) Translation and conversion of currencies

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in United States dollars, which is IFAD's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of comprehensive income.

The results and financial position of the entities/funds that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities expenditures are translated at the closing rate and revenue and expenditures are translated at the yearly average rate.
- All resulting exchange differences are recognized as a separate component of other comprehensive income.

(d) Measurement of financial assets and liabilities

Financial assets and liabilities are measured and classified in the following categories: amortized cost or at fair value through profit and loss. The classification depends on the contractual cash flow characteristics (contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding) and on the business model for their management (the intention to hold these financial assets and liabilities until their maturity). Financial assets and liabilities are accounted for at amortized cost only when the Fund's business model is to hold the assets/liabilities until maturity and collect the arising contractual cash flows (just principal and interest). All other financial assets and liabilities are accounted for at fair value through profit and loss.

- Equity

This comprises the following three elements: **(i) Contributions (equity); (ii) General Reserve; and (iii) Retained earnings**.

(i) Contributions (equity)

(a) Background to contributions

The contributions to the Fund by each Member when due are payable in freely convertible currencies, except in the case of Category III Members up to the end of the Third Replenishment period, which were permitted to pay contributions in their own currency whether or not it was 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, may be paid in the form of non-negotiable, irrevocable, non-interest-bearing promissory notes or obligations payable on demand.

A contribution to IFAD replenishment resources is recorded in full as equity and as receivable when a Member deposits an instrument of contribution, except for qualified instruments of contributions, which are subject to national appropriation measures, that will be proportionally reduced upon fulfilment of those conditions. Amounts receivable from Member States as contributions, and other receivables including promissory notes, have been initially recognized in the balance sheet at their fair value through profit and loss in accordance with IFRS9.

(b) Provisions

The policy on provisions against overdue Member States' contributions is as follows:

If there is evidence that an identified loan or receivable asset is impaired, a specific provision for impairment is recognized. Impairment is quantified as the difference between the carrying amount and the collectable amount. The criteria used to determine whether there is objective evidence of an impairment loss include, among others:

- Delinquency in contractual payments of principal and interest
- Cash flow difficulties experienced by the borrower
- Breach in contracts or conditions
- Initiation of bankruptcy proceeding

In such cases, provisions will be set up.

(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) The end of the financial year is currently used for determining the 24 and 48 months periods.

(ii) General Reserve

The General Reserve may only be used for the purposes authorized by the Governing Council and was established in recognition of the need to cover the Fund's potential over-commitment risk as a result of exchange rate fluctuations, possible delinquencies in loan service payments or in the recovery of amounts due to the Fund from the investment of its liquid assets. It is also intended to cover the risk of over-commitment as a result of a decrease in the value of assets caused by fluctuations in the market value of investments.

The General Reserve is subject to a review at least every three years in order to assess its adequacy. The last such review was conducted in 2012.

(iii) Retained earnings

Retained earnings represent the cumulative excess of revenue over expenses net of the effects of changes in foreign exchange rates.

(e) Loans

(i) Background to loans

IFAD 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 or enters into force when conditions precedent to effectiveness or entry into force have been fulfilled. Upon signature, disbursement may commence.

All IFAD loans are approved and loan repayments and interest are payable in the currency specified in the loan agreement in amounts equivalent to the SDR due, based on International Monetary Fund rates on the due dates. Loans approved are disbursed to borrowers in accordance with the provisions of the loan agreement.

Currently, the lending terms of the Fund are as follows:

(a) special loans on highly concessional terms shall be free of interest but bear a service charge of three fourths of one per cent (0.75 per cent) per annum and have a maturity period of forty (40) years, including a grace period of ten (10) years; (b) loans on hardened terms shall be free of interest but bear a service charge of three fourths of one per cent (0.75 per cent) per annum and have a maturity period of twenty (20) years, including a grace period of ten (10) years; (c) loans on blend terms shall be free of interest but bear a service charge of three fourths of one per cent (0.75 per cent) per annum plus a spread and have a maturity period of twenty (20) years, including a grace period of ten (10) years (these are applicable from 2013 onwards); (d) loans on intermediate terms shall have a rate of interest per annum equivalent to fifty per cent (50 per cent) 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; (e) loans on ordinary terms shall have a rate of interest per annum equivalent to one hundred per cent (100 per cent) 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 (f) no commitment charge shall be levied on any loan.

(ii) Loans to non-Member States

At its twenty-first session in February 1998, the Governing Council adopted resolution 107/XXI approving the establishment of a fund for the specific purpose of lending to Gaza and the West Bank (FGWB). 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.

(iii) Heavily Indebted Poor Countries (HIPC) Debt Initiative

IFAD participates in the International Monetary Fund/World Bank original and enhanced HIPC Debt Initiative as an element of IFAD's broader policy framework for managing operational partnerships with countries that face the risk of having arrears with IFAD in the future because of their debt-service burden. Accordingly, IFAD provides debt relief by forgiving a portion of an eligible country's debt-service obligations as they become due.

In 1998, IFAD established a Trust Fund for the Debt Initiative. This fund receives resources from IFAD and from other sources, specifically dedicated as compensation to the loan-fund account(s) for agreed reductions in loan repayments under the Initiative. Amounts of debt service forgiven are expected to be reimbursed by the Trust Fund on a pay-as-you-go basis (i.e. relief is when debt-service obligations become due) to the extent that resources are available in the fund.

The Executive Board approves each country's debt relief in net present value terms. The estimated nominal equivalent of the principal components of the debt relief is recorded under the accumulated allowance for the HIPC Debt Initiative, and as a charge to the HIPC Debt Initiative expenses in the statement of comprehensive income. The assumptions underlying these estimates are subject to periodic revision. Significant judgement has been used in the computation of the estimated value of allowances for the HIPC Debt Initiative.

The charge is offset and the accumulated allowance reduced by income received from external donors to the extent that such resources are available. The accumulated allowance for the HIPC Debt Initiative is reduced when debt relief is provided by the Trust Fund.

In November 2006, IFAD was granted access to the core resources of the World Bank HIPC Trust Fund, in order to assist in financing the outstanding debt relief once countries reach completion point. Financing is provided based on net present value calculation of their future debt relief flows.

(iv) Measurement of loans

Loans are initially recognized at fair value on day one (based on disbursement to the borrower) and subsequently measured at amortized cost using the effective interest method. The fair value is calculated using an enhanced fair value tool by applying discount rates to the estimated future cash flows on a loan-by-loan basis in the currency in which the loans are denominated. The discount factor applied is not adjusted for country credit risk because of the very low probability of default experienced by IFAD on its loan portfolio. However, the outstanding loans are reviewed for impairment on a loan-by-loan basis and a provision established where there is objective evidence that the loans are impaired.

(v) Accumulated allowance for impairment losses

Delays in receiving loan payments result in present value losses to the Fund since it does not charge fees or additional interest on overdue interest or loan charges. An allowance is established on a specific basis for such losses based on the difference between the assets' carrying value and the present value of estimated future cash flows discounted at the financial assets' original effective interest rate (i.e. the effective interest rate calculated at initial recognition). In cases where it is not possible to estimate with any reasonable certainty the expected cash flows of a loan (as in all cases for which an allowance has been established to date), an alternative approach is followed that adopts a method similar to the benchmark used for the provisioning of Member States' contributions. This means that an allowance shall be made on loan instalments overdue for more than 24 months. An allowance is also made for loan instalments on the same loan overdue for less than 24 months. Once this trigger period has been reached, all amounts overdue at that time are considered to be in provision status, even in the event that part of the total outstanding debt is subsequently repaid. In cases where more than 48 months have elapsed, an allowance is made for all outstanding principal amounts of the loan concerned. The point in time to determine whether the given period has elapsed is the balance sheet date. Considering the positive historical loan reflow trends for which losses have not been recorded so far, the Fund has not established a collective impairment provision on loans not subject to specific impairment. Income on loans is recognized following the accrual basis of accounting. For loans with overdue amounts in excess of 180 days, interest and service charges are recognized as income only when actually received. Follow-up action is being taken with the respective governments to obtain settlement of these obligations.

(vi) Non-accrual status

Income on loans is recognized following the accrual basis of accounting. For loans with overdue amounts in excess of 180 days, interest and service charges are recognized as income only when actually received. Follow-up action is being taken with the respective governments to obtain settlement of these obligations.

(f) Investments

The Fund's investments are classified at fair value through profit and loss or at amortized cost. Investments are classified at amortized cost when they belong to a portfolio managed by the Fund based on a business model to hold those securities until their maturity, by collecting solely maturing interest and principal in line with the contractual characteristics. If the above conditions are not met, the Fund carries investments at fair value through profit and loss. Fair value is determined in accordance with the hierarchy set in note 3. Both realized and unrealized security gains and losses are included in income from investments as they arise. Both realized and unrealized exchange gains and losses are included in the account for movements in foreign exchange rates as they arise. All purchases and sales of investments are recognized on the trade date. Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The majority of derivatives are used as hedging instruments (although they do not qualify for hedge accounting) and therefore changes in the fair value of these derivative instruments are recognized immediately in the statement of comprehensive income.

(g) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and deposits held at call with banks. They also include investments that are readily convertible at the balance sheet date. Net investment payables and investments held-to-maturity are excluded from readily convertible investments for cash flow purposes.

(h) Contributions (non-equity)

Contributions to non-replenishment resources are recorded as revenues in the period in which the related expenses occur. For project cofinancing activities, contributions received are recorded as revenues in the period in which the related grant becomes effective. Contributions relating to programmatic grants, APOs, BFFS.JP and other supplementary funds are recorded in the balance sheet as deferred revenues and are recorded as revenue by the amount of project-related expenses in the statement of comprehensive income. Where specified in the donor agreements, contributions received (including management fees) and interest earned thereon, for which no direct expenses have yet been incurred, are deferred until future periods to be matched against the related costs. This is consistent with the accounting principle adopted with regard to IFAD's combined supplementary funds and serves to present the underlying nature of these balances more clearly. A list of such contributions can be found in appendix D1.

Individual donors provided human resources (in the form of APOs) to assist IFAD in its activities. The contributions received from donors are recorded as revenues and the related costs are included in staff costs.

(i) Grants

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

Grants are recorded as expenses on disbursable date of the approved amount and as a liability for undisbursed amounts at fair value in accordance with IFRS9. Following the approval by the Executive Board of the revisions to the General Conditions for Agricultural Development Financing (April 2009), grants become disbursable when a recipient has the right to incur eligible expenditure.

Cancellations of undisbursed balances are recognized as an offset to the expense in the period in which they occur.

(j) Debt Sustainability Framework (DSF)

Under the DSF, countries eligible for highly concessional lending receive financial assistance on a grant rather than a loan basis. Principal amounts forgone by IFAD are expected to be compensated on a pay-as-you-go basis (according to the underlying loan amortization schedule) by the Member States, while the interest is relinquished. In line with the accounting policy on Contributions-Equity DSF Principal compensation contribution will be recorded in full as equity and as receivable when a Member deposits an instrument of contribution, except for qualified instruments of contribution, which are subject to national appropriation measures that will be proportionally reduced upon fulfilment of those conditions. Amounts receivable from Member States as contributions, and other receivables including promissory notes, have been initially recognized in the balance sheet at their fair value through profit and loss in accordance with IFRS9. Principal compensation will be negotiated during future replenishment consultations (see note 28 (b) on contingent assets). DSF financing is subject to IFAD's General Conditions for Agricultural Development Financing. DSF financing is implemented over an extended time horizon and recognized as expenditure in the statement of comprehensive income in the period in which conditions for the release of funds to the recipient are met.

(k) Borrowing under the Spanish Food Security Cofinancing Facility Trust Fund (Spanish Trust Fund)

The Spanish Trust Fund was established in 2010, after receiving funds on a loan basis. This liability is accounted for at amortized costs. The funds will be used to provide loans to IFAD borrowers in accordance with IFAD procedures (with the exception of DSF countries).

Repayments of the loan by the Spanish Trust Fund to Spain will be aligned to the loan repayments received from borrowing countries over 45 years, with a five-year grace period. The interest rate to be paid to Spain will be a variable 12-month Euribor rate. The interest will be paid to Spain by 15 January of each year and is accounted for on an accrual basis.

The liquidity available in the Spanish Trust Fund will be invested according to an investment policy that ensures that disbursement needs are met while generating adequate risk-adjusted return.

The excess investment income will be kept in a reserve account that will allow IFAD to manage risks.

In the event that it is determined that the Spanish Trust Fund lacks sufficient resources to meet its payment obligations, Spain will provide additional funds.

(l) Employee schemes

(i) Pension obligations

IFAD participates in the United Nations Joint Staff Pension Fund (UNJSPF), which was established by the United Nations General Assembly to provide retirement, death, disability and related benefits. The Pension Fund is a funded, defined benefit plan. The financial obligation of the Fund to the UNJSPF consists of its mandated contribution, at the rate established by the United Nations General Assembly, together with any share of any actuarial deficiency payments under article 26 of the regulations of the Pension Fund. Such deficiency payments are only payable if and when the United Nations General Assembly has invoked the provision of article 26, following determination that there is a requirement for deficiency payments based on an assessment of the actuarial sufficiency of the Pension Fund as of the valuation date. At the time of this report, the United Nations General Assembly has not invoked this provision.

The actuarial method adopted for the UNJSPF is the Open Group Aggregate method. The cost of providing pensions is charged to the statement of comprehensive income so as to spread the regular cost over the service lives of employees, in accordance with the advice of the actuaries, who carry out a full valuation of the period plan every two years. The plan exposes participating organizations to actuarial risks associated with the current and former employees of other organizations, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and costs to individual organizations participating in the plan. IFAD, like other participating organizations, is not in a position to identify its share of the underlying financial position and performance of the plan with sufficient reliability for accounting purposes.

(ii) After-Service Medical Coverage Scheme

IFAD participates in a multi-employer After-Service Medical Coverage Scheme (ASMCS) administered by the Food and Agriculture Organization of the United Nations (FAO) for staff receiving a United Nations pension and eligible former staff on a shared-cost basis. The ASMCS operates on a pay-as-you-go basis, meeting annual costs out of annual budgets and staff contributions. Since 2006, an independent valuation is performed on an annual basis.

In accordance with IAS19, IFAD has set up a trust fund into which it transfers the funding necessary to cover the actuarial liability. Service costs are recognized as operating expenditure. The net balance between interest costs and expected return on plan assets is recognized in profit and loss, while re-measurements on assets and liabilities are recognized as the net position in other comprehensive income. Due to the revisions to IAS19, the expected rate of return for accounting is set equal to the accounting discount rate.

(m) 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 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 entitlements 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.

(n) 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 of 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.

(o) Revenue recognition

Service charge income and income from other sources are recognized as revenue in the period in which the related expenses are incurred (goods delivered or services provided).

(p) Tangible and Intangible assets

Fixed assets

Major purchases of property, furniture and equipment are capitalized. Depreciation is charged on a straight-line basis over the estimated useful economic life of each item purchased as set out below:

- Permanent equipment fixtures and fittings 10 years
- Furniture 5 years
- Office equipment 4 years
- Vehicles 5 years

Intangible assets

Software development costs are capitalized as intangible assets where future economic benefits are expected to flow to the organization. Depreciation is calculated on a straight-line basis over the estimated useful life of the software (four to ten years). Leasehold improvements are capitalized as assets. Depreciation is calculated on a straight-line basis over their estimated useful life (not exceeding rental period of IFAD headquarters).

NOTE 3

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

(a) Critical accounting estimates and assumptions

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

(i) Fair value and amortized costs of loans, undisbursed grants, deferred revenues, promissory notes and contributions receivable.

For the details about the models applied for fair value calculation of loans, reference should be made to note 2.

The fair value of financial instruments that are not traded in an active market is determined by considering quoted prices for similar assets in active markets, quoted prices for identical assets in non-active markets or valuation techniques.

(ii) Financial assets and liabilities measured at fair value on the balance sheet are categorized as follows:

Level 1: Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2: Financial assets and liabilities whose values are based on quoted prices for similar assets or liabilities, or pricing models for which all significant inputs are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3: Financial assets or liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

(b) Critical judgement in applying accounting policies

(i) Fair value accounting

Fair value accounting is required in order for IFAD to comply with International Financial Reporting Standards. Reconciliations between measurement at fair value and amortized cost using the effective interest method and nominal values have been provided with respect to loans, receivables, undisbursed grants and deferred revenues.

