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Investing in rural people

Consolidated Financial Statements of IFAD as at 31 December 2018

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

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For: Approval

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The notes to the Consolidated Financial Statements, contained in appendix D, form an integral part of the statements.

Acronyms and abbreviations

APO	associate professional officer
ASMCS	After-Service Medical Coverage Scheme
ASAP	Adaptation for Smallholder Agriculture Programme
BFFS.JP	Belgian Fund for Food Security Joint Programme
DSF	Debt Sustainability Framework
EAD	exposure at default
ECL	expected credit loss
FVTPL	fair value through profit and loss
FGWB	IFAD Fund for Gaza and the West Bank
FAO	Food and Agriculture Organization of the United Nations
GEF	Global Environment Facility
IOE	Independent Office of Evaluation of IFAD
IAS	International Accounting Standard (superseded by IFRS)
IFRS	International Financial Reporting Standards
HIPC	Heavily Indebted Poor Countries Initiative
LGD	loss given default
MLR	minimum liquidity requirement
OPEC	Organization of the Petroleum Exporting Countries
PCS	preferred creditor status
PD	probability of default
PIT	point-in-time
RAMP	World Bank's Reserves Advisory and Management Program
Spanish Trust Fund	Spanish Food Security Cofinancing Facility Trust Fund
SPA	Special Programme for sub-Saharan African Countries Affected by Drought and Desertification
SDR	special drawing rights
S&P	Standard & Poor's
TTC	through-the-cycle
UNJSPF	United Nations Joint Staff Pension Fund

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 2018 and the results of its operations for the year ended on that date, as contained in appendices A to L 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 Financial Statements of IFAD as at 31 December 2018

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

1. At its 126th session in May 2019, the Executive Board reviewed the audited financial statements of IFAD for the 2018 fiscal year (appendices A to L inclusive), and the report of the external auditor thereon, both contained in this document.
2. 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 152nd meeting.
3. 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.
4. IFAD issued the Management assertion report on the operational effectiveness of internal controls over financial reporting, as at 31 December 2018. 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.
5. The external auditors expressed an unqualified/favourable opinion on the consolidated financial statements of the Fund as at 31 December 2018. In addition, they issued the external attestation on the effectiveness of internal controls over financial reporting.

Consolidated statement of comprehensive income

For the years ended 31 December 2018 and 2017

(Thousands of United States dollars)

	<i>Note</i>	<i>2018</i>	<i>2017</i>
Revenue			
Income from loans		67 362	58 820
Income/(losses) from cash and investments	17	5 715	36 361
Income from other sources	18	10 874	9 977
Income from contributions	19	85 201	158 602
Total revenue		169 152	263 760
Operating expenses			
Staff salaries and benefits	21	(96 530)	(92 569)
Office and general expenses		(41 234)	(41 353)
Consultants and other non-staff costs		(48 900)	(48 891)
Direct bank and investment costs	24	(1 761)	(1 963)
Subtotal operating expenses		(188 425)	(184 776)
Other expenses			
Loan interest expenditures		(820)	(696)
Allowance for loan impairment losses	9(b)	(8 203)	(6 161)
HIPC Initiative expenses	26	(4 473)	(4 309)
Grant expenses	22	(108 947)	(177 216)
Debt Sustainability Framework (DSF) expenses	23	(138 625)	(127 766)
Depreciation	8	(3 279)	(2 945)
Subtotal other expenses		(264 347)	(319 093)
Total expenses		(452 772)	(503 869)
(Deficit) before fair value and foreign exchange adjustments			
		(283 620)	(240 109)
Adjustment for changes in fair value	25	(215)	(11 672)
(Losses)/gains from currency exchange movements IFAD	16	(150 550)	338 793
Net (loss)/profit		(434 385)	87 012
Other comprehensive income/(loss):			
(Losses)/gains from currency exchange movements and retranslation of consolidated entities	16	(13 987)	6 316
Change in provision for After-Service Medical Coverage Scheme (ASMCS) benefits	21	21 239	(15 083)
Total other comprehensive (loss)/income		7 252	(8 767)
Total comprehensive (loss)/income		(427 133)	78 245

IFAD-only statement of comprehensive income

For the years ended 31 December 2018 and 2017

(Thousands of United States dollars)

	<i>Note</i>	<i>2018</i>	<i>2017</i>
Revenue			
Income from loans		65 545	57 451
Income /(losses) from cash and investments	17	2 039	33 326
Income from other sources		14 020	15 532
Income from contributions	19	29 884	29 615
Total revenue		111 488	135 924
Operating expenses			
	20		
Staff salaries and benefits	21	(93 134)	(89 303)
Office and general expenses		(39 630)	(39 752)
Consultants and other non-staff costs		(42 314)	(41 977)
Direct bank and investment costs		(1 004)	(1 614)
Subtotal operating expenses		(176 082)	(172 646)
Other expenses			
Loan interest expenditures		(820)	(696)
Allowance for loan impairment losses	9(b)	(8 171)	(6 161)
HIPC Initiative expenses	26	(4 473)	(4 309)
Grant expenses	22	(66 602)	(64 779)
DSF expenses	23	(138 625)	(127 766)
Depreciation	8	(3 279)	(2 945)
Subtotal other expenses		(221 970)	(206 656)
Total expenses		(398 052)	(379 302)
(Deficit) before fair value and foreign exchange adjustments		(286 564)	(243 378)
Adjustment for changes in fair value		4 818	(21 639)
(Losses)/gains from currency exchange movements IFAD	16	(150 550)	338 793
Net (loss)/profit		(432 296)	73 776
Other comprehensive income/(loss):			
Change in provision for ASMCS benefits	21	21 239	(15 083)
Total other comprehensive (loss)/income		21 239	(15 083)
Total comprehensive (loss)/income		(411 057)	58 693

Consolidated statement of changes in retained earnings

For the years ended 31 December 2018 and 2017
(Thousands of United States dollars)

	<i>Accumulated deficit</i>	<i>General Reserve</i>	<i>Total retained earnings</i>
Accumulated deficit as at 31 December 2016	(1 505 200)	95 000	(1 410 200)
2017			
Net profit or (loss)	87 012		87 012
Total other comprehensive (loss) or profit	(8 767)		(8 767)
DSF compensation	333		333
Accumulated deficit as at 31 December 2017	(1 426 622)	95 000	(1 331 622)
2018			
Changes in accounting principle	(86 577)		(86 577)
Accumulated deficit 1 January	(1 537 194)	95 000	(1 442 194)
Net (loss) or profit	(434 385)		(434 385)
Total other comprehensive profit or (loss)	21 239		21 239
DSF compensation	27 455		27 455
Accumulated deficit as at 31 December 2018	(1 912 877)	95 000	(1 817 877)

IFAD-only statement of changes in retained earnings

For the years ended 31 December 2018 and 2017
(Thousands of United States dollars)

	<i>Accumulated deficit</i>	<i>General Reserve</i>	<i>Total retained earnings</i>
Accumulated deficit as at 31 December 2016	(1 511 611)	95 000	(1 416 611)
2017			
Net profit or (loss)	73 776		73 776
Total other comprehensive loss or profit	(15 083)		(15 083)
DSF compensation	333		333
Accumulated deficit as at 31 December 2017	(1 452 585)	95 000	(1 357 585)
2018			
Change in accounting principle	(84 609)		(84 609)
Accumulated deficit 1 January	(1 537 194)	95 000	(1 442 194)
Net (loss) or profit	(432 296)		(432 296)
Total other comprehensive profit or (loss)	21 239		21 239
DSF compensation	27 455		27 455
Accumulated deficit as at 31 December 2018	(1 920 796)	95 000	(1 825 796)

Consolidated cash flow statement

For the years ended 31 December 2018 and 2017
(Thousands of United States dollars)

	2018	2017
Cash flows from operating activities		
Interest received from loans – IFAD	62 070	55 494
Interest received from loans – other funds	1 747	1 385
Receipts for non-replenishment contributions	200 396	314 200
Payments for operating expenses and other payments	(202 024)	(165 282)
Grant disbursements – IFAD	(59 849)	(45 408)
Grant disbursements – supplementary funds	(126 923)	(131 097)
DSF disbursements	(138 625)	(127 766)
Net cash flows used in operating activities	(263 207)	(98 475)
Cash flows from investing activities		
Loan disbursements IFAD	(627 122)	(631 380)
Loan disbursements other funds	(39 637)	(59 210)
Loan principal repayments IFAD	279 858	260 385
Loan principal repayments other funds	10 756	4 513
Transfers from/(to) investments at amortized costs	163 342	61 582
Receipts from investments	576	35 148
Net cash flows used in investing activities	(212 227)	(328 962)
Cash flows from financing activities		
Receipts for replenishment contributions	274 937	377 991
Receipts of borrowed funds	119 405	174 095
Payments for trust fund borrowing principal	(1 374)	(1 069)
Payments for borrowing liabilities interest	(698)	(874)
Net cash flows from financing activities	392 270	550 143
Effects of exchange rate movements on cash and cash equivalents	(47 710)	97 161
Net (decrease) in unrestricted cash and cash equivalents	(130 874)	219 868
Unrestricted cash and cash equivalents at beginning of year	1 652 809	1 432 940
Unrestricted cash and cash equivalents at end of year	1 521 935	1 652 809
Composed of:		
Unrestricted cash	190 230	401 782
Unrestricted investments, excluding held-to-maturity and payables control accounts	1 331 705	1 251 026
Cash and cash equivalents at end of year	1 521 935	1 652 809

Summaries of cash flow information on other consolidated entities

As at 31 December 2018

(Millions of United States dollars)

	HIPC	Haiti Debt Relief Initiative	ASMCS Trust Fund	Spanish Food Security Cofinancing Facility Trust Fund (Spanish Trust Fund)	Adaptation for Smallholder Agriculture Programme (ASAP) Trust Fund	Supplementary funds
Balance sheet						
Total assets	3.8	22.1	79.1	326.5	249.3	470.0
Total liabilities	(14.3)	(23.8)	(86.0)	(324.4)	(262.8)	(468.9)
Retained earnings	10.5	1.7	6.9	2.1	13.5	1.1
Statement of comprehensive income						
Total revenue	-	-	0.2	3	19	39
Total operating expenses	-	-	(0.2)	(1)	(19)	(39)
Net revenue less operating expenses	-	-	-	2	-	-
Net cash flow	(3.2)	(3.2)	(0.6)	99.3	3.2	57.7

As at 31 December 2017

(Millions of United States dollars)

	HIPC	Haiti Debt Relief Initiative	ASMCS Trust Fund	Spanish Trust Fund	ASAP Trust Fund	Supplementary funds
Balance sheet						
Total assets	7.0	24.3	79.1	331.6	258.6	405.3
Total liabilities	(14.0)	(26.3)	(83.3)	(324.1)	(250.8)	(399.3)
Retained earnings	7.0	2.0	4.2	(7.5)	(7.8)	(6.1)
Statement of comprehensive income						
Total revenue	-	-	0.2	2.4	52.9	76.2
Total operating expenses	-	-	(0.2)	(3.9)	(43.4)	(72.4)
Net revenue less operating expenses	-	-	-	(1.5)	9.5	3.8
Net cash flow	4.3	20.8	13.8	(1.3)	150.0	1.5

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.

As an international financial institution, IFAD enjoys a de facto preferred creditor status (PCS). As is the case for other international financial institutions, PCS is not a legal status, but is embodied in practice and granted by the Fund's stakeholders (176 Member States). The concept of PCS receives consistent universal recognition from entities such as bank regulators, the Bank for International Settlements and rating agencies.

Membership in the Fund is open to any Member State of the United Nations or any of its specialized agencies, or the International Atomic Energy Agency. 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 nutrition 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, intergovernmental organizations, 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) and on a going concern basis, based on the current financial situation and cash flow forecast. Information is provided separately in the Financial Statements for entities where this is deemed of interest to 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.

New and amended IFRS mandatorily effective

During 2018, some amendments to IFRS became effective for the current reporting period. However, they have no or negligible impact on IFAD's Financial Statements. These amendments include the following:

Table 1

<i>Pronouncement</i>	<i>Nature of change</i>	<i>Potential impact</i>
IFRS 9: Financial instruments	Hedge accounting Impairment methodology Effective from 1 January 2018	See note 2 section (b): changes in accounting principles
Amendment to IFRS 2: Shared-based payment	Changes to the shared-based payment transaction from cash settled to equity settled	Not applicable to IFAD
Amendments to IFRS 4: Insurance contracts	Guidance for insurers in applying IFRS 9 and IFRS 4	Not applicable to IFAD
Amendments to IFRS 10: Consolidated Financial Statements, and International Accounting Standard (IAS) 28: Investments in joint ventures	Provides guidance for accounting for loss of control of a subsidiary Effective from 1 January 2018	Not applicable to IFAD
IFRS 15: Revenues from contracts with customers	Establishes principles for reporting about the nature timing and uncertainty of revenues and cash flows from contracts with customers Effective from 1 January 2018	Currently not applicable to IFAD. Revenues derive from contributions from Member States (IAS 20) or financial instruments (IFRS 9)

IFRS not yet mandatorily effective

Table 2

<i>Pronouncement</i>	<i>Nature of change</i>	<i>Potential impact</i>
IFRS 16: Leases	Provides principles for the recognition, measurement and disclosure of leases for both parties of a contract (lessee and lessor) Effective from 1 January 2019	IFAD does not have significant leasing commitments, therefore the new standard will not have a significant impact

There are no other standards or interpretations that are not yet effective that would be expected to have material impact on the Fund.

(b) Changes in accounting principles

IFRS 9: Financial instruments has been issued in phases over a number of years, with entities allowed to early-adopt the various versions of the standard. It consists of sections on classification and measurement, impairment and hedge accounting.

The first phase covered classification and measurement, which IFAD adopted in 2010.

From 1 January 2018, the complete IFRS 9 financial instruments standard became mandatory.

IFAD adopted the section pertaining to impairment on January 2018. The section pertaining to hedge accounting is not applicable to derivative instruments currently adopted by the Fund.

Consistent with the transition rules of IFRS 9 implementation, there has been no restatement of the 2017 comparatives.

The new impairment requirements are based on an expected credit loss (ECL) model and replace the incurred loss model. The ECL model applies to financial assets recorded at amortized cost, such as loans, debt securities and loan commitments.

Prior to 1 January 2018, the impairment of financial assets held at amortized cost was calculated based on strong evidence of creditworthiness deterioration of an issuer of a financial security. Impairment was deducted from the related asset balances in the balance sheet and charged to the income statement

Subsequent to 1 January 2018, IFAD established a forward-looking ECL methodology with a three-stage model for impairment.

An allowance is recognized of either 12-month or lifetime ECLs, depending on whether there has been a significant increase in credit risk since initial recognition of the related financial instrument. The measurement of ECLs reflects a probability-weighted outcome, the time value of money and the best available forward-looking information. The new model incorporates forward-looking information through the inclusion of macroeconomic factors. Section h(v) provides additional details.

Forward-looking impairment is deducted from asset balances in the balance sheet and charged to the income statement.

The table below provides a summary of the impact of implementing the IFRS 9 impairment section on the 2018 opening balances.

The table also provides details on the provisioning required for the Haiti Debt Relief Initiative approved in 2010 (EB 2010/99/R.8). The allowance reflects the portion of debt relief that will be absorbed by IFAD. Additional details are provided in appendix K.

Table 3

	<i>Carrying 1 Jan 2018</i>	<i>Changes</i>	<i>Restated 1 Jan 2018</i>
Consolidated balance sheet *			
Accumulated allowance loan impairment	(69.4)	(32.2)	(101.6)
Nominal terms			
Haiti Debt Relief	0	(15.2)	(15.2)
Fair value	59.2	(39.2)	19.9
Accumulated allowance loan impairment	(10.2)	(86.6)	(96.8)
IFAD-only balance sheet*			
Accumulated allowance loan impairment	(69.4)	(30.0)	(99.4)
Nominal terms			
Haiti Debt Relief	0	(15.2)	(15.2)
Fair value	59.2	39.4	19.8
Accumulated allowance loan impairment	(10.2)	(84.6)	(94.76)

* The effect of the allowance for securities at amortized cost amounts to US\$29,284.

(c) Area of consolidation

Financing in the form of supplementary funds and other non-core funding forms an integral part of IFAD's operations. The Fund prepares consolidated accounts that 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), 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 HIPC Initiative;
- IFAD's ASMCS Trust Fund;
- Administrative account for Haiti Debt Relief Initiative;
- Spanish Trust Fund; and
- ASAP Trust Fund.

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

Entities housed in IFAD

These entities do not form part of the core activities of the Fund and IFAD does not have power to govern the related financial and operating policies. As such, they are not consolidated as they are not substantially controlled. As at 31 December 2018, the only entity hosted by IFAD is the International Land Coalition (formerly known as the Popular Coalition to Eradicate Hunger and Poverty).

(d) Sponsorship

Since 2018, IFAD has partnered with the European Union, the Government of Luxembourg and the Alliance for the Green Revolution in Africa to establish the Agribusiness Capital Fund (ABC Fund), a private sector fund that aims to boost investments in small rural agribusinesses across emerging markets. IFAD currently has a sponsorship role with no control or exposure to the results of its sponsorship activity.

(e) 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 net profit or loss of the period in which they arise.

The results and financial position of the entities/funds consolidated that have a functional currency different from the presentation currency are translated into the presentation currency and are reported under other comprehensive income/loss as follows:

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

(f) 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 (FVTPL). The classification depends on the contractual cash flow characteristics (contractual terms give rise on unspecified 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 or not 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 FVTPL.

(g) Equity

This comprises the following three elements:

- (i) contributions (equity); (ii) General Reserve; and (iii) retained earnings.

(i) Contributions (equity)

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 contribution, which are subject to national appropriation measures and which 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 FVTPL in accordance with IFRS 9.

Allowance for contribution impairment losses

The Fund has established a policy on provisions against overdue Member States' contributions while still maintaining PCS 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:

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

In such cases, provisions will be set up:

- 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.
- 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).
- The end of the financial year is currently used for determining the 24- and 48-month 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.

