

IFAD Annual Report 2025



 **IFAD**
Investing in rural people



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Cover:

Angola

Lucinda Magalhães is a 29-year-old mother and fish farmer who has begun selling her products in local markets. "Now, there is always food on the table," she said.

©IFAD/António Penelas

2025 in numbers

Up to **783 million people** in the world are still **facing hunger***



More than **3 billion people** do not have access to healthy diets*

*The State of Food Security and Nutrition in the World, 2023 edition



People living in rural areas, especially women, are more likely to suffer from hunger and food insecurity

31.9% of women

27.6% of men

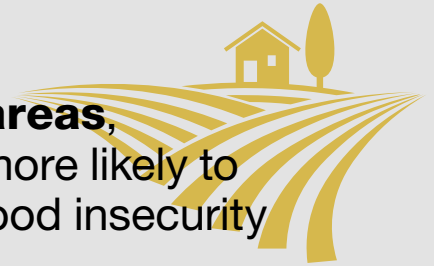
are moderately or severely food-insecure

33.3% of adults living in rural areas

28.8% in peri-urban areas

26% in urban areas

are affected by moderate or severe food insecurity

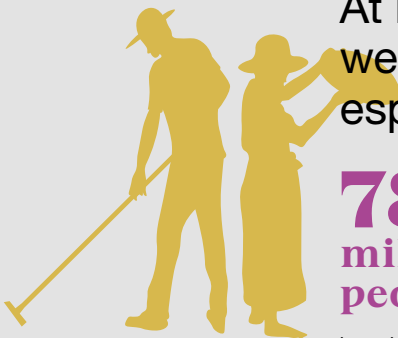


Yet **rural areas** are where our food is produced

Small farms of 5 hectares or less produce

45% of the world's food

At IFAD we continue to do what we do best: **invest in rural people, especially small-scale farmers**



78.6 million people

have been reached by ongoing IFAD-supported projects since they began

50% of project participants are women

More than **US\$24 billion**

has been invested in projects benefiting rural people since 1978

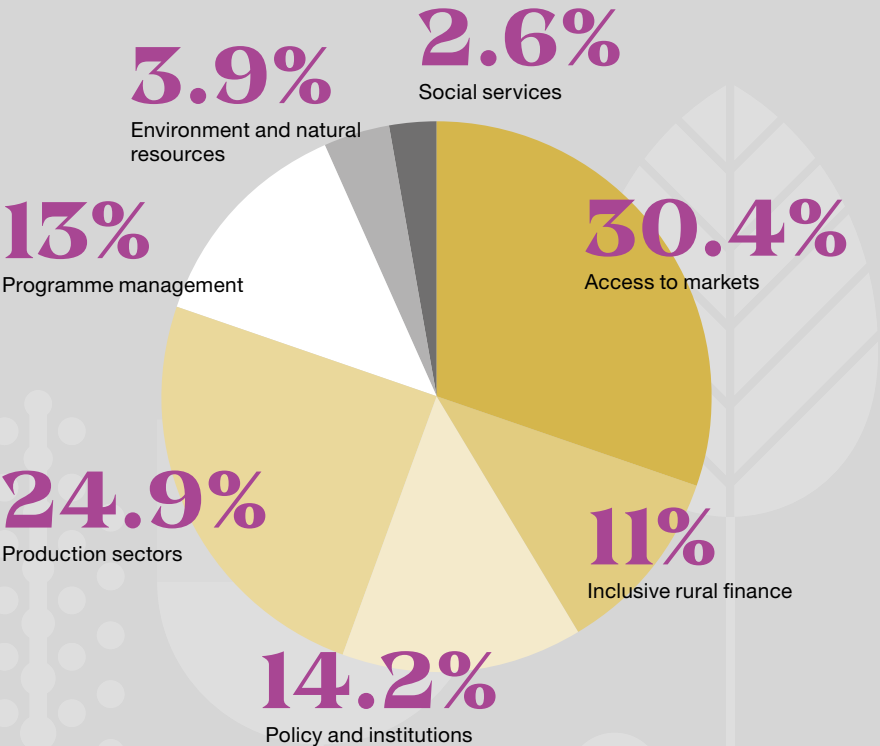


IFAD invests in the things rural people need **to strengthen their livelihoods,**

which means areas linked to sustainable production, such as water and natural resource management. It also means vital services, such as rural finance and infrastructure. Here's where our ongoing investments are directed.