NOTE 4

CASH AND INVESTMENT BALANCES

Analysis of balances ***(consolidated)***

	Thousands of United States dollars	
	2014	*2013*
Unrestricted cash	198 218	342 385
Cash subject to restriction	4 038	4 676
Subtotal cash	**202 256**	**347 061**
Unrestricted investments at fair value	1 402 618	1 576 462
Investments at amortized cost	702 901	782 377
Investments subject to restriction	384	367
Subtotal investments	**2 105 903**	**2 359 206**
Total cash and investments	**2 308 159**	**2 706 267**

The composition of the portfolio by entity at 31 December was as follows:

	Thousands of United States dollars	
	2014	*2013*
IFAD	1 690 359	1 988 220
ASMCS Trust Fund	66 903	69 702
HIPC Trust Fund	4 473	11 150
Supplementary Funds	108 222	115 563
Spanish Trust Fund	319 446	399 989
Haiti Debt Relief Initiative (appendix J)	32 498	37 269
ASAP	86 258	84 374
Total cash and investments	**2 308 159**	**2 706 267**

(i) Cash and investments subject to restriction

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

IFAD has two escrow accounts which had a combined balance of US$4.0 million as at 31 December 2014. This restricted cash has been set aside under an escrow agreement with the bank only to be utilized for purposes of meeting obligations relating to the hosting of the Global Mechanism of the United Nations Convention to Combat Desertification to cover potential damages resulting from litigation cases, payments related to disputed invoices with other United Nation agencies and a contingency provision for unforeseen obligations. These funds are to be reimbursed to the Global Mechanism in the event that such liabilities do not crystallize.

(ii) Composition of the investment portfolio by instrument (consolidated)

At 31 December 2014, cash and investments, including payables and receivables, at market value amounted to US$2,307.0 million (2013 - US$2,700.4 million), and comprised the following instruments:

	Thousands of United States dollars	
	2014	*2013*
Cash	202 256	347 061
Fixed-income instruments	1 489 922	1 764 693
Unrealized (loss)/gain on forward contracts	(6 424)	(2 251)
Time deposits and other obligations of banks	618 210	583 494
Unrealized (loss)/gain on futures	4 195	13 270
Total cash and investments	**2 308 159**	**2 706 267**
Receivables for investments sold	-	3 197
Payables for investments purchased	(1 085)	(9 033)
Total investment portfolio	**2 307 074**	**2 700 431**

Fixed-income investments and cash include US$718.9 million at amortized cost as at 31 December 2014 (2013 - US$824.7 million). The fair value of held-to-maturity investments as at 31 December 2014 was US$721.7 million (2013 - US$830.7 million).

(iii) Composition of the investment portfolio by currency (consolidated)

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

	2014	*2013*
Euro	978 367	1 202 095
Japanese yen	111 988	135 263
Pound sterling	200 669	246 065
United States dollar	1 016 050	1 117 008
Total cash and investment portfolio	**2 307 074**	**2 700 431**

(iv) Composition of the investment portfolio by maturity (consolidated)

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

	Thousands of United States dollars	
	2014	*2013*
Due in one year or less	1 066 977	1 197 610
Due after one year through five years	578 369	878 903
Due from five to ten years	471 219	454 270
Due after ten years	190 509	169 648
Total cash and investment portfolio	**2 307 074**	**2 700 431**

The average life to maturity of the fixed-income investments included in the consolidated investment portfolio at 31 December 2014 was 48 months (2013 - 42 months).

(a) Financial risk management

IFAD's investment activities are exposed to a variety of financial risks: market risk, credit risk, currency risk, custodial risk and liquidity risk, as well as capital risk as a going concern which, however, is limited to the investment portfolio.

(i) Market risk

IFAD's investment portfolio is allocated to several asset classes in the fixed-income universe in line with IFAD's investment policy. Occasionally IFAD Management has taken short-term tactical measures to protect the overall portfolio from adverse market conditions.

Cash and investments at amortized cost are managed internally; investments at fair value are managed through seven mandates to external managers as at 31 December 2014.

Market risk on other entities included in the consolidated financial statements is not considered significant.

The actual weights and amounts of each asset class within the overall portfolio, together with the asset allocation weights as at 31 December 2014 and 2013 are shown in table 1. Disclosures relate to IFAD-only accounts, for the Net Asset Value.

Table 1

Asset class	*Actual allocation*		*Asset allocation*
2014	*%*	*Millions of US dollars*	*%*
Short-term liquidity	3.3	55.8	7.0
Global strategic portfolio	16.7	280.7	17.0
Global government bonds	30.6	515.3	36.0
Global diversified fixed-income	15.1	254.2	10.0
Global inflation-linked	21.1	355.3	20.0
Emerging market debt	13.3	224.0	10.0
Total	**100.0**	**1 685.3**	**100.0**

Asset class	*Actual allocation*		*Investment policy*
2013	*%*	*Millions of US dollars*	*%*
Short-term liquidity	8.2	162.9	7.0
Global strategic portfolio	15.3	303.1	17.0
Global government bonds	34.3	678.2	36.0
Global diversified fixed-income	12.7	251.7	10.0
Global inflation-linked	18.9	373.7	20.0
Emerging market debt	10.5	208.2	10.0
Total	**100.0**	**1 977.8**	**100.0**

Each asset class is managed according to its own investment guidelines that address a variety of market risks through restrictions on eligibility of instruments and on managers' activity by setting:

1. Pre-assigned benchmarks and limits on deviations from benchmarks in terms of tacking error limits.
2. Credit floors (refer to "(ii) credit risk").

The benchmark indices used for the respective portfolios are shown in table 2.

Table 2
Benchmark indices by portfolio

Portfolio	*Benchmark index*
Short-term liquidity	Same as the portfolio return
Global strategic portfolio	Equally-weighted extended sector benchmark (internally calculated on a quarterly basis)
Global government bonds	Barclays Global Government Bond Index (1 year maturity)
Global diversified fixed-income bonds	Barclays Global Fixed-Income Index (A- or above)
Global inflation-linked bonds	Barclays Capital World Government Inflation-Linked Index (1-10 years maturity)
Emerging market debt bonds	Barclays Emerging Market Debt Investment Grade Index (BBB- or above)

Exposure to market risk is adjusted by modifying the duration of the portfolio, depending on the outlook for changes in securities market prices.

The upper limit for the duration is set at:

- One year above the benchmark for the global government bonds asset class.
- Two years above the benchmark for the global diversified fixed-interest asset class.
- Two years above the benchmark for the global inflation-linked bonds asset class.
- Two years above the benchmark for the emerging market debt asset class.

The average duration of IFAD's investment portfolio at 31 December 2014 and 2013 and respective benchmarks are shown in table 3.

Table 3
Average duration of portfolios and benchmarks in years (IFAD-only)
As at 31 December 2014 and 2013

	Portfolio		Benchmark	
Portfolio	2014	2013	2014	2013
Short-term liquidity	-	-	-	-
Global strategic portfolio	0.7	1.1	0.7	1.1
Global government bonds	0.7	0.9	1.0	1.0
Global diversified fixed-interest	4.0	4.4	4.6	4.3
Global inflation-linked	5.4	5.4	5.2	5.1
Emerging market debt	7.2	6.5	7.0	6.3
Total average	2.9	2.6	2.5	2.4

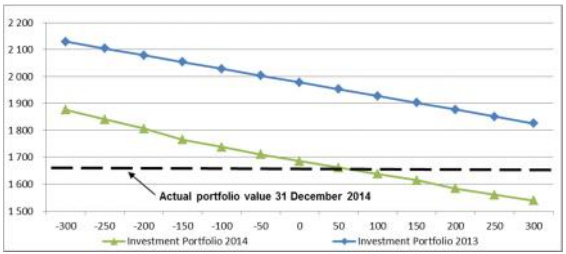
The sensitivity analysis of IFAD's overall investment portfolio in table 4 shows how a parallel shift in the yield curve (-300 to +300 basis points) would affect the value of the investment portfolio as at 31 December 2014 and 31 December 2013.

Table 4
Sensitivity analysis on investment portfolio (IFAD-only)

	2014		*2013*	
Basis point shift in yield curve	*Change in value of externally managed portfolio (US$ million)*	*Total portfolio (US$ million)*	*Change in value of externally managed portfolio (US$ million)*	*Total portfolio (US$ million*
-300	191	1 876	152	2 130
-250	155	1 840	126	2 104
-200	121	1 806	101	2 079
-150	80	1 765	76	2 054
-100	52	1 737	51	2 029
-50	25	1 711	25	2 003
0	**-**	**1 685**	**-**	**1 978**
50	(24)	1 661	(25)	1 953
100	(48)	1 637	(51)	1 927
150	(70)	1 615	(76)	1 902
200	(102)	1 583	(101)	1 877
250	(125)	1 560	(126)	1 852
300	(147)	1 539	(152)	1 826

The graph below shows the negative relationship between yields and fixed-income portfolio value.

Sensitivity analysis on investment portfolio value (IFAD-only)
(Millions of United States dollars)



At 31 December 2014, if the general level of interest rates on the global markets had been 300 basis points higher (as a parallel shift in the yield curves) the overall portfolio value would have been lower by US$147 million as a result of the capital losses on the marked-to-market portion of the portfolio. If the general level of interest rates on the global markets had been 300 basis points lower (as a parallel shift in the yield curves) the overall portfolio value would have been higher by US$191 million as a result of the capital gains on the marked-to-market portion of the portfolio.

Table 5 shows the tracking error limits defined by the Investment Policy Statement. Tracking error represents the annualized standard deviation of the excess return versus the benchmark, and is a measure of the active positions taken in managing a portfolio with respect to the benchmark.

Table 5
Tracking error ranges by portfolio

Portfolio	*Tracking error maximum (percentage per annum)*
Global government bonds	1.5
Global diversified fixed-income bonds	3.0
Global inflation-linked bonds	2.5
Emerging market debt	4.0

The investment portfolio's total tracking error at 31 December 2014 was 0.43 per cent (2013 - 0.29 per cent).

(ii) Credit risk

The Investment Policy Statement and Investment Guidelines set credit rating floors for the eligibility of securities and counterparties. The eligibility of banks and bond issues is determined on the basis of ratings by major credit rating agencies. The minimum allowable credit ratings for portfolios within IFAD's overall investment portfolio under the Investment Policy Statement and Investment Guidelines are shown in table 6.

Table 6
Minimum credit rating floor per Investment Policy
Statement as at 31 December 2014

Eligible asset classes	*Credit rating floors for Standard & Poor's, Moody's and Fitch Ratings*
Short-term investments	Counterparty must have a minimum short-term credit rating of A-1 (S&P) or F1 (Fitch) or P-1 (Moody's)
Government and government agencies fixed-income securities	Investment grade
Government and government agencies inflation-linked fixed-income securities	Investment grade
Supranationals	Investment grade
Asset-backed securities (only agency issued or guaranteed)	AAA
Corporate bonds	Investment grade
Currency forwards[a]	Counterparty must have a minimum short-term credit rating of A-1 (S&P) or F1 (Fitch) or P-1 (Moody's)
Exchange-traded futures and options[ab]	Counterparty must have a minimum short-term credit rating of A-1 (S&P) or F1 (Fitch) or P-1 (Moody's)
Interest rate swaps[a]	Counterparty must have a minimum short-term credit rating of A-1 (S&P) or F1 (Fitch) or P-1 (Moody's)
Credit default swaps[a]	Counterparty must have a minimum short-term credit rating of A-1 (S&P) or F1 (Fitch) or P-1 (Moody's)

[a] Derivatives exclusively used for hedging purposes only.
[b] Futures and options are allowed if traded on regulated exchanges.

At 31 December 2014, the average credit ratings by portfolio were in line with the minimum allowable ratings under the Investment Policy Statement and Investment Guidelines (table 7).

Table 7
Average credit ratings by portfolio (IFAD-only)
As at 31 December 2014 and 2013

	Average credit rating[a]	
Portfolio	*2014*	*2013*
Operational cash[b]	P-2	P-2
Global strategic portfolio	Aa1	Aa1
Global government bonds	Aaa	Aaa
Global diversified fixed-interest	A1	A1
Global inflation-linked	Aaa	Aaa
Emerging market debt	Baa2	Baa2

[a] The average credit rating is calculated based on market values at 31 December 2014 and 2013 except for the global strategic portfolio average credit rating which is calculated on amortized cost basis. The credit ratings used are based on the best credit ratings available from either Standard and Poor's (S&P) or Moody's or Fitch ratings.
[b] The operational cash portfolio contains one locally based bank that has a short-term credit rating below P-1 thereby bringing down the average credit rating to P-2. This commercial bank is within IFAD's internal policy framework.

(iii) Currency risk

The majority of IFAD's commitments relate to undisbursed loans and grants denominated in SDR. IFAD's investment portfolio is therefore used to minimize IFAD's overall currency risk deriving from those commitments. Consequently, the overall assets of the Fund are maintained, to the extent possible, in the currencies and ratios of the SDR valuation basket. Similarly, the General Reserve and commitments for grants denominated in United States dollars are matched by assets denominated in United States dollars.

In the case of misalignments that are considered persistent and significant, IFAD undertakes a realignment procedure by changing the currency ratios in IFAD's investment portfolio so as to realign the total assets to the desired SDR weights.

The degree of currency alignment of IFAD's overall assets subject to SDR alignment at 31 December 2014 is shown in table 8.

Table 8
Alignment of assets to SDR basket (IFAD-only)
As at 31 December 2014

Currency group	*Net asset amount (%)*	*SDR weights*	*Difference*
United States dollar	44.2	45.7	(1.5)
Euro	36.2	35.4	0.8
Japanese yen	7.8	7.0	0.8
Pound sterling	11.8	11.9	(0.1)
Total	**100.0**	**100.0**	0.0

At 31 December 2014, had the United States dollar depreciated (or appreciated) by 10 per cent over the three other currencies in the SDR basket, the composition of IFAD's assets subject to SDR alignment would have been as shown in table 9.

Table 9
Sensitivity of assets aligned to SDR basket (IFAD-only)
As at 31 December 2014

	Difference towards SDR weights	
Currency group	*-10% of US$ (%)*	*+10% of US$ (%)*
United States dollar	(1.1)	3.9
Euro	0.9	(2.3)
Japanese yen	(0.5)	(1.1)
Pound sterling	0.6	(0.4)
Total	**-**	**-**

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

(iv) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and cash equivalents to meet loan and grant disbursements as well as other administrative outflows as they arise.

IFAD's liquidity risk is addressed through the minimum liquidity requirement (MLR). IFAD's liquidity policy, together with the revised Ninth Replenishment period (2013-2015) MLR, states that highly liquid assets in IFAD's investment portfolio should remain above 60 per cent of the projected annual gross disbursement level (outflows), including potential additional requirements due to liquidity shocks.

IFAD's latest financial model assumptions, incorporating the 2014 resources available for commitment under the sustainable cash flow approach, calculates a MLR of US$608.0 million that is comfortably covered by IFAD's investment portfolio balance of US$1,685.3 million.

(v) Capital risk

The overall resource policy is reviewed by Management on a regular basis. A joint review with the principal stakeholders is also carried out at least once during each replenishment process. IFAD closely monitors its resource position on a regular basis in order to safeguard its ability to continue as a going concern. Consequently, it adjusts the amount of new commitments of loans and grants to be made during each calendar year depending on the resources available. Longer term resource forecasting is carried out within the analysis performed through IFAD's financial model.

