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Investing in rural people

Methodology to Determine Replenishment Exchange Rates at IFAD

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First Session
Rome, 13-14 February 2020

For: **Information**

Methodology to Determine Replenishment Exchange Rates at IFAD

1. IFAD's methodology to determine replenishment exchange rates is consistent with that of other international financial institutions, based on benchmarking conducted.
2. A methodology is required in order to convert Members' pledges, denominated in various freely convertible currencies, into IFAD's reporting currency – the United States dollar.
3. IFAD's replenishment exchange rates are calculated based on the average of the exchange rates observed during the 6-month period immediately preceding the third session of the replenishment consultation.
4. This average is calculated referring to month-end exchange rates as established by the International Monetary Fund (IMF). This methodology has been in place since the Consultation on the Second Replenishment IFAD's Resources (IFAD2).
5. As an example, the IFAD11 exchange rates (summarized in table 1 below) were reviewed during the third Consultation session in October 2017 (IFAD11/3/R.3/Add.1) and approved by the Governing Council in 2018 at its forty-first session, as part of the IFAD11 Resolution.

Table 1

Replenishment exchange rates for IFAD11 (avg. of rates from April to September 2017)

<i>Currency</i>	<i>April</i>	<i>May</i>	<i>June</i>	<i>July</i>	<i>August</i>	<i>September</i>	<i>Six-month average</i>
AUD	1.3378	1.3423	1.3001	1.2520	1.2661	1.2757	1.2957
CAD	1.3662	1.3500	1.2977	1.2485	1.2536	1.2480	1.2940
CHF	0.9902	0.9710	0.9588	0.9710	0.9655	0.9694	0.9710
CNY	6.8977	6.8289	6.7820	6.7265	6.5957	6.6481	6.7465
DKK	6.8054	6.6302	6.5165	6.3413	6.2904	6.3038	6.4813
EUR	0.9149	0.8912	0.8763	0.8527	0.8457	0.8470	0.8713
GBP	0.7727	0.7789	0.7705	0.7620	0.7766	0.7472	0.7680
JPY	111.2500	110.9500	111.9400	110.5500	110.5000	112.6600	111.3083
NOK	8.5309	8.4117	8.3870	7.9347	7.8469	7.9725	8.1806
NZD	1.4541	1.4083	1.3650	1.3298	1.3941	1.3848	1.3894
SDR	0.7294	0.7224	0.7187	0.7104	0.7075	0.7076	0.7160
SEK	8.8386	8.7160	8.4690	8.1331	7.9725	8.1085	8.3730

Note: Month-end IMF exchange rates rounded to the fourth decimal point.

6. Similar to previous replenishments, the IFAD12 exchange rates will be based on the average of the month-end exchange rates for the reference period April to September 2020. The IFAD12 rates will be reviewed at the third Consultation session in October 2020, and are expected to be approved as part of the IFAD12 Resolution at the forty-fourth session of the Governing Council in 2021.