Current financing by project category

IFAD financing as of 31 December 2023



In IFAD13 –
our latest replenishment –
we are aiming to deliver
a programme of work of
US\$10 billion



This will enable us to **double our impact** and **improve the lives** of

100 million
rural people

We are also doing more to assemble
finance **from new sources**



€180
million

Funds raised from
sustainable private
bond placements
in the second
quarter of 2023

2 million
people

Number of rural people
expected to benefit as
a result of funds raised
from sustainable bonds
in 2022

US\$1.05
billion

85% of the overall target
Borrowing secured for the twelfth
replenishment cycle by December 2023

With our people-focused mandate,
we understand that **our**
strength lies in our people



More than
40% of staff

are now in field duty stations

110
nationalities

are represented across IFAD



More than
45%

of senior positions
(P-5 and above) are
held by women



IFAD at a glance

1978–2023^{a,b}

| Operational activities ^{c,d} | 2019 | 2020 | 2021 | 2022 | 2023 | 1978–2023 |
|--|----------------|----------------|----------------|----------------|----------------|-----------------|
| Loan and DSF grant approvals | | | | | | |
| Number of programmes and projects ^e | 34 | 18 | 27 | 14 | 15 | 1 196 |
| Amount US\$ million | 1 625.4 | 782.7 | 1 030.8 | 880.9 | 528.6 | 23 719.7 |
| Grant approvals | | | | | | |
| Number | 36 | 25 | 10 | 4 | 5 | 2 214 |
| Amount US\$ million | 40 | 35 | 10.2 | 1.4 | 6.1 | 1 053.9 |
| Total IFAD loan and grant operations^f | | | | | | |
| US\$ million | 1 665.4 | 817.7 | 1 041.0 | 882.3 | 534.7 | 24 773.6 |
| Cofinancing | | | | | | |
| US\$ million | 1 577.3 | 181.3 | 1 281.5 | 559.3 | 886.0 | 15 844.1 |
| Multilateral | 1 436.4 | 102.1 | 1 146.2 | 360.3 | 755.7 | 12 971.1 |
| Bilateral | 123.4 | 3.5 | 134.6 | 94.9 | 46.5 | 2 200.0 |
| NGO | 13.3 | 3.4 | 0.7 | 99.3 | 83.7 | 317.6 |
| Other ^g | 4.3 | 72.4 | - | 4.8 | - | 355.4 |
| Domestic contributions | | | | | | |
| US\$ million | 1 460.3 | 934.4 | 982.9 | 452.7 | 1 022.9 | 21 272.8 |
| Total programme and project cost^h | | | | | | |
| US\$ million | 4 703.0 | 1 933.4 | 3 305.4 | 1 894.3 | 2 443.6 | 61 890.5 |
| Programmes and projects | | | | | | |
| Number of effective programmes and projects under implementation | 203 | 203 | 207 | 198 | 194 | |
| Number of programmes and projects completed | 32 | 25 | 26 | 28 | 22 | 984 |
| Number of approved programmes and projects initiated by IFAD | 29 | 23 | 24 | 12 | 13 | 1 024 |
| Number of recipient countries/territories (current portfolio) | 94 | 96 | 94 | 93 | 92 | |
| Membership and administration | | | | | | |
| Member States – at end of period | 176 | 177 | 177 | 177 | 177 | |
| Professional staff – at end of period ⁱ | 441 | 457 | 502 | 514 | 573 | |

^a For the reader's convenience, tables and charts use figures shown in US\$ equivalents, as per the President's report for each programme or project approved by the Executive Board. Any discrepancy in totals is the result of rounding.

^b Figures for 1986–1995 include the Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification.

^c Excludes fully cancelled programmes and projects. Excludes the Programme Development Financing Facility.

^d A small number of projects are supervised by IFAD and funded by a grant from the Global Agriculture and Food Security Program. The programmes are counted under the number of programmes and projects but have no IFAD financing.

^e Includes two regional lending operations.

^f Includes grants allocated through the Adaptation for Smallholder Agriculture Programme Trust Fund (ASAP1).

^g Includes financing under basket or similar funding arrangements and financing from private sector resources.