NOTE 5

CONTRIBUTORS' PROMISSORY NOTES AND RECEIVABLES

	Thousands of United States dollars	
	2014	*2013 Restated*
Promissory notes to be encashed		
Replenishment contributions	285 519	380 849
ASAP	214 433	174 442
Total	**499 952**	**555 291**
Fair value adjustment	(18 303)	(7 540)
Promissory notes to be encashed	**481 649**	**547 751**
Contributions receivable		
Replenishment contributions	227 078	518 870
Supplementary contributions	321 157	311 957
ASAP	25 411	83 325
Total	**573 646**	**914 152**
Fair value adjustment	(4 823)	(18 215)
Contributions receivable	**568 823**	**895 937**
Qualified Instrument of Contributions	**(35 913)**	**(65 912)**
Total Promissory Notes and Contributions receivables	**1 014 559**	**1 377 775**

(a) Initial, First, Second, Third, Fourth, Fifth, Sixth, Seventh and Eight Replenishment contributions

These contributions have been fully paid except as detailed in note 6 and in the table below:

Contributions not paid/encashed
As at 31 December 2014

	Thousands of United States dollars	
Donor	*Replenishment*	*Amount*
United States*	Sixth	459
United States*	Seventh	3 224
Brazil*	Eighth	4 455
United States*	Eighth	559

* Cases for which Members and IFAD have agreed to special encashment schedules or subject to ratification.

(c) Ninth and Tenth Replenishment

Details of contributions and payments made for the Ninth Replenishment are shown in appendix G. The Ninth Replenishment became effective on 30 November 2012.

(d) Special Programme for Africa (SPA)

Details of contributions to the SPA under the first and second phases are shown in appendix G.

(e) Credit risk

Because of the sovereign status of its donor contributions, the Fund expects that each of its contributions for which a legally binding instrument has been deposited will ultimately be received. Collectability risk is covered by the provisions on contributions.

(f) Qualified Instrument of Contributions and Promissory Notes

At the end of December 2014, Contributions receivables and Promissory Notes still subject to national appropriation measures amounted to US$35.9 million (US$65.9 million as at 31 December 2013).

NOTE 6

PROVISIONS

The fair value of the provisions is equivalent to the nominal value given that the underlying receivables/promissory notes are already due at the balance sheet date. In accordance with IFAD's policy, the Fund has established provisions at 31 December as follows:

	Thousands of United States dollars	
	2014	*2013*
Balance at beginning of the year	**168 448**	**168 448**
Total movements	0	0
Balance at year end	**168 448**	**168 448**
Analysed as follows:		
Promissory notes of contributors (a)	80 861	80 861
Amounts receivable from contributors (b)	87 587	87 587
Total	**168 448**	**168 448**

(a) Provisions against promissory notes

As at 31 December 2014, IFAD replenishment contributions deposited in the form of promissory notes up to and including the Eighth Replenishment have been fully drawn down. The comparable figure is 100 per cent for the Ninth Replenishment (31 December 2013 - 65 per cent for the Ninth Replenishment).

As at 31 December 2014 and 2013, all first and second phase SPA contributions have been fully drawn down.

In accordance with the policy, the Fund has established provisions against promissory notes as at 31 December:

	Thousands of United States dollars	
	2014	*2013*
IFAD		
Initial contributions		
Iran (Islamic Republic of)	29 358	29 358
Iraq	13 717	13 717
	43 075	43 075
First Replenishment		
Iraq	31 099	31 099
	31 099	31 099
Third Replenishment		
Democratic People's Republic of Korea	600	600
Libya	6 087	6 087
	6 687	6 687
Total	**80 861**	**80 861**

(b) Provisions against amounts receivable from contributors

In accordance with its policy, the Fund has established provisions against some of these amounts:

	Thousands of United States dollars	
	2014	*2013*
Initial contributions		
Comoros	10	10
Iran (Islamic Republic of)	83 167	83 167
	83 177	83 177
Second Replenishment		
Iraq	2 000	2 000
	2 000	2 000
Third Replenishment		
Iran (Islamic Republic of)	2 400	2 400
Sao Tome and Principe	10	10
	2 410	2 410
Total	**87 587**	**87 587**

NOTE 7

OTHER RECEIVABLES

	Thousands of United States dollars	
	2014	*2013*
Receivables for investments sold	0	3 197
Other receivables	15 342	24 942
Total	**15 342**	**28 139**

The amounts above are all expected to be received within one year of the balance sheet date. The balance of other receivables includes reimbursements from the host country for expenditures incurred during the year.

NOTE 8

FIXED AND INTANGIBLE ASSETS

	Thousands of United States dollars			
	1 Jan 2014	*Increase/ (decrease)*	*Revaluation*	*31 Dec 2014*
Cost				
Computer hardware	2 320	711		3 031
Computer software	12 608	1 430		14 038
Vehicles	149	290		439
Furniture and fittings	436	20	(50)*	(370)
Leasehold improvement	937	-		937
Total cost	**16 450**	**2 451**	**(50)**	**18 851**
Depreciation				
Computer hardware	(1 845)	(272)		(2 117)
Computer software	(2 235)	(1 321)		(3 556)
Vehicles	(2)	(32)		(34)
Furniture and fittings	(411)	(9)	50*	(370)
Leasehold improvement	(689)	(165)		(854)
Total depreciation	**(5 182)**	**(1 799)**	**50**	**(6 931)**
Net fixed and intangible assets	**11 268**	**652**	**-**	**11 920**

*Due to foreign exchange movements on an item of fixed assets held in a euro denominated unit.

NOTE 9

LOANS

(a) Accumulated allowance for impairment losses

An analysis of the accumulated allowance for loan impairment losses is shown below:

	Thousands of United States dollars	
	2014	*2013*
Balance at beginning of year	**58 325**	**52 702**
Net increase in allowance	3 511	5 352
Revaluation	(3 680)	271
Balance at end of year at nominal value	**58 156**	**58 325**
Fair value adjustment	(53 770)	(36 912)
Total	**4 386**	**21 413**

All loans included within the accumulated allowance are 100 per cent impaired with the exception of the provision set against the Democratic People's Republic of Korea which are impaired for the instalments overdue.

In accordance with its policy, the Fund has established provisions against loans outstanding as at 31 December as follows:

	2014	2013
Amounts in SDR		
Democratic People's Republic of Korea	6 354	3 957
Somalia	17 299	17 299
Zimbabwe	16 570	16 570
Total	**40 223**	**37 826**
US$ equivalent	**58 156**	**58 325**
Fair value adjustment	(53 770)	(36 912)
Total	**4 386**	**21 413**

Details of loans approved and disbursed and of loan repayments are presented in appendix H.

(b) Non-accrual status

Had income from loans with overdue amounts in non-accrual status been recognized as income, income from loans as reported in the statement of comprehensive income for the year 2014 would have been higher by US$1,281,351 (2013 - US$1,305,051).

(c) Further analysis of loan balances

The composition of the loans outstanding balance by entity at 31 December was as follows:

	Thousands of United States dollars	
	2014	*2013*
IFAD	6 269 276	6 413 934
Spanish Trust Fund	46 485	19 030
Total	**6 315 761**	**6 432 964**
Fair value adjustment	(1 238 794)	(1 325 543)
Total	**5 076 967**	**5 107 421**

	Thousands of United States dollars	
	2014	*2013*
IFAD approved loans less cancellations less full repayments and the adjustment for movement in value of total SDR loans in terms of US$ (appendix H) *		
Approved loans	11 249 453	11 658 275
Less: Undisbursed balance	(3 009 015)	(3 142 751)
Repayments	(2 196 610)	(2 357 224)
Interest/principal receivable	16 763	25 295
Loans outstanding at nominal value	**6 060 591**	**6 183 595**
Fair value adjustment	(1 162 213)	(1 237 140)
Loans outstanding	**4 898 378**	**4 946 455**
SPA approved loans less cancellations, less full repayments and the adjustment for movements in value of total SDR loans in terms of US$ (appendix H)		
Approved loans	326 694	348 404
Repayments	(119 471)	(119 382)
Interest/principal receivable	1 462	1 317
Loans outstanding	**208 685**	**230 339**
Fair value adjustment	(71 385)	(84 035)
Loans outstanding	**137 300**	**146 304**
Total approved loans less cancellations, less full repayments and the adjustment for movements in value of SDR loans in terms of US$		
Approved loans	11 576 147	12 006 679
Undisbursed balance	(3 009 015)	(3 142 751)
Repayments	(2 316 081)	(2 476 606)
Interest/principal receivable	18 225	26 612
Loans outstanding at nominal value	**6 269 276**	**6 413 934**
Fair value adjustment	(1 233 598)	(1 321 175)
Loans outstanding	**5 035 678**	**5 092 759**

* The balance includes euro denominated loans financed from the debt-financing facility.

(d) Credit risk

Because of the nature of its borrowers and guarantors, the Fund expects that each of its sovereign guaranteed loans will ultimately be repaid. Collectability risk is covered by both the accumulated allowance for loan impairment losses and the accumulated allowance for the HIPC Debt Initiative. Loans with amounts overdue more than 180 days are placed in non-accrual status.

(e) Market risk

The interest rate risk associated with IFAD's loan portfolio is believed to be minimal, as 91.6 per cent (31 December 2013 - 95.5 per cent) of the current outstanding portfolio relates to borrowers on highly concessional terms, hence not subject to variation on an annual basis. An analysis of the portfolio by type of lending term is presented in appendix H, sections 4 and 9.

(f) Fair value estimation

Other than initial recognition and determination, the assumptions used in determining fair value are not sensitive to changes in discount rates. The associated impact of the exchange rate movement between SDR and United States dollars is closely monitored.

NOTE 10

FINANCIAL INSTRUMENTS BY CATEGORY

The table below provides information about the Fund's assets and liabilities classification, accounting policies for financial instruments have been applied to the line items below:

	Thousands of United States dollars		
2014	*Cash and bank deposits*	*Assets at fair value through profit and loss*	*Amortized cost*
Net loans outstanding			5 046 897
Investment at amortized cost			702 901
LEVEL 1 Investments at fair value through profit and loss		638 183	
LEVEL 2 Investments at fair value through profit and loss		760 239	
Cash and equivalents	202 256		
Total	**202 256**	**1 398 422**	**5 749 798**

	Thousands of United States dollars		
2013	*Cash and bank deposits*	*Assets at fair value through profit and loss*	*Amortized cost*
Net loans outstanding			5 053 286
Other receivables		3 197	
Amortized cost investments			782 377
Investments at fair value through profit and loss **LEVEL 1**		1 187 943	
Investments at fair value through profit and loss		388 886	

LEVEL 2			
Cash and equivalents	347 061		
Total	**347 061**	**1 580 026**	**5 835 663**

NOTE 11

HEAVILY INDEBTED POOR COUNTRIES (HIPC) DEBT INITIATIVE

(a) Impact of the HIPC Debt Initiative

IFAD provided funding for the HIPC Debt Initiative in the amount of US$171,670,000 during the period 1998-2014. Details of funding from external donors on a cumulative basis are found in appendix D1.

For a summary of debt relief reimbursed since the start of the Initiative and expected in the future, please refer to appendix I. Debt relief approved by the Executive Board to date excludes all amounts relating to the enhanced Debt Initiative for Eritrea, Somalia and the Sudan. Authorization for IFAD's share of this debt relief is expected to be given by the Executive Board in 2015-2018. At the time of preparation of the 2014 consolidated financial statements, the estimate of IFAD's share of the overall debt relief for these countries, principal and interest, was US$170,235,985 (2013 - US$182,385,000 for Eritrea, Somalia and the Sudan).

Gross investment income amounted to US$8,005 (2013 - US$12,700) from the HIPC Trust Fund balances.

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

	Thousands of United States dollars		
	2014	*Movement*	*2013*
IFAD contributions 1998-2014	171 670	17 000	154 670
Total contributions from external sources (appendix D1)	282 417	0	282 417
Net cumulative investment income	8 005	5	8 000
Shortfall between debt relief approved and funds available	3 334	(31 873)	35 207
Cumulative net exchange rate movements	30 865	(7 117)	37 982
Total (appendix I)	**496 291**	**(21 985)**	**518 276**

(b) Accumulated allowance for the HIPC Debt Initiative

The balances for the two years ended 31 December are summarized below:

	Thousands of United States dollars	
	2014	*2013*
Balance at beginning of year	47 111	87 271
New approvals	-	0
Change in provision	(7 567)	(39 779)
Exchange rate movements	(2 736)	(381)
Balance at end of year	36 808	47 111
Fair value adjustment	(11 124)	(14 389)
Total	**25 684**	**32 722**

NOTE 12

PAYABLES AND LIABILITIES

	Thousands of United States dollars	
	2014	*2013*
Payable for investments purchased and impairment	1 085	9 033
ASMCS liability	95 935	70 620
Other payables and accrued liabilities	79 585	89 075
Total	**176 605**	**168 728**

Of the total above, an estimated US$118,487,000 (2013 - US$95,740,000) is payable in more than one year from the balance sheet date.

NOTE 13

DEFERRED REVENUE

Deferred revenue represents contributions received for which revenue recognition has been deferred to future periods to match the related costs. Deferred income includes amounts relating to service charges received for which the related costs have not yet been incurred.

	Thousands of United States dollars	
	2014	*2013*
Total	496 755	622 430
Fair value adjustment	(20 788)	(29 387)
Deferred revenue	475 967	**593 043**

NOTE 14

UNDISBURSED GRANTS

The balance of effective grants not yet disbursed to grant recipients is as follows:

	Thousands of United States dollars	
	2014	*2013*
IFAD	74 951	82 814
Supplementary funds	256 636	233 325
ASAP	57 593	
Balance at year end	389 180	316 139
Fair value adjustment	**(5 456)**	**(2 999)**
Undisbursed grants	**383 724**	**313 140**

NOTE 15

TRUST FUND BORROWING

The amount lent by Spain for the establishment of the Spanish Food Security Cofinancing Facility Trust Fund is approximately EUR 300.0 million. This is a long-term liability of 45 years with a five-year grace period. The balance as at 31 December 2014 of US$347.4 million (US$395.6 million - 31 December 2013) represents the funds received from the Spanish Government plus the interest accrued.

NOTE 16

NET FOREIGN EXCHANGE GAINS/LOSSES

The following rates of one unit of SDR in terms of United States dollars as at 31 December were used:

Year	*United States dollars*
2014	1.44582
2013	1.54190
2012	1.53811

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

	Thousands of United States dollars	
	2014	2013
Opening balance at 1 January	**890 753**	**873 419**
Exchange movements for the year on:		
Cash and investments	(118 265)	(379)
Net receivables/payables	15 558	(3 264)
Loans and grants outstanding	(323 715)	16 153
Promissory notes and Members' receivables	(52 520)	(6 598)
Member States' contributions	32 358	11 422
Total movements in the year	**(446 584)**	**17 334**
Closing balance at 31 December	**444 169**	**890 753**

The movement in this account excludes the gain/loss related directly to operations, which is included in total foreign exchange rate movements.

NOTE 17

INCOME FROM CASH AND INVESTMENTS

(a) Investment management (IFAD only)
Since 1994, a major part of IFAD's investment portfolio has been entrusted to external investment managers under investment guidelines provided by the Fund. At 31 December 2014, funds under external management amounted to US$1,348.7 million (2013 – US$1,511.8 million), representing 80 per cent of the Fund's total cash and investments (2013 - 76 per cent).

(b) Derivative instruments
The Fund's Investment Guidelines authorize the use of the following types of derivative instruments, primarily to ensure alignment to the SDR basket:

(i) Futures

	31 December	
	2014	2013
Number of contracts open:		
Buy	278	361
Sell	(1 464)	(1 162)
Net unrealized market gains of open contracts (US$ '000)	(1 149)	2 365
Maturity range of open contracts (days)	65 to 90	65 to 90

The underlying instruments of future contracts open at 31 December 2014 were time deposits and currencies.

(ii) Forwards

The unrealized market value loss on forward contracts at 31 December 2014 amounted to US$2.6 million (2013 - loss of US$3.3 million). The maturities of forward contracts at 31 December 2014 ranged from 7 to 44 days (31 December 2013 - 7 to 58 days).

The underlying instruments of forward contracts open at 31 December 2014 were currencies.