During 2017, Management conducted a review of the adequacy of the General Reserve, which was examined by the Audit Committee at its 145th meeting and by the Executive Board at its 121st session. Recommendations were approved by the Governing Council at its 41st meeting, applicable from fiscal year 2018. The review included a comparison with other international financial institutions. It recognized the intrinsic value of the Reserve as a mechanism to ensure a sound financial framework and enhance flexible risk mitigation measures in light of the evolution of IFAD's business model and its increasing borrowing activities.

As per Financial Regulation XIII, "annual transfers from the accumulated surplus to the General Reserve shall be determined by the Executive Board after taking into account the Fund's financial position in the context of the review/approval of yearly audited financial statements of the Fund".

(iii) Retained earnings

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

(h) 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 enters into force on the date that both the Fund and the borrower have signed it, unless the financing agreement states that it is subject to ratification. In this case, the financing agreement shall enter into force on the date the Fund receives an instrument of ratification. All IFAD loans are approved and loan repayments and interest are payable in the currency specified in the loan agreement. 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 0.75 per cent per annum and have a maturity period of 40 years, including a grace period of 10 years;
- (b) loans on hardened terms shall be free of interest but bear a service charge of 0.75 per cent per annum and have a maturity period of 20 years, including a grace period of 10 years;
- (c) loans on blend terms shall be free of interest but bear a service charge of 0.75 per cent per annum plus a spread and have a maturity period of 20 years, including a grace period of 10 years (these are applicable from 2013 onwards);
- (d) loans on intermediate terms shall have a rate of interest per annum equivalent to 50 per cent of the variable reference interest rate, as determined annually by the Executive Board, and a maturity period of 20 years, including a grace period of 5 years;
- (e) loans on ordinary terms shall have a rate of interest per annum equivalent to 100 per cent of the variable reference interest rate, as determined annually by the Executive Board, and a maturity period of 15 to 18 years, including a grace period of 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) Initiative

IFAD participates in the International Monetary Fund/World Bank original and enhanced HIPC 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 HIPC 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 Initiative, and as a charge to the HIPC 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 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 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.

(v) Accumulated allowance for impairment losses

IFAD has established the forward-looking ECL methodology to calculate an allowance for loan impairment. The methodology embeds PCS features. It is applied to financial assets recorded at amortized cost such as loans and debt securities. The Fund is required to recognize an allowance for either 12 months or lifetime ECLs, depending on whether there has been a significant increase in credit risk since initial recognition.

ECL reflects a probability-weighted outcome, time value of money and the best available forward-looking information through the inclusion of macroeconomic factors.

ECL comprises a three-stage model based on changes in credit quality since initial recognition/origination of the financial instrument. Origination is the date on which disbursement conditions have been met. Impairments are reported based on either 12-month or lifetime ECLs, depending on the stage allocation of the financial instrument. The stage allocation also determines if interest income for the financial instrument is reported on the gross carrying amount, as for stage 1 and 2, or the net of impairment allowance, as for stage 3.

The staging model relies on a relative assessment of credit risk (i.e. a loan with the same characteristics could be included in stage 1 or stage 2, depending on its credit risk at origination). As a result, the same counterpart could have loans classified in different stages.

Stage 1 includes “performing” financial instruments that have not had a significant deterioration in credit quality since initial recognition or have a low credit risk at reporting date. For these instruments, the ECL is a probability-weighted result of default events that are possible within the next 12 months after the reporting date. Low-risk assets (investment grade) are classified as stage 1.

Stage 2 includes “under-performing” financial instruments that have had a significant increase in credit risk since initial recognition, but for which there is no objective evidence of impairment. For these assets, the lifetime ECL results from all possible default events over the expected lifetime, weighted with the probability of default (PD). Interest income is computed on the gross carrying amount.

Stage 3 includes “non-performing” financial instruments when there is objective evidence of impairment/default at the reporting date. For these instruments, lifetime ECLs are recognized. According to IFRS 9, interest is computed on the net carrying amount. Considering that the Fund fully provides for the interest accrued, the calculation is determined on the gross basis.

Movements between stages depend on the evolution of the financial instrument’s credit risk from initial recognition to reporting date. Movements, whether improvements or deterioration, may therefore cause volatility in the impairment allowance balances.

IFAD has adopted some rebuttable presumptions associated with days past due. In line with the debt servicing procedures, financial instruments overdue by more than 75 days are classified at stage 2 while financial instruments overdue by more than 180 days are classified at stage 3.

The carrying amount of the financial instrument is reduced through an allowance account and the loss amount is recognized in the income statement.

Interest and service charges for financial instruments classified at stages 1 and 2 are recognized following the accrual basis, while for financial instruments classified at stage 3, interest and service charges are recognized as income only when actually received.

(i) Investments

(i) Classification and Measurement

The Fund’s investments are classified at FVTPL 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 FVTPL. Fair value is determined in accordance with the hierarchy set in note 3. For securities at FVTPL, 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 FVTPL. 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.

(ii) Accumulated allowance for securities held at amortized cost

Securities held at amortized cost are subject to an impairment allowance calculated based on an ECL methodology similar to the accounting policy established for loans. A three-stage model for impairment is applied based on changes in the credit quality of the financial instrument since origination. The origination of the financial instrument is the date on which the instrument was purchased by the Fund. Considering the Investment Policy requirements adopted by the Fund, the investment portfolio held at amortized cost is classified at stage 1 since the financial instruments are investment grade, and therefore low credit risk instruments.

(j) 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 at amortized cost are excluded from readily convertible investments for cash flow purposes.

(k) 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 E.

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.

(l) 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 disbursement date for the approved amount and as a liability for undisbursed amounts at fair value in accordance with IFRS 9. Following the approval by the Executive Board of the revisions to the General Conditions for Agricultural Development Financing (April 2009), grants become disbursementable 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.

(m) Debt Sustainability Framework

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 service charge is not meant to be compensated. In line with the accounting policy on contributions-equity DSF principal compensation, contributions 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 FVTPL in accordance with IFRS 9. Principal compensation will be negotiated during future replenishment consultations (see note 28(b), 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.

(n) Borrowing

Financial liabilities are accounted for at amortized cost. IFAD has signed several borrowing agreements with sovereign institutions at variable rate debt. Maturity could vary from 20 years to 40 years. IFAD may not prepay loans outstanding without incurring penalties. Interest rates are variable (linked to EURIBOR plus a spread). Borrowing activities are now subject to the Sovereign Borrowing Framework as approved by the Executive Board in April 2015 (EB 2015/114/R.17/Rev.1). Borrowed funds are deployed in accordance with IFAD's policies and procedures (with the exception of DSF countries).

(o) Employee schemes

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.

After-Service Medical Coverage Scheme

IFAD participates in a multi-employer 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 IAS 19R, 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 net profit or loss, while re-measurements on assets and liabilities are recognized as the net position in other comprehensive income.

(p) Accruals for long-service entitlements

Employee entitlements to annual leave and long-service entitlements are recognized when they accrue to employees. An accrual 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.

(q) Taxation

As a specialized agency of the United Nations, IFAD 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 regarding the provisional headquarters of IFAD. Taxation levied where this exemption has not yet been obtained is deducted directly from related investment income.

(r) 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).

(s) 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:

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.

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 requiring inputs that are both unobservable and significant to the overall fair value measurement.

(b) Critical judgement in applying accounting policies

Fair value accounting

Fair value accounting is required in order for IFAD to comply with IFRS. 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.

Allowance for impairment losses: Impairment Methodology

Governance

IFAD calculates and reports its impairments based on ECL. The ECL framework is based on the requirements of IFRS 9's financial instruments section and validated by IFAD's Accounting and Controller's Division and Risk Management Unit. The impairment allowances and ECL methodology have been approved by the Associate Vice-President Chief Financial Officer and Chief Controller, Financial Operations Department.

Three-stage model

IFAD recognizes a loss allowance for ECL on financial instruments measured at amortized cost and for loan commitments. The ECL comprises a three-stage model based on changes in the credit quality since initial recognition as described in note 2h(v) above. Impairments are reported based on either 12-month or lifetime ECL, depending on the stage allocation of the financial instrument. The stage allocation also determines if interest income for the financial instrument is reported on the gross carrying amount or the net of impairment allowance.

In order to determine whether there has been a significant increase in the credit risk since origination – and therefore transition to or from stage 2 – a combination of quantitative and qualitative risk metrics are employed.

The Fund has established an internal rating methodology by leveraging public ratings available in the market and by calculating proxies derived from macroeconomic conditions (income level and level of debt distress) and geographical area.

A loan's migration across the Fund's internal credit rating scale is monitored from the instrument's origination date to the reporting date. Following a significant deterioration in its counterparty's creditworthiness, the loan is classified at stage 2.

Depending on qualitative assessments, loans may be placed on a watch list and transitioned to stage 2.

Inputs

The ECL calculation is performed at the level of individual financial instruments. The main components comprise PD, loss given default, exposure at default and discount factor. The model is forward-looking: current and future macroeconomic conditions are incorporated into the model through macro-financial scenarios. A number of critical accounting estimates and judgements are also factored into the model.

Probability of Default (PD)

The Fund uses forward-looking point-in-time (PIT) PD rates to calculate ECL. The PIT PD rates are derived from through-the-cycle (TTC) PD rates adjusted for projected macroeconomic conditions.

TTC PD rates express the likelihood of a default based on long-term credit risk trend rates. TTC PD rates are based on PDs associated to external ratings and are calibrated to reflect IFAD's default experience and PCS.

On a yearly basis, TTC PD is reviewed based on IFAD's loss experience.

The cumulative TTC PD rates used in 2018 are set out by internal rating grade according to the methodology detailed below:

Each instrument in the Fund's portfolio has an internal PD associated with it. To calculate ECLs for both stage 1 and stage 2 instruments, a default probability has been retrieved from the PD embedded in the official observable ratings calibrated to the Fund's experience based on IFAD-specific historical default data.

For unrated exposures, a methodology has been developed starting from the rated portfolio and calculating proxies based on a indicators such as income level, region and level of debt distress. For financial instruments at stage 3, the PD has been set at 100 per cent.

Loss given default (LGD) is the magnitude of the likely loss if a default would occur. An LGD is assigned to individual instruments, indicating how much the Fund expects to lose on each facility if the borrower defaults. For financial instruments at stages 1 and 2 the LGD has been determined in relation to the sovereign sector and calibrated in order to benefit from the Fund's recovery experience and PCS.

For financial instruments at stage 3, the LGD has been aligned to prevailing data from other multilateral development institutions.

Exposure at default (EAD) represents the expected exposure in the event of a default. It is measured from discounted contractual cash flows. The discount factor is the contractual effective interest rate of the financial instrument since IFAD lending terms currently do not foresee any additional charge (i.e. commitment fee). Since EAD is modelled at an individual instrument level, all future expected cash flows, including disbursements, cancellations, prepayments and interest, are considered. EAD combines actual and contractual cash flows, and models future disbursements and repayments based on the Fund's own experience.

Macroeconomic scenarios. Unlike the incurred loss model, the IFRS 9 impairment methodology is forward-looking. The starting point is IFAD's view of current and future macroeconomic conditions, and the credit environment. IFAD considers a range of outcomes in a probability-weighted manner. The purpose is to capture possible non-linear behaviour in the dependence of the ECL on economic conditions. Forward-looking macroeconomic simulations consist of neutral, positive and pessimistic scenarios. Each scenario is assigned a probability of occurrence based on expert judgement and best practices. The probabilities assigned to the pessimistic and optimistic scenarios indicate either a balance or skew in either direction in order to capture the perceived distribution of risks in a forward-looking manner.

Based on expert judgement, Management may adopt temporary adjustments to the model-based ECL impairment allowance in order to reflect additional factors that are not explicitly incorporated into the modelling of ECL or the credit risk ratings (e.g. significant scenarios or events representative of the Fund's peculiar experience).

NOTE 4

CASH AND INVESTMENT BALANCES

Analysis of balances (consolidated)

Table 1
As at 31 December

	US\$ thousands	
	2018	2017
Unrestricted cash	190 230	401 782
Cash subject to restriction	92	100
Subtotal cash	190 322	401 882
Unrestricted investments at fair value	1 331 552	1 251 156
Investments at amortized cost	143 998	307 332
Investments subject to restriction	278	350
Subtotal investments	1 475 828	1 558 838
Subtotal cash and investments	1 666 150	1 960 720
Investments impairment allowance	(30)	-
Total cash and investments	1 666 120	1 960 720

The composition of the portfolio by entity was as follows:

Table 2
As at 31 December

Entity	US\$ thousands	
	2018	2017
IFAD	1 039 298	1 352 645
ASMCS Trust Fund	76 172	76 788
HIPC Trust Fund	3 790	6 976
Supplementary funds	187 749	130 041
Spanish Trust Fund	101 091	136 191
Haiti Debt Relief Initiative	21 063	24 302
ASAP Trust Fund	236 987	233 777
Total cash and investments	1 661 150	1 960 720

(a) 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.

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

As at 31 December 2018, cash and investments, including payables for investment purchased and receivables, amounted to US\$1,661.3 million (2017 – US\$1.96 billion) comprised of the following instruments:

Table 3

	<i>US\$ thousands</i>	
	<i>2018</i>	<i>2017</i>
Cash	190 322	401 882
Fixed-income instruments	1 400 298	1 491 500
Unrealized (loss)/gain on forward contracts	(198)	(951)
Time deposits and other obligations of banks	76 525	65 360
Unrealized (loss)/gain on futures	(201)	2 929
Unrealized (loss)/gain on swaps	(596)	-
Total cash and investments	1 666 150	1 960 720
Receivables for investments sold and taxes receivable	16 052	-
Payables for investments purchased	(20 900)	(9 082)
Total investment portfolio	1 661 302	1 951 638

Fixed-income investments and cash include US\$144 million at amortized cost as at 31 December 2018 (2017 – US\$310.1 million). The impairment loss on the amortized cost portfolio as at 31 December 2018 is US\$30,000 (see note 4[g]). The fair value of amortized cost investments as at 31 December 2018 was US\$141.8 million (2017 – US\$309.9 million).

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

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

Table 4

<i>Currency</i>	<i>US\$ thousands</i>	
	<i>2018</i>	<i>2017</i>
Chinese renminbi	32 093	83 899
Euro	840 402	862 648
Japanese yen	21 003	17 451
Pound sterling	29 749	(48 539)*
United States dollar	738 055	1 036 179
Total cash and investment portfolio	1 661 302	1 951 638

* This balance pertains to outstanding currency forwards contract.

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

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

Table 5

	<i>US\$ thousands</i>	
	<i>2018</i>	<i>2017</i>
Due in one year or less	624 405	775 567
Due after one year through five years	906 660	868 342
Due from five to ten years	123 123	244 023
Due after ten years	7 114	63 706
Total cash and investment portfolio	1 661 302	1 951 638

The average life to maturity of the fixed-income investments included in the consolidated investment portfolio at 31 December 2018 was 27 months (2017 – 35 months).

(e) 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.

(f) Market risk

The actual weights and amounts of each asset class within the overall portfolio, together with the asset allocation weights as of 31 December 2018 and 2017, are shown in tables 6 and 7. Disclosures relate to IFAD-only accounts for the net asset value.

Table 6

<i>2018</i>	<i>Actual allocation</i>		<i>Investment policy</i>
	<i>%</i>	<i>%</i>	
<i>Asset class</i>			
Cash	5.5	57.2	n. a.
Swaps	-	(0.5)	n. a.
Time deposit	-	-	n. a.
Global government bonds/agencies	43.6	452.3	n. a.
Global credit bonds	50.9	527.8	n. a.
Total	100.0	1 036.8	

Table 7

<i>2017</i>	<i>Actual allocation</i>		<i>Investment policy</i>
	<i>%</i>	<i>US\$ millions</i>	
<i>Asset class</i>			
Cash	9.2	123.4	n.a.
Time deposit	4.3	58.2	n.a.
Global government bonds/agencies	34.9	471.0	100.0
Global credit bonds	36.3	490.0	25.0
Global inflation-linked	7.3	97.5	10.0
Emerging market debt bonds global inflation-linked	8.0	108.0	15.0
Total	100.0	1 348.1	-

The IFAD investment portfolio is split into four tranches, as follows:

- Liquidity tranche:** Used for immediate cash disbursements.
- Buffer tranche:** Should the liquidity tranche be temporarily depleted due to an unforeseen spike in disbursements, funds in the buffer tranche will be used to fund these outflows. The size of the tranche is determined by the parameters of IFAD's minimum liquidity requirement (MLR).
- Surplus tranche:** These are funds in addition to what is required by the MLR and are used to provide return enhancement.
- Funding tranche:** Borrowed funds, managed according to an asset liability management framework.

Table 8 shows IFAD's investment portfolio net asset values reclassified based on the tranching approach.

Table 8
2018

<i>Tranche</i>	<i>%</i>	<i>US\$ millions</i>
Liquidity portfolio	4.4	45.2
Buffer portfolio	49.6	514.9
Surplus portfolio	-	-
Funding portfolio	46.0	476.7
Hedge portfolio*	-	-
Total	100.0	1 036.8

* The hedge portfolio is shown separately since its derivative positions are established to immunize the entire portfolio for interest rate risk and foreign exchange rate risk.

Asset classes are managed according to investment guidelines that address a variety of market risks through restrictions on the eligibility of instruments and other limitations:

1. Benchmarks and limits on deviations from benchmarks in terms of tracking error limits;
2. Credit floors (refer to note 4[g], credit risk);
3. Conditional value at risk limitation, which measures the potential average probable loss under extreme conditions, providing an indication of how much value a portfolio could lose over a forward-looking period; and
4. Duration, which measures the sensitivity of the market price of a fixed-income investment to a change in interest rates.

The benchmark indices used for the respective portfolios are shown in table 9.