^h Includes DSF grants, component grants, and excludes grants not related to investment projects as well as other non-regular financing managed by IFAD and IFAD's contributions to the Rural Poor Stimulus Facility, IFAD Climate Facility, Climate Finance Design Gap 2021 and the African Agricultural Transformation Initiative.

ⁱ Includes national professional officers in country offices.



Nigeria

Nnenna Egim seals a bag of parboiled rice she has processed at a rice mill that she co-manages.

©IFAD/Andrew Esiebo

President's foreword

Rural people hold the key to overcoming the compounding crises of climate change, instability and growing inequality. Providing a model for sustainable stewardship of the land, they produce nutritious food for a growing population and manage crucial natural resources.



The year 2023 was the hottest on record. The latest estimates indicate that up to 783 million people still suffer from hunger. And rural people are more likely to be affected by food insecurity than people living in peri-urban and urban areas.



©IFAD/Sophie Bellard

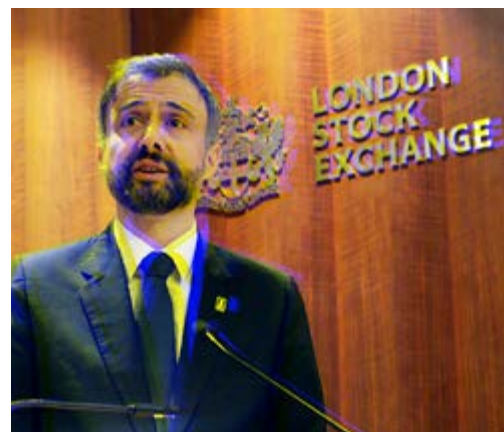
IFAD was founded in the 1970s when food shortages and an energy crisis loomed large. Today, the world needs to come together again with a united, impactful response.

I am pleased to say this is already happening.

During 2023, IFAD Member States stepped up with record pledges for the 13th Replenishment of IFAD's Resources (IFAD13), paving the way for IFAD13 to be our largest replenishment ever.

We also issued two euro-denominated sustainable bond private placements – worth EUR 180 million – under our Sustainable Development Finance Framework.

In November, we issued our first impact report at the London Stock Exchange, showing how the proceeds of bonds IFAD issued in 2022 are being invested in two million rural households and directly contributing to eight Sustainable Development Goals.



©Layton Thompson

At COP28, we introduced, with our partners, the Africa Rural Climate Adaptation Finance Mechanism, an innovative financing model that will support small-scale food producers and rural microenterprises adapt to climate change in several African countries.



©IFAD/Avishkar Birenda

Throughout the year, our Enhanced Adaptation for Smallholder Agriculture Programme (ASAP+) continued to catalyse climate finance for the countries that need it most. This included pioneering market-based mechanisms to fairly compensate small-scale farmers for ecosystem services; the establishment of an Innovation Lab; and a new instrument to provide funding directly to rural people's organizations for climate-focused projects.



©IFAD/Manuela Cavadas

The year 2023 also reinforced our conviction that while our strength lies in our ability to galvanize investment where it is needed most, it is the role of our people – their dedication, their energy and their expertise – that enables us to do so.

During the year, we strove to ensure our staff have the support, the tools and the working environment they need to thrive. We continued efforts to bring our staff closer to the rural people we serve and reached our target of 40 per cent of staff in field duty stations. We also brought the share of women in senior positions above 45 per cent.

So, while the challenges we face are significant, we enter 2024 better equipped than ever before to respond to them and to continue our mission to help rural people find sustainable solutions.

We are grateful for the continued support of our partners – including Member States, other development organizations, private sector partners, and – most importantly – rural people and their organizations the world over.



© IFAD/Jefri Tarigan

Together, we can achieve our ultimate ambition of a world without hunger and poverty.

A handwritten signature in black ink, which appears to read 'Alvaro Lario'.

Alvaro Lario
PRESIDENT OF IFAD



Tajikistan

Mirzosh Akobirov, Village Organization Chief, demonstrates the high quality of honey produced in Jafr village.

©IFAD/Didor Sadulloev

Where's IFAD works

Latin America and the Caribbean

24

ongoing programmes in 16 countries

US\$411.8 million ongoing IFAD financing

Near East, North Africa and Europe

27

ongoing programmes in 15 countries and Gaza and the West Bank

US\$905.2 million ongoing IFAD financing

Asia and the Pacific

49

ongoing programmes in 18 countries

US\$2,431.8 million ongoing IFAD financing

West and Central Africa

51

ongoing programmes in 22 countries

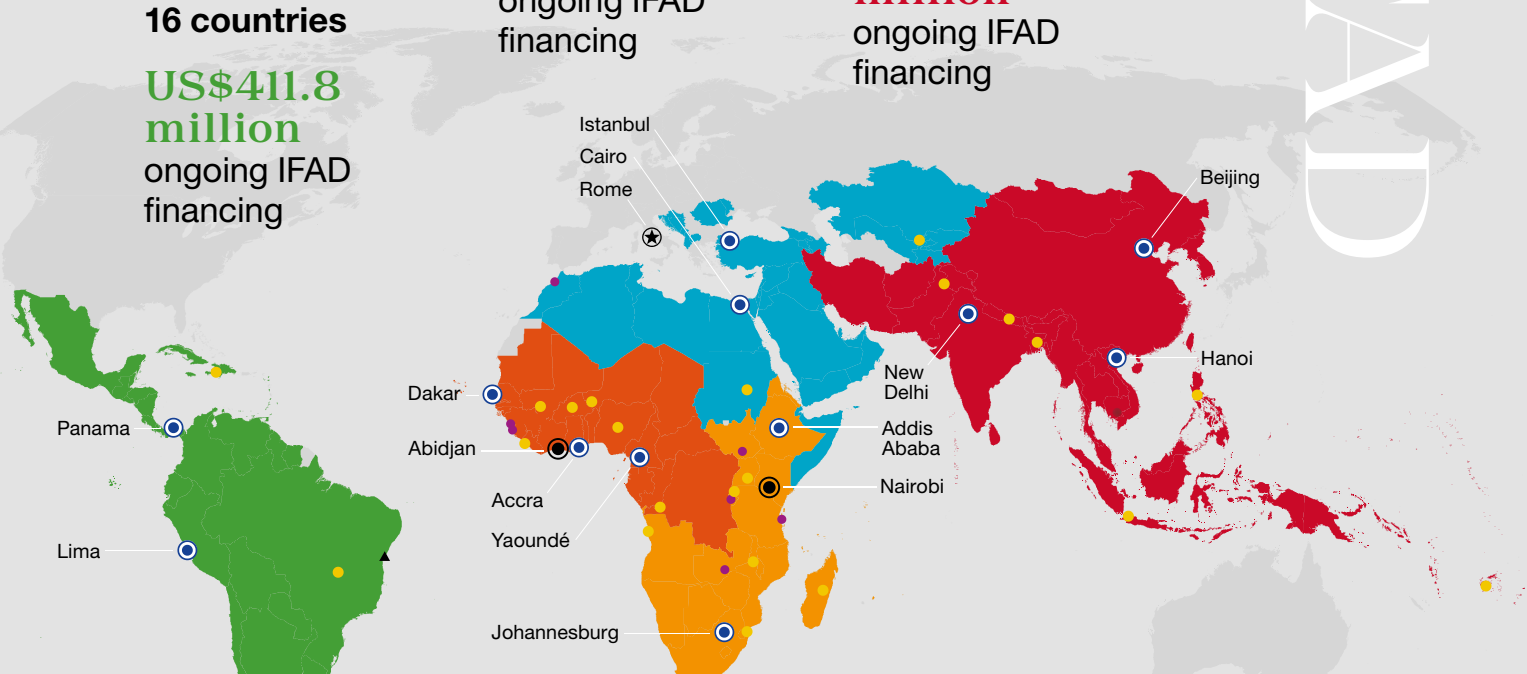
US\$2,177.7 million ongoing IFAD financing

East and Southern Africa

43

ongoing programmes in 17 countries

US\$2,044.9 million ongoing IFAD financing



- ★ IFAD headquarters
- Regional office
- ⦿ Multi-country office
- Country director-led office
- Country programme officer-led office
- ▲ Satellite office

Asia and the Pacific operational region

35 countries

| | | |
|---------------------------------------|---|-------------|
| Afghanistan | 1 | |
| Bangladesh | 7 | |
| Bhutan * | 2 | |
| Cambodia | 4 | |
| China | 3 | |
| Cook Islands | | |
| Democratic People's Republic of Korea | | |
| Fiji | | |
| India | 6 | |
| Indonesia | 5 | |
| Iran (Islamic Republic of) | | |
| Kiribati | | |
| Lao People's Democratic Republic | 2 | |
| Malaysia | | |
| Maldives | 1 | |
| Marshall Islands | | |
| Micronesia (Federated States of) | | |
| Mongolia | | |
| Myanmar | 2 | |
| Nauru | | |
| Nepal | 3 | |
| Niue | | |
| Pakistan | 5 | |
| Palau | | |
| Papua New Guinea | 1 | |
| Philippines | 1 | |
| Samoa | 1 | |
| Solomon Islands | | |
| | | Sri Lanka 2 |
| | | Thailand |
| | | Timor-Leste |
| | | Tonga 1 |
| | | Tuvalu |
| | | Vanuatu |
| | | Viet Nam 2 |

Numbers indicate ongoing projects and programmes

* Countries with ongoing ASAP grants

US\$2,431.8 million

invested by IFAD in the region's ongoing portfolio

US\$92.3 million

in IFAD financing approved in 2023

49 ongoing programmes and projects

in partnership with 18 countries in the region at the end of 2023

4 new programmes and projects

approved in 2023 in Bangladesh (2 projects), Indonesia and Solomon Islands

1 new country strategic opportunities programme

for the Philippines

Highlighted project

Bangladesh

The Promoting Agricultural Commercialization and Enterprises Project (PACE) restored activities in the pandemic-hit rural enterprise sector. In addition to financing, the project provided technical, technological and marketing support to rural microenterprises. It also provided market infrastructure, e-commerce services and support for decent rural employment.

Over 1 million people have been reached

More than half of those benefiting from the project (59 per cent) were women

Support has been offered to more than 225,000 rural entrepreneurs and other people involved in rural business activities

More than 400,000 people have been provided with access to financial services

Bangladesh

Anjuyara Khatun and her three daughters no longer struggle to buy enough food now that she earns an income from the basket-making business she started.

©IFAD/G. M. B. Akash

Progress on the Sustainable Development Goals (SDGs) faced additional challenges before the COVID-19 pandemic and the conflict in Ukraine. Despite multiple shocks, the region is showing resilient growth, driving around two thirds of global growth in 2023. Yet hunger currently stands at 8.5 per cent in Asia and 7 per cent in Oceania – both figures slightly higher than when the SDGs were agreed in 2015. There is a need to change the trajectory.

IFAD remains dedicated to advancing rural transformation, addressing the vulnerabilities in the region's food systems and ensuring that no one is left behind. As of December 2023, IFAD-financed projects in the region of Asia and the Pacific had reached more than 4 million people, helping them to improve their productivity, get their products to remunerative markets and improve their resilience to climate change.

The main priorities of IFAD's ongoing work in the region are forging dynamic partnerships with the private sector, creating economic opportunities for women and mobilizing climate finance while championing biodiversity. By scaling up these approaches, meaningful changes towards achieving the SDG targets are possible.

Partnering with the private sector

Many small-scale farmers lack access to markets where they can sell their surpluses. Private partnerships are therefore vital to improve their incomes and to make nutritious local products available to local people. In northern Pakistan, the Economic Transformation Initiative is teaming up with the private sector to set up collection centres for small-scale dairy producers so that they can get their milk to market. As a consequence, farmers have been able to increase their earnings and reduce wastage.

“Now I can sell the excess milk,” says Tasleem Bano, a small-scale dairy producer and participant in the project. “The extra money I make from this helps with various household expenses. I can also pay my children’s school fees.”

Across the region, other projects, such as the Rural Microenterprise Transformation Project in Bangladesh, also involve partnerships with the private sector. The project works closely with Bengal Meat, which trains small-scale farmers in livestock rearing and purchases cows from them.

In South-East Asia, the Sustainable Farming in Tropical Asian Landscapes (SFITAL) project is a regional five-year agricultural development initiative that benefits two IFAD projects – READSI in Indonesia and RAPID in the Philippines. It links small-scale cacao farmers to global supply chains to turn them into competitive producers of cacao products and committed environmental stewards. Funded by IFAD, SFITAL is being implemented by the World Agroforestry Centre (ICRAF) with Mars Inc. This partnership with Mars has facilitated small-scale farmers' ability to sell their produce to the company's buying centres after meeting the required quality standards, improving their market access and remuneration.

As well as improving access to markets, boosting collaboration with private investors offers opportunities to connect small-scale farmers to technology, innovations and services. It is crucial for growing our portfolio and we are constantly looking for opportunities to do more in this area. In addition to our project work, in 2023 IFAD and the Food and Agriculture Organization of the United Nations hosted the Bangladesh Agricultural Investment Forum 2023, which was dedicated to identifying private sector partners who were willing and able to enter into mutually beneficial arrangements with small-scale farmers across the region.

Fostering high-quality natural resources and shifting to climate-smart agricultural practices

Maintaining and restoring ecosystems can change lives. Access to high-quality water is especially important in many remote semi-arid and arid regions. In India's Odisha State, OPELIP (Odisha Particularly Vulnerable Tribal Groups Empowerment and Livelihoods Improvement Programme) worked with members of the local community to install solar-powered water systems. These systems not only reduced greenhouse gas emissions but also provided a consistent source of clean water, even without electricity. As a result, the incidence of waterborne diseases decreased, and women now have more time for their families and for income-generating activities. As of 2023, OPELIP had positively impacted 100,000 households, leading to improved living conditions and higher incomes. It secured land and forest rights, promoted advanced farming practices and encouraged the creation of profitable microenterprises.

“We’re very happy, as we now get clean water at our doorstep,” says Suka Dehury, who participated in the project. “We can take regular baths and wear clean clothes. We even use surplus wastewater for kitchen gardens and producing green vegetables.”

In the semi-arid provinces of northern Pakistan, an ambitious canal irrigation system spanning hundreds of kilometres has regenerated local ecosystems, transforming barren land into productive farmland. Along with training in food production and processing, and the construction of new roads to reach markets, the Economic Transformation Initiative has enabled local people to thrive in their homes and reduced the need for them to look for jobs elsewhere.



©IFAD

“The water canal system was actually a dream of our ancestors,” said Muhammed Abbas, a small-scale farmer and participant in the project. “The prosperity we are seeing in our village now is indescribable.”

In Bhutan, the Commercial Agriculture and Resilient Livelihoods Enhancement Programme is promoting a climate-smart village approach that is bringing climate-smart agricultural practices and technologies to entire villages. The programme prioritizes renewable energy technologies, including biogas, solar irrigation pumps and greenhouse solar dryers. In total, 12 climate-smart villages have been established, with more than 27,000 households benefiting from strengthened climate resilience and cleaner air.

Promoting women’s empowerment through innovation

Much progress has been made in creating opportunities for women to improve their incomes and increase their participation in rural communities. For example, the Smallholder Agribusiness Partnership Programme in Sri Lanka is challenging gender stereotypes and creating economic opportunities for women in agriculture through its Change4gender in Agriculture initiative.

This project has trained over 1,000 women for entrepreneurship, and for decision-making roles within communities. Labour-saving technologies and changing gender norms around household work have been key to the project’s success.

“I wasn’t always a farmer,” said Shanika, who participated in the project. “I started out working from home but now I’m a thriving greenhouse bell pepper entrepreneur.”

Boosting resilience in the Pacific with digital tools

In the Pacific Islands, addressing the need for innovation and adaptation in agrifood systems is a key strategy for recovery. In collaboration with the Government of Australia, IFAD launched the Pacific Islands Rural and Agriculture Stimulus Facility (PIRAS) in 2022. This programme focuses on recovery from the COVID-19 pandemic, food self-sufficiency, nutrition and sustainable agricultural livelihoods in Fiji, Kiribati, Samoa, the Solomon Islands, Tonga, and Vanuatu, benefiting over 20,000 farmers. TraSeable Farms, a versatile agriculture mobile app and web platform, plays a vital role in supporting Pacific communities facing pandemic-related economic challenges. The app provides farmers with technical guidance, real-time weather updates and market data to identify the most profitable markets for their products, while also facilitating connections between small-scale producers and new buyers.

East and Southern Africa

US\$2,044.9 million

invested by IFAD in the region's ongoing portfolio

US\$178.1 million

in IFAD financing approved in 2023

22 countries

| | |
|-----------------------------|---|
| Angola | 2 |
| Botswana | |
| Burundi | 3 |
| Comoros* | 1 |
| Eritrea | 2 |
| Eswatini | 2 |
| Ethiopia* | 4 |
| Kenya* | 4 |
| Lesotho* | 2 |
| Madagascar* | 4 |
| Malawi* | 4 |
| Mauritius | |
| Mozambique | 3 |
| Namibia | |
| Rwanda | 3 |
| Seychelles | |
| South Africa | |
| South Sudan | 2 |
| Uganda* | 3 |
| United Republic of Tanzania | 1 |
| Zambia | 1 |
| Zimbabwe | 2 |

Numbers indicate ongoing projects and programmes

* Countries with ongoing ASAP grants

43 ongoing programmes and projects

in partnership with 17 countries in the region at the end of 2023

6 new programmes and projects

approved in 2023 in Lesotho, Malawi, Mozambique, Rwanda, South Sudan and the United Republic of Tanzania. Additional financing provided for ongoing projects in Burundi and Mozambique

3 new country strategic opportunities programmes

for Ethiopia, Mozambique and South Sudan

Highlighted project

Rwanda

The Rwanda Dairy Development Project has invested in milk collection and processing infrastructure, in addition to climate-proofing existing infrastructure. It has increased the number of rainwater harvesting facilities and provided training in production and marketing techniques through [livestock farmer field schools](#).

More than 150,000 rural households have benefited (more than double the initial target)

Participants' income has increased by an average of 19 per cent

74 per cent of participating women have reached minimum dietary diversity

58 milk collection centres have been rehabilitated and 50 milk collection points have been constructed

Burundi

Much of the 400 litres of milk collected daily at the milk collection centre in Mwurire hill is transported to Bujumbura to be sold at urban markets.

©IFAD/Susan Beccio

The region of East and Southern Africa has made remarkable progress in advancing the SDGs, with investments totalling around US\$2 billion in key mainstreaming themes, which play a pivotal role in propelling progress across several critical dimensions in the region, contributing substantively to sustainable development. Our Crisis Response Initiative, focusing on seven countries in this region, has played a vital role in this expansion, supporting local food systems in building their resilience to the impacts of the war in Ukraine. IFAD-supported projects in the region are especially pivotal to advancing SDGs 1 (no poverty), 2 (zero hunger), 5 (gender equality) and 8 (decent employment).

Dedicated climate finance initiatives that prioritize sustainable agricultural practices and resilient infrastructure have resulted in measurable improvements, significantly reducing climate vulnerabilities and mitigating risks in agriculture, marking a noteworthy advance towards enhanced climate resilience. Nutrition-sensitive programmes have delivered impactful results, showcasing a marked decrease in malnutrition rates and fostering improved access to diverse and nutritious food sources for a substantial rural population.

At the same time, efforts to boost youth employment have created meaningful opportunities for integrating the increasing youth demographic into the regional economy. Targeted interventions have supported women in agriculture, enhancing their representation in leadership roles within agricultural cooperatives.

Transforming small farms into profitable businesses

IFAD's work is focused on transforming small-scale farmers into market-oriented entrepreneurs. Providing training in improved production techniques, increasing access to high-quality inputs and linking producer organizations to markets have all been crucial for success. For example, the Rwanda Dairy Development Project provides small-scale livestock farmers with high-quality grass seed, sustainable water management techniques and training on improving productivity and market integration. Milk production has risen by more than 50 per cent, and farmers are now getting their produce to markets, leading to an almost 20 per cent improvement in incomes.

“My cows now generate 50 litres every day,” Livingstone Abingoma says. “I managed to buy an AG 100 motorcycle and a double cabin car to ease transport of milk at the milk collection centre.”

Strengthening the skills of small-scale farmers and their organizations so that they can benefit from commercial agriculture is central to IFAD's work across the region. In Malawi, the Transforming Agriculture through Diversification and Entrepreneurship Programme is working with farmer organizations in different subsectors – including dairy, beef and honey – and linking them with markets, while also providing them with training in areas such as cooperative management and climate-smart agriculture.

Prioritizing bottom-up approaches

The best solutions are those grounded in the local community: those designed and implemented in partnership with local people. In Ethiopia's Oromia region, the Lowlands Livelihood Resilience Project is giving communities a menu of public goods to choose from based on their needs and available resources. With funds provided by the project, local people set up a cattle-fattening group, which has grown into a thriving business.

“In this project, we participated in identifying what it should do for us,” said Hawa Uso. “We participated in all activities and even shared the costs. This project is ours: we look after it, protect it and make good use of it.”

Strengthening livestock assets has been another important strategy to support people across East and Southern Africa in dealing with the multiple crises they have faced in recent years. Receiving livestock through IFAD's Rural Poor Stimulus Facility has strengthened rural people's resilience during difficult times and given them hope for the future. In Zambia, providing chicken and rabbits to families enabled them to feed themselves during the pandemic, sell surpluses and improve their resilience.

Spotlight on Mozambique

Despite various recent challenges – including seven cyclones in four years and the emergence of conflict in northern Mozambique – IFAD's Mozambique country portfolio has shown a significant impact on poverty and hunger.

Our current investment in Mozambique amounts to US\$147 million across three ongoing projects. In addition, in May 2023, we provided a grant under the Crisis Response Initiative to strengthen the resilience of rural communities to the impact of the war in Ukraine on food systems. We are also working with a local bank to provide a facility specifically tailored towards providing finance for small-scale farmers and other rural businesses.

Improving access to financial services is one of the cornerstones of our Mozambique country programme. According to a 2023 review of the country programme, between 2018 and 2022 we helped support or strengthen over 3,000 credit associations, encompassing a total of around 25,000 members. These groups now make extensive use of information and communications technology and mobile money platforms for secure transactions, which has helped many users connect to the formal financial sector. Overall, thanks to ongoing projects, more than 88,000 rural people have been able to access financial services.

Another focus of the Mozambique country programme has been on incorporating nutrition-sensitive approaches into projects, particularly prioritizing dietary diversity. Improving nutrition is now a core element in all new projects, with nutrition interventions embedded throughout the project cycle. Final assessments have shown the impact of these approaches. For example, the Rural Markets Promotion Programme has achieved its targets with regard to minimum dietary diversity for different target groups, reaching over two thirds for adolescents and infants in participating families. Overall, over 47,000 rural people participating in IFAD projects across the country have benefited from improved nutrition.

IFAD's work, along with our partners, has contributed to an overall decline in Mozambique's chronic malnutrition rate to below 40 per cent.

In total, between 2018 and 2022, the IFAD Mozambique country programme touched the lives of almost 900,000 people, surpassing the original target by almost 100,000. More than half of these people are women. Over the past two decades, IFAD's work, along with that of our partners, has contributed to reducing the share of people in need of food and nutrition assistance by half, bringing it down from 61 per cent to 24 per cent.



“Even if we get a poor harvest in the field, we can sell the rabbits and we can have a meal at home,” explained Violet Banda, a rabbit farmer who participated in Rural Poor Stimulus Facility activities in Zambia.

Latin America and the Caribbean

US\$41.8 million

invested by IFAD in the region's ongoing portfolio

US\$11.8 million

in IFAD financing approved in 2023

32 countries

| | |
|------------------------------------|---|
| Antigua and Barbuda | |
| Argentina | 3 |
| Bahamas (The) | |
| Barbados | |
| Belize | 1 |
| Bolivia (Plurinational State of) | 2 |
| Brazil* | 3 |
| Colombia | |
| Costa Rica | |
| Cuba* | 1 |
| Dominica | |
| Dominican Republic | 2 |
| Ecuador | 1 |
| El Salvador* | 1 |
| Grenada | 1 |
| Guatemala | |
| Guyana | 1 |
| Haiti | 3 |
| Honduras | 1 |
| Jamaica | |
| Mexico | 1 |
| Nicaragua | 1 |
| Panama | |
| Paraguay* | 1 |
| Peru | 1 |
| Saint Kitts and Nevis | |
| Saint Lucia | |
| Saint Vincent and the Grenadines | |
| Suriname | |
| Trinidad and Tobago | |
| Uruguay | |
| Venezuela (Bolivarian Republic of) | |

Numbers indