



## Report on the status of contributions to the Tenth Replenishment of IFAD's Resources

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Investing in rural people

# Status of 10<sup>th</sup> Replenishment contributions as at 10 February 2017



<u>10th Replenishment (1) Pledges</u>	<u>USD million (2)</u>	<u>9th Repl. (4)</u>	<u>8th Repl. (5)</u>
Replenishment Target	1 353 (3)	1 500	1 200
Regular Contributions	1 027	1 061	1 007
Complementary contributions	100	353	70
<b>Total Contributions</b>	<b>1 127</b>	<b>1 414</b>	<b>1 077</b>
DSF	3	-	-
<b>Total Pledges</b>	<b>1130</b>	<b>1414</b>	<b>1077</b>
<b>Pledges/Target</b>	<b>83% (3)</b>	<b>94%</b>	<b>90%</b>
<b>Payments on above</b>	<b>705</b>	<b>941</b>	<b>666</b>
Payments/Contributions	62%	67%	62%

(1) IFAD10 became effective in December 2015

(2) At IFAD10 Replenishment exchange rates

(3) The IFAD10 target was affected by reductions in pledges of USD 51 million after it became effective; recalculating pledges accordingly results in 87%

(4) 31 January 2014

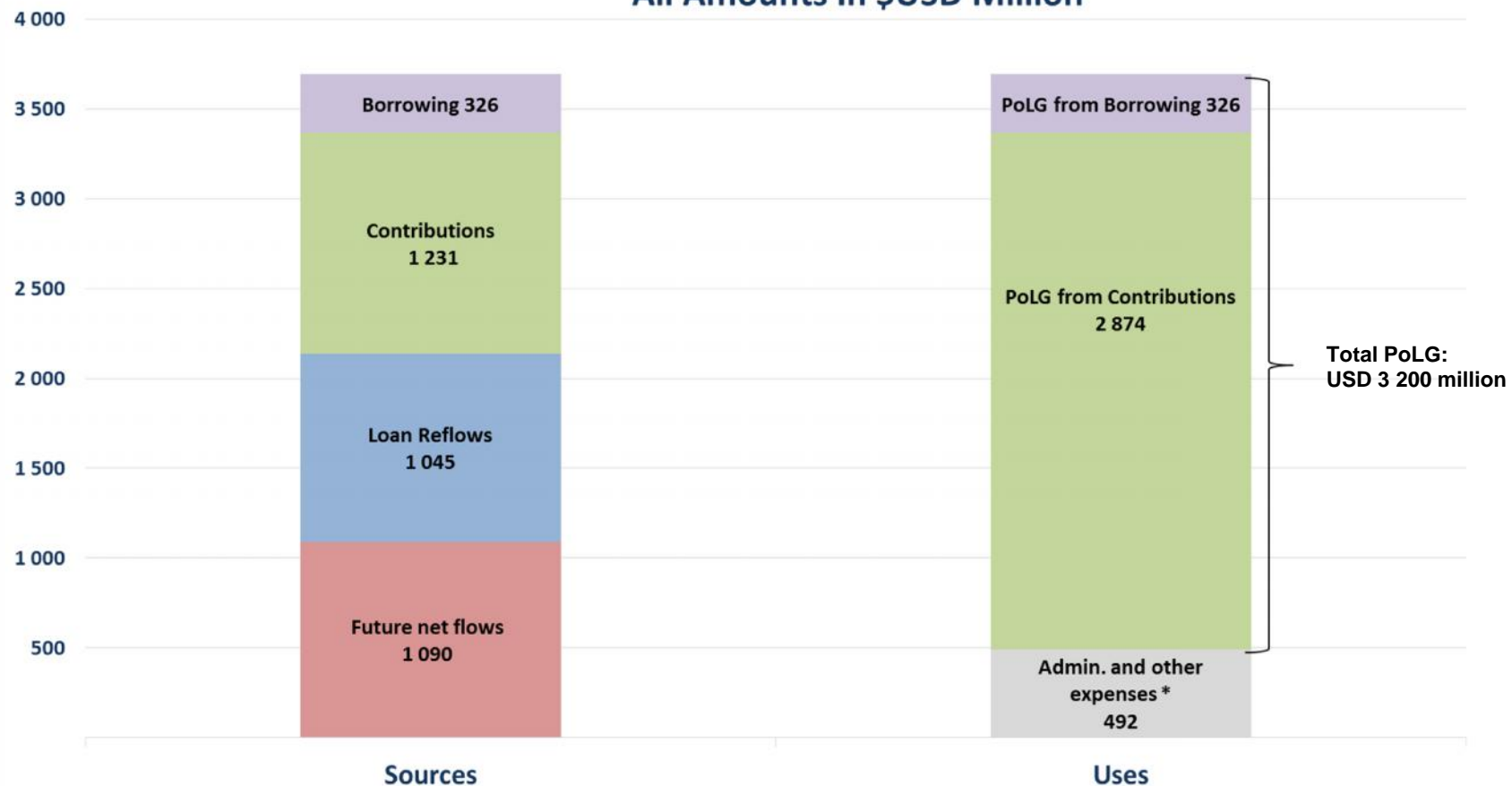
(5) 3 March 2011

- 101 member countries pledged in IFAD10 which is the highest since the establishment of IFAD. (IFAD9 94; IFAD8 86)
- 76 List C countries pledged in IFAD10 with a 37% increase in pledges compared to IFAD9

# Outlook for the IFAD10 period: Sources and Uses of Funds



All Amounts In \$USD Million



\* Other expenses relate primarily to office expenses and direct investment costs

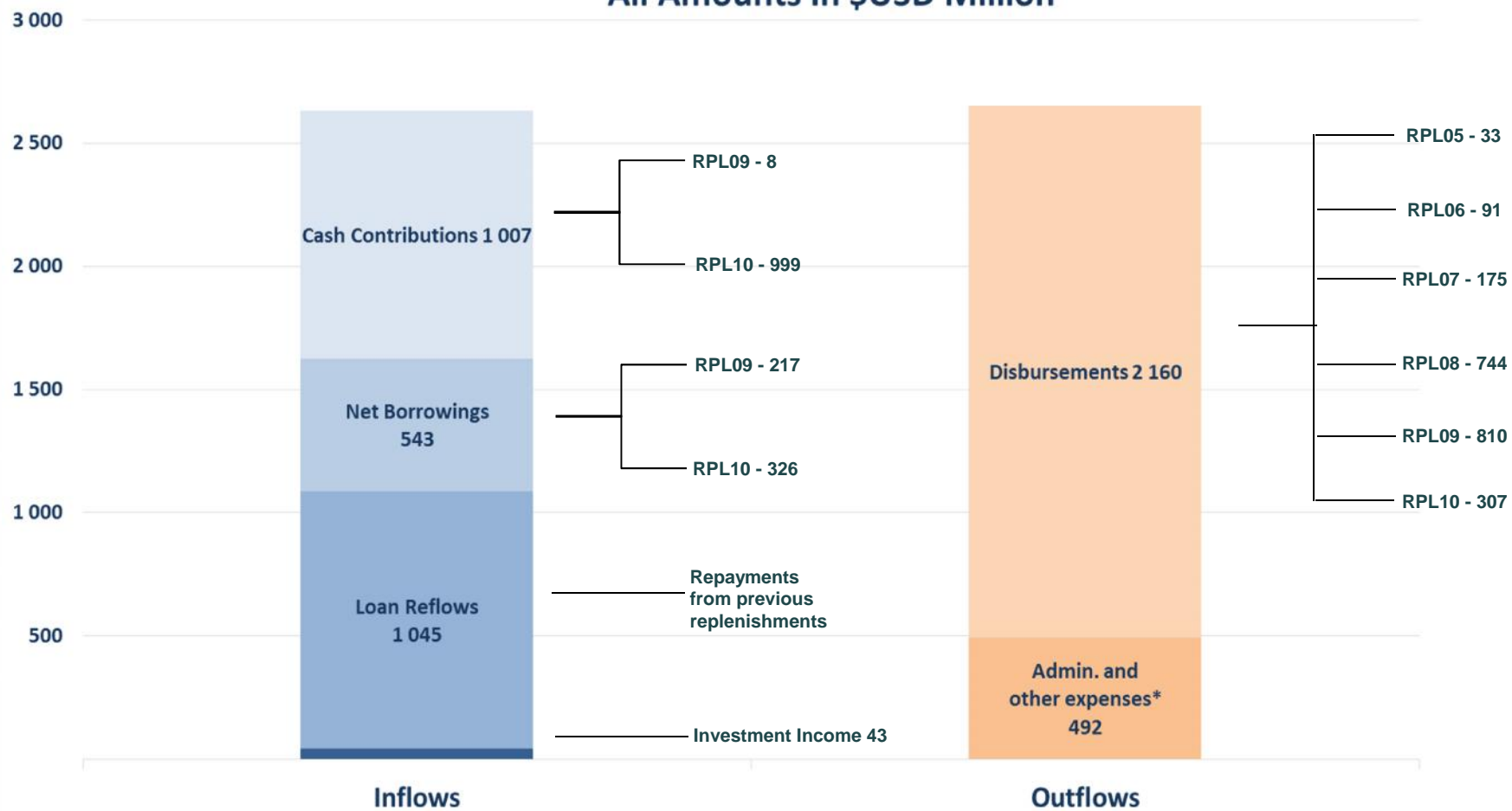
## Outlook for IFAD10: Mobilization requirement