(c) *Income from cash and investments (consolidated)*
Gross income from cash and investments for the year ended 31 December 2014 amounted to US$57,004,000 (2013 - gross loss of US$17.1 million). This figure reflects direct charges against investment income of US$3.2 million (2013 - US$3.1 million), which are included in expenses

	Thousands of United States dollars		
	2014		
	Fair value	Amortized cost	Total
Interest from banks and fixed-income Investments	35 130	8 029	**43 159**
Net expenses from futures/ options and swaps	(16 862)		**(16 862)**
Realized capital loss from fixed-income securities	(5 683)	(686)	**(6 369)**
Unrealized gain from fixed-income securities	37 076		**37 076**
Total	**49 661**	**7 343**	**57 004**

	Thousands of United States dollars		
	2013		
	Fair value	Amortized cost	Total
Interest from banks and fixed-income Investments	37 637	12 027	**49 664**
Net income from futures/ options and swaps	6 121		**6 121**
Realized capital (loss)/gain from fixed-income securities	(16 289)	(1 674)	**(17 963)**
Unrealized gain/(loss) from fixed-income securities	(54 945)		**(54 945)**
Total	**(27 476)**	**10 353**	**(17 123)**

For amortized cost investments, realized capital gains/(losses) relate to amortization and sales of securities.

The above figures are broken down by income for the consolidated entities, as follows:

	Thousands of United States dollars	
	2014	2013
IFAD	52 217	(20 480)
ASMCS Trust Fund	3 043	877
HIPC Trust Fund	11	13
Spanish Trust Fund	1 702	2 163
Haiti Debt Relief Initiative	177	347
ASAP	425	294
Supplementary funds	109	116
Less: income deferred/reclassified	(680)	(453)
Total	**57 004**	**(17 123)**

The annual rate of return on IFAD cash and investments in 2014 was 2.58 per cent net of investment expenses (2013 - negative 1.11 per cent net of investment expenses).

NOTE 18

INCOME FROM OTHER SOURCES

This income relates principally to reimbursement from the host Government for specific operating expenses. It also includes service charges received from entities housed at IFAD as compensation for providing administrative services. A breakdown is provided below:

	Thousands of United States dollars	
Consolidated	*2014*	*2013*
Host Government income	9 595	9 173
Income from other sources	1 361	1 705
Total	**10 956**	**10 878**

NOTE 19

INCOME FROM CONTRIBUTIONS

	Thousands of United States dollars	
	2014	*2013*
IFAD	2 874	3 982
Spanish Trust Fund	0	18 776
ASAP	67 834	2 097
Supplementary funds	142 403	79 503
Total	**213 111**	**104 358**

From 2007, contributions to the HIPC Debt Initiative have been offset against the HIPC Debt Initiative expenses.

NOTE 20

OPERATING EXPENSES

An analysis of IFAD-only operating expenses by principal funding source is shown in appendix L. The breakdown of the consolidated figures is set out below:

	Thousands of United States dollars	
	2014	*2013*
IFAD	171 379	170 648
Other entities	9 255	9 741
Total	**180 634**	**180 389**

The costs incurred are classified in the accounts in accordance with the underlying nature of the expense.

NOTE 21

STAFF NUMBERS, RETIREMENT PLAN AND MEDICAL SCHEMES

(a) Staff numbers

Employees that are on IFAD's payroll are part of the retirement and medical plans offered by IFAD. These schemes include participation in the UNJSPF and in the ASMCS administered by FAO.

The number of full-time equivalent employees of the Fund and other consolidated entities in 2014 was as follows (breakdown by principal budget source):

FTE [a]	*Professional*	*General Service*	*Total*
IFAD administrative budget	262	185	447
APO/SPO[b]	11		11
Others	17	11	28
Programme funds	3	2	5
Total 2014	**293**	**198**	**491**
Total 2013	**299**	**195**	**494**

[a] Full-time equivalent

[b] Associate professional officer/special programme officer.

(b) Non-staff

As in previous years, in order to meet its operational needs, IFAD engaged the services of consultants, conference personnel and other temporary staff, who are also covered by an insurance plan.

(c) Retirement plan

The latest actuarial valuation for the UNJSPF was prepared as at 31 December 2013. This valuation revealed an actuarial deficit, amounting to 0.72 per cent of pensionable remuneration. Despite the actuarial deficit from the 2013 valuation, it was assessed that the UNJSPF is adequately funded. Therefore the United Nations General Assembly did not invoke the provision of article 26, requiring participating agencies to provide additional payments. IFAD makes contributions on behalf of its staff and would be liable for its share of the unfunded liability, if any (current contributions are paid as 7.9 per cent of pensionable remuneration by the employee and 15.8 per cent by IFAD). Total retirement plan contributions made for staff in 2014 amounted to US$10,338,726 (2013 - US$10,437,043).

(d) After-Service Medical Coverage Scheme

The latest actuarial valuation for the ASMCS was carried out as at 31 December 2014. The methodology used was the projected unit-credit-cost method with service prorates. The principal actuarial assumptions used were as follows: discount rate, 2.8 per cent; return on invested assets, 4.0 per cent; expected salary increase, 3.0 per cent; medical cost increase, 5.0 per cent; inflation, 2.5 per cent; and exchange rate EUR:US$1.22 The results determined IFAD's liability as at 31 December 2014 to be US$95,935,000. The 2014 and 2013 financial statements include a provision and related assets as follows as at 31 December:

	Thousands of United States dollars	
	2014	*2013*
Past service liability	(95 935)	(70 620)
Plan assets	66 854	69 643
Surplus /(deficit)	**(29 081)**	**(977)**
Yearly movements		
Opening balance Surplus /(deficit)	**(977)**	**(4 730)**
Interest cost	(64)	(2 845)
Current service charge	(2 909)	(3 009)
Actuarial gains /(losses)	(22 342)	6 771
Interest earned on balances	3 048	871
Exchange rate movement	(5 837)	1 965
Closing balance Surplus /(deficit)	**(29 081)**	**(977)**
Past service liability		
Total provision at 1 January	(70 620)	(71 537)
Interest cost	(64)	(2 845)
Current service charge	(2 909)	(3 009)
Actuarial gains /(losses)	(22 342)	6 771
Provision at 31 December	**(95 935)**	**(70 620)**
Plan assets		
Total assets at 1 January	69 643	**66 807**
Interest earned on balances	3 048	871
Exchange rate movement	(5 837)	1 965
Total assets at 31 December	**66 854**	**69 643**

ASMCS assets are currently invested in cash and time deposits in accordance with IFAD's investments policy.

IFAD provides for the full annual current service costs of this medical coverage, including its eligible retirees. In 2014, such costs included under staff salaries and benefits in the financial statements amounted to US$2,306,000 (2013 - US$4,785,000).

Based on the 2014 actuarial valuation, the level of assets necessary to cover ASMCS liabilities is US$60.6 million, in net present value terms. As reported above, at 31 December 2014 the assets already held in the trust fund are US$66.9 million; consequently this is more than sufficient to cover the level of liabilities.

(e) Actuarial valuation risk of the ASMCS

A sensitivity analysis of the principal assumptions of the liability and service cost contained within the group data as at 31 December 2014 is shown below:

Impact on	*Liability*	*Service cost*
Medical inflation:		
5.0 per cent instead of 4.0 per cent	25.3	1.7
3.0 per cent instead of 4.0 per cent	(20.1)	(1.2)

NOTE 22

GRANT EXPENSES

The breakdown of the consolidated figures is set out below:

	Thousands of United States dollars	
	2014	*2013*
IFAD grants	52 618	40 959
Supplementary funds	129 952	67 911
ASAP	65 896	0
Total	**248 466**	**108 870**

NOTE 23

DSF EXPENSES

The DSF expenses are set out below:

	Thousands of United States dollars	
IFAD-only	*2014*	*2013*
DSF expenses	157 342	142 665
Total	**157 342**	**142 665**

DSF financing is recognized as expenditures in the period in which conditions for the release of funds to the recipient are met.

NOTE 24

DIRECT BANK AND INVESTMENT COSTS

	Thousands of United States dollars	
	2014	*2013*
Investment management fees	2 561	2 589
Other charges	620	506
Total	**3 181**	**3 095**

NOTE 25

ADJUSTMENT FOR CHANGE IN FAIR VALUE

An analysis of the movement in fair value is shown below:

	Thousands of United States dollars	
	2014	*2013*
Loans outstanding	4 276	(62 224)
Accumulated allowance for loan impairment losses	19 162	(1 593)
Accumulated allowance for HIPC Debt Initiative	(2 369)	(9 078)
Net loans outstanding	21 069	(72 895)
Contributors' promissory notes	(10 763)	(3 376)
Contributions receivable	13 392	(6 674)
Contributions	(6 030)	(2 558)
Undisbursed grants	919	1 944
Deferred revenues	3 392	12 608
Total	**21 979**	**(70 951)**

NOTE 26

DEBT RELIEF INCOME

This balance represents the debt relief provided during the year to HIPC eligible countries for both principal and interest. The amount represents a reduction in the overall provision for debt relief under HIPC from prior year.

NOTE 27

HOUSED ENTITY DISCLOSURE

At 31 December liabilities owed to/(from) IFAD by the housed entities were:

	Thousands of United States dollars	
	2014	2013
ILC	414	1 487
HLTF*	0	305
Total	**414**	**1 792**

***This entity was no longer hosted by IFAD as at 31 Dec. 2014.**

NOTE 28

CONTINGENT LIABILITIES AND ASSETS

(a) Contingent liabilities

IFAD has contingent liabilities in respect of debt relief announced by the World Bank/International Monetary Fund for three countries. See note 11 for further details of the potential cost of loan principal and interest relating to these countries, as well as future interest not accrued on debt relief already approved as shown in appendix I.

IFAD has a contingent liability for DSF financing effective but not yet disbursed for a global amount of US$715.9 million (US$828.8 million in 2013). In particular, at the end of December 2014, DSF financing disbursable but not yet disbursed, because the conditions for the release of funds were not yet met, amounted to US$581.8 million (US$621.4 million in 2013) and DSF projects approved not yet effective amounted to US$134.1 million (US$207.4 million in 2013).

(b) Contingent assets

At the end of December 2014 the balance of qualified instrument of contributions amounted to US$35.9 million. These contributions are subject to national appropriation measures, therefore those receivables will be considered due upon fulfilment of those conditions and considered probable at the reporting date.

The DSF for grants, approved in 2007, aims for the full recovery of principal repayments foregone through a pay-as-you-go compensation mechanism by Member States. Consequently, IFAD has gone through a review of the mechanism via which this policy would be implemented with its governing bodies. This has led to the endorsement by the Executive Board in 2013 of the underlying principles thereof. This policy has been also endorsed by Member States in the Replenishment Consultation process in 2014 and finally approved by the Governing Council in 2015. This, in effect, provides a concrete basis on which Member States will be expected to contribute towards the DSF principal reflows foregone in addition to regular contributions. The receipt of funds which have been provided as DSF grants is therefore considered probable and hence is disclosed as a contingent asset. The nominal amount of the amount so disbursed as at 31 December 2014 amounted to US$556.1 million (US$399.1 million as at December 2013).

NOTE 29

POST BALANCE SHEET EVENTS

Management is not aware of any events after the balance sheet date that provide evidence of conditions that existed at the balance sheet date or indicative of conditions that arose after the reporting period that warrant adjusting the financial statements or require disclosure.

NOTE 30

RELATED PARTIES

The Fund has identified related parties and transactions carried out in 2014. These pertain to transactions with Member States for which IAS 24, para. 25 is applicable; these transactions and related outstanding balances are reported in appendices G and H. Transactions with key Management staff are only limited to employee benefits.

NOTE 31

DATE OF AUTHORIZATION FOR ISSUE OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements are issued by Management for review by the Audit Committee in April 2015 and endorsement by the Executive Board in April 2015. The 2014 consolidated financial statements will be submitted to the Governing Council for formal approval at its next session in February 2016. The 2013 consolidated financial statements were approved by the Governing Council at its thirty-eighth session in February 2015.

Statement of complementary and supplementary contributions

Statement of cumulative supplementary contributions including project cofinancing from 1978 to 2014[a]

(Thousands of United States dollars)

Member States	*Project cofinancing*	*APOs*	*Other supplementary funds*	*GEF*	*Total*
Algeria			85		85
Angola			7		7
Australia[b]	2 721		84		2 805
Austria	755				755
Bangladesh			48		48
Belgium	10 214	2 342	167 751		180 307
Canada	12 404		8 938		21 342
China			342		342
Colombia			25		25
Denmark	19 712	4 762	3 946		28 420
Estonia			109		109
Finland	2 844	4 730	12 784		20 358
France	1 031	1 131	7 844		10 006
Germany	46	6 703	7 996		14 745
Ghana			85		85
Greece			85		85
India			1 000		1 000
Indonesia			50		50
Ireland	6 602		912		7 514
Italy	30 072	5 849	27 087		63 009
Japan	1 692	2 026	4 131		7 849
Jordan			153		153
Kuwait			133		133
Lebanon			100		100
Luxembourg	2 112		1 402		3 514
Malaysia			28		28
Mauritania			92		92
Morocco			50		50
Netherlands	104 408	6 335	11 856		122 599
New Zealand	790		20		810
Nigeria			50		50
Norway	20 671	2 530	6 115		29 316
Pakistan			25		25
Paraguay			15		15
Portugal	142		718		860
Qatar			121		121
Republic of Korea	1 756	4 848	81		6 685
Saudi Arabia			121		121
Senegal			109		109
Sierra Leone			88		88
South Africa					
Spain	11 690		6 506		18 196
Suriname	2 000				2 000
Sweden	9 114	2 773	15 609		27 496
Switzerland	8 498	343	18 415		27 256
Turkey			47		47
United Kingdom	19 074		16 859		35 933
United States		322	86		408
Total Member States	268 349	44 694	322 108		635 151

[a] Non-US$ contributions have been translated at the year-end exchange rate.
[b] Australia's withdrawal from IFAD membership became effective 31 July 2007.

Statement of cumulative supplementary contributions including project cofinancing from 1978 to 2014[a]
(Thousands of United States dollars)

Non-Member States and other sources	*Project cofinancing*	*APOs*	*Other supplementary funds*	*GEF*	*Total*
African Development Bank	2 800		1 096		3 896
AFESD	2 982				2 982
Arab Bank			25		25
Arab Gulf Programme for United Nations Development Organizations	299				299
Bill & Melinda Gates Foundation			1 244		1 244
Cassava Programme			69		69
Chief Executives Board for Coordination (CEB) Secretariat, Geneva			998		998
Congressional Hunger Center			183		183
Coopernic			3 630		3 630
European Commission	814		519 470		520 284
Food and Agriculture Organization of the United Nations	5		257		262
Global Agriculture and Food Security Program	100 000		4 915		104 915
Least Developed Countries Fund / Special Climate Change Fund (SCCF)[b]			32 991		32 991
National Agricultural Cooperative Federation					
Office of the United Nations High Commissioner for Refugees					
OFID	2 260				2 260
Other	387		2 267		2 654
United Nations Capital Development Fund	382		180		562
United Nations Development Programme	467		191		658
United Nations Fund for International Partnerships	78		145		223
UNO	3 017				3 017
World Bank	1 358		529	99 635	101 522
Total non-Member States and other sources	114 849		568 190	99 635	782 674
Total 2014	**383 198**	**44 694**	**890 298**	**99 635**	**1 417 825**
Total 2013	**333 057**	**43 315**	**921 266**	**93 644**	**1 391 281**

[a] Non-United States dollars contributions have been translated at the year-end exchange rate.
[b] The balance includes US$125,000 related to Mongolia.

Statement of cumulative complementary and other contributions from 1978 to 2014
(Thousands of United States dollars)

	Amount
Canada	1 511
Germany	458
India	1 000
Saudi Arabia	30 000
Sweden	13 827
United Kingdom	12 002
Cumulative contributions received from Belgium for the BFFS.JP in the context of replenishments	80 002
	138 800
Contributions made in the context of replenishments to the HIPC Trust Fund	
Italy	4 602
Luxembourg	1 053
Netherlands	14 024
	19 679
Contributions made to ASAP in the context of replenishment	
ASAP	297 480
Total complementary contributions 2014	**455 959**
Total complementary contributions 2013	**416 746**

Statement of contributions from Member States and donors to the HIPC Debt Initiative
(Thousands of United States dollars)

	Amount
Contributions made in the context of replenishments (see previous table)	*19 679*
Belgium	2 713
European Commission	10 512
Finland	5 193
Germany	6 989
Iceland	250
Norway	5 912
Sweden	17 000
Switzerland	3 276
World Bank HIPC Trust Fund	210 893
	262 738
Total contributions to IFAD's HIPC Trust Fund 2014	**282 417**
Total contributions to IFAD's HIPC Trust Fund 2013	282 417

Statement of complementary and supplementary contributions received in 2014

Contributions received for project cofinancing in 2014

	Currency	*Amount (thousands)*	*Thousands of US dollars equivalent*
Canada	US$		4 723
Denmark	DKK	10 328	1 909
GAFSP	US$	10 338	10 338
European Commission	EUR	8 430	10 201
Germany	EUR	750	908
Italy	EUR	1 503	1 819
Netherlands	US$	1 773	1 773
OFID	US$	240	240
Total			**31 911**

Contributions received for associate professional officers in 2014

	Currency	*Thousands of US dollars*
Denmark	US$	313
Finland	US$	249
Germany	US$	299
Italy	US$	202
Netherlands	US$	242
Republic of Korea	US$	117
Total		**1 422**

Supplementary fund contributions received in 2014

	Currency	*Amount (thousands)*	*Thousands of US dollars equivalent*
France	EUR	1 000	1 331
European Commission	EUR	22 432	27 144
Bill & Melinda Gates Foundation	US$		230
Estonia	EUR	45	54
GEF	US$		15 807
Switzerland	EUR	1 570	1 900
Germany	EUR	235	284
New Zealand	USD		420
Republic of Korea	US$		455
Netherlands	US$		4 240
UNDP	US$		158
Total			**52 023**
Grand total			**85 356**

Unspent project cofinancing funds
(Thousands of United States dollars)

Member States	*2014*	*2013*
Canada	4 440	2
Denmark	2 941	1 874
Finland	10	10
Ireland		0
Italy	3 422	3 489
Japan		0
Luxembourg	140	40
Netherlands	2 647	7 846
Norway	4	16
New Zealand	400	
Republic of Korea	679	
Spain	2 191	3 911
United Kingdom	142	142
Total Member States	**17 016**	**17 330**
Non-Member States		
Global Agriculture and Food Security Programme (GAFSP) Trust Fund	8 632	2 693
Organization of the Petroleum Exporting Countries	199	498
Other	26	26
United Nations Capital Development Fund	23	
United Nations Fund for International Partnerships		23
United Nations Development Programme		
World Bank	7	7
Total non-Member States	**8 887**	**3 247**
Total	**25 903**	**20 577**

Unspent associate professional officer (APO) funds
(Thousands of United States dollars**)**

	Unspent balance as at 31 December	
	2014	*2013*
Belgium	383	424
Denmark	361	357
Finland	104	95
France	0	5
Germany	206	98
Italy	144	3
Netherlands	232	307
Norway	(59)	(52)
Republic of Korea	254	456
Sweden	(5)	20
Total	**1 630**	**1 713**

Other unspent complementary and supplementary funds
(Thousands of United States dollars)

	Unspent balance as at 31 December	
	2014	*2013*
Member States		
Belgium	3 501	5 927
Canada	4 548	4 846
China	145	165
Denmark	130	130
Estonia	75	62
Finland	753	1 465
France	2 148	0
Germany	1 546	459
India	613	613
Ireland	171	175
Italy	3 105	2 301
Japan		94
Lebanon	99	99
Luxembourg	7	1 246
Malaysia	13	13
Netherlands	41	322
Norway	106	127
Portugal	4	24
Republic of Korea	1	865
Spain	3 384	3 334
Sweden	2 403	3 845
Switzerland	102	1 488
United Kingdom	1 188	2 138
United States		1
Total Member States	**24 083**	**29 739**
Non-Member States		
African Development Bank		376
Coopernic		0
European Commission	17 286	32 029
Food and Agriculture Organization of the United Nations	98	24
Global Agriculture and Food Security Program	2 633	3 205
Platform for Agriculture Risk Management (PARM)	2 154	2 990
Least Developed Countries Fund	24 437	15 294
Other	473	1 030
Special Climate Change Fund		19
Support to farmers' organizations in Africa programme (SFOAP) main phase	3 506	2 835
Technical Assistance Facility	412	470
United Nations Capital Development Fund	90	115
World Bank	13	13
Total non-Member States	**51 102**	**58 400**
Total	**75 185**	**88 139**

Global Environment Facility
(Thousands of United States dollars)

Recipient country	*Cumulative contributions received as at 31 December 2014*	*Unspent at 1 January 2014*	*Received from donors*	*Expenses*	*Unspent at 31 December 2014*
ASEAN[a] regional	4 639	-	-	-	-
Brazil	5 931	-	-	-	-
Burkina Faso	2 016	-	-	-	-
China	4 895	-	-	-	-
Comoros	1 000	-	-	-	-
Ecuador	2 783	-	-	-	-
Eritrea	4 477	-	-	-	-
Ethiopia	4 750	-	-	-	-
Gambia (The)	96	-	-	-	-
Global supplement for UNCCD[b]	457	-	-	-	-
Indonesia	100	-	100	(18)	82
Jordan	7 886	15	-	-	15
Kenya	4 700	-	-	-	-
Mali	6 315	-	-	-	-
Mauritania	4 350	-	-	-	-
MENARID[c] monitoring and evaluation	705	-	-	-	-
Mexico	5 100	5 000	-	-	5 000
Morocco	331	-	-	-	-
Niger	4 326	-	-	-	-
Panama	1 577	1 500	-	(1500)	-
Peru	7 790	-	5 890	-	5 890
Sao Tome and Principe	2 500	-	-	-	-
Sri Lanka	7 270	-	-	-	-
Sudan	3 750	3 652	-	-	3 652
Swaziland	2 051	-	-	-	-
Tunisia	5 350	-	-	-	-
Venezuela	3 735	3 636	-	(3 616)	19
Viet Nam	755	-	-	-	-
Total	**99 635**	**13 803**	**5 990**	**(5 134)**	**14 658**

[a] Association of Southeast Asian Nations.
[b] United Nations Convention to Combat Desertification.
[c] US$326,000 received before the signature of the financial procedure agreement between IFAD and the GEF trustee.

Summary of the Adaptation for Smallholder Agriculture Programme Trust Fund
As at 31 December 2014

Complementary contributions				
Member States	*Local currency*	*Pledges (Thousands of United States dollars)[a]*	*Payment Promissory[b] Notes*	*Payment cash[b]*
Belgium	EUR 6 000	8 584		7 855
Canada	CAD 19 849	20 347		19 879
Finland	EUR 5 000	7 153		6 833
Netherlands	EUR 40 000	57 225		26 519
Norway	NOK 42 000	7 720		6 541
Sweden	SEK 30 000	4 729		4 471
Switzerland	CHF 10 000	11 844		10 949
United Kingdom	GBP 147 500	239 176	214 433	
Total complementary contributions		**356 778**	**214 433**	**83 047**
Supplementary Funds				
Donor				
Flemish Department for Foreign Affair	EUR 2 000	2 486		1 276
TOTAL		**359 246**	**214 433**	**84 323**

[a] Pledges counter-valued at replenishment exchange rate.
[b] Payments counter-valued at exchange rate prevailing at receipt date.

Grants

Grant recipient	*Approved grants less cancellations*	*Disbursable*	*Disbursements 2014*	*Undisbursed portion of disbursable grants*	*Grants not yet disbursable as at 31 December 2014*
SDR grants (expressed in thousands)					
Bangladesh	9 900	(9 900)	(1 024)	8 876	0
Bolivia (Plurinational State of)	6 500	(6 500)	(888)	5 612	0
Cambodia	10 150	0	0	0	10 150
Chad	3 240	0	0	0	3 240
Cote D'Ivoire	4 520	0	0	0	4 520
Djibouti	4 000	0	0	0	4 000
Egypt	3 380	0	0	0	3 380
Ghana	6 500	0	0	0	6 500
Kyrgyzstan	6 500	0	0	0	6 500
Lesotho	4 610	0	0	0	4 610
Mali	6 500	(6 500)	(550)	5 950	0
Morocco	1 295	0	0	0	1 295
Mozambique	3 260	(3 260)	(66)	3 194	0
Nepal	9 710	0	0	0	9 710
Nicaragua	5 310	(5 310)	'(546)	4 764	0
Nigeria	9 800	0	0	0	9 800
Rwanda	4 510	(4 510)	(675)	3 835	0
Sudan	4 730	0	0	0	4 730
Uganda	6 770	0	0	0	6 770
Viet Nam	7 820	(7 820)	(217)	7 603	0
Yemen	6 630	0	0	0	6 630
Total SDR	**125 635**	**(43 800)**	**(3 966)**	**39 834**	**81 835**
US$ equivalent	**181 645**	**(65 896)**	**(5 734)**	**57 593**	**118 319**

As at December 2013 the grants approved (US$93.9 million) were not yet disbursable.

IFAD

Investing in rural people

Management's Report Regarding the Effectiveness of Internal Controls Over Financial Reporting

Management of the International Fund for Agricultural Development (IFAD) (the "Fund") is responsible for the preparation, fair presentation and overall integrity of its consolidated financial statements. The financial statements of the Fund have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board (IASB).

According to the Agreement Establishing IFAD, the President is responsible for establishing and maintaining adequate internal controls of the Fund including those over external financial reporting.

The Executive Board of the Fund established an Audit Committee, whose terms of reference, among other things, is to assist the Board in exercising supervision over the financial administration and internal oversight of the Fund, including effectiveness of internal controls over financial reporting. The Audit Committee is comprised entirely of selected members of the Executive Board and oversees the process for the selection of external auditors and makes a recommendation for such selection to the Executive Board for its approval. The external and internal auditors meet with the Audit Committee of the Executive Board to discuss their work plans and approach which covers review of the adequacy of internal controls over financial reporting and any other matter that may require the Audit Committee's attention.

The system of internal controls over financial reporting contains monitoring mechanisms and actions that are meant to detect, prevent and facilitate correction of deficiencies identified that may result in material weaknesses in internal controls over financial reporting. There are inherent limitations to the effectiveness of any system of internal control, including the possibility of human error and the circumvention or overriding of controls. Accordingly, an effective internal control system can only provide reasonable, as opposed to absolute assurance with respect to financial statements. Furthermore, the effectiveness of an internal control system can change with circumstances.

The Fund's Management assessed the effectiveness of internal controls over financial reporting for the Financial Statements presented in conformity with International Financial Reporting Standards(IFRS) as of **31st December 2014**. The assessment was based on the criteria for effective internal controls over financial reporting described in the *Internal Controls-Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). A report was provided to Management providing reasonable assurance as to the operational effectiveness of these controls. Based on the work performed, Management believes that the Fund maintained an effective system of internal controls over financial reporting as of 31st December 2014, and is not aware of any material control weakness that could affect the reliability of the 2014 financial statements. IFAD's independent audit firm Deloitte, has audited the financial statements and has issued an attestation report on Management's assertion on the Fund's Internal controls over financial reporting.

Kanayo F. Nwanze	Iain M. Kellet	Ruth Farrant
President	**Chief Financial Officer**	**Director and Controller**

Deloitte.

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INDEPENDENT AUDITOR'S REPORT

To the International Fund for Agricultural Development

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of the International Fund for Agricultural Development, which comprise the consolidated and IFAD-only balance sheets as at 31 December 2014, the consolidated and IFAD-only statements of comprehensive income and changes in retained earnings and the consolidated cash-flow statement for the year then ended, the statement of complementary and supplementary contributions and unspent funds, the summary of the Adaption for Smallholder Agriculture Programme Trust Fund and a summary of significant accounting policies and other explanatory information.

President's Responsibility for the Financial Statements

The President is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB), and for such internal control as the President determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the International Fund for Agricultural Development as at December 31, 2014, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

DELOITTE & TOUCHE S.p.A.

Enrico Pietrarelli
Partner

Rome, March 20, 2015

Deloitte.

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INDEPENDENT AUDITOR'S REPORT

To the International Fund for Agricultural Development

We have examined management's assessment that the International Fund for Agricultural Development ("IFAD") maintained effective internal controls over financial reporting as of December 31, 2014, based on the criteria for effective internal controls over financial reporting described in the "Internal Control – Integrated Framework (2013)" issued by the Committee of Sponsoring Organisations of the Treadway Commission. IFAD's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Consolidated financial statements of IFAD as at 31 December 2014. Our responsibility is to express an opinion on management's assertion over the effectiveness of IFAD's internal control over financial reporting based on our examination.

We conducted our examination in accordance with the International Standard on Assurance Engagements (ISAE) 3000. Our examination included obtaining an understanding of internal control over financial reporting, evaluating management's assessment and performing such other procedures as we considered necessary in the circumstances. We believe that our work provides a reasonable basis for our opinion.

An entity's internal control over financial reporting is a process designed by, or under the supervision of, the entity's principal executive and principal financial officers, or persons performing similar functions, and effected by the entity's board, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. An entity's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the entity; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of the entity's management; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the entity's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, management's assertion that IFAD maintained effective internal control over financial reporting, included within the Consolidated financial statements of IFAD as at 31 December 2014, is fairly stated, in all material respects, based on the criteria for effective internal controls over financial reporting described in the "Internal Control – Integrated Framework (2013)" issued by the Committee of Sponsoring Organisations of the Treadway Commission.

DELOITTE & TOUCHE S.p.A.

Enrico Pietrarelli
Partner

Rome, March 20, 2015

IFAD-only balance sheet at nominal value in United States dollars and retranslated in special drawing rights
(as at 31 December 2014 and 2013)

	Thousands of US dollars		*Thousands of special drawing rights*	
Assets	*2014*	*2013 restated*	*2014*	*2013 restated*
Cash on hand and in banks (note 4)	82 498	186 304	57 059	120 828
Investments (note 4)	1 607 861	1 801 917	1 112 077	1 168 633
Contributors' promissory notes (note 5)	285 519	380 849	197 479	247 000
Contributions receivable (note 5)	227 078	518 871	157 058	336 514
Less: provisions and Qualified Instrument of Contributions	(204 361)	(234 360)	(141 344)	(151 994)
Net contribution and promissory notes receivables	308 236	665 360	213 193	431 520
Other receivables	148 747	148 304	102 878	96 181
Fixed assets	11 920	11 268	8 245	7 308
Loans outstanding (note 9 and appendix H)	6 269 276	6 413 934	4 336 139	4 159 757
Less: accumulated allowance for loan impairment losses (note 9(a))	(58 156)	(58 325)	(40 223)	(37 826)
Less: accumulated allowance for the HIPC Debt Initiative (note 11(b) and appendix I)	(36 808)	(47 111)	(25 458)	(30 554)
Net loans outstanding	6 174 312	6 308 498	4 270 458	4 091 377
Total assets	**8 333 574**	**9 121 651**	**5 763 910**	**5 915 847**

	Thousands of US dollars		*Thousands of special drawing rights*	
Liabilities and equity	*2014*	*2013*	*2014*	*2013*
Liabilities				
Payables and liabilities	187 754	177 908	129 859	115 382
Undisbursed grants	74 951	82 814	51 839	53 709
Deferred revenues	68 449	79 371	47 343	51 476
Total liabilities	331 154	340 093	**229 041**	**220 567**
Equity				
Contributions				
Regular	7 254 395	7 237 478	6 417 836	6 031 746
Special	20 349	20 349	15 219	15 219
Total contributions (appendix G)	**7 274 744**	**7 257 827**	**6 433 055**	**6 046 965**
General Reserve	95 000	95 000	65 707	61 612
Retained earnings	632 676	1 428 731	(963 888)	(413 297)
Total equity	**8 002 420**	**8 781 558**	**5 534 874**	**5 695 280**
Total liabilities and equity	**8 333 574**	**9 121 651**	**5 763 910**	**5 915 847**

A statement of IFAD's balance sheet is prepared in SDR, given that most of its assets are denominated in SDR and/or currencies included in the SDR basket. This statement has been included solely for the purpose of providing additional information for the readers of the accounts and is based on nominal values.