Table 9

Benchmark indices by portfolio

<i>Portfolio</i>	<i>Benchmark index</i>
Operational cash	Same as the portfolio return
Global strategic portfolio	Equally-weighted extended sector benchmark (internally calculated on a quarterly basis)
Global liquidity portfolio	Zero
Chinese renminbi portfolio	Zero
Asset liability portfolio	Liability repayment rate of return
Global government bonds	Bloomberg Barclays Global Government Bond Index (1 year maturity)
Global credit bonds	Bloomberg Barclays Global Fixed-Income Index (A- or above)
World Bank Reserves Advisory and Management Program (RAMP)	ICE BofAML 0-1 Year US Treasury Index (AAA)
Hedging portfolio	No benchmark

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; and
- Two years above the benchmark for the global credit bonds asset class.

The global liquidity, global strategic portfolio, Chinese renminbi and asset liability portfolio are internally managed and no duration limit is prescribed; however, the portfolios have a maximum maturity limit for the eligible investments. The effective duration of IFAD's investment portfolio as of 31 December 2018 and 2017, and respective benchmarks are shown in table 10.

Table 10

Average duration of portfolios and benchmarks in years (IFAD-only)

As of 31 December 2018 and 2017

<i>Portfolio</i>	<i>Portfolio</i>		<i>Benchmark</i>	
	<i>2018</i>	<i>2017</i>	<i>2018</i>	<i>2017</i>
Operational cash	-	-	-	-
Global strategic portfolio	1.7	2.1	n.a.	n.a.
Global liquidity portfolio	0.3	0.2	n.a.	n.a.
Chinese renminbi portfolio	0.0	0.1	0.0	n.a.
Asset liability portfolio	0.6	1.3	n.a.	n.a.
Global government bonds	0.0	0.3	0.9	1.1
Global credit bonds	4.2	4.3	4.6	4.8
Global inflation-linked *	n.a.	5.3	n.a.	5.3
Emerging market debt bonds ¹	n.a.	7.1	n.a.	6.9
Hedging	n.a.	n.a.	n.a.	n.a.
World Bank RAMP	0.5	0.5	0.5	0.5
Total average	1.2	2.2	1.2	2.3

* The global inflation-linked and emerging market debt portfolios were closed on 30 June 2018.

The sensitivity analysis of IFAD's overall investment portfolio in table 11 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 2018 and 31 December 2017.

Table 11
Sensitivity analysis on investment portfolio (IFAD-only)

Basis point shift in yield curve	2018		2017	
	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	38	1 075	102	1 450
-250	32	1 068	83	1 431
-200	25	1 062	65	1 413
-150	19	1 055	48	1 396
-100	12	1 049	31	1 379
-50	6	1 043	15	1 363
0		1 037		1 348
50	-6	1 031	-15	1 333
100	-12	1 025	-29	1 319
150	-17	1 019	-43	1 306
200	-23	1 014	-56	1 292
250	-28	1 009	-69	1 280
300	-33	1 003	-81	1 267

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

Graph 1
Sensitivity analysis on investment portfolio value (IFAD-only)
(Millions of United States dollars)



As at 31 December 2018, 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\$33 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\$38 million as a result of the capital gains on the marked-to-market portion of the portfolio.

Table 12 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 12
Tracking error ranges by portfolio

Portfolio	Tracking error maximum (percentage per annum)
Global strategic portfolio	n.a.
Asset liability portfolio	n.a.
Global liquidity portfolio	1.5
Chinese renminbi portfolio	1.5
Global government bonds	1.5
Global credit bonds	3.0
Hedging Portfolio	n.a.
World Bank RAMP	n.a.

The investment portfolio's total tracking error as at 31 December 2018 was 0.10 per cent (2017 – 0.11 per cent). Neither the global strategic portfolio nor the asset liability portfolio have been allocated a tracking error limit.

(g) 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 13.

Table 13
Minimum credit rating floor as per Investment Policy Statement as at 31 December 2018

Eligible asset classes	Credit rating floors for Standard & Poor's (S&P), Moody's and Fitch
Money market	Investment grade ^a
Fixed-income securities: both nominal and inflation-linked	
• Government and government agencies fixed-income securities at the national or subnational level	Investment grade
• Supra-nationals	Investment grade
• Asset-backed securities (only agency-issued or guaranteed)	AAA
• Covered bonds	Investment grade
• Corporate bonds	Investment grade
• Callable bonds	Investment grade
Equity	
• Developed market equity	Investment grade ^b
Derivatives: for hedging purposes only	
• Currency forwards	Counterparty must have a minimum short-term credit rating of A-1 (S&P) or F1 (Fitch) or P-1 (Moody's) ^c
• Exchange-traded futures and options	
• Interest rate swaps	
• Cross currency swaps	
• Credit default swaps	
• Asset swaps	

^a Any additional eligibility criteria, as approved by the President, also apply.

^b The credit quality requirement refers to the issuer and is introduced to ensure consistency with IFAD's overall investment management strategy.

^c At least one rating must comply with the minimum short-term rating; other available ratings must be within investment grade.

As at 31 December 2018, the average credit ratings by portfolio were in line with the minimum allowable ratings under the Investment Policy Statement and Investment Guidelines (table 14).

Table 14

Average^a credit ratings by portfolio (IFAD-only)

As at 31 December 2018 and 2017

Portfolio	Average credit rating ^a	
	2018	2017
Operational cash	P-3	P-2
Global strategic portfolio	Aa2	Aa3
Asset liability portfolio ^b	A1	A3
Chinese renminbi ^c	Time Deposit	Time Deposit
Global government bonds	n.a.	Aa1
Global credit bonds	A1	A3
Global inflation-linked	n.a.	Aa1
Emerging market debt bonds	n.a.	A3

^a The average credit rating is calculated based on market values as at 31 December 2018 and 2017, except for the global strategic portfolio, whereby the credit rating is calculated on an amortized cost basis. The credit ratings used are based on the best credit ratings available from either S&P or Moody's or Fitch.

^b Approximately 2 per cent of the asset liability portfolio is in operational cash with an IFAD-approved commercial bank that has a credit rating equivalent to P3 or BBB as reported by Fitch.

^c The time deposit counterparty in the Chinese renminbi portfolio is the Bank for International Settlements.

Accumulated allowance for securities held at amortized cost

IFAD's portfolio held at amortized cost is subject to provisioning requirements in accordance with IFRS 9. Considering the Investment Policy requirements adopted by the Fund, the investment portfolio held at amortized cost is classified at stage 1 since the financial instruments are investment grade – therefore, they are low credit risk instruments. The related allowance at the end of December 2018 amounts to US\$30,000.

(h) Currency risk

The majority of IFAD's commitments relate to undisbursed loans and grants denominated in special drawing rights (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.

(i) 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 MLR. IFAD's liquidity policy, together with the revised MLR for the Tenth Replenishment of IFAD's Resources (IFAD10) period (2016-2018), 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 2018 resources available for commitment under the sustainable cash flow approach, calculates a MLR of US\$514.0 million that is comfortably covered by IFAD's investment portfolio balance of US\$1,036.7 million. In line with the tranching approach, the buffer tranche of the investment portfolio exceeds the MLR.

(j) 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**

Table 1

	US\$ thousands	
	2018	2017
Promissory notes to be encashed		
Replenishment contributions	134 663	213 430
ASAP	-	24 959
Total	134 663	238 389
Fair value adjustment	(1 618)	(1 979)
Promissory notes to be encashed	133 045	236 410
Contributions receivable		
Replenishment contributions	907 286	308 721
Supplementary contributions	279 681	282 887
Total	1 186 967	591 608
Fair value adjustment	(30 557)	(17 425)
Contributions receivable	1 156 410	574 183
Qualified instruments of contribution	(67 465)	(34 703)
Total promissory notes and contributions receivables	1 221 990	775 890

(a) Initial, First, Second, Third, Fourth, Fifth, Sixth, Seventh,

Eighth and Ninth Replenishment contributions

These contributions have been fully paid except as detailed in note 6 and table 2 below:

Table 2
Contributions not paid/encashed
As at 31 December 2018

Donor	US\$ thousands	
	Replenishment	Amount
United States ^a	Seventh	1 754
United States ^a	Eighth	560
Japan ^b	Tenth	26 814
United States ^a	Tenth	36 000
Bangladesh ^b	Eleventh	1 476
Japan ^b	Eleventh	26 669

^a Cases for which Members and IFAD have agreed to encashment schedules subject to ratification.

^b Case for which Members and IFAD have agreed to special encashment schedules.

(b) Eleventh Replenishment

Details of contributions and payments made for IFAD9 IFAD10 and IFAD11 are shown in appendix H. IFAD11 became effective on 14 August 2018.

(c) Special Programme for Africa (SPA)

Details of contributions to the SPA under the first and second phases are shown in appendix H, table 3.

(d) 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.

(e) Qualified instruments of contribution and promissory notes

At the end of December 2018, contributions receivables and promissory notes still subject to national appropriation measures amounted to US\$67.5 million (US\$34.7 million as at 31 December 2017).

NOTE 6

ALLOWANCES FOR CONTRIBUTIONS IMPAIRMENT

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

Table 1

	US\$ thousands	
	2018	2017
Balance at beginning of the year	121 630	121 630
Net (decrease)/increase in allowance	-	-
Balance at year-end	121 630	121 630
Analysed as follows:		
Promissory notes of contributors (a)	36 045	36 045
Amounts receivable from contributors (b)	85 585	85 585
Total	121 630	121 630

(a) Allowances against promissory notes

As at 31 December 2018, IFAD replenishment contributions deposited in the form of promissory notes up to and including IFAD9 have been fully drawn down.

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

Table 2

	US\$ thousands	
	2018	2017
Initial contributions		
Iran (Islamic Republic of)	29 358	29 358
	29 358	29 358
Third Replenishment		
Democratic People's Republic of Korea	600	600
Libya	6 087	6 087
	6 687	6 687
Total	36 045	36 045

(b) Allowances against amounts receivable from contributors

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

Table 3

	US\$ thousands	
	2018	2017
Initial contributions		
Comoros	8	8
Iran (Islamic Republic of)	83 167	83 167
	83 175	83 175
Third Replenishment		
Iran (Islamic Republic of)	2 400	2 400
Sao Tome and Principe	10	10
	2 410	2 410
Total	85 585	85 585

NOTE 7

OTHER RECEIVABLES

	US\$ thousands	
	2018	2017
Receivables for investments sold	16 052	-
Other receivables	18 619	16 227
Total	34 671	16 227

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

	US\$ thousands			
	1 Jan 2018	Increase/ (decrease)	Revalued/ Adjustment*	31 Dec 2018
Cost				
Computer hardware	4107	691	-	4 798
Computer software	21 277	3 746	-	25 023
Vehicles	801	64	-	865
Furniture and fittings	533	-	(17)	516
Leasehold improvement	1 603	156	-	1 759
Total cost	28 321	4 657	(17)	32 961
Depreciation				
Computer hardware	(3 374)	(419)	-	(3 793)
Computer software	(9 312)	(2 601)	-	(11 913)
Vehicles	(251)	(170)	-	(421)
Furniture and fittings	(409)	(11)	17	(403)
Leasehold improvement	(974)	(78)	-	(1 052)
Total depreciation	(14 320)	(3 279)	17	(17 582)
Net fixed and intangible assets	14 001	1 378	-	15 379

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

NOTE 9

LOANS

(a) Analysis of loan balances

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

Table 1

	US\$ thousands	
	2018	2017
IFAD	7 312 855	7 140 349
Spanish Trust Fund	227 565	209 504
Total	7 540 420	7 349 853
Fair value adjustment	(1 270 853)	(1 294 710)
Total	6 269 567	6 055 143

The tables below provide details of approved loans (net of cancellations), undisbursed balances and repayments. Balances include euro-denominated loans financed from the debt-financing facility.

Table 2

	US\$ thousands	
	2018	2107
IFAD and SPA		
Approved loans	14 115 789	13 858 678
Undisbursed balance	(3 919 695)	(3 878 946)
Repayments	(2 902 881)	(2 856 147)
	7 293 213	7 123 585
Interest/principal receivable	19 642	16 764
Loans outstanding at nominal value	7 312 855	7 140 349
Fair value adjustment	(1 255 409)	(1 280 640)
Loans outstanding	6 057 446	5 859 709

Table 3

	US\$ thousands	
	2018	2107
Spanish Trust Fund		
Approved loans	323 241	350 869
Undisbursed balance	(76 245)	(131 829)
Repayments	(19 874)	(9 908)
	227 122	209 132
Interest/principal receivable	443	372
Loans outstanding at nominal value	227 565	209 504
Fair value adjustment	(15 444)	(14 070)
Loans outstanding	212 121	195 434

Table 4

	US\$ thousands	
	2018	2107
Consolidated		
Approved loans	14 439 030	14 209 547
Undisbursed balance	(3 995 940)	(4 010 775)
Repayments	(2 922 755)	(2 866 055)
	7 520 335	7 332 717
Interest/principal receivable	20 085	17 136
Loans outstanding at nominal value	7 540 420	7 349 853
Fair value adjustment	(1 270 853)	(1 294 710)
Loans outstanding	6 269 567	6 055 143

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

The fair value of the outstanding loan portfolio at year-end amounts to US\$6,676 million.

(b) Accumulated allowance for impairment losses

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

Table 5

Consolidated	US\$ thousands	
	2018	2017
IFAD	104 076	69 383
Spanish Trust Fund	2 139	-
Accumulated allowance for impairment losses	106 215	69 383
Provision for Haiti Debt Relief	15 200	-
	121 415	69 383
Fair value adjustment	(28 164)	(59 199)
Total	93 251	10 184

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

Table 6

Consolidated	US\$ thousands	
	2018	2017
Balance at beginning of year	69 383	59 559
Change in accounting principle	(69 383)	-
Change in accounting principle	101 578	-
Provision for Haiti Debt Relief	15 200	-
Balance at beginning of year restated	116 778	59 559
Net increase in allowance	8 203	6 161
Revaluation	(3 566)	3 663
Balance at end of year at nominal value	121 415	69 383
Fair value adjustment	(28 164)	(59 199)
Total	93 251	10 184

For the purpose of calculating impairment in accordance with IFRS 9, loans at amortized cost are grouped in three stages.

Stage 1: impairment is calculated on a portfolio basis and equates to a 12-month ECL of these assets.

Stage 2: impairment is calculated on a portfolio basis and equates to the full lifetime ECL of these assets.

Stage 3: impairment is calculated on the full lifetime ECL calculated for each individual asset.

The table below provides a summary of the loan portfolio by stage and exposure (loan outstanding and undrawn commitments) as at 31 December 2018.

Table 7

Consolidated	2018 US\$ millions	
	Exposure	Allowance
Stage 1	8 847.6	7.9
Stage 2	1 001.5	36.0
Stage 3	207.7	62.3
Total	10 056.8	106.2
Exposure:		
Loans outstanding	7 520.3	
Loan commitments	2 536.5	
Total	10 056.8	

The table below provides details of the accumulated allowance by stage and by entity.

Table 8

Consolidated	2018 US\$ millions				
	Stage 1	Stage 2	Stage 3	Individual	Total
IFAD total	7.5	34.7	61.9	-	104.1
Spanish Trust Fund	0.4	1.3	0.4	-	2.1
Allowance ECL December 2018	7.9	36.0	62.3	-	106.2
Haiti Debt relief	-	-	-	15.2	15.2
Fair value	-	-	-	-	(28.1)
Allowance impairment losses	-	-	-	-	93.3

The table below provides indications of transfers between stages during the year.

Table 9

Consolidated	2018 US\$ millions			
	Stage 1	Stage 2	Stage 3	Total
Exposure at 1 January 2018	8 444.7	1 088.9	212.9	9 746.5
Transfer to Stage 1	105.4	(105.4)	-	-
Transfer to Stage 2	(111.0)	111.0	-	-
Transfer to Stage 3	-	-	-	-
New assets originated or purchased	873.2	-	-	873.2
Amortization repayments	(464.7)	(93.0)	(5.2)	(562.9)
Exposure as at 31 December 2018	8 847.6	1 001.5	207.7	10 056.8
Exposure by asset type:				
Loan outstanding	6 414.3	898.3	207.7	7 520.3
Loan commitments	2 433.3	103.2	-	2 536.5
Exposure as at 31 December 2018	8 847.6	1 001.5	207.7	10 056.8

The table below provides a sensitivity analysis of the loan portfolio provisioning to the variation of macroeconomic scenarios used in determining the level of impairment.

Table 10

US\$ million	Probability-weighted scenario			
	Neutral	Optimistic	Pessimistic	
Stage 1	6.6	5.5	11.9	7.9
Stage 2	35.8	35.9	36.6	36.0
Stage 3	62.3	62.3	62.3	62.3
Total	104.7	103.7	110.8	106.2

(c) Non-accrual status

Had income from loans in stage 3 amounts in non-accrual status been recognized as income, income from loans as reported in the statement of comprehensive income for 2018 would have been higher by US\$1,823,159 (2017 – US\$1,636,423).

(d) Market risk

IFAD's loan portfolio is well diversified. Loans are provided to Member States according to the performance-based allocation system. Appendix I provides a summary of the geographical distribution, an analysis of the portfolio by lending terms and details about the maturity structure.

(e) 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 is closely monitored.

NOTE 10**FINANCIAL INSTRUMENTS BY CATEGORY**

Tables 1 and 2 provide information about the Fund's assets and liabilities classification, accounting policies for financial instruments have been applied to the line items below:

Table 1

2018	US\$ millions			
	Cash and bank deposits	Investments at FVTPL	Investments at amortized cost	Loans at amortized cost
Level 1				
Cash and bank balances	190	-	-	-
Investment at FVTPL	-	990	-	-
Investments at amortized costs	-	-	104	-
Level 2				
Investments at FVTPL	-	337	-	-
Investment at amortized cost	-	-	40	-
Loans outstanding	-	-	-	6 168
Total	190	1 327	144	6 168

Table 2

2017	US\$ millions			
	Cash and bank deposits	Investments at FVTPL	Investments at amortized cost	Loans at amortized cost
Level 1				
Cash and bank balances	402	-	-	-
Investment at FVTPL	-	922	-	-
Investments at amortized costs	-	-	211	-
Level 2				
Investments at FVTPL	-	329	-	-
Investment at amortized cost	-	-	96	-
Loans outstanding	-	-	-	6 035
Total	402	1 252	307	6 035

Contributions, borrowing liabilities, undisbursed grants and deferred revenues are classified at fair value level 2.