- At the beginning of IFAD10, IFAD projected to need approximately USD 500 million of borrowed funds to reach a POLG of USD 3.2 billion, without implication on the PBAS allocation
- So far, USD 326 million has been secured by drawing the remaining tranche under the Framework Agreement originally established with KfW during IFAD9, and by activating the Sovereign Borrowing Framework established in 2015
- Management may proceed to borrow the remaining amount of approximately USD 200 million during IFAD10 as the need arises

# Outlook for IFAD10: Projected Cash Flows



All Amounts In \$USD Million



\* Other expenses include debt servicing costs and direct investment costs

1. FX impact on contributions continues to be high

The value of actual pledges received at replenishment FX rates (USD 1 130) is reduced by USD 144 million when revalued at 31 December 2016 FX rates.

2. Pledges were affected by reductions after target was announced

Additional pressure on resource mobilization

3. Debt Sustainability Framework

The expected DSF compensation (for principal only) in IFAD10 amounts to USD 3.4 million, of which 2.9 million was received from 5 countries as an additional contribution, while the remainder was embedded in core contribution pledges.  
Including the interest component (currently foregone) a continuation of this trend will have a growing negative impact on all future IFAD replenishments



# Foreign Exchange Impact on IFAD10 Pledges

Currency of Pledge	IFAD10 Pledges (USD million)			Change in fx vs USD
	Value at IFAD10 Repl. fx *	Value at 31 December 2016 fx	Difference	
USD, AUD, CAD	515	500	(15)	-3%
EUR	322	254	(68)	-21%
SEK	39	30	(10)	-25%
GBP	95	71	(25)	-26%
JPY	57	51	(6)	-11%
NOK	51	37	(14)	-28%
CHF	50	44	(5.27)	-11%
<b>Total IFAD10 Pledges</b>	<b>1 130</b>	<b>986</b>	<b>(144)</b>	

\* Average of month-end rates April 2014-October 2014

- During the period 2014 – 2016 all major currencies depreciated against the USD, in some cases quite sharply
- As a consequence, the same amount of Pledges for IFAD10 is worth less in USD terms at 31 December 2016 exchange rates

- Additional initiatives to achieve diversification of IFAD funding sources:
  - Positive assessment by the EU of IFAD's financial management capacity (completed all 7 pillars) allows the EU to entrust IFAD with further financing including new forms of financing
  - Completed accreditation to the Green Climate Fund and diversifying sources for financing climate projects