Statement of contributions

For the period 1 January to 31 December 2014

Summary of contributions

	Thousands of United States dollars	
	2014	*2013*
Initial contributions	1 017 373	1 017 373
First Replenishment	1 016 564	1 016 372
Second Replenishment	567 053	566 560
Third Replenishment	553 881	553 856
Fourth Replenishment	361 421	361 421
Fifth Replenishment	441 401	441 401
Sixth Replenishment	567 021	567 021
Seventh Replenishment	654 640	654 640
Eighth Replenishment	962 978	962 341
Ninth Replenishment	964 947	979 621
Tenth Replenishment	244	0
Total IFAD	**7 107 523**	**7 120 606**
SPA Phase I	288 868	288 868
SPA Phase II	62 364	62 364
Total SPA	**351 232**	**351 232**
Special contributions[a]	20 349	20 349
Total replenishment contributions	**7 479 104**	**7 492 188**
Statement of complementary contributions		
Belgian Survival Fund	80 002	80 002
HIPC Debt Initiative	19 679	19 679
ASAP complementary contributions	297 480	258 267
Other complementary contributions	58 798	58 798
Total complementary contributions	**455 959**	**416 746**
HIPC contributions not made in the context of replenishment resources	262 738	262 738
Belgian Survival Fund contributions not made in the context of replenishment resources	63 836	63 836
Statement of supplementary contributions[b]		
Project cofinancing	383 198	333 057
Associate professional officer funds	44 694	43 315
Other supplementary funds	890 298	921 266
Global Environment Facility	99 635	93 644
Total supplementary contributions	**1 417 825**	**1 717 856**
Total contributions	**9 626 462**	**9 626 789**
Total contributions include the following:		
Total replenishment contributions (as above)	**7 479 104**	**7 492 188**
Less provisions	(168 448)	(168 448)
Less Qualified Instrument of Contribution	(35 912)	(65 912)
Total net replenishment contributions	7 274 744	7 257 828
Less fair value adjustment	(1 877)	(7 908)
Total replenishment contributions at fair value	**7 272 867**	**7 249 920**

[a] Including Iceland's special contribution prior to membership and US$20 million from OFID.
[b] Includes interest earned according to each underlying agreement.

Statement of contributions

For the period 1 January to 31 December 2014

Statement of Members' contributions[a]

	Initial, First, Second, Third, Fourth, Fifth, Sixth, Seventh, and Eighth Replenishments (thousands of US dollars equivalent)	Ninth Replenishment					
		Instruments deposited			Payments (thousands of US dollars equivalent)		
		Currency	Amount (thousands)	Thousands of US dollars equivalent	Cash	Promissory notes	Total
Member States							
Afghanistan	**0**						
Albania	**50**	US$	10	10	10	0	10
Algeria	**62 430**	US$	10 000	10 000	6 500	0	6 500
Angola	**2 360**	US$	1 900	1 900	1 900	0	1 900
Argentina	**12 400**		0	0		0	
Armenia	**35**	US$	10	10	10	0	10
Australia[b]	**37 247**		0	0		0	
Austria	**69 995**	EUR	16 000	20 688	14 235	6 453	20 688
Azerbaijan	**200**	US$	100	100	100	0	100
Bangladesh	**4 956**	US$	650	650	423	228	650
Barbados	**10**		0	0		0	
Belgium	**120 625**	EUR	24 000	30 189	20 509	0	20 509
Belize	**205**		0	0		0	
Benin	**325**	US$	104	104	104	0	104
Bhutan	**165**	US$	30	30	30	0	30
Bolivia (Plurinational State of)	**1 500**		0	0		0	
Bosnia and Herzegovina	**165**		0	0		0	
Botswana	**560**	US$	90	90	90	0	90
Brazil[3]	**65 296**	US$	16 700	16 700	0	16 700	16 700
Burkina Faso	**359**	US$	125	125	125	0	125
Burundi	**90**	US$	10	10	10	0	10
Cabo Verde	**26**	US$	20	20	20	0	20
Cambodia	**840**	US$	210	210	210	0	210
Cameroon	**2 439**		0	0		0	
Canada	**277 706**	CAD	75 000	72 575	72 575	0	72 575
Central African Republic	**11**	EUR	2	3	3	0	3
Chad	**62**	EUR	250	329	329	0	329
Chile	**860**		0	0		0	
China	**78 839**	US$	27 000	27 000	20 000	0	20 000
Colombia	**840**		0	0		0	
Comoros[d]	**32**		0	0		0	
Congo	**818**		0	0		0	
Cook Islands	**5**		0	0		0	
Côte d'Ivoire	**1 559**	US$	70	70	70	0	70
Cuba	**9**		0	0		0	
Cyprus	**252**	US$	60	60	0	0	0
Democratic Republic of the Congo	**1 580**	US$	290	290	290	0	290
Denmark	**138 210**	DKK	85 000	14 687	10 137	0	10 137
Djibouti	**31**		0	0		0	
Dominica	**51**		0	0		0	
Dominican Republic	**88**		0	0		0	
Ecuador	**841**	US$	400	400	300	0	300
Egypt	**20 409**	US$	3 000	3 000	3 000	0	3 000
El Salvador	**100**		0	0		0	
Eritrea	**40**	US$	30	30	30	0	30
Estonia	**59**		0	0		0	
Ethiopia	**251**	US$	40	40	40	0	40
Fiji	**204**	US$	70	70	70	0	70
Finland	**56 538**	EUR	12 000	15 638	10 798	0	10 798

Statement of Members' contributions[a] **(cont.)**

Statement of contributions

For the period 1 January to 31 December 2014

	Initial, First, Second, Third, Fourth, Fifth, Sixth, Seventh, and Eighth Replenishments (thousands of US dollars equivalent)	Ninth Replenishment					
		Instruments deposited			Payments (thousands of US dollars equivalent)		
		Currency	Amount (thousands)	Thousands of US dollars equivalent	Cash	Promissory notes	Total
France	**285 024**	EUR	35 000	45 696	31 660	0	31 660
Gabon	**3 704**	US$	20	20	20	0	20
Gambia (The)	**75**	US$	15	15	15	0	15
Germany	**394 940**	EUR	52 389	68 004	45 817	22 187	68 004
Ghana	**2 066**	US$	400	400	120	0	120
Greece	**4 196**		0	0		0	
Grenada	**75**		0	0		0	
Guatemala	**1 043**		0	0		0	
Guinea	**410**	US$	80	80	80	0	80
Guinea-Bissau	**30**		0	0		0	
Guyana	**1 118**	US$	718	718	718	0	718
Haiti	**107**	US$	90	90	90	0	90
Honduras	**801**		0	0		0	
Hungary	**0**	US$	100	100	100	0	100
Iceland	**350**	US$	25	25	25	0	25
India	**105 497**	US$	30 000	30 000	30 000	0	30 000
Indonesia	**51 959**	US$	10 000	10 000	2 439	0	2 439
Iran (Islamic Republic of)[d]	**128 750**		0	0		0	
Iraq[d]	**56 099**		0	0		0	
Ireland[e]	**23 831**	EUR	4 000	5 219	5 219	0	5 219
Israel	**300**	EUR	113	151	151	0	151
Italy	**347 462**	EUR	58 017	73 578	49 377	0	49 377
Jamaica	**326**		0	0		0	
Japan	**434 908**	JPY	5 930 003	51 585	14 490	37 095	51 585
Jordan	**940**	US$	100	100	100	0	100
Kazakhstan	**0**	US$	20	20	20	0	20
Kenya	**4 718**	US$	118	118	118	0	118
Kiribati	**5**	EUR	10	14	14	0	14
Korea, Democratic People's Republic	**800**		0	0		0	
Kuwait	**173 041**	US$	15 000	15 000	9 750	5 250	15 000
Lao People's Democratic Republic	**306**	US$	51	51	51	0	51
Lebanon	**495**		0	0		0	
Lesotho	**489**	US$	100	100	100	0	100
Liberia	**39**	US$	25	25	25	0	25
Libya[d]	**52 000**		0	0		0	
Luxembourg	**5 510**	EUR	1 678	2 168	1 457	0	1 457
Madagascar	**574**	US$	50	50	50	0	50
Malawi	**123**		0	0		0	
Malaysia	**1 175**		0	0		0	
Maldives	**51**		0	0		0	
Mali	**286**	EUR	71	92	92	0	92
Malta	**55**		0	0		0	
Mauritania	**135**		0	0		0	
Mauritius	**275**	US$	5	5	5	0	5
Mexico	**33 131**	US$	5 000	5 000	5 000	0	5 000
Moldova (Republic of)	**45**	US$	30	30	30	0	30
Mongolia	**12**	US$	3	3	3	0	3
Morocco	**7 244**	US$	700	700	350	350	700
Mozambique	**485**	US$	85	85	85	0	85
Myanmar	**250**	EUR	4	5	5	0	5
Namibia	**360**		0	0		0	

Statement of Members' contributions[a] (cont.)

Statement of contributions

For the period 1 January to 31 December 2014

	Initial, First, Second, Third, Fourth, Fifth, Sixth, Seventh, and Eighth Replenishments (thousands of US dollars equivalent)	*Ninth Replenishment*					
		Instruments deposited			*Payments (thousands of US dollars equivalent)*		
		Currency	*Amount (thousands)*	*Thousands of US dollars equivalent*	*Cash*	*Promissory notes*	*Total*
Nepal	**210**	US$	60	60	60	0	60
Netherlands	**344 656**	US$	75 000	75 000	50 000	25 000	75 000
New Zealand	**7 995**	NZD	4 500	3 589	2 416		2 416
Nicaragua	**119**	US$	150	150	100	0	100
Niger	**275**		0	0		0	
Nigeria	**121 459**		0	0		0	
Norway	**221 787**	NOK	270 000	43 366	31 362	0	31 362
Oman	**300**	US$	50	50	50	0	50
Pakistan	**22 934**	US$	8 000	8 000	5 333	2 667	8 000
Panama	**224**	US$	17	17	17	0	17
Papua New Guinea	**170**		0	0		0	
Paraguay	**1 206**	US$	150	150	150	0	150
Peru	**1 260**	US$	375	375	375	0	375
Philippines	**1 978**	US$	200	200	100	0	100
Portugal	**4 384**		0	0		0	
Qatar	**39 980**		0	0		0	
Republic of Korea	**19 239**	US$	4 000	4 000	4 000	0	4 000
Romania	**250**		0	0		0	
Russian Federation	**0**	US$	6 000	6 000	3 000	0	3 000
Rwanda	**221**	US$	50	50	50	0	50
Saint Kitts and Nevis	**20**		0	0		0	
Saint Lucia	**22**		0	0		0	
Samoa	**50**		0	0		0	
Sao Tome and Principe	**10**		0	0		0	
Saudi Arabia	**409 778**	US$	23 000	23 000	12 000	11 000	23 000
Senegal	**564**	EUR	140	190	190	0	190
Seychelles	**20**	US$	50	50	50	0	50
Sierra Leone	**37**		0	0		0	
Solomon Islands	**10**		0	0		0	
Somalia	**10**		0	0		0	
South Africa	**1 413**	US$	500	500	500	0	500
Southern Sudan	**0**	EUR	8	10	10	0	10
Spain	**101 664**		0	0		0	
Sri Lanka	**8 886**	US$	1 001	1 001	668	0	668
Sudan	**1 139**	EUR	175	233	233	0	233
Swaziland	**273**	US$	20	20	20	0	20
Sweden	**255 168**	SEK	460 560	67 071	47 460	19 611	67 071
Switzerland	**139 448**	CHF	28 500	30 736	21 176	0	21 176
Syrian Arab Republic	**1 817**		0	0		0	
Tajikistan[a]	**1**	US$	1	1	1	0	1
Thailand	**1 200**	US$	300	300	300	0	300
Togo	**35**	EUR	76	98	98	0	98
Tonga	**55**		0	0		0	
Tunisia	**3 778**	US$	750	750	485	0	485
Turkey	**17 436**	US$	1 200	1 200	1 074	0	1 074
Uganda	**380**	US$	50	50	50	0	50
United Arab Emirates	**53 180**	US$	1 000	1 000	650	0	650
United Kingdom	**272 907**	GBP	51 133	81 454	54 878	26 576	81 454
United Republic of Tanzania	**444**	US$	120	120	120	0	120
United States[c]	**791 674**	US$	90 000	90 000	36 000	22 481	58 481
Uruguay	**525**	US$	200	200	200	0	200
Uzbekistan	**10**	US$	10	10	10	0	10
Venezuela (Bolivarian Republic of)	**196 258**		0	0		0	

Statement of Members' contributions[a] (cont.)

Statement of contributions

For the period 1 January to 31 December 2014

	Initial, First, Second, Third, Fourth, Fifth, Sixth, Seventh, and Eighth Replenishments (thousands of US dollars equivalent)	*Ninth Replenishment*					
		Instruments deposited			*Payments (thousands of US dollars equivalent)*		
		Currency	*Amount (thousands)*	*Thousands of US dollars equivalent*	*Cash*	*Promissory notes*	*Total*
Viet Nam	**2 103**	US$	600	600	400	0	400
Yemen	**3 377**	US$	972	97	972	0	972
The former Yugoslav Republic of Macedonia	**108**		0	0		0	
Zambia	**494**	US$	100	100	100	0	100
Zimbabwe	**2 103**		0			0	
Total contributions 31 December 2014	**6 142 332**			**964 947**	**634 150**	**195 598**	**829 748**
Prior year				**979 621**	**300 585**	**252 075**	**552 661**

[a] Payments include cash and promissory notes. Amounts are expressed in thousands of United States dollars, therefore payments received for less than US$500 are not shown in appendix G. Consequently, contributions from Afghanistan (US$93) and Tajikistan (US$400) do not appear above.
[b] Australia's withdrawal from membership of IFAD became effective on 31 July 2007.
[c] See appendix D, note 5(a).
[d] See appendix D, notes 6(a) and (b).
[e] In addition to its pledge to the Eighth Replenishment of EUR 6 million, Ireland has made a further contribution of EUR 891,000.

Statement of contributions

For the period 1 January to 31 December 2014

Special Programme for Africa

		First phase		Second phase		
		Instruments deposited		Instruments deposited		
	Currency	*Amount*	*Thousands of US dollars equivalent*	*Amount*	*Thousands of US dollars equivalent*	*Total*
Australia	AUD	500	389			389
Belgium	EUR	31 235	34 975	11 155	12 263	47 238
Denmark	DKK	120 000	18 673			18 673
Djibouti	US$	1	1			1
European Union	EUR	15 000	17 619			17 619
Finland	EUR	9 960	12 205			12 205
France	EUR	32 014	37 690	3 811	4 008	41 698
Germany	EUR	14 827	17 360			17 360
Greece	US$	37	37	40	40	77
Guinea	US$	25	25			25
Ireland	EUR	380	418	253	289	707
Italy	EUR	15 493	23 254	5 132	6 785	30 039
Italy	US$	10 000	10 000			10 000
Japan	JPY	2 553 450	21 474			21 474
Kuwait	US$		0	15 000	15 000	15 000
Luxembourg	EUR	247	266			266
Mauritania	US$	25	25			25
Netherlands	EUR	15 882	16 174	8 848	9 533	25 707
New Zealand	NZD	500	252			252
Niger	EUR	15	18			18
Nigeria	US$		0	250	250	250
Norway	NOK	138 000	19 759			19 759
Spain	US$	1 000	1 000			1 000
Sweden	SEK	131 700	19 055	25 000	4 196	23 251
Switzerland	CHF	25 000	17 049			17 049
United Kingdom	GBP	7 000	11 150			11 150
United States	US$	10 000	10 000	10 000	10 000	20 000
31 December 2014			**288 868**		**62 364**	**351 232**
31 December 2013			288 868		62 364	351 232

Statement of contributions

As at 31 December 2014 and 2013

Statement of Members' replenishment contributions received in 2014[a]
(Thousands of United States dollars)

Member States	Instruments deposited [b,c]	Promissory note deposit[c]	Payments: Cash	Payments: Promissory note encashment
Replenishment 1				
India			69	
Total IFAD 1	**-**	**-**	**69**	**-**
Replenishment 2				
India			178	
Total IFAD 2	**-**	**-**	**178**	**-**
Replenishment 3				
Djibouti			25	
Total IFAD 3	**-**	**-**	**25**	**-**
Replenishment 8				
Benin			26	
Indonesia			30	
Japan				15 578
Kenya			19	
Saudi Arabia				5 000
Senegal			178	
United States of America				17 440
Total IFAD 8	**0**	**0**	**253**	**38 018**
Replenishment 9				
Albania			10	
Algeria			3 500	
Armenia			5	
Austria				7 302
Bangladesh				228
Belgium			9 922	
Benin			104	
Bhutan			30	
Botswana			45	
Burkina Faso			5	
Canada		22 550		22 432
Cabo Verde			20	
China			10 000	
Cote d'Ivoire			70	
Denmark			5 087	
Ecuador			100	
Egypt		3 000		3 000
Ethiopia			40	
Fiji			27	
Finland			5 458	
France			15 778	
Germany		22 859		25 448
Guyana			358	
Haiti			90	
India			10 000	
Indonesia			2 439	
Ireland			2 481	
Israel			49	
Italy			23 721	
Japan				14 490
Jordan			100	

Statement of contributions
As at 31 December 2014 and 2013

Kazakhstan			10	
Kenya			118	
Kiribati			14	
Korea, Republic of			2 000	
Liberia			25	
Luxembourg			802	
Mexico			1 667	
Morocco	700	700		350
Mozambique			85	
Netherlands				25 000
New Zealand	2 500		1 256	
Nicaragua			51	
Norway			14 791	
Pakistan				5 334
Panama			8	
Paraguay			150	
Peru	375		375	
Philippines			100	
Russian Federation	6 000		3 000	
Saudi Arabia				6 000
Senegal			190	
South Africa			196	
Sri Lanka			668	
Sudan			10	
Swaziland			20	
Sweden				23 651
Switzerland			10 886	
Tajikistan[a]			0	
Thailand			300	
Tunisia			232	
Turkey			423	
United Arab Emirates			350	
United Kingdom		82 600		54 878
United States of America		30 000		18 000
Uzbekistan			5	
Viet Nam			200	
Zambia			100	
Total IFAD 9	**9 575**	**161 709**	**127 471**	**206 113**
Replenishment 10				
Côte d'Ivoire			6	
Djibouti			6	
Georgia			30	
Senegal			43	
Timor-Leste			50	
United Republic of Tanzania			108	
Total IFAD 10			**243**	
Grand total	**9 575**	**161 709**	**128 239**	**244 131**

[a] Amounts are expressed in thousands of United States dollars, therefore the payment from Tajikistan (US$200) for the Ninth Replenishment does not appear.
[b] Instruments deposited also include equivalent instruments recorded on receipt of cash or promissory note where no instrument of contribution has been received.
[c] Instruments deposited and promissory note deposits received in currencies other than United States dollars are translated at the date of receipt.

Statement of loans

1. IFAD: Statement of outstanding loans

As at 31 December 2014 and 2013

Borrower or guarantor	*Approved loans less cancellations*	*Disbursed portion*	*Undisbursed portion*	*Repayments*	*Outstanding loans*
US$ loans (expressed in thousands)					
Bangladesh	30 000	30 000	0	19 500	10 500
Cabo Verde	2 003	2 003	0	1 302	701
Haiti	3 500	3 500	0	2 319	1 181
Nepal	11 538	11 538	0	7 506	4 032
Sri Lanka	12 000	12 000	0	8 100	3 900
United Republic of Tanzania	9 488	9 488	0	6 285	3 203
Subtotal[a]	**68 529**	**68 529**		**45 012**	**23 517**
Euro loans (expressed in thousands)					
China	34 350	0	34 350	0	0
Egypt	50 250	0	50 250	0	0
Total euro	**84 600**	**0**	**84 600**	**0**	**0**
US$ equivalent	**102 370**	**0**	**102 370**	**0**	**0**
SDR loans[a] (expressed in thousands)					
Albania	35 080	34 175	905	6 230	27 945
Angola	16 981	14 467	2 514	3 197	11 270
Argentina	31 400	28 146	3 254	10 597	17 549
Armenia	61 562	48 761	12 801	5 379	43 382
Azerbaijan	44 907	40 697	4 210	2 603	38 094
Bangladesh	412 493	306 073	106 420	76 431	229 642
Belize	3 067	2 383	684	1 363	1 020
Benin	83 507	73 248	10 259	22 175	51 073
Bhutan	32 606	31 344	1 262	6 287	25 057
Bolivia (Plurinational State of)	59 702	46 099	13 603	13 721	32 378
Bosnia and Herzegovina	48 304	37 275	11 029	5 279	31 996
Botswana	2 600	255	2 345	173	82
Brazil	141 337	58 786	82 551	35 581	23 205
Burkina Faso	88 255	69 113	19 142	13 799	55 314
Burundi	41 288	40 859	429	12 479	28 380
Cabo Verde	20 191	13 900	6 291	2 829	11 071
Cambodia	61 008	33 094	27 914	3 215	29 879
Cameroon	67 260	41 972	25 288	7 270	34 702
Central African Republic	26 494	24 437	2 057	9 648	14 789
Chad	18 139	15 552	2 587	1 517	14 035
China	519 795	420 774	99 021	90 083	330 691
Colombia	32 680	14 359	18 321	2 680	11 679
Comoros	4 182	4 182	0	1 654	2 528
Congo	20 425	14 738	5 687	2 920	11 818
Côte d'Ivoire	27 645	16 365	11 280	3 691	12 674
Cuba	20 838	14 332	6 506	2 598	11 734
Democratic People's Republic of Korea	50 496	50 496	0	10 510	39 986
Democratic Republic of the Congo	39 693	38 344	1 349	10 623	27 721
Djibouti	7 146	4 396	2 750	1 127	3 269
Dominica	2 902	2 902	0	2 273	629
Dominican Republic	27 444	14 377	13 067	7 067	7 310
Ecuador	38 204	24 536	13 668	7 543	16 993
Egypt	199 726	119 278	80 448	47 128	72 150
El Salvador	83 983	72 638	11 345	36 028	36 610
Equatorial Guinea	5 794	5 794	0	4 756	1 038
Eritrea	24 643	23 896	747	3 463	20 433
Ethiopia	245 116	182 970	62 146	33 567	149 403
Gabon	3 800	2 928	872	887	2 041
Gambia (The)	29 214	29 177	37	7 669	21 508
Georgia	32 569	22 583	9 986	1 942	20 641
Ghana	156 776	107 198	49 578	21 203	85 995
Grenada	4 400	3 127	1 273	1 544	1 583
Guatemala	42 686	23 790	18 896	18 646	5 144
Guinea-Bissau	5 117	5 117	0	2 829	2 288
Guinea	64 283	64 160	123	17 952	46 208
Guyana	8 523	8 271	252	1 812	6 459
Haiti	60 221	55 866	4 355	15 972	39 894
Honduras	89 240	68 091	21 149	14 832	53 259
India	588 393	388 106	200 287	128 018	260 088

Statement of loans

Borrower or guarantor	*Approved loans less cancellations*	*Disbursed portion*	*Undisbursed portion*	*Repayments*	*Outstanding loans*
Indonesia[b]	161 436	121 729	39 707	20 822	100 907
Jordan	39 578	30 432	9 146	23 183	7 249
Kenya	121 169	84 545	36 624	10 943	73 602
Kyrgyzstan	20 797	8 155	12 642	1 797	6 358
Lao People's Democratic Republic	49 569	48 561	1 008	10 114	38 447
Lebanon	9 222	4 347	4 875	3 360	987
Lesotho	30 852	24 265	6 587	5 675	18 590
Liberia	22 340	15 475	6 865	8 418	7 057
Madagascar[b]	131 420	105 221	26 199	20 881	84 340
Malawi[b]	83 980	68 028	15 952	21 986	46 042
Maldives	10 892	9 595	1 297	2 336	7 259
Mali	128 441	87 938	40 503	22 258	65 680
Mauritania	49 975	43 060	6 915	9 796	33 264
Mauritius	8 527	8 527	0	5 834	2 693
Mexico	48 232	34 702	13 530	20 027	14 675
Mongolia	20 689	16 467	4 222	1 439	15 028
Morocco	84 731	38 952	45 779	23 870	15 082
Mozambique	137 065	103 012	34 053	22 028	80 984
Myanmar	12 150	0	12 150	0	0
Nepal	94 407	70 708	23 699	25 165	45 543
Nicaragua	49 620	41 288	8 332	6 711	34 577
Niger	56 629	49 606	7 023	9 128	40 478
Nigeria	179 949	73 106	106 843	9 996	63 110
Pakistan	254 626	194 398	60 228	52 707	141 691
Panama	16 134	14 366	1 768	14 140	226
Papua New Guinea	27 351	7 188	20 163	3 900	3 288
Paraguay	16 319	11 067	5 252	0	11 067
Peru	61 083	46 693	14 390	25 972	20 721
Philippines	95 161	73 693	21 468	17 578	56 115
Republic of Moldova	56 058	43 774	12 284	1 307	42 467
Romania	12 400	12 400	0	9 093	3 307
Rwanda[b]	109 940	95 401	14 539	18 591	76 810
Saint Lucia	1 242	1 242	0	1 133	109
Samoa	1 908	1 908	0	816	1 092
Sao Tome and Principe	13 761	13 761	0	3 269	10 492
Senegal	113 738	75 780	37 958	11 126	64 654
Seychelles	2 804	1 119	1 685	824	295
Sierra Leone	45 835	35 196	10 639	11 320	23 876
Solomon Islands	2 519	2 519	0	1 187	1 332
Somalia	17 710	17 710	0	411	17 299
Sri Lanka	141 731	113 567	28 164	24 195	89 372
Sudan	128 666	120 875	7 791	25 826	95 049
Swaziland	15 950	13 401	2 549	6 085	7 316
Syrian Arab Republic	64 664	33 451	31 213	18 257	15 194
The former Yugoslav Republic of Macedonia	11 721	11 721	0	2 398	9 323
Togo	24 583	17 565	7 018	7 704	9 861
Tonga	4 837	4 837	0	1 827	3 010
Tunisia	61 318	36 943	24 375	22 506	14 437
Turkey	55 579	29 488	26 091	11 574	17 914
Uganda	251 033	162 744	88 289	31 871	130 873
United Republic of Tanzania	223 428	168 966	54 462	18 855	150 111
Uruguay	12 902	10 292	2 610	7 433	2 859
Uzbekistan	6 190	647	5 543	0	647
Venezuela (Bolivarian Republic of)	19 257	15 121	4 136	11 531	3 590
Viet Nam	209 781	152 614	57 167	12 322	140 292
Yemen	138 691	138 384	307	44 202	94 182
Zambia	125 088	87 435	37 653	25 398	62 037
Zimbabwe	32 176	32 176	0	15 605	16 571
Total	**7 659 969**	**5 649 588**	**2 010 381**	**1 487 520**	**4 162 068**
Fund for Gaza and the West Bank[c]	2 513	2 513	0	633	1 880
Total SDR	7 662 482	5 652 101	2 010 381	1 488 153	4 163 948
US$ equivalent	**11 078 554**	**8 171 909**	**2 906 645**	**2 151 598**	**6 020 311**
Total loans 31 December 2014 US$ at nominal value	**11 249 453**	**8 240 438**	**3 009 015**	**2 196 610**	**6 043 828**
Other receivables					16 763
Fair value adjustment					(1 162 213)
31 December 2014 US$ at fair value					**4 897 378**
Total loans 31 December 2013 US$ at nominal value	11 658 273	8 516 516	3 142 751	2 357 218	6 158 298
Fair value adjustment					(1 237 140)
December 2013 US$ at fair value					**4 921 158**

Statement of loans

[a] Loans approved in 1978 were denominated in United States dollars and are repayable in the currencies in which withdrawals are made. Since 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 US$/SDR rate of 1.44582 at 31 December 2014. During 2014, IFAD entered into a debt-financing facility to borrow funds in euro which are then on-lent in the same currency. The accumulated amount of loans denominated in euros has been valued at the US$/EUR rate of 0.82641 at 31 December 2014.

[b] Repayment amounts include participation by the Netherlands and Norway in specific loans to these countries, resulting in partial early repayment and a corresponding increase in committable resources.

[c] The amount of the loan to the Fund for Gaza and West Bank is included in the above balance. See appendix D, note 2(e)(ii).

2. IFAD: Summary of loans approved at nominal value

As at 31 December 2014

		Approved loans in thousands of SDR				*Value in thousands of United States dollars*				
		As at 1 January 2014	*Loans cancelled*	*Loans fully repaid*	*As at 31 December 2014*	*As at 1 January 2014*	*Loans cancelled*	*Loans fully repaid*	*Exchange rate movement SDR/US$*	*As at 31 December 2014*
1978	US$	68 530	-	-	68 530	68 530	-	-	-	68 530
1979	SDR	201 485	-	-	201 485	310 669	-	-	(19 359)	291 310
1980	SDR	187 228	-	(10 581)	176 647	288 688	-	(16 315)	(16 973)	255 400
1981	SDR	193 026	-	-	193 026	297 627	-	-	(18 547)	279 081
1982	SDR	103 109	-	-	103 109	158 984	-	-	(9 907)	149 077
1983	SDR	146 412	-	-	146 412	225 753	-	-	(14 068)	211 685
1984	SDR	131 907	-	-	131 907	203 387	-	-	(12 674)	190 713
1985	SDR	60 332	-	-	60 332	93 026	-	-	(5 797)	87 229
1986	SDR	23 663	-	-	23 663	36 486	-	-	(2 274)	34 212
1987	SDR	60 074	-	-	60 074	92 629	-	-	(5 772)	86 857
1988	SDR	52 100	-	-	52 100	80 334	-	-	(5 006)	75 328
1989	SDR	98 066	-	-	98 066	151 208	-	-	(9 422)	141 785
1990	SDR	47 203	-	-	47 203	72 782	-	-	(4 535)	68 246
1991	SDR	98 025	-	-	98 025	151 145	-	-	(9 419)	141 727
1992	SDR	98 917	-	-	98 917	152 520	-	-	(9 504)	143 016
1993	SDR	138 408	-	(5 645)	132 763	213 411	-	(8 705)	(12 756)	191 951
1994	SDR	159 437	-	(35 649)	123 788	245 836	-	(54 967)	(11 894)	178 975
1995	SDR	214 785	-	(21 442)	193 343	331 178	-	(33 062)	(18 577)	279 539
1996	SDR	226 735	-	(21 290)	205 445	349 603	-	(32 828)	(19 740)	297 036
1997	SDR	260 836	-	-	260 836	402 183	-	-	(25 062)	377 121
1998	SDR	267 020	-	-	267 020	411 719	-	-	(25 656)	386 062
1999	SDR	288 087	(168)	(12 800)	275 119	444 202	(259)	(19 736)	(26 434)	397 772
2000	SDR	274 344	(1 425)	-	272 919	423 011	(2 196)	-	(26 223)	394 591
2001	SDR	258 542	(138)	-	258 403	398 646	(213)	-	(24 828)	373 604
2002	SDR	241 532	(4 523)	-	237 009	372 418	(6 975)	-	(22 773)	342 671
2003	SDR	228 504	(3 511)	-	224 993	352 331	(5 414)	-	(21 618)	325 299
2004	SDR	259 416	(2 317)	-	257 099	399 994	(3 573)	-	(24 703)	371 718
2005	SDR	316 618	(1 464)	-	315 154	488 194	(2 257)	-	(30 281)	455 656
2006	SDR	341 290	(2 145)	-	339 145	526 235	(3 308)	-	(32 586)	490 341
2007	SDR	275 250	(1 752)	-	273 498	424 408	(2 702)	-	(26 279)	395 428
2008	SDR	280 236	(11 309)	(494)	268 433	432 097	(17 438)	(761)	(25 792)	388 105
2009	SDR	277 762	(31)	-	277 731	428 281	(48)	-	(26 685)	401 548
2010	SDR	426 960	(474)	-	426 485	658 330	(732)	-	(40 978)	616 620
2011	SDR	459 940	-	-	459 940	709 182	-	-	(44 193)	664 990
2012	SDR	412 610	(1 530)	-	411 080	636 204	(2 359)	-	(39 498)	594 347
2013	SDR	353 686	-	-	353 686	545 348	-	-	(33 983)	511 365
2014	SDR	-	-	-	337 625	-	-	-	-	488 146
2014	Euro	-	-	-	84 600	-	-	-	-	102 370
Total	**US$**	**68 530**			**68 530**	**68 530**				**68 530**
Total	**SDR**	**7 463 545**	**(30 789)**	**(107 902)**	**7 662 481**	**11 508 049**	**(47 474)**	**(166 374)**	**(703 794)**	**11 078 553**
Total	**Euro**	**-**	**-**	**-**	**84 600**	**-**	**-**	**-**	**-**	**102 370**
Total						**11 576 579**	**(47 474)**	**(166 374)**	**(703 794)**	**11 249 453**

3. IFAD: Maturity structure of outstanding loans by period at nominal value

As at 31 December 2014 and 2013 (Thousands of United States dollars)

Period due	*2014*	*2013*
Less than 1 year	292 216	283 368
1-2 years	244 651	238 264
2-3 years	262 666	250 809
3-4 years	271 485	261 334
4-5 years	274 127	270 477
5-10 years	1 376 767	1 360 188
10-15 years	1 214 643	1 231 936
15-20 years	981 025	1 019 645
20-25 years	712 754	763 720
More than 25 years	413 494	478 477
Total	**6 043 828**	**6 158 217**

4. IFAD: Summary of outstanding loans by lending type at nominal value

As at 31 December 2014 and 2013(Thousands of United States dollars)

	2014	*2013*
Highly concessional terms	5 518 388	5 679 829
Hardened terms	19 810	9 794
Intermediate terms	234 858	257 405
Ordinary terms	266 106	211 189
Blended terms	4 666	0
Total	**6 043 828**	**6 158 217**

5. Disbursement structure of undisbursed loans at nominal value

Projected as at 31 December 2014 and 2013 (Thousands of United States dollars)

Disbursements in	*2014*	*2013*
Less than 1 year	634 006	649 581
1-2 years	572 502	595 369
2-3 years	493 453	507 976
3-4 years	425 205	425 760
4-5 years	339 102	359 493
5-10 years	544 747	604 571
Total	**3 009 015**	**3 142 751**

Statement of loans

6. Special Programme for Africa: Statement of loans at nominal value

As at 31 December 2014 and 2013

Borrower or guarantor	*Approved loans less cancellations*	*Undisbursed portion*	*Disbursed portion*	*Repayments*	*Outstanding loans*
SDR loans (expressed in thousands)					
Angola	2 714	-	2 714	855	1 859
Burkina Faso	10 546	-	10 546	4 047	6 499
Burundi	4 494	-	4 494	1 307	3 187
Cabo Verde	2 183	-	2 183	796	1 387
Chad	9 617	-	9 617	3 377	6 240
Comoros	2 289	-	2 289	765	1 524
Djibouti	114	-	114	44	70
Ethiopia	6 660	-	6 660	2 854	3 806
Gambia (The)	2 638	-	2 638	989	1 649
Ghana	22 321	-	22 321	7 949	14 372
Guinea-Bissau	2 126	-	2 126	956	1 170
Guinea	10 762	-	10 762	4 305	6 457
Kenya	12 241	-	12 241	4 028	8 213
Lesotho	7 481	-	7 481	2 712	4 769
Madagascar	1 098	-	1 098	348	750
Malawi	5 777	-	5 777	1 589	4 188
Mali	10 193	-	10 193	4 265	5 928
Mauritania	19 020	-	19 020	7 343	11 677
Mozambique	8 291	-	8 291	3 627	4 664
Niger	11 119	-	11 119	4 646	6 473
Senegal	23 234	-	23 234	8 304	14 930
Sierra Leone	1 505	-	1 505	451	1 054
Sudan	26 012	-	26 012	7 438	18 574
Uganda	8 124	-	8 124	3 455	4 669
United Republic of Tanzania	6 789	-	6 789	2 546	4 243
Zambia	8 607	-	8 607	3 634	4 973
Total	**225 955**	**-**	**225 955**	**82 630**	**143 325**
US$ equivalent	**326 694**	**-**	**326 694**	**119 471**	**207 223**
Other receivables					1 462
Fair value adjustment					(71 385)
31 December 2014 US$ at fair value					**137 300**
31 December 2013 US$ at nominal value	**348 404**	**-**	**348 404**	**119 382**	**229 022**
Fair value adjustment					(84 035)
31 December 2013 US$ at fair value					**144 987**

7. Special Programme for Africa: Summary of loans approved at nominal value

As at 31 December 2014 (Thousands of United States dollars)

		Approved loans in thousands of SDRs			*Value in thousands of United States dollars*			
		As at 1 January 2014	*Loans cancelled*	*As at 31 December 2014*	*As at 1 January 2014*	*Loans cancelled*	*Exchange rate movement SDR/US$*	*As at 31 December 2014*
1986	SDR	24 902	-	24 902	38 396	-	(2 391)	36 005
1987	SDR	41 292	-	41 292	63 669	-	(3 969)	59 700
1988	SDR	34 770	-	34 770	53 612	-	(3 342)	50 270
1989	SDR	25 756	-	25 756	39 713	-	(2 475)	37 238
1990	SDR	17 370	-	17 370	26 783	-	(1 670)	25 113
1991	SDR	18 246	-	18 246	28 135	-	(1 751)	26 384
1992	SDR	6 952	-	6 952	10 719	-	(668)	10 051
1993	SDR	34 268	-	34 268	52 838	-	(3 293)	49 545
1994	SDR	16 320	-	16 320	25 164	-	(1 568)	23 596
1995	SDR	6 079	-	6 079	9 377	-	(584)	8 793
Total	**SDR**	**225 955**	**-**	**225 955**	**348 406**	**-**	**(21 712)**	**326 694**

8. Special Programme for Africa: Maturity structure of outstanding loans by period at nominal value
As at 31 December 2014 and 2013 (Thousands of United States dollars)

Period due	*2014*	*2013*
Less than 1 year	11 429	11 260
1-2 years	8 399	8 957
2-3 years	8 399	8 957
3-4 years	8 399	8 957
4-5 years	8 399	8 957
5-10 years	41 995	44 786
10-15 years	41 995	44 786
15-20 years	41 676	44 786
20-25 years	29 260	36 003
More than 25 years	7 272	11 572
Total	**207 223**	**229 022**

9. Special Programme for Africa: Summary of outstanding loans by lending type at nominal value
As at 31 December 2014 and 2013 (Thousands of United States dollars)

	2014	*2013*
Highly concessional terms	207 223	229 022
Intermediate terms	0	0
Ordinary terms	0	0
Total	**207 223**	**229 022**

IFAD-only statement of grants

As at 31 December 2014 and 2013 (Thousands of United States dollars)

	Undisbursed as at 1 January 2014	*2014 movements*				*Undisbursed as at 31 December 2014*
		Disbursable	*Disbursements*	*Cancellations*	*Exchange rate*	
Other grants	82 814	53 389	(56 159)	(3 645)	(1 448)	74 951
Fair value adjustment						(1 418)
Total 2014 at fair value						**73 533**
Total 2013	91 044	39 861	(45 281)	(2 912)	102	82 814
Fair value adjustment						(1 349)
Total 2013 at fair value						**81 465**

IFAD-only Debt Sustainability Framework
As at 31 December 2014 and 2013 (Thousands of United States dollars)

Borrower or guarantor	*Undisbursed as at 1 January 2014*	*Effective/ (Cancellations) 2014*	*Disbursements 2014*	*Exchange difference*	*Undisbursed as at 31 December 2014*
DSF projects denominated in US$	**711**	**1 428**	**(363)**	**-**	**1 776**
SDR Debt Sustainability Framework					
Afghanistan	39 003	-	(5 843)		33 160
Benin	3 725	8 750	(2 215)		10 260
Burkina Faso	4 744	42 875	(1 463)		46 156
Burundi	29 443	-	(9 887)		19 556
Cambodia	13 257	-	(5 998)		7 259
Central African Republic	2 470	-	(412)		2 058
Chad	7 817	-	(3 427)		4 390
Comoros	567	-	(441)		126
Congo	2 506	-	(957)		1 549
Côte d'Ivoire	15 270	-	(3 993)		11 277
Democratic Republic of the Congo	55 788	-	(4 587)		51 201
Djibouti	767	-	(704)		63
Eritrea	17 879	-	(3 762)		14 117
Ethiopia	34 509	-	(14 946)		19 563
Gambia (The)	13 127	-	(2 331)		10 796
Guinea-Bissau	957	-	32		989
Guinea	6 020	-	(3 291)		2 729
Guyana	708	-	(456)		252
Haiti	10 741	-	(942)		9 799
Kyrgyzstan	6 043	7 200	(719)		12 524
Lao People's Democratic Republic	10 606	6 470	(5 544)		11 532
Lesotho	3 488	-	(730)		2 758
Liberia	425	-	(377)		48
Malawi	16 798	-	(1 728)		15 070
Maldives	1 456	-	(33)		1 423
Mali	-	10 800	(390)		10 410
Mauritania	8 223	-	(1 312)		6 911
Nepal	16 592	-	(1 475)		15 117
Nicaragua	5 737	5 350	(2 774)		8 313
Niger	377	(366)	148		159
Rwanda	12 301	8 770	(6 575)		14 497
Sao Tome and Principe	1 038	1 950	(648)		2 340
Sierra Leone	6 403	7 375	(3 604)		10 174
South Sudan	4 402	-	(1 187)		3 215
Sudan	16 822	600	(4 925)		12 497
Tajikistan	14 776	(1 700)	(2 076)		11 000
Timor-Leste	1 869	-	(1 698)		171
Togo	3 254	-	(1 882)		1 372
Tonga	2 199	-	(469)		1 730
Yemen	14 635	(34)	22		14 623
Subtotal SDR DSF	**406 742**	**98 040**	**(103 599)**		**401 183**
Subtotal SDR DSF (US$ equivalent)	**588 076**	**141 748**	**(149 785)**		**580 039**
2014 Total US$ and SDR DSF	**588 787**	**143 176**	**(150 148)**		**581 815**
Exchange difference			7 194		
Total 2014 disbursements			**(157 342)**		
2013 Total US$ and SDR DSF	**529 618**	**236 475**	**(144 724)**	**100**	**621 469**

Summary of the Heavily-Indebted Poor Countries Debt Initiative

As at 31 December 2014, the cumulative position of the debt relief provided and estimated to be provided under both the original and the enhanced Heavily-Indebted Poor Countries Debt Initiative is as follows:

(Thousands of United States dollars)

	Debt relief provided to 31 December 2014		*Debt relief to be provided as approved by the Executive Board*			
			To be covered by IFAD		*To be covered by*	
	Principal	*Interest*	*Principal*	*Interest*	*World Bank contribution*	*Total debt relief*
Completion point countries						
Benin	4 568	1 643	0	0		6 211
Bolivia (Plurinational State of)	5 900	1 890	0	0		7 790
Burkina Faso	6 769	2 668	0	0		9 437
Burundi	5 354	1 584	3 348	568	4 365	15 219
Cameroon	2 887	701	29	5	35	3 657
Comoros	376	76	700	100	1 096	2 348
Central African Republic	8 091	2 620	608	129	934	12 382
Congo	0	99	0	0		99
Côte d'Ivoire	1 409	256	133	24	230	2 052
Democratic Republic of the Congo	7 397	2 594	2 544	251	2 266	15 052
Ethiopia	20 569	5 905	0	0		26 474
Gambia (The)	2 508	619	0	0		3 127
Ghana	15 585	5 003	0	0		20 588
Guinea	4 140	871	2 594	470	2 372	10 447
Guinea-Bissau	2 965	975	1 089	112	709	5 850
Guyana	1 526	299	0	0		1 825
Haiti	1 946	635	0	0		2 581
Honduras	1 077	767	0	0		1 844
Liberia	8 416	6 149	367	49	455	15 436
Madagascar	7 810	2 096	0	0		9 906
Malawi	10 628	2 699	3 215	577	4 412	21 531
Mali	6 211	2 431	0	0		8 642
Mauritania	8 484	2 601	0	0		11 085
Mozambique	12 521	3 905	0	0		16 426
Nicaragua	7 259	943	0	0		8 202
Niger	8 276	2 293	905	171	1 214	12 859
Rwanda	12 087	4 260	4 697	951		21 995
Sao Tome and Principe	1 094	304	841	129	764	3 132
Senegal	2 247	882	0	0		3 129
Sierra Leone	7 106	1 797	1 272	182	1 141	11 498
United Republic of Tanzania	12 691	4 293	0	0		16 984
Togo	2 008	759	0	0		2 767
Uganda	12 449	4 654	0	0		17 103
Zambia	16 590	4 429	852	160	904	22 935
Decision point countries						
Chad	0	0	2 266	411	0	2 677
31 December 2014 SDR	**228 944**	**73 700**	**25 460**	**4 289**	**20 897**	**353 290**
Less future interest on debt relief not accrued (including interest covered by the World Bank contribution)						**(10 030)**
Total cumulative cost of debt relief as at 31 December 2014 (thousands of SDR)						**343 260**
31 December 2014 US$	**331 016**	**106 556**	**36 808**	**6 202**	**30 213**	**496 292**
Total less future interest on debt relief not accrued (including World Bank)						
Total cumulative cost of debt relief as at 31 December 2014 (thousands of SDR)						
Fair value adjustment			(11 124)			
31 December 2014 at fair value			**25 684**			
31 December 2013 SDR	**216 164**	**71 003**	**30 554**	**5 384**	**25 843**	**348 948**
Less future interest on debt relief not accrued						**(12 820)**
Total cumulative cost of debt relief as at 31 December 2013 (thousands of SDR)						**336 128**
31 December 2013 US$	**333 303**	**109 480**	**47 111**	**8 302**	**39 847**	**518 276**
Total less future interest on debt relief not accrued (including World Bank)						
Total cumulative cost of debt relief as at 31 December 2013 (thousands of US dollars)						
Fair value adjustment			(14 389)			
31 December 2013 at fair value			**32 722**			

Summary of the Haiti Debt Relief Initiative
As at 31 December 2014

Member States	*Thousands of US dollars*	*Thousands of SDR*
Austria	685	438
Belgium	775	509
Canada	3 500	2 303
Denmark	513	339
France	1 700	1 080
Germany	2 308	1 480
Japan	2 788	1 743
Luxembourg	280	178
Mauritius	5	3
Norway	1 626	1 066
Sweden	1 718	1 115
Switzerland	962	637
United Kingdom	2 700	1 717
United States	8 000	5 217
Total contribution received by Member States	**27 560**	**17 825**
Interest earned	678	
Debt relief provided	(9 963)	
Total administrative account Member States	**18 275**	
IFAD contribution	**15 200**	**10 088**
Interest earned	493	
Debt relief provided	0	
Total administrative account IFAD	**15 693**	
Grand total	**36 688**	
Exchange rate movement	**584**	
Haiti Debt Relief Initiative cash and investments	**37 269**	

IFAD-only statement of operating expenses

An analysis of IFAD operating expenses by principal sources of funding
For the years ended 31 December 2014 and 2013 (Thousands of United States dollars)

	Administrative expenses[a]	*Direct charges*[b]	*Other sources*[c]	*Total*
Staff salaries and benefits	90 762	0	1 426	92 188
Office and general expenses	25 360	436	10 363	36 159
Consultants and other non-staff costs	34 725	134	3 000	37 859
Cooperating institutions	2 049	0	162	2 211
Direct bank and investment costs	0	2 962	0	2 962
Total 2014	**152 896**	**3 532**	**14 951**	**171 379**
Total 2013	**149 567**	**3 529**	**17 556**	**170 652**

[a] These refer to IFAD's regular budget, the budget of the Independent Office of Evaluation of IFAD, carry-forward and ASMCS costs.
[b] Direct charges against investment income.
[c] Includes Government of Italy's reimbursable expenses, voluntary separation leave expenditures and positions funded from service charges.