NOTE 11**HEAVILY INDEBTED POOR COUNTRIES (HIPC) INITIATIVE****(a) Impact of the HIPC Initiative**

IFAD provided funding for the HIPC Initiative in the amount of US\$229,670,000 during the period 1998-2018. Details of funding from external donors on a cumulative basis are found in appendix E2.

For a summary of debt relief reimbursed since the start of the Initiative and expected in the future, please refer to appendix J. Debt relief approved by the Executive Board to date excludes all amounts relating to the enhanced 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 2017-2019. At the time of preparation of the 2018 Consolidated Financial Statements, the estimate of IFAD's share of the overall debt relief for these countries, including principal and interest, was US\$198,041,884 (2017 - US\$131,997,000 for Eritrea, Somalia and Sudan). Investment income amounted to US\$8,213,076 (2017 - US\$8,153,914) from the HIPC Trust Fund balances.

(b) Accumulated allowance for the HIPC Initiative

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

	US\$ thousands	
	2018	2017
Balance at beginning of year	14 855	17 685
Change in provision	(3 162)	(3 815)
Exchange rate movements	(318)	985
Balance at end of year	11 375	14 855
Fair value adjustment	(3 468)	(4 605)
Total	7 907	10 250

NOTE 12**PAYABLES AND LIABILITIES**

	US\$ thousands	
	2018	2017
Payable for investments purchased	20 900	9 082
ASMCS liability	113 189	127 669
Other payables and accrued liabilities	72 103	71 559
Total	206 192	208 310

Of the total above, an estimated US\$139.2 million (2017 - US\$153.5 million) 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.

	<i>US\$ thousands</i>	
	2018	2017
Total	387 186	288 340
Fair value adjustment	(26 404)	(26 061)
Deferred revenue	360 782	262 279

NOTE 14**UNDISBURSED GRANTS**

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

	<i>US\$ thousands</i>	
	2018	2017
IFAD	101 253	98 049
Supplementary funds	211 072	273 764
ASAP	160 140	189 236
Balance at year-end	472 465	561 049
Fair value adjustment	(27 750)	(29 793)
Undisbursed grants	444 715	531 256

NOTE 15**BORROWING LIABILITIES**

The balance represents the funds received for borrowing activities plus interest accrued, this balance also represent the fair value of borrowing liabilities.

Table 1

	<i>US\$ thousands</i>	
	2018	2017
IFAD	571 603	480 324
Spanish Trust Fund	306 000	323 833
Total borrowing liabilities	877 603	804 157

The maturity structure of IFAD's borrowing liabilities was as follows:

Table 2

	<i>US\$ thousands</i>	
	2018	2017
IFAD		
0-1 years	-	-
1-2 years	3 694	3 874
2-3 years	18 438	19 369
3-4 years	29 501	30 989
4-10 years	222 752	185 931
More than 10 years	297 219	240 161
Total	571 604	480 324

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:

Table 1

<i>Year</i>	<i>United States dollars</i>
2018	1.39053
2017	1.42501
2016	1.34472

The balance of foreign exchange movement is shown below:

Table 2

	<i>US\$ thousands</i>	
	2018	2017
IFAD	(150 550)	338 793
Other entities	(13 987)	6 316
Total movements in the year	(164 537)	345 109

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

Table 3

	<i>US\$ thousands</i>	
	2018	2017
Opening balance 1 January	336 328	(8 781)
Exchange movements for the year on:		
Cash and investments	(20 988)	41 302
Net receivables/payables	(1 407)	(22 228)
Loans and grants outstanding	(140 493)	306 286
Promissory notes and Members' receivables	(12 861)	39 914
Member States' contributions	11 212	(20 165)
Total movements in the year	(164 537)	345 109
Closing balance 31 December	171 791	336 328

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. As at 31 December 2018, funds under external management amounted to US\$530 million (2017 – US\$700 million), representing 32 per cent of the Fund's total cash and investments (2017 – 36 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 currency composition of IFAD's commitments:

(i) Futures

Table 1

	31 December	
	2018	2017
Number of contracts open:		
Buy	276	334
Sell	(194)	(395)
Net unrealized market gains of open contracts (US\$ thousands)	209	61
Maturity range of open contracts (days)	66 to 88	67 to 262

(ii) Forwards

The unrealized market value loss on forward contracts as at 31 December 2018 amounted to US\$0.14 million (2017 – loss of US\$2.6 million). The maturities of forward contracts at 31 December 2018 was 35 days (31 December 2017 – 5 to 74 days).

(iii) Swaps

IFAD asset portfolios use derivative instruments such as swaps to immunize positions from interest rate risk. Positions hedged are of medium- to long-term maturities, fixed-rate coupon bonds, effectively converted to variable rate instruments. Hence, matching closer interest rate sensitivities of the portfolios' assets and liabilities consisted of variable rate borrowings.

Table 2

	US\$ thousands
	2018
Outstanding swaps notional	114 315
Derivative assets	
Interest rate swaps	4 469
Derivative liabilities	
Interest rate swaps	(5 065)
Net unrealized market gains of swap contracts	(596)
Maturity range of swap contracts	2 to 6 years

(c) Income from cash and investments (consolidated)

Gross income from cash and investments for the year ending 31 December 2018 amounted to US\$5.7 million (2017 – gross income of US\$36.4 million).

Table 3

2018	US\$ thousands		
	Fair value	Amortized cost	Total
Interest from banks and fixed-income Investments	16 835	3 695	20 530
Net expenses from futures/options and swaps	(1 720)	-	(1 720)
Realized capital gain/(loss) from fixed-income securities	(1 878)	-	(1 878)
Unrealized gain/(loss) from fixed-income securities	(11 210)	(7)	(11 217)
Total	2 027	3 688	5 715

Table 4

2017	US\$ thousands		
	Fair value	Amortized cost	Total
Interest from banks and fixed-income Investments	21 982	4 562	26 544
Net expenses from futures/options and swaps	(953)	-	(953)
Realized capital gain/(loss) from fixed-income securities	1 837	163	2 000
Unrealized gain/(loss) from fixed-income securities	4 963	3 807	8 770
Total	27 829	8 532	36 361

For amortized cost investments, realized capital gains/(losses) relate to sales of securities whereas unrealized gains/(losses) pertain to the amortization of these securities

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

Table 5

	US\$ thousands	
	2018	2017
IFAD	2 039	33 326
ASMCS Trust Fund	(13)	1 734
HIPC Trust Fund	60	114
Spanish Trust Fund	1 112	1 059
Haiti Debt Relief Initiative	444	259
ASAP	5 049	816
Supplementary funds	1 446	783
Less: income deferred/reclassified	(4 422)	(1 731)
Total	5 715	36 361

The annual rate of return on IFAD cash and investments in 2018 was 0.09 per cent net of investment expenses (2017 –2.21 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:

Consolidated	US\$ thousands	
	2018	2017
Reimbursement from Host Government	8 565	7 919
Income from other sources	2 309	2 058
Total	10 874	9 977

NOTE 19**INCOME FROM CONTRIBUTIONS**

	US\$ thousands	
	2018	2017
IFAD	29 884	29 615
ASAP	16 783	52 821
Supplementary funds	38 534	76 166
Total	85 201	158 602

From 2007, contributions to the HIPC Initiative have been offset against the HIPC 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:

	US\$ thousands	
	2018	2017
IFAD	176 082	172 646
Other entities	12 343	12 130
Total	188 425	184 776

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 2018 was as follows (breakdown by principal budget source):

Table 1

Full-time equivalent	Professional	General Service		Total
IFAD administrative budget	293	181		474
APO/SPO [*]	16	-		16
Others	15	6		21
Programme funds	9	2		11
Total 2018	333	189		522
Total 2017	333	202		535

* 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 UNJSPF carries out an actuarial valuation every two years; the latest was prepared as at 31 December

2017. This valuation revealed an actuarial deficit amounting to 0.07 per cent of pensionable remuneration. Thus the UNJSPF was assessed as adequately funded and 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 2018 amounted to US\$11,314,132 (2017 – US\$11,087,659).

(d) After-Service Medical Coverage Scheme (ASMCS)

The latest actuarial valuation for the ASMCS was carried out as at 31 December 2018. 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 3.5 per cent; expected salary increase 3.5 per cent; initial medical cost increase, 4.6 per cent; inflation 1.9 per cent; and exchange rate. The results determined IFAD's liability as at 31 December 2018 to be US\$113,188,729. The 2018 and 2017 Financial Statements include a provision and related assets as at 31 December as follows:

Table 2

	US\$ thousands	
	2018	2017
Past service liability	(113 189)	(127 669)
Plan assets	79 105	79 081
Surplus /(deficit)	(34 084)	(48 588)
Yearly movements		
Opening balance		
Surplus/(deficit)	(48 588)	(37 260)
Contribution paid	2 933	2 293
Interest cost	(1 134)	(955)
Current service charge	(5 625)	(5 148)
Actuarial gains/(losses)	21 239	(15 083)
Interest earned on balances	(182)	1 542
Exchange rate movement	(2 727)	6 023
Closing balance		
Surplus/(deficit)	(34 084)	(48 588)
Past service liability		
Total provision at 1 January	(127 669)	(106 483)
Interest cost	(5 625)	(955)
Current service charge	(1 134)	(5 148)
Actuarial gains /(losses)	21 239	(15 083)
Provision at 31 December	(113 189)	(127 669)
Plan assets		
Total assets at 1 January	79 081	69 223
Contribution paid	2 933	2 293
Interest earned on balances	(182)	1 542
Exchange rate movement	(2 727)	6 023
Total assets at 31 December	79 105	79 081

ASMCS assets are invested in accordance with the ASMCS Trust Fund Investment Policy Statement approved by the Governing Council in February 2015.

IFAD provides for the full annual current service costs of this medical coverage, including its eligible retirees. In 2018, such costs included under staff salaries and

benefits in the Financial Statements amounted to US\$6,758,228 (2017 – US\$6,102,214).

Based on the 2018 actuarial valuation, the level of assets necessary to cover ASMCS liabilities is US\$79,104,967 in net present value terms (including assets pertaining to the International Land Coalition). As reported above, at 31 December 2018 the assets already held in the trust fund are US\$79,104,967; consequently this is 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 2018 is shown below:

Table 3

<i>Impact on</i>	<i>Liability</i>
Medical inflation: 4.7 per cent instead of 3.7 per cent	29.2
3.7 per cent instead of 2.7 per cent	(23.3)

NOTE 22

GRANT EXPENSES

The breakdown of the consolidated figures is set out below:

	<i>US\$ thousands</i>	
	<i>2018</i>	<i>2017</i>
IFAD grants	66 602	64 779
Supplementary funds	26 200	61 890
ASAP	16 145	50 547
Total	108 947	177 216

NOTE 23

DSF EXPENSES

The DSF expenses are set out below:

	<i>US\$ thousands</i>	
	<i>2018</i>	<i>2017</i>
<i>IFAD-only</i>		
DSF expenses	138 625	127 766
Total	138 625	127 766

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

	<i>US\$ thousands</i>	
	<i>2018</i>	<i>2017</i>
Investment management fees	1 102	1 318
Other charges	659	645
Total	1 761	1 963

NOTE 25

ADJUSTMENT FOR CHANGE IN FAIR VALUE

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

Consolidated	<i>US\$ thousands</i>	
	<i>2018</i>	<i>2017</i>
Loans outstanding	(7 633)	(30 957)
Accumulated allowance for loan impairment losses	10 459	1 394
Accumulated allowance for HIPC Initiative	(1 025)	(1 340)
Net loans outstanding	1 801	(30 903)
Undisbursed grants	(2 016)	19 231
Total	(215)	(11 672)

NOTE 26

DEBT RELIEF EXPENSES

This balance represents the debt relief provided during the year to HIPC eligible countries for both principal and interest. It reflects the overall net effect of new approvals of HIPC debt relief or top ups, the payments made to IFAD by the Trust Fund on behalf of HIPC and the release of the portion of deferred revenues for payments from past years.

NOTE 27

HOUSED ENTITY DISCLOSURE

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

	<i>US\$ thousands</i>	
	<i>2018</i>	<i>2017</i>
International Land Coalition	2 104	1 204
Total	2 104	1 204

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 J.

IFAD has a contingent liability for DSF financing effective but not yet disbursed for a global amount of US\$901.7 million (US\$828.5million in 2017). In particular, at the end of December 2018, DSF financing disburseable but not yet disbursed, because the conditions for the release of funds were not yet met, amounted to US\$604.3 million (US\$586.6 million in 2017) and DSF projects approved but not yet effective amounted to US\$297.4 million (US\$241.9 million in 2017).

(b) Contingent assets

At the end of December 2018 the balance of qualified instruments of contribution amounted to US\$67.5 million. These contributions are subject to national appropriation measures, therefore those receivables will be considered due upon fulfilment of those conditions and probable at the reporting date.

The DSF framework, approved in 2007, aims for the full recovery of principal repayments forgone through a pay-as-you-go compensation mechanism by Member States. Consequently, IFAD has undertaken a review together with its governing bodies of the mechanism through which this policy will be implemented. This led to the endorsement by the Executive Board in 2013 of the underlying principles thereof. The policy was also endorsed by Member States in the Replenishment Consultation process in 2014 and finally approved by the Governing Council in 2015, moreover during the Eleventh Replenishment consultations in 2018 it was confirmed that there would be no change to the DSF compensation policy. This, in effect, provides a concrete basis on which Member States will be expected to contribute towards principal reflows forgone as a result of the DSF, in addition to their regular contributions.

In 2016, Member States began to make commitments for payment of DSF obligations. The receipt of the funds that 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 2018 amounted to US\$1,072.3 million (US\$933.6 million as at December 2017).

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 were indicative of conditions that arose after the reporting period that would warrant adjusting the Financial Statements or require disclosure.

NOTE 30

RELATED PARTIES

The Fund has assessed related parties and transactions carried out in 2018. This pertained to transactions with Member States (to which IAS 24, paragraph 25, is applicable) key management personnel and other related parties identified under IAS 24. Transactions with Member States and related outstanding balances are reported in appendices H and I. Key management personnel are the President, Vice-President, Associate Vice-Presidents and Director and Chief of Staff, as they have the authority and responsibility for planning, directing and controlling activities of the Fund.

The table below provides details of the remuneration paid to key management personnel over the course of the year, together with balances of various accruals.

Aggregate remuneration paid to key management personnel includes: net salaries; post adjustment; entitlements such as representation allowance and other allowances; assignment and other grants; rental subsidy; personal effect shipment costs; post-employment benefits and other long-term employee benefits; and employer's pension and current health insurance contributions. Key management personnel participate in the UNJSPF.

Independent review of the latest annual financial disclosure statements confirmed that there are no conflicts of interest, nor transactions and outstanding balances, other than the ones indicated below, for key management personnel and other related parties identified as per IAS 24 requirements.

	US\$ thousands	
	2018	2017
Salaries and other entitlements	2 070	1 922
Contribution to retirement and medical plans	343	243
Other related parties	-	18
Total*	2 413	2 183
Total accruals	418	494
Total receivables	51	14

* The increase in 2018 is primarily due to transition-related entitlements

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 March 2019 and endorsement by the Executive Board in April 2019. The 2018 Consolidated Financial Statements will be submitted to the Governing Council for formal approval at its next session in February 2020. The 2018 Consolidated Financial Statements were approved by the Governing Council at its forty-second session in February 2019.

Statements of complementary and supplementary contributions

Table 1

Member States:

Statement of cumulative supplementary contributions including project cofinancing from 1978 to 2018 ^a

(Thousands of United States dollars)

<i>Member States</i>	<i>Project cofinancing</i>	<i>APOs</i>	<i>Other supplementary funds</i>	<i>GEF</i>	<i>Total</i>
Algeria	-	-	80	-	80
Angola	-	-	7	-	7
Australia ^b	2 721	-	84	-	2 805
Austria	755	-	-	-	755
Bangladesh	-	-	46	-	46
Belgium	10 214	1 960	158 558	-	170 732
Canada	12 978	-	8 111	-	21 089
China	-	-	10 358	-	10 358
Colombia	-	-	25	-	25
Denmark	42 892	4 644	3 956	-	51 493
Estonia	-	-	309	-	309
Finland	2 834	5 366	7 000	-	15 200
France	1 032	1 239	8 819	-	11 089
Germany	46	8 054	20 898	-	28 997
Ghana	-	-	80	-	80
Greece	-	-	80	-	80
Hungary	-	-	200	-	200
India	-	-	1 000	-	1 000
Indonesia	-	-	50	-	50
Ireland	6 602	-	4 341	-	10 943
Italy	31 222	7 107	29 895	-	68 224
Japan	3 692	2 349	4 231	-	10 272
Jordan	-	-	153	-	153
Kuwait	-	-	126	-	126
Lebanon	-	-	89	-	89
Luxemburg	2 086	-	8 859	-	10 945
Malaysia	-	-	28	-	28
Morocco	-	-	50	-	50
Mauritania	-	-	92	-	92
Netherland	107 166	8 620	11 844	-	127 630
New Zealand	730	-	80	-	810
Nigeria	-	-	50	-	50
Norway	31 379	2 604	6 109	-	40 092
Pakistan	-	-	25	-	25
Paraguay	-	-	15	-	15
Portugal	142	-	714	-	855
Qatar	-	-	114	-	114
Republic of Korea	4 951	5 931	366	-	11 247
Russian Federation	1 356	-	144	-	1 500
Saudi Arabia	3 222	-	192	-	3 414
Senegal	-	-	109	-	109
Sierra Leone	-	-	88	-	88
Spain	11 865	-	6 113	-	17 978
Suriname	2 000	-	-	-	2 000
Sweden	9 727	2 920	19 130	-	31 777
Switzerland	13 128	1 631	19 091	-	33 851
Turkey	-	-	47	-	47
United Kingdom	19 074	-	16 859	-	35 933
United States	-	617	386	-	1 003
Total	321 814	53 041	349 002	-	723 857

^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.

Table 2

Non-Member States and other sources:**Statement of cumulative supplementary contributions including project cofinancing from 1978 to 2018 ^a**

(Thousands of United States dollars)

<i>Non-Member States and other sources</i>	<i>Project cofinancing</i>	<i>APOs</i>	<i>Other supplementary funds</i>	<i>GEF</i>	<i>Total</i>
Abu Dhabi Fund for Development	-	-	1 481	-	1 481
Arab Fund for Economic and Social Development	2 983	-	-	-	2 983
African Development Bank	2 800	-	1 096	-	3 896
Arab Bank	-	-	25	-	25
Arab Gulf Programme for United Nations Development Organisations	299	-	-	-	299
Bill & Melinda Gates Foundation	-	-	1 760	-	1 760
Cassava Programme	-	-	69	-	69
Chief Executives Board for Coordination	-	-	998	-	998
Congressional Hunger Centre	-	-	183	-	183
Coopernic	-	-	3 429	-	3 429
European Commission	814	-	628 258	-	629 071
FAO	14	-	2 624	-	2 638
Global Agriculture and Food Security Programme	129 220	-	6 515	-	135 735
Least Developed Countries Fund / Special Climate Change Fund	-	-	102 129	-	102 129
New Venture Fund	-	-	63	-	63
OPEC Fund for International Development	3 686	-	13	-	3 698
Open Society Foundation	1 000	-	-	-	1 000
Packard Foundation	-	-	100	-	100
Small Foundation	-	-	300	-	300
United Nations Fund for International Partnership	78	-	145	-	223
United Nations Capital Development Fund	365	-	257	-	623
United Nations Development Programme	467	-	1 955	-	2 422
United Nations Organizations	3 017	-	-	-	3 017
World Bank	1 357	-	527	167 664	169 548
Other Supplementary funds	1 929	-	3 238	-	5 167
Total non-Member States and other sources	148 028	-	755 167	167 664	1 070 859
Total 2018	469 842	53 041	1 104 168	167 664	1 794 715
Total 2017	436 434	51 059	1 032 965	162 029	1 682 487

^a Non-United States dollars contributions have been translated at the year-end exchange rate.

Statement of cumulative complementary contributions from 1978 to 2018

(Thousands of United States dollars)

	<i>Amount</i>
Canada	1 511
Germany	458
India	1 000
Saudi Arabia	30 000
Sweden	13 827
United Kingdom	12 002
Subtotal	58 798
Cumulative contributions received from Belgium for the BFFS.JP in the context of replenishments	80 002
Subtotal	138 800
Contributions made in the context of replenishments to the HIPC Trust Fund	
Italy	4 602
Luxembourg	1 053
Netherlands	14 024
Subtotal	19 679
Contributions made to ASAP in the context of replenishments	
	310 645
Unrestricted complementary contributions to the Tenth Replenishment	
Canada	7 322
Germany	14 861
Netherlands	23 299
Russian Federation	3 000
United States	12 000
Subtotal	60 482
Unrestricted complementary contributions to the Eleventh Replenishment	
Germany	22 863
Luxembourg	686
Switzerland	12 173
Subtotal	35 722
Total complementary contributions 2018	565 328
Total complementary contributions 2017	527 413

Statement of contributions from Member States and donors to the HIPC Initiative

(Thousands of United States dollars)

	<i>Amount</i>
Contributions made in the context of replenishments (see table above)	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	215 618
Subtotal	267 463
Total contributions to IFAD's HIPC Trust Fund 2018	287 142
Total contributions to IFAD's HIPC Trust Fund 2017	287 142

Contributions received in 2018

	<i>Currency</i>	<i>Amount (thousands)</i>	<i>Thousands of US\$ equivalent</i>
For project cofinancing			
Abu Dhabi Development Fund	US\$	328	328
Adaptation Fund	US\$	1 200	1 200
Canada	CAD	1 268	1 017
Denmark	DKK	34 530	5 228
European Commission	EUR	14 750	16 861
Germany	EUR	2 140	2 446
Global Agriculture & Food Security Programme	US\$	15 485	15 485
GEF	US\$	18 256	18 256
Least Developed Countries Fund	US\$	10 080	10 080
Norway	NOK	20 000	2 297
OPEC Funds for International Development	US\$	250	250
Open Society Foundation London	US\$	500	500
Russian Federation	US\$	800	800
Special Climate Change Fund	US\$	14 000	14 000
United Nations Office South-South Cooperation	US\$	450	450
Subtotal			89 199
For APOs			
Finland	US\$	295	295
France	US\$	109	109
Germany	US\$	281	281
Italy	US\$	242	242
Japan	US\$	141	141
Republic of Korea	US\$	287	286
Netherlands	US\$	61	61
Sweden	US\$	147	147
Switzerland	US\$	124	124
Subtotal			1 686
Other supplementary fund contributions			
Canada	US\$	362	362
China	CNY	34 559	5 011
Estonia	EUR	90	103
European Commission*	EUR	39 707	45 445
FAO	US\$	151	151
France	EUR	316	361
Germany	EUR	497	569
Hungary	US\$	100	100
Ireland	EUR	1 000	1 143
Italy	EUR	53	60
Republic of Korea	KRW	1 000 000	880
Luxembourg	EUR	2 500	2 858
Netherlands	US\$	1 010	1 010
New Venture Fund	US\$	63	63
Rockefeller Foundation	US\$	150	150
Sweden	SEK	20 000	2 206
Switzerland	US\$	400	400
The David and Lucile Packard Foundation	US\$	100	100
United Nations Development Programme	US\$	828	828
United States	US\$	300	300
Subtotal			62 100
Grand total			152 984

* Contributions from the European Commission include EUR 20.75 million received by IFAD on the 31 December 2018 for the financial instruments of the ABC Fund, a new private sector fund sponsored by IFAD.

Unspent funds in 2018 and 2017

Table 1

Unspent complementary and supplementary funds from Member States and non-Member States

(Thousands of United States dollars)

<i>Member States</i>	<i>APOs</i>	<i>Other supplementary funds</i>	<i>Total</i>
Belgium	-	1 814	1 814
Canada	-	2 058	2 058
China	-	5 165	5 165
Denmark	-	6 374	6 374
Estonia	-	215	215
Finland	196	1	197
France	60	6	66
Germany	612	2 832	3 444
Hungary	-	190	190
India	-	179	179
Italy	438	3 280	3 718
Japan	102	-	102
Jordan	-	-	-
Kuwait	-	-	-
Lebanon	-	88	88
Luxemburg	-	3 711	3 711
Malaysia	-	13	13
Netherlands	85	1 809	1 894
New Zealand	-	15	15
Norway	15	2 992	3 007
Republic of Korea	563	3 140	3 706
Russian Federation	-	1 389	1 389
Spain	-	1 124	1 124
Sweden	64	4 675	4 739
Switzerland	163	5 150	5 313
United Kingdom	-	337	337
United States	-	286	286
Total Member States	2 299	46 843	49 144

Table 2

Other unspent complementary and supplementary funds from non-Member States

(Thousands of United States dollars)

<i>Non- Member States</i>	<i>APOs</i>	<i>Other supplementary funds</i>	<i>Total</i>
Abu Dhabi Fund for Development	-	389	389
Bill & Melinda Gates Foundation	-	6	6
European Commission	-	57 856	57 856
FAO	-	137	137
Global Agriculture and Food Security Programme	-	13 963	13 963
Least Developed Countries Fund / Special Climate Change Fund / Adaptation Fund	-	31 691	31 691
Support to Farmers' Organizations in Africa	-	233	233
Technical Assistance Facility	-	440	440
Platform for Agricultural Risk Management	-	785	785
Packard Foundation	-	95	95
United Nations Fund for International Partnership	-	-	-
United Nations Capital Development Fund	-	-	-
United Nations Development Programme	-	777	777
World Bank	-	17	17
Other	-	898	898
Total non-Member States	-	107 287	107 287
Grand Total	2 299	154 131	156 430

Global Environment Facility

(Thousands of United States dollars)

<i>Recipient country</i>	<i>Cumulative contributions received as at 31/12/2018</i>	<i>Unspent as at January 1 2018</i>	<i>2018 Contributions</i>	<i>2018 Expenses</i>	<i>Unspent as at 31/12/2018</i>
Armenia	4 011	10	-	-	10
Association of Southeast Asian Nations regional	15 648	7 964	-	(7 964)	1
Brazil	5 931	-	-	-	-
Burkina Faso	8 692	664	(663)	-	1
China	4 854	-	-	-	-
Comoros	945	-	-	-	-
Ecuador	2 783	-	-	-	-
Eritrea	4 335	-	-	-	-
Eswatini	9 205	-	-	-	-
Ethiopia	4 750	-	-	-	-
Gambia (The)	96	-	-	-	-
Global supplement for United Nations Convention to Combat Desertification	457	-	-	-	-
Indonesia	5 017	152	-	(139)	13
Jordan	7 884	15	-	-	15
Kenya	12 039	4	-	-	4
Malaysia	9 633	3	9 433	(3)	9 433
Malawi	7 339	7 176	-	(7 156)	20
Mali	4 796	-	-	-	-
Mauritania	4 336	-	-	-	-
Middle East and North Africa Regional Program for Promoting Integrated Sustainable Land monitoring and evaluation	705	-	-	-	-
Mexico	5 084	-	-	-	-
Morocco	330	-	-	-	-
Niger (the)	12 032	17	-	-	17
Panama	150	-	-	-	-
Peru	7 022	-	-	-	-
Sao Tome and Principe	1 875	-	-	-	-
Senegal	3 690	3 630	-	(3 610)	20
Sri Lanka	7 270	-	-	-	-
Sudan (the)	3 750	2	-	-	2
Tunisia	4 330	-	-	-	-
United Republic of Tanzania	7 339	-	-	-	-
Venezuela (Bolivarian Republic of)	581	-	(3 135)	3 135	-
Viet Nam	755	-	-	-	-
Total	167 664	19 637	5 635	(15 736)	9 536

Summaries of the Adaptation for Smallholder Agriculture Programme Trust Fund

Table 1

Summary of complementary contributions and supplementary funds to the Adaptation for Smallholder Agriculture Programme (ASAP) Trust Fund
(As at 31 December 2018)

	<i>Member States</i>	<i>Local currency</i>	<i>Contributions Received*</i>
Complementary contributions	Belgium	EUR 6 000	7 855
	Canada	CAD 19 849	19 879
	Finland	EUR 5 000	6 833
	Netherlands	EUR 40 000	48 581
	Norway	NOK 63 000	9 240
	Sweden	SEK 30 000	4 471
	Switzerland	CHF 10 000	10 949
	United Kingdom	GBP 147 523	202 837
	Subtotal		310 645
Supplementary funds			
ASAP1	Flemish Department for Foreign Affairs	EUR 2 000	2 380
	Republic of Korea	US\$ 3 000	3 000
ASAP2	Norway	NOK 80 000	8 834
	Sweden	SEK 50 000	5 461
	Subtotal		19 675
	Total		330 320

* Payments counter-valued at exchange rate prevailing at receipt date.

Table 2
Summary of grants under the Adaptation for Smallholder Agriculture Programme (ASAP) Trust Fund
 (Thousands of SDR)

<i>Grant recipient</i>	<i>Approved grants less cancellations</i>	<i>Disbursable</i>	<i>Disbursements 2018</i>	<i>Undisbursed portion of disbursable grants</i>	<i>Grants not yet disbursable as at 31 December 2018</i>
US\$ grants					
Iraq	2 000	0	-	-	2 000
Kenya	290	290	-	290	-
Republic of Moldova	5 000	5 000	542	4 458	-
Somalia	68	-	-	-	68
United States	800	0	-	-	800
Total US\$	8 158	5 290	542	4 748	2 868
EUR grants					
Montenegro	1 880	1 880	500	1 380	-
Total EUR	1 880	1 880	500	1 380	-
US\$ equivalent	2 149	2 149	572	1 578	-
SDR grants					
Bangladesh	9 900	9 900	6 471	3 429	-
Benin	3 220	3 220	332	2 888	-
Bhutan	3 580	3 580	1 219	2 361	-
Bolivia (Plurinational State of)	6 500	6 500	5 445	1 055	-
Burundi	3 510	3 510	1 315	2 195	-
Cambodia	10 150	10 150	4 961	5 189	-
Cabo Verde	2 900	2 900	775	2 125	-
Chad	3 240	3 240	1 732	1 508	-
Comoros	740	740	64	676	-
Côte d'Ivoire	4 520	4 520	1 062	3 458	-
Djibouti	4 000	4 000	1 732	2 268	-
Ecuador	2 850	-	-	-	2 850
Egypt	3 380	3 380	571	2 809	-
El Salvador	3 560	-	-	-	3 560
Ethiopia	7 870	7 870	1 157	6 713	-
Gambia (The)	3 570	3 570	1 857	1 713	-
Ghana	6 500	6 500	2 233	4 267	-
Kenya	7 100	7 100	1 198	5 902	-
Kyrgyzstan	6 500	6 500	4 005	2 495	-
Lao People's Democratic Republic	3 550	3 550	1 454	2 096	-
Lesotho	4 610	4 610	1 296	3 314	-
Liberia	3 280	3 280	20	3 260	-
Madagascar	4 200	4 200	953	3 247	-
Malawi	5 150	5 150	413	4 737	-
Mali	6 500	6 500	6 500	0	-
Mauritania	4 300	4 300	431	3 869	-
Morocco	1 295	1 295	208	1 087	-
Mozambique	3 260	3 260	2 647	613	-
Nepal	9 710	9 710	1 626	8 084	-
Nicaragua	5 310	5 310	3 327	1 983	-
Niger (the)	9 250	9 250	5 311	3 939	-
Nigeria	9 800	9 800	2 227	7 573	-
Paraguay	3 650	-	-	-	3 650
Rwanda	4 510	4 510	2 596	1 914	-
Sudan (the)	6 880	6 880	2 895	3 985	-
Tajikistan	3 600	3 600	2 160	1 440	-
Uganda	6 770	6 770	1 795	4 975	-
United Republic of Tanzania	-	-	-	-	-
Viet Nam	7 820	7 820	4 372	3 448	-
Yemen	-	-	-	-	-
Total SDR	197 035	186 975	76 359	110 616	10 060
US\$ equivalent	273 983	259 994	106 180	153 815	13 989
Total grants in US\$	284 290	267 434	107 294	160 140	16 857

Note: For comparison purposes, as at December 2017, the grants approved (US\$42.1 million) were not yet disbursable.

Management and external auditor's reports



Investing in rural people

Management Assertion Report on the Effectiveness of Internal Controls Over Financial Reporting

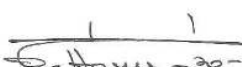
Management of the International Fund for Agricultural Development (hereinafter IFAD or the Fund) is responsible for the preparation, fair presentation and overall integrity of its Consolidated Financial Statements. The Financial Statements of the Fund have been prepared in accordance with International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

According to the Financial Regulations of IFAD, the President is responsible for establishing and maintaining appropriate internal financial control and audit systems of the Fund which would include those over external financial reporting.

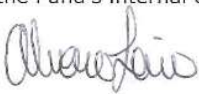
The Executive Board of the Fund established an Audit Committee, whose terms of reference, among other things, is to assist the Executive Board in exercising supervision over the financial administration and internal oversight of the Fund. Financial administration would include effectiveness of internal 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 the external auditor and makes a recommendation for such selection to the Executive Board for its approval. The Audit Committee meets with the external and internal auditors to discuss, respectively, the scope and design of the audit, and annual workplan, and any other matter within the Audit Committee's terms of reference 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 accordance with IFRS as of **31 December 2018**. The assessment was based on the criteria for effective internal controls over financial reporting described in the Internal Control -Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). A report was provided to Management by the Office of Audit and Oversight 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 31 December 2018, and is not aware of any material control weakness that could affect the reliability of the 2018 financial statements. IFAD's independent external auditor, Deloitte & Touche, S.p.A, has audited the financial statements and has issued an attestation report on Management's assertion on the Fund's internal controls over financial reporting.



Gilbert F. Houngbo
President



Alvaro Lario
Associate Vice President,
CFO and Chief Controller



Advit Nath
Controller and Director



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INDEPENDENT AUDITOR'S REPORT

To the International Fund for Agricultural Development

Opinion

We have audited the consolidated financial statements of International Fund for Agricultural Development (the "Company"), which comprise the consolidated and IFAD-only balance sheets as at 31 December 2018, 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 notes.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the "Consolidated Financial Statements of IFAD as at 31 December 2018" and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the "High-level review of IFAD's Financial Statements for 2018" but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

ANCFE (Del. Delegato) Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Palermo Roma Torino Treviso Verona
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Responsibilities of the President and those charged with governance for the Consolidated Financial Statements

The President is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, 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.

In preparing the consolidated financial statements, the President is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the President.
- Conclude on the appropriateness of the President's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the consolidated entities or business activities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.


Deloitte

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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

DELOITTE & TOUCHE S.p.A.



Vittorio Fiore
Partner

Rome, March 13, 2019

Characteristics and Limitations of Internal Controls over Financial Reporting

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 the financial statements in accordance with generally accepted accounting principles and that the receipts and expenditures of the entity 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.

Opinion

In our opinion, management's assertion that IFAD maintained effective internal controls over financial reporting, included within the Consolidated financial statements of IFAD as of December 31, 2018, 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" issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework).

DELOITTE & TOUCHE S.p.A.


Vittorio Fiore
Partner

Rome, March 13, 2019

IFAD-only balance sheet at nominal value in United States dollars (US\$) and retranslated into special drawing rights (SDR)

As at 31 December 2018 and 2017

Assets	Note/ appendix	Thousands of US\$		Thousands of SDR	
		2018	2017	2018	2017
Cash on hand and in banks	4	56 258	127 705	40 458	89 617
Investments	4	983 011	1 224 939	706 933	859 601
Contribution and promissory notes receivables					
Contributors' promissory notes	5	134 663	213 430	96 843	149 774
Contributions receivable	5	907 335	308 771	652 510	216 680
Less: provisions and qualified instruments of contribution		(189 095)	(156 334)	(135 988)	(109 707)
Net contribution and promissory notes receivables		852 903	365 867	613 365	256 747
Other receivables		196 258	151 243	141 139	106 134
Fixed and intangible assets		15 379	14 001	11 060	9 852
Loans outstanding					
Loans outstanding	9(a)	7 312 855	7 140 349	5 259 040	5 010 740
Less: accumulated allowance for loan impairment losses	9(b)	(119 276)	(69 383)	(85 777)	(48 690)
Less: accumulated allowance for the HIPC Initiative	11(b)/J	(11 375)	(14 855)	(8 181)	(10 425)
Net loans outstanding		7 182 204	7 056 111	5 165 082	4 951 626
Total assets		9 286 013	8 939 866	6 678 037	6 273 551

Liabilities and equity	Note/ appendix	Thousands of US\$		Thousands of SDR	
		2018	2017	2018	2017
Liabilities					
Payables and liabilities		198 615	206 598	142 834	144 981
Undisbursed grants	14	101 253	98 049	72 816	68 806
Deferred revenues		87 411	86 996	62 863	61 049
Borrowing liabilities	15	571 604	480 324	411 069	337 068
Total liabilities		958 883	871 967	689 582	611 903
Equity					
Contributions					
Regular		8 917 996	8 196 691	8 242 573	7 530 809
Special		20 349	20 349	15 219	15 219
Total contributions	H	8 938 345	8 217 040	8 257 792	7 546 028
Retained earnings					
General Reserve		95 000	95 000	68 319	66 666
Accumulated deficit		(706 215)	(244 141)	(2 337 656)	(1 951 047)
Retained earnings		(611 215)	(149 141)	(2 269 337)	(1 884 381)
Total equity		8 327 130	8 067 899	5 988 455	5 611 648
Total liabilities and equity		9 286 013	8 939 866	6 678 037	6 273 551

Note: 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 on the accounts and is based on nominal values.

Statements of contributions

Table 1

Summary of contributions

(Thousands of United States dollars)

	2018	2017
Replenishments		
Initial contributions	1 017 371	1 017 371
First Replenishment	1 016 564	1 016 564
Second Replenishment	567 053	567 053
Third Replenishment	553 881	553 881
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	963 050	963 050
Ninth Replenishment	981 846	978 849
Tenth Replenishment	910 083	882 577
Eleventh Replenishment	751 467	448
Total IFAD	8 785 798	8 004 276
Special Programme for Africa (SPA)		
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	9 157 379	8 375 857
Complementary contributions		
Belgian Survival Fund	80 002	80 002
HIPC Initiative	19 679	19 679
ASAP complementary contributions	310 645	307 044
Unrestricted complementary contributions – Tenth Replenishment	60 482	61 890
Unrestricted complementary contributions – Eleventh Replenishment	35 722	-
Other complementary contributions	58 798	58 798
Total complementary contributions	565 328	527 413
Other		
HIPC contributions not made in the context of replenishment resources	267 463	267 463
Belgian Survival Fund contributions not made in the context of replenishment resources	63 836	63 836
Supplementary contributions ^b		
Project cofinancing	469 842	436 434
APO funds	53 041	51 059
Other supplementary funds	1 104 168	1 032 965
GEF	167 664	162 029
ASAP supplementary funds	19 675	19 675
Total supplementary contributions	1 814 390	1 702 162
Total contributions	11 868 396	10 936 731
Total contributions include the following:		
Total replenishment contributions (as above)	9 157 379	8 375 857
Less provisions	(121 630)	(121 630)
Less qualified instruments of contribution	(67 465)	(34 703)
Less DSF compensation	(29 939)	(2 484)
Total net replenishment contributions	8 938 345	8 217 040
Less fair value adjustment	(24 821)	(11 503)
Total replenishment contributions at fair value	8 913 524	8 205 537

^a Including Iceland's special contribution prior to membership and US\$20 million from the OPEC Fund for International Development.

^b Includes interest earned according to each underlying agreement.

Table 2

Replenishments through to IFAD10: Statement of Members' contributions ^a

(As at 31 December 2018)

Member State	Replenishments through to IFAD10 (thousands of US\$ equivalent)	IFAD11					
		Instruments deposited			Payments (thousands of US\$ equivalent)		
		Currency	Amount (thousands)	Thousands of US\$ equivalent	Cash	Promissory notes	Total
Afghanistan	-	-	-	-	-	-	-
Albania	60	-	-	-	-	-	-
Algeria	82 430	-	-	-	-	-	-
Angola	5 838	US\$	1 958	1 958	1 958	-	1 958
Argentina	27 400	-	-	-	-	-	-
Armenia	65	-	-	-	-	-	-
Australia ^a	37 247	-	-	-	-	-	-
Austria	108 407	-	-	-	-	-	-
Azerbaijan	300	-	-	-	-	-	-
Bangladesh	6 606	US\$	1 500	1 500	-	1 500	1 500
Barbados	10	-	-	-	-	-	-
Belgium	149 694	-	-	-	-	-	-
Belize	205	-	-	-	-	-	-
Benin	579	-	-	-	-	-	-
Bhutan	225	-	-	-	-	-	-
Bolivia (Plurinational State of)	1 500	-	-	-	-	-	-
Bosnia and Herzegovina	274	-	-	-	-	-	-
Botswana	785	US\$	45	45	45	-	45
Brazil ^b	98 696	US\$	6 000	6 000	2 000	-	2 000
Burkina Faso	609	US\$	125	125	-	-	-
Burundi	110	US\$	20	20	20	-	20
Cambodia	1 365	-	-	-	-	-	-
Cameroon	3 064	-	-	-	-	-	-
Canada	407 549	CAD	75 000	56 105	19 496	-	19 496
Cabo Verde	46	US\$	23	23	23	-	23
Central African Republic	13	-	-	-	-	-	-
Chad	391	-	-	-	-	-	-
Chile	860	-	-	-	-	-	-
China (PRC)	165 839	CNY	546 466	79 594	-	-	-
Colombia	1 040	-	-	-	-	-	-
Comoros ^c	31	-	-	-	-	-	-
Congo	818	-	-	-	-	-	-
Democratic Republic of the Congo	1 870	-	-	-	-	-	-
Cook Islands	5	-	-	-	-	-	-
Côte d'Ivoire	1 635	US\$	100	100	100	-	100
Cuba	57	-	-	-	-	-	-
Cyprus	372	US\$	60	60	-	-	-
Denmark	152 614	-	-	-	-	-	-
Djibouti	37	-	-	-	-	-	-
Dominica	51	-	-	-	-	-	-
Dominican Republic	1 074	-	-	-	-	-	-
Timor-Leste	100	-	-	-	-	-	-
Ecuador	1 241	-	-	-	-	-	-
Egypt	26 409	-	-	-	-	-	-
El Salvador	100	-	-	-	-	-	-
Eritrea	100	US\$	40	40	40	-	40
Estonia	59	-	-	-	-	-	-
Eswatini	313	-	-	-	-	-	-
Ethiopia	331	US\$	40	40	40	-	40
Fiji	350	-	-	-	-	-	-
Finland	86 414	EUR	6 000	6 859	-	-	-

Replenishments through to IFAD10: Statement of Members' contributions ^a (continued)

(As at 31 December 2018)

<i>Member State</i>	<i>Replenishments through to IFAD10 (thousands of US\$ equivalent)</i>	<i>IFAD11</i>					
		<i>Instruments deposited</i>			<i>Payments (thousands of US\$ equivalent)</i>		
		<i>Currency</i>	<i>Amount (thousands)</i>	<i>Thousands of US\$ equivalent</i>	<i>Cash</i>	<i>Promissory notes</i>	<i>Total</i>
France	369 543	US\$	46 600	46 600	-	-	-
Gabon	3 837	-	-	-	-	-	-
Gambia (The)	120	-	-	-	-	-	-
Georgia	30	-	-	-	-	-	-
Germany	521 842	EUR	63 206	72 254	-	-	-
Ghana	2 966	-	-	-	-	-	-
Greece	4 245	-	-	-	-	-	-
Grenada	75	-	-	-	-	-	-
Guatemala	1 543	-	-	-	-	-	-
Guinea	575	US\$	100	100	100	-	100
Guinea-Bissau	30	-	-	-	-	-	-
Guyana	2 555	US\$	238	238	238	-	238
Haiti	197	-	-	-	-	-	-
Honduras	801	-	-	-	-	-	-
Hungary	100	-	-	-	-	-	-
Iceland	375	-	-	-	-	-	-
India	172 497	US\$	40 000	40 000	-	-	-
Indonesia	71 959	US\$	10 000	10 000	-	-	-
Iran (Islamic Republic of) ^d	128 750	-	-	-	-	-	-
Iraq	56 099	-	-	-	-	-	-
Ireland ^d	38 095	-	-	-	-	-	-
Israel	471	US\$	10	10	10	-	10
Italy	486 388	EUR	58 000	66 303	-	-	-
Jamaica	326	-	-	-	-	-	-
Japan ^b	541 770	JPY	6 377 966	58 132	-	29 066	29 066
Jordan	1 140	-	-	-	-	-	-
Kazakhstan	50	US\$	10	10	10	-	10
Kenya	5 690	US\$	400	400	400	-	400
Kiribati	26	-	-	-	-	-	-
Democratic People's Republic of Korea	800	-	-	-	-	-	-
Republic of Korea	34 139	US\$	12 000	12 000	-	-	-
Kuwait	203 041	-	-	-	-	-	-
Lao People's Democratic Republic	418	US\$	61	61	61	-	61
Lebanon	495	-	-	-	-	-	-
Lesotho	689	-	-	-	-	-	-
Liberia	121	-	-	-	-	-	-
Libya ^c	52 000	-	-	-	-	-	-
Luxembourg	9 694	-	-	-	-	-	-
Madagascar	674	US\$	102	102	102	-	102
Malawi	123	-	-	-	-	-	-
Malaysia	1 175	-	-	-	-	-	-
Maldives	101	-	-	-	-	-	-
Mali	506	US\$	132	132	132	-	132
Malta	55	-	-	-	-	-	-
Mauritania	184	-	-	-	-	-	-
Mauritius	285	-	-	-	-	-	-
Mexico	43 131	-	-	-	-	-	-
Micronesia (Federated States of)	1	US\$	1	1	1	-	1
Republic of Moldova	105	-	-	-	-	-	-
Mongolia	32	-	-	-	-	-	-
Morocco	8 744	US\$	800	800	-	-	-

Replenishments through to IFAD10: Statement of Members' contributions ^a (continued)

(As at 31 December 2018)

<i>Member State</i>	<i>Replenishments through to IFAD10 (thousands of US\$ equivalent)</i>	<i>IFAD11</i>					
		<i>Instruments deposited</i>			<i>Payments (thousands of US\$ equivalent)</i>		
		<i>Currency</i>	<i>Amount (thousands)</i>	<i>Thousands of US\$ equivalent</i>	<i>Cash</i>	<i>Promissory notes</i>	<i>Total</i>
Mozambique	655	-	-	-	-	-	-
Myanmar	260	US\$	6	6	5	-	5
Namibia	360	-	-	-	-	-	-
Nepal	345	US\$	74	74	74	-	74
Netherlands	494 877	US\$	85 953	77 953	-	-	-
New Zealand	14 720	-	-	-	-	-	-
Nicaragua	469	-	-	-	-	-	-
Niger (the)	376	-	-	-	-	-	-
Nigeria	131 957	-	-	-	-	-	-
Norway	303 216	NOK	360 000	41 575	-	-	-
Oman	350	-	-	-	-	-	-
Pakistan	38 934	-	-	-	-	-	-
Panama	249	US\$	200	200	-	-	-
Papua New Guinea	170	-	-	-	-	-	-
Paraguay	1 556	-	-	-	-	-	-
Peru	1 995	-	-	-	-	-	-
Philippines (the)	2 378	-	-	-	-	-	-
Portugal	4 384	-	-	-	-	-	-
Qatar	39 980	-	-	-	-	-	-
Romania	250	US\$	50	50	50	-	50
Russian Federation	12 000	US\$	9 000	9 000	-	-	-
Rwanda	321	-	-	-	-	-	-
Saint Kitts and Nevis	20	-	-	-	-	-	-
Saint Lucia	22	-	-	-	-	-	-
Samoa	50	-	-	-	-	-	-
Sao Tome and Principe ^c	10	-	-	-	-	-	-
Saudi Arabia	455 778	-	-	-	-	-	-
Senegal	797	-	-	-	-	-	-
Seychelles	135	-	-	-	-	-	-
Sierra Leone	37	-	-	-	-	-	-
Solomon Islands	10	-	-	-	-	-	-
Somalia	10	-	-	-	-	-	-
South Africa	1 913	-	-	-	-	-	-
Southern Sudan	10	-	-	-	-	-	-
Spain	101 664	-	-	-	-	-	-
Sri Lanka	10 888	US\$	1 001	1 001	1	-	1
Sudan (the)	1 609	EUR	203	250	250	-	250
Sweden	352 332	SEK	500 000	56 396	-	-	-
Switzerland	216 962	CHF	41 019	41 610	-	-	-
Syrian Arab Republic	1 817	-	-	-	-	-	-
Tajikistan	3	-	-	-	-	-	-
Thailand	1 800	-	-	-	-	-	-
Togo	167	US\$	100	100	100	-	100
Tonga	55	-	-	-	-	-	-
Tunisia	5 528	US\$	1 000	1 000	-	-	-
Turkey	23 636	-	-	-	-	-	-
Uganda	530	US\$	50	50	50	-	50
United Arab Emirates	57 180	US\$	3 000	3 000	-	-	-
United Kingdom	427 132	GBR	66 000	59 591	-	-	-
United Republic of Tanzania	686	-	-	-	-	-	-

Replenishments through to IFAD10: Statement of Members' contributions ^a (continued)
(As at 31 December 2018)

Member State	Replenishments through to IFAD10 (thousands of US\$ equivalent)	IFAD11					
		Instruments deposited			Payments (thousands of US\$ equivalent)		
		Currency	Amount (thousands)	Thousands of US\$ equivalent	Cash	Promissor y notes	Total
United States ^d	971 674	-	-	-	-	-	-
Uruguay	925	-	-	-	-	-	-
Uzbekistan	35	-	-	-	-	-	-
Venezuela (Bolivarian Republic of)	196 258	-	-	-	-	-	-
Viet Nam	3 303	-	-	-	-	-	-
Yemen	4 349	-	-	-	-	-	-
Yugoslavia	109	-	-	-	-	-	-
Zambia ^e	895	US\$	-	-	-	-	-
Zimbabwe	2 404	-	-	-	-	-	-
Total contributions 31 December 2018	8 034 331			751 467	25 306	30 566	55 872
For 2017	8 003 828			-	448	-	448

^a Australia's withdrawal from membership of IFAD became effective on 31 July 2007.

^b See note 5(a).

^c See notes 6(a) and (b).

^d In addition to its pledge to the Eighth Replenishment of EUR 6 million, Ireland made a further contribution of EUR 891,000.

^e Payments include cash and promissory notes. Amounts are expressed in thousands of United States dollars. Thus payments received for less than US\$500 are not shown in appendix H. Consequently, the contribution from Zambia (US\$148) does not appear above.

Table 3
SPA: Statement of contributions
 (As at 31 December 2018)

Donor	Currency	First phase		Second phase		Total
		Instruments deposited		Instruments deposited		
		Amount	Thousands of US\$ equivalent	Amount	Thousands of US\$ equivalent	
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\$	-	-	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 (the)	EUR	15	18	-	-	18
Nigeria	US\$	-	-	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 2018			288 868		62 364	351 232
31 December 2017			288 868		62 364	351 232

Table 4
Statement of Members' contributions received in 2018
 As at 31 December 2018
 (Thousands of United States dollars)

<i>Member State</i>	<i>Instruments deposited^{a,b}</i>	<i>Promissory note deposit^b</i>	<i>Payments</i>	
			<i>Cash</i>	<i>Promissory note encashment</i>
IFAD9				
Brazil	-	-	-	5 567
Nigeria	-	-	2 998	-
Total IFAD9			2 998	5 567
IFAD10				
Algeria	-	-	3 333	-
Argentina	-	-	2 500	-
Armenia	-	-	5	-
Austria	-	-	-	6 227
Bangladesh	-	-	-	345
Bhutan	-	-	10	-
Bosnia and Herzegovina	-	-	59	-
Brazil	16 700	-	1 700	-
Burkina Faso	-	-	39	-
Canada	-	-	9 704	-
China	-	-	20 000	-
Cyprus	-	-	20	-
Egypt	-	-	3 000	-
Eswatini	-	-	20	-
Fiji	-	-	25	-
Finland	-	-	4 323	-
France	-	-	14 266	-
Germany	-	-	-	21 876
Guatemala	-	-	375	-
Indonesia	-	-	4 000	-
Ireland	-	-	2 323	-
Japan	-	-	-	13 713
Republic of Korea	-	-	3 060	-
Kuwait	-	-	-	5 250
Luxembourg	-	-	744	-
Mongolia	-	-	7	-
Morocco	-	-	-	400
Netherlands	-	-	-	25 000
New Zealand	-	-	1 086	-
Norway	-	-	13 353	-
Pakistan	-	-	2 519	-
Russian Federation	-	-	2 000	-
Saudi Arabia	-	-	-	6 000
Sri Lanka	-	-	332	-
Sweden	-	-	-	12 069
Switzerland	-	-	15 784	-
Tajikistan	-	-	1	-
Tunisia	-	-	434	-
Turkey	-	-	2 000	-
Uganda	-	-	100	-
United Arab Emirates	-	-	1 100	-
United Kingdom	-	-	-	23 828
United States	-	30 000	-	18 000
Viet Nam	-	-	200	-
Zambia	-	-	85	-
Zimbabwe	-	-	300	-
TOTAL IFAD10	16 700	30 000	108 806	132 708

IFAD11				
Angola	-	-	1 550	-
Bangladesh	1500	1500	-	-
Botswana	-	-	45	-
Brazil	6 000	-	2 000	-
Burkina Faso	125	-	-	-
Burundi	-	-	20	-
Canada	57 320	-	19 496	-
Cabo Verde	-	-	23	-
China	82 133	-	-	-
Côte d'Ivoire	-	-	100	-
Cyprus	60	-	-	-
Ethiopia	-	-	40	-
Micronesia (Federated States of)	-	-	1	-
Finland	7 084	-	-	-
France	46 600	-	-	-
Germany	73 986	-	-	-
Guinea	-	-	100	-
Guyana	-	-	238	-
India	40 000	-	-	-
Indonesia	10 000	-	-	-
Israel	-	-	10	-
Italy	68 901	-	-	-
Japan	57 309	28 135	-	-
Kazakhstan	-	-	10	-
Kenya	-	-	400	-
Republic of Korea	12 000	-	-	-
Lao People's Democratic Republic	-	-	61	-
Madagascar	100	-	102	-
Mali	-	-	132	-
Morocco	800	-	-	-
Myanmar	6	-	5	-
Nepal	-	-	74	-
Netherlands	77 953	-	-	-
Norway	44 386	-	-	-
Panama	200	-	-	-
Romania	-	-	50	-
Russian Federation	9 000	-	-	-
Sri Lanka	1 001	-	1	-
Sudan	-	-	250	-
Sweden	54 899	-	-	-
Switzerland	41 021	-	-	-
Togo	-	-	100	-
Tunisia	1 000	-	-	-
Uganda	-	-	50	-
United Arab Emirates	3 000	-	-	-
United Kingdom	61 540	-	-	-
Zambia	-	-	0	-
Total IFAD11	757 924	29 635	24 858	0
Grand Total	774 624	59 635	136 662	138 275

^a Instruments deposited also include equivalent instruments recorded on receipt of cash or promissory note where no instrument of contribution has been received.

^b Instruments deposited and promissory note deposits received in currencies other than United States dollars are translated at the date of receipt.

Statement of loans

Table 1

Statement of outstanding loans

(As at 31 December 2018 and 2017)

(Amounts expressed in thousands)

<i>Borrower or guarantor</i>	<i>Approved loans less cancellations</i>	<i>Disbursed portion</i>	<i>Undisbursed portion</i>	<i>Repayments</i>	<i>Outstanding loans</i>
US\$ loans					
Angola	33 800	447	33 353	-	447
Argentina	12 300	2 500	9 800	-	2 500
Azerbaijan	10 000	-	10 000	-	-
Bangladesh	157 750	30 000	127 750	22 500	7 500
Belize	8 000	-	8 000	-	-
Bolivia (Plurinational State of)	21 000	-	21 000	-	-
Brazil	20 000	-	20 000	-	-
Burkina Faso	19 000	-	19 000	-	-
Cabo Verde	2 003	2 003	-	1 502	501
Cambodia	58 360	5 141	53 219	-	5 141
China	151 500	8 000	143 500	-	8 000
Côte d'Ivoire	18 500	1 213	17 287	-	1 213
Djibouti	5 770	1 446	4 324	-	1 446
Dominican Republic	21 680	-	21 680	-	-
Ecuador	35 660	-	35 660	-	-
Eswatini	8 950	-	8 950	-	-
Grenada	6 400	250	6 150	-	250
Guinea	15 450	200	15 250	-	200
Guyana	7 960	800	7 160	-	800
Haiti	3 500	3 500	-	2 669	831
Honduras	16 330	-	16 330	-	-
India	151 050	7 000	144 050	-	7 000
Indonesia	95 185	2 500	92 685	-	2 500
Iraq	15 730	-	15 730	-	-
Jordan	8 400	1 000	7 400	-	1 000
Kenya	40 000	-	40 000	-	-
Lebanon	4 900	-	4 900	-	-
Liberia	11 913	-	11 913	-	-
Malawi	21 000	1 000	20 000	-	1 000
Mexico	35 369	2 049	33 320	-	2 049
Myanmar	8 984	-	8 984	-	-
Nepal	11 538	11 538	-	8 659	2 879
Nicaragua	20 504	3 039	17 465	-	3 039
Nigeria	89 100	-	89 100	-	-
Pakistan	144 100	3 500	140 600	-	3 500
Papua New Guinea	25 500	-	25 500	-	-
Paraguay	10 000	-	10 000	-	-
Philippines	73 233	6 753	66 480	-	6 753
Republic of Moldova	18 200	1 500	16 700	-	1 500
Sierra Leone	10 400	-	10 400	-	-
Sri Lanka	66 400	16 023	50 377	9 300	6 723
Tajikistan	15 330	-	15 330	-	-
Turkey	8 200	-	8 200	-	-
Uganda	75 820	-	75 820	-	-
United Republic of Tanzania	9 488	9 488	-	7 235	2 253
Uzbekistan	46 200	-	46 200	-	-
Viet Nam	42 500	765	41 735	-	765
Zambia	6 700	1 199	5 501	-	1 199
Subtotal US\$^a	1 699 658	122 854	1 576 804	51 865	70 989
EUR loans					
Argentina	22 680	1 400	21 280	-	1 400
Benin	13 320	-	13 320	-	-
Bosnia and Herzegovina	22 907	1 230	21 677	-	1 230
China	73 100	34 767	38 333	-	34 767
Cuba	10 900	2 000	8 900	-	2 000
Ecuador	14 250	-	14 250	-	-
Egypt	103 450	7 180	96 270	-	7 180
El Salvador	10 850	-	10 850	-	-
Eswatini	8 550	2 698	5 852	-	2 698
Fiji	3 100	940	2 160	-	940
Gabon	5 431	-	5 431	-	-
Georgia	16 000	-	16 000	-	-
Indonesia	93 150	2 710	90 440	-	2 710
Kenya	24 150	-	24 150	-	-

<i>Borrower or guarantor</i>	<i>Approved loans less cancellations</i>	<i>Disbursed portion</i>	<i>Undisbursed portion</i>	<i>Repayments</i>	<i>Outstanding loans</i>
Mexico	1 297	1 297	-	-	1 297
Montenegro	3 880	1 150	2 730	-	1 150
Morocco	40 610	1 500	39 110	-	1 500
Niger	5 370	-	5 370	-	-
Paraguay	15 800	-	15 800	-	-
Philippines	50 110	18 664	31 446	-	18 664
Senegal	40 500	-	40 500	-	-
Tunisia	21 600	2 149	19 451	-	2 149
Turkey	51 100	1 640	49 460	-	1 640
Subtotal EUR	652 105	79 326	572 779	-	79 326
US\$ equivalent	745 454	90 682	654 772	-	90 682
SDR loans ^a					
Albania	34 462	34 462	-	11 181	23 281
Angola	24 400	19 248	5 152	4 915	14 333
Argentina	31 269	30 190	1 079	18 764	11 426
Armenia	60 942	56 874	4 068	10 639	46 235
Azerbaijan	44 906	42 440	2 466	5 872	36 568
Bangladesh	443 346	408 525	34 821	105 278	303 247
Belize	1 847	1 847	-	925	922
Benin	99 818	78 303	21 515	30 029	48 274
Bhutan	38 492	35 279	3 213	9 362	25 917
Bolivia (Plurinational State of)	72 570	61 384	11 186	18 589	42 795
Bosnia and Herzegovina	46 396	44 878	1 518	10 971	33 907
Botswana	2 600	842	1 758	520	322
Brazil	110 037	89 821	20 216	23 443	66 378
Burkina Faso	86 079	77 797	8 282	21 900	55 897
Burundi	40 859	40 859	-	17 267	23 592
Cabo Verde	24 691	18 321	6 370	4 161	14 160
Cambodia	62 954	50 036	12 918	6 624	43 412
Cameroon	87 320	61 460	25 860	10 920	50 540
Central African Republic	26 495	26 244	251	11 985	14 259
Chad	18 138	18 138	-	3 090	15 048
China	516 601	510 366	6 235	144 695	365 671
Colombia	32 024	19 487	12 537	7 963	11 524
Comoros	5 292	4 619	673	2 096	2 523
Congo	23 092	16 744	6 348	1 340	15 404
Côte d'Ivoire	27 645	18 633	9 012	5 821	12 812
Cuba	20 838	18 844	1 994	13 179	5 665
Democratic People's Republic of Korea	50 496	50 496	-	10 539	39 957
Democratic Republic of the Congo	50 369	38 504	11 865	14 874	23 630
Djibouti	7 146	6 030	1 116	1 590	4 440
Dominica	1 146	1 146	-	805	341
Dominican Republic	27 262	26 556	706	12 510	14 046
Ecuador	28 022	26 260	1 762	5 571	20 689
Egypt	197 592	178 047	19 545	71 512	106 535
El Salvador	55 046	55 045	1	21 789	33 256
Equatorial Guinea	5 794	5 794	-	4 945	849
Eritrea	23 892	23 892	-	6 138	17 754
Ethiopia	347 638	290 533	57 105	49 985	240 548
Eswatini	14 428	14 428	-	10 323	4 105
Gabon	3 800	3 582	218	2 022	1 560
Gambia (The)	34 187	31 793	2 394	10 948	20 845
Georgia	30 679	26 796	3 883	4 979	21 817
Ghana	182 125	132 334	49 791	32 287	100 047
Grenada	4 400	4 102	298	2 629	1 473
Guatemala	34 102	26 782	7 320	21 282	5 500
Guinea	64 160	64 160	-	25 626	38 534
Guinea-Bissau	8 487	7 747	740	3 338	4 409
Guyana	8 522	8 522	-	2 758	5 764
Haiti	58 463	58 463	-	22 650	35 813
Honduras	87 924	75 730	12 194	23 021	52 709
India	619 515	485 677	133 838	170 266	315 411
Indonesia ^b	160 775	156 881	3 894	33 966	122 915
Jordan	21 876	17 526	4 350	11 161	6 365
Kenya	173 749	125 294	48 455	17 588	107 706
Kyrgyzstan	30 187	17 166	13 021	2 741	14 425
Lao People's Democratic Republic	55 763	49 366	6 397	15 879	33 487
Lebanon	2 600	2 009	591	693	1 316
Lesotho	30 606	27 713	2 893	8 294	19 419
Liberia	28 999	15 631	13 368	2 319	13 312
Madagascar ^b	198 855	137 699	61 156	29 705	107 994
Malawi ^b	103 280	81 506	21 774	29 141	52 365
Maldives	10 843	10 793	50	3 360	7 433

<i>Borrower or guarantor</i>	<i>Approved loans less cancellations</i>	<i>Disbursed portion</i>	<i>Undisbursed portion</i>	<i>Repayments</i>	<i>Outstanding loans</i>
Mali	139 204	115 595	23 609	30 951	84 644
Mauritania	49 906	48 624	1 282	14 624	34 000
Mauritius	8 527	8 527	-	7 748	779
Mexico	35 484	27 909	7 575	15 162	12 747
Mongolia	27 169	21 772	5 397	3 231	18 541
Morocco	66 528	45 918	20 610	26 296	19 622
Mozambique	144 058	134 973	9 085	33 337	101 636
Myanmar	52 550	5 662	46 888	-	5 662
Nepal	132 489	89 064	43 425	33 407	55 657
Nicaragua	49 535	48 322	1 213	11 193	37 129
Niger	90 970	67 677	23 293	12 867	54 810
Nigeria	221 422	146 627	74 795	18 529	128 098
North Macedonia	11 721	11 721	-	3 960	7 761
Pakistan	281 706	242 089	39 617	71 587	170 502
Papua New Guinea	23 450	14 836	8 614	-	14 836
Paraguay	16 318	16 298	20	2 222	14 076
Peru	59 271	43 419	15 852	13 501	29 918
Philippines	83 735	73 024	10 711	17 535	55 489
Republic of Moldova	55 716	51 425	4 291	4 483	46 942
Rwanda ^b	155 497	120 710	34 787	28 571	92 139
Samoa	1 908	1 908	-	1 007	901
Sao Tome and Principe	13 747	13 747	-	5 042	8 705
Senegal	118 104	101 731	16 373	18 586	83 145
Seychelles	1 980	1 883	97	330	1 553
Sierra Leone	45 736	45 445	291	14 548	30 897
Solomon Islands	4 069	4 058	11	1 438	2 620
Somalia	17 710	17 710	-	411	17 299
Sri Lanka	158 585	143 355	15 230	35 688	107 667
Sudan	145 605	144 747	858	51 648	93 099
Syrian Arab Republic	28 754	12 213	16 541	3 271	8 942
Tajikistan	6 200	3 890	2 310	-	3 890
Togo	24 584	18 843	5 741	9 559	9 284
Tonga	5 927	5 077	850	2 311	2 766
Tunisia	47 847	36 253	11 594	20 276	15 977
Turkey	53 024	50 123	2 901	22 236	27 887
Uganda	250 434	208 997	41 437	45 965	163 032
United Republic of Tanzania	226 053	214 697	11 356	34 158	180 539
Uruguay	12 902	11 391	1 511	10 061	1 330
Uzbekistan	23 190	10 465	12 725	-	10 465
Venezuela (Bolivarian Republic of)	10 450	10 450	-	8 846	1 604
Viet Nam	216 695	208 670	8 025	24 180	184 490
Yemen	138 389	138 389	-	48 917	89 472
Zambia	134 999	116 097	18 902	30 222	85 875
Zimbabwe	26 511	26 511	-	15 102	11 409
Subtotal SDR	8 164 500	6 950 486	1 214 014	1 941 769	5 008 717
IFAD Fund for Gaza and the West Bank ^c	2 513	2 513	-	953	1 560
Total SDR	8 167 012	6 953 001	1 214 011	1 942 723	5 010 278
US\$ equivalent	11 356 476	9 668 357	1 688 119	2 701 415	6 966 942
Total loans 31 December 2018 US\$ at nominal value	13 801 588	9 881 893	3 919 695	2 753 279	7 128 614
Other receivables					19 084
Fair value adjustment					(1 206 782)
31 December 2018 US\$ at fair value					5 940 916
Total loans 31 December 2017 US\$ at nominal value	13 536 686	9 657 740	3 878 946	2 710 651	6 947 089
Other receivables					16 273
Fair value adjustment					(1 226 474)
December 2017 US\$ at fair value	13 536 686	9 657 740	3 878 946	2 710 651	5 736 888

^a Loans denominated in United States dollars and are repayable in the currencies in which withdrawals are made. Loans in SDR and, for purposes of presentation in the balance sheet, the accumulated amount of loans denominated in SDR has been valued at the US\$/SDR rate of 1.39053 at 31 December 2018. Loans denominated in EUR have been valued at the US\$/EUR rate of 0.8747758 at 31 December 2018.

^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 IFAD Fund for Gaza and West Bank is included in the above balance. See note 2(h)(ii).

Table 2
Summary of loans approved at nominal value by year
 (As at 31 December 2018)

Year		Approved loans in thousands of SDR			Value in thousands of US\$				Exchange rate movement SDR/US\$	As at 31 December 2018
		As at 1 January 2018	Loans cancelled	Loans fully repaid	As at 31 December 2018	As at 1 January 2018	Loans cancelled	Loans fully repaid		
1978	US\$	68 530	-	-	68 530	68 530	-	-	-	68 530
2016	US\$	268 917	(13 890)	-	255 027	268 917	(13 890)	-	-	255 027
2017	US\$	683 263	-	-	683 263	683 263	-	-	-	683 263
2018	US\$	-	-	-	692 837	-	-	-	-	692 837
1979	SDR	201 485	-	-	201 485	287 117	-	-	(6 947)	280 170
1980	SDR	176 647	-	-	176 647	251 724	-	-	(6 091)	245 633
1981	SDR	182 246	-	-	182 246	259 703	-	-	(6 284)	253 419
1982	SDR	103 109	-	-	103 109	146 932	-	-	(3 555)	143 376
1983	SDR	132 091	-	-	132 091	188 230	-	-	(4 554)	183 676
1984	SDR	131 907	-	-	131 907	187 969	-	-	(4 548)	183 420
1985	SDR	60 332	-	-	60 332	85 974	-	-	(2 080)	83 893
1986	SDR	23 663	-	-	23 663	33 720	-	-	(816)	32 904
1987	SDR	60 074	-	-	60 074	85 607	-	-	(2 071)	83 535
1988	SDR	52 100	-	-	52 100	74 244	-	-	(1 796)	72 447
1989	SDR	86 206	-	-	86 206	122 844	-	-	(2 972)	119 872
1990	SDR	40 064	-	-	40 064	57 092	-	-	(1 381)	55 710
1991	SDR	98 025	-	-	98 025	139 687	-	-	(3 380)	136 307
1992	SDR	79 888	-	-	79 888	113 841	-	-	(2 755)	111 086
1993	SDR	122 240	-	-	122 240	174 193	-	-	(4 215)	169 979
1994	SDR	122 598	-	-	122 598	174 703	-	-	(4 227)	170 476
1995	SDR	149 100	-	-	149 100	212 468	-	-	(5 141)	207 327
1996	SDR	197 776	-	(19 407)	178 369	281 833	-	(27 116)	(6 690)	248 028
1997	SDR	246 936	-	(27 863)	219 073	351 886	-	(38 930)	(8 329)	304 627
1998	SDR	266 578	-	(54 626)	211 952	379 877	-	(76 323)	(8 828)	294 726
1999	SDR	275 119	-	-	275 119	392 047	-	-	(9 486)	382 561
2000	SDR	272 919	-	(12 600)	260 319	388 912	-	(17 605)	(9 326)	361 981
2001	SDR	247 504	-	-	247 504	352 696	-	-	(8 534)	344 162
2002	SDR	228 239	-	-	228 239	325 243	-	-	(7 870)	317 373
2003	SDR	223 470	-	-	223 470	318 447	-	-	(7 705)	310 741
2004	SDR	250 925	(26)	-	250 899	357 571	(36)	-	(8 652)	348 883
2005	SDR	306 938	(226)	-	306 712	437 390	(315)	-	(10 583)	426 492
2006	SDR	312 415	(2 289)	-	310 125	445 194	(3 184)	-	(10 771)	431 238
2007	SDR	257 883	(1 137)	-	256 746	367 486	(1 581)	-	(8 892)	357 013
2008	SDR	258 846	(1 470)	-	257 376	368 858	(2 044)	-	(8 925)	357 889
2009	SDR	274 864	(540)	-	274 324	391 683	(751)	-	(9 477)	381 455
2010	SDR	416 479	(207)	-	416 272	593 486	(288)	-	(14 360)	578 839
2011	SDR	452 838	(78)	-	452 759	645 298	(109)	-	(15 614)	629 575
2012	SDR	403 354	(4 164)	-	399 190	574 783	(39)	-	(19 659)	555 085
2013	SDR	328 404	(284)	(1 176)	326 945	467 979	(394)	(1 643)	(11 315)	454 627
2014	SDR	337 626	-	-	337 626	481 120	-	-	(11 641)	469 479
2015	SDR	521 540	(40 881)	-	480 658	743 199	(56 857)	-	(17 972)	668 370
2016	SDR	203 153	(14 313)	-	188 840	289 495	(19 906)	-	(7 001)	262 588
2017	SDR	216 630	-	-	216 630	308 700	-	-	(7 469)	301 231
2018	SDR	-	-	-	26 090	-	-	-	-	36 279
2014	EUR	84 600	-	-	84 600	101 588	-	-	(4 877)	96 710
2015	EUR	274 310	(11 383)	-	262 927	329 391	(13 038)	-	(15 788)	300 565
2016	EUR	95 790	-	-	95 790	115 025	-	-	(5 522)	109 502
2017	EUR	92 230	-	-	92 230	110 750	-	-	(5 317)	105 433
2018	EUR	-	-	-	116 558	-	-	-	-	133 243
Total US\$		1 020 710	(13 890)	-	1 699 657	1 020 710	(13 890)	-	-	1 699 657
Total SDR		8 322 210	(65 616)	(115 672)	8 167 012	11 859 232	(85 506)	(161 616)	(291 914)	11 356 477
Total EUR		546 930	(11 383)	-	652 105	656 754	(13 038)	-	(31 505)	745 454
Totals		9 889 850	(90 889)	(115 672)	10 518 774	13 536 696	(112 434)	(161 616)	(323 419)	13 801 588

Table 3
Maturity structure of outstanding loans by period at nominal value
 (As at 31 December 2018 and 2017)
 (Thousands of United States dollars)

<i>Period due</i>	<i>2018</i>	<i>2017</i>
Less than 1 year	368 885	338 715
1-2 years	327 232	307 468
2-3 years	342 275	329 642
3-4 years	361 500	338 441
4-5 years	361 824	350 516
5-10 years	1 763 813	1 669 316
10-15 years	1 404 569	1 390 159
15-20 years	1 061 603	1 075 504
20-25 years	721 330	730 639
More than 25 years	415 560	416 689
Total	7 128 611	6 947 089

Table 4
Summary of outstanding loans by lending type at nominal value
 (As at 31 December 2018 and 2017)
 (Thousands of United States dollars)

<i>Lending type</i>	<i>2018</i>	<i>2017</i>
Highly concessional terms	6 110 983	6 079 092
Hardened terms	37 590	33 298
Intermediate terms	241 735	251 365
Ordinary terms	637 472	530 820
Blended terms	100 831	52 514
Total	7 128 611	6 947 089

Table 5
Disbursement structure of undisbursed loans at nominal value
 (Projected as at 31 December 2018 and 2017)
 (Thousands of United States dollars)

<i>Disbursements in:</i>	<i>2018</i>	<i>2017</i>
Less than 1 year	528 175	522 956
1-2 years	567 237	561 632
2-3 years	584 460	578 685
3-4 years	537 594	532 282
4-5 years	480 946	476 156
5-10 years	1 219 283	1 207 235
Total	3 919 695	3 878 946

Special Programme for sub-Saharan African Countries Affected by Drought and Desertification

Table 1
Statement of loans at nominal value
(As at 31 December 2018 and 2017)

<i>Borrower or guarantor</i>	<i>Approved loans less cancellations</i>	<i>Disbursed portion</i>	<i>Undisbursed portion</i>	<i>Repayments</i>	<i>Outstanding loans</i>
SDR loans (thousands)					
Angola	2 714	2 714	-	1 200	1 514
Burkina Faso	10 546	10 546	-	5 259	5 287
Burundi	4 494	4 494	-	1 755	2 739
Cabo Verde	2 183	2 183	-	1 009	1 174
Chad	9 617	9 617	-	4 468	5 149
Comoros	2 289	2 289	-	1 070	1 219
Djibouti	114	114	-	54	60
Ethiopia	6 660	6 660	-	3 483	3 177
Gambia (The)	2 638	2 638	-	1 253	1 385
Ghana	22 321	22 321	-	10 129	12 192
Guinea	10 762	10 762	-	5 381	5 381
Guinea-Bissau	2 126	2 126	-	1 169	957
Kenya	12 241	12 241	-	5 221	7 020
Lesotho	7 481	7 481	-	3 459	4 022
Madagascar	1 098	1 098	-	494	604
Malawi	5 777	5 777	-	2 167	3 610
Mali	10 193	10 193	-	5 349	4 844
Mauritania	19 020	19 020	-	9 423	9 597
Mozambique	8 291	8 291	-	4 456	3 835
Niger (the)	11 119	11 119	-	5 770	5 349
Senegal	23 234	23 234	-	10 696	12 538
Sierra Leone	1 505	1 505	-	602	903
Sudan (the)	26 012	26 012	-	11 742	14 270
Uganda	8 124	8 124	-	4 265	3 859
United Republic of Tanzania	6 789	6 789	-	3 225	3 564
Zambia	8 607	8 607	-	4 485	4 122
Total	225 958	225 958	-	107 586	118 371
US\$ equivalent	314 201	314 201	-	149 602	164 599
Other receivables					558
Fair value adjustment					(48 627)
31 December 2018 US\$ at fair value					116 530
31 December 2017 US\$ at nominal value					176 496
Other receivables					491
Fair value adjustment					(54 166)
31 December 2017 US\$ at fair value					122 821

Table 2
Summary of loans by year approved at nominal value
 (As at 31 December 2018)

Year		Approved loans in thousands of SDRs			Value in thousands of US\$			
		As at 1 January 2018	Loans cancelled	As at 31 December 2018	As at 1 January 2018	Loans cancelled	Exchange rate movement SDR/US\$	As at 31 December 2018
1986	SDR	24 902	-	24 902	35 486	-	(859)	34 627
1987	SDR	41 292	-	41 292	58 841	-	(1 424)	57 417
1988	SDR	34 770	-	34 770	49 548	-	(1 199)	48 349
1989	SDR	25 756	-	25 756	36 702	-	(888)	35 814
1990	SDR	17 370	-	17 370	24 752	-	(599)	24 153
1991	SDR	18 246	-	18 246	26 001	-	(629)	25 372
1992	SDR	6 952	-	6 952	9 907	-	(240)	9 667
1993	SDR	34 268	-	34 268	48 832	-	(1 181)	47 651
1994	SDR	16 320	-	16 320	23 257	-	(563)	22 694
1995	SDR	6 082	-	6 082	8 667	-	(210)	8 457
Total	SDR	225 958	-	225 958	321 992	-	(7 791)	314 201

Table 3
Maturity structure of outstanding loans by period at nominal value
 (As at 31 December 2018 and 2017)
 (Thousands of United States dollars)

Period due	2018	2017
Less than 1 year	8 603	8 354
1-2 years	8 078	8 278
2-3 years	8 078	8 278
3-4 years	8 078	8 278
4-5 years	8 078	8 278
5-10 years	40 389	41 391
10-15 years	40 389	41 391
15-20 years	32 468	36 776
20-25 years	10 438	14 347
More than 25 years	-	1 125
Total	164 599	176 496

Table 4
Summary of outstanding loans by lending type at nominal value
 (As at 31 December 2018 and 2017)
 (Thousands of United States dollars)

Lending type	2018	2017
Highly concessional terms	164 599	176 496
Total	164 599	176 496

Table 5
Summary of IFAD and SPA loan balances

IFAD	US\$ thousands	
	2018	2107
Approved loans	13 801 588	13 536 686
Undisbursed balance	(3 919 695)	(3 878 946)
Repayments	(2 753 279)	(2 710 651)
	7 128 614	6 947 089
Interest/principal receivable	19 084	16 273
Loans outstanding at nominal value	7 147 698	6 963 362
Fair value adjustment	(1 206 782)	(1 226 474)
Loans outstanding	5 940 916	5 736 888
SPA	US\$ thousands	
	2018	2107
Approved loans	314 201	321 992
Undisbursed balance	-	-
Repayments	(149 602)	(145 496)
	164 599	176 496
Interest/principal receivable	558	491
Loans outstanding at nominal value	165 157	176 987
Fair value adjustment	(48 627)	(54 166)
Loans outstanding	116 530	122 821
IFAD and SPA	US\$ thousands	
	2018	2107
Approved loans	14 115 789	13 858 678
Undisbursed balance	(3 919 695)	(3 878 946)
Repayments	(2 902 881)	(2 856 147)
	7 293 213	7 123 585
Interest/principal receivable	19 642	16 764
Loans outstanding at nominal value	7 312 855	7 140 349
Fair value adjustment	(1 255 409)	(1 280 640)
Loans outstanding	6 057 446	5 859 709

Statement of grants

(As at 31 December 2018 and 2017)

(Thousands of United States dollars)

	<i>Undisbursed as at 1 January 2018</i>	<i>2018 movements</i>			<i>Exchange rate</i>	<i>Undisbursed as at 31 December 2018</i>
		<i>Disbursable</i>	<i>Disbursements</i>	<i>Cancellations</i>		
Grants	98 049	68 294	(59 849)	(4 624)	(617)	101 253
Fair value adjustment						(9 340)
Total 2018 at fair value						91 913
Total 2017	80 521	66 883	(45 407)	(5 116)	1 168	98 049
Fair value adjustment						(8 391)
Total 2017 at fair value						89 658

IFAD-only Debt Sustainability Framework

As at 31 December 2018 and 2017

(Thousands of United States dollars)

<i>Borrower or guarantor</i>	<i>Undisbursed as at 1 January 2018</i>	<i>Effective/ (cancellations) 2018</i>	<i>Disbursements 2018</i>	<i>Undisbursed as at 31 December 2018</i>
DSF projects denominated in EUR	-	22 400	(200)	22 200
US\$ equivalent	-	25 607	(229)	25 378
DSF projects denominated in US\$	1 643	54 948	(1 715)	54 876
SDR DSF				
Afghanistan	46 272	17 700	(13 217)	50 755
Benin	7 440	(540)	(499)	6 402
Burkina Faso	36 553	-	(7 077)	29 476
Burundi	34 540	17 950	(12 931)	39 559
Cambodia	9	-	-	9
Central African Republic	271	-	(74)	198
Chad	6 871	-	(2 842)	4 029
Comoros	-	1 110	(437)	673
Congo	1 482	-1 482	-	-
Côte d'Ivoire	12 337	-	(2 522)	9 814
Democratic Republic of the Congo	40 913	12 100	(5 006)	48 006
Eritrea	12 267	6 710	(2 024)	16 953
Ethiopia	5 382	-	(648)	4 734
Gambia (The)	5 596	-	(3 154)	2 442
Guinea	12 396	-	(4 688)	7 708
Guinea-Bissau	2 511	-	(1 771)	740
Haiti	4 161	-	(4 053)	108
Kiribati	784	-	(668)	116
Kyrgyzstan	6 529	-	(2 933)	3 597
Lao People's Democratic Republic	2 297	(83)	(1 368)	845
Lesotho	3 873	-	(985)	2 889
Liberia	37	-	-	37
Malawi	25 197	-	(3 222)	21 976
Maldives	740	-	(322)	418
Mali	8 253	-	(1 949)	6 305
Mauritania	12 018	-	(2 129)	9 888
Mozambique	0	8 940	(1 903)	7 037
Nepal	22 698	-	(3 358)	19 341
Nicaragua	2 589	-	(1 376)	1 213
Niger (the)	27 480	-	(4 144)	23 336
Rwanda	2 781	-	(1 082)	1 699
Sao Tome and Principe	907	-	(743)	164
Sierra Leone	1 028	-	(736)	291
Solomon Islands	453	-	(453)	-
Sudan (the)	18 923	(84)	(4 581)	14 259
Tajikistan	5 406	-	(1 188)	4 218
Togo	6 801	-	(479)	6 323
Tonga	96	994	(240)	850
Yemen	14 622	-	-	14 622
Zimbabwe	18 012	-	(2 154)	15 859
Grand Total	410 527	63 314	(96 954)	376 887
SDR at USD Equivalent	570 850	88 040	(134 818)	524 072
2018 Total USD/EUR/SDR	572 493	168 595	(136 762)	604 326
Exchange difference			(1 863)	
Total 2018 disbursements			(138 625)	
2017 Total US\$ and SDR DSF	594 415	123 402	(127 766)	586 648

Summary of the Heavily Indebted Poor Countries (HIPC) Initiative

As at 31 December 2018

(Thousands of United States dollars)

Completion point countries	Debt relief provided to 31 December 2018		Debt relief to be provided as approved by the Executive Board			Total debt relief
	Principal	Interest	To be covered by IFAD		World Bank contribution	
			Principal	Interest		
Benin	4 568	1 643	-	-	-	6 211
Bolivia (Plurinational State of)	5 900	1 890	-	-	-	7 790
Burkina Faso	6 769	2 668	-	-	-	9 437
Burundi	10 585	2 544	1 610.00	241.00	1 882.00	16 862
Cameroon	3 074	727	-	-	-	3 801
Comoros	1 123	206	454	57	643	2 483
Central African Republic	9 563	2 935	-	-	-	12 498
Chad	1 850	334	285	45	220	2 734
Congo	0	99	-	-	-	99
Côte d'Ivoire	1 814	326	-	-	-	2 140
Democratic Republic of the Congo	9 271	2 892	1 926	153	1 508	15 750
Ethiopia	20 569	5 905	-	-	-	26 474
Gambia (The)	2 508	619	-	-	-	3 127
Ghana	15 585	5 003	-	-	-	20 588
Guinea	10 987	2 129	334	55	268	13 773
Guinea-Bissau	3 686	1 101	851	71	477	6 186
Guyana	1 526	299	-	-	-	2 581
Haiti	1 946	635	-	-	-	2 581
Honduras	1 077	767	-	-	-	1 844
Liberia	8 787	6 213	244	28	266	15 538
Madagascar	7 810	2 096	-	-	-	9 906
Malawi	16 290	3 793	1 346	216	1 772	23 417
Mali	6 211	2 431	-	-	-	8 642
Mauritania	8 484	2 601	-	-	-	11 085
Mozambique	12 521	3 905	-	-	-	16 426
Nicaragua	7 259	943	-	-	-	8 202
Niger (the)	11 016	2 812	-	-	-	13 828
Rwanda	16 786	5 211	-	-	-	21 997
Sao Tome and Principe	1 675	432	650	87	526	3 370
Senegal	2 247	882	-	-	-	3 129
Sierra Leone	9 501	2 168	482	59	374	12 584
United Republic of Tanzania	12 691	4 293	-	-	-	16 984
Togo	2 008	759	-	-	-	2 767
Uganda	12 449	4 654	-	-	-	17 103
Zambia	19 169	4 921	-	-	-	24 090
SDR	267 305	80 836	8 182	1 012	7 936	365 271
Less future interest on debt relief not accrued ^a						(4 203)
Total SDR debt relief						361 068
Total US\$ equivalent	371 696	112 405	11 375	1 407	11 035	507 920
Less future interest on debt relief not accrued ^a	-	-	-	-	-	(5 845)
Total US\$ debt relief						502 075
Fair value adjustment			(3 468)			
31 December 2018 at fair value			7 907			
As at 31 December 2017						
SDR	260 507	79 693	10 425	1 387	10 481	362 493
Less future interest on debt relief not accrued ^a						(4 203)
Total SDR debt relief						358 290
Total US\$ equivalent	371 226	113 563	14 855	1 977	14 936	510 566
Fair value adjustment			(4 605)			
31 December 2017 at fair value			10 250			

^a Including interest covered by the World Bank contribution.

Summary of contributions to the Haiti Debt Relief Initiative

(As at 31 December 2018 and 2017)

	<i>Thousands of US\$</i>	<i>Thousands of SDR</i>
2018		
Member State contribution		
Austria	685	438
Belgium	776	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
Subtotal	27 561	17 825
Interest earned	1 405	
Debt relief provided	(21 425)	
Total administrative account Member States 2018	7 541	
IFAD		
IFAD contribution	15 200	
Interest earned	821	
Debt relief provided	-	
Total administrative account IFAD	16 021	
Grand total	23 562	
Exchange rate movement	(2 718)	
Total cash and investments	20 844	
2017		
Grand total	26 134	
Exchange rate movement	(2 733)	
Total cash and investments	23 401	

IFAD-only analysis of operating expenses

(For the years ended 31 December 2018 and 2017)

An analysis of IFAD operating expenses by principal sources of funding

(Thousands of United States dollars)

<i>Expense</i>	<i>Administrative expenses^a</i>	<i>Direct charges^b</i>	<i>Other sources^c</i>	<i>Total</i>
Staff salaries and benefits	83 593	-	9 540	93 133
Office and general expenses	28 724	466	10 439	39 629
Consultants and other non-staff costs	38 989	62	3 265	42 316
Direct bank and investment costs	-	1 004	-	1 004
Total 2018	151 306	1 532	23 244	176 082
Total 2017	149 840	2 140	20 666	172 646

^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 reimbursable expenses, voluntary separation leave expenditures and positions funded from service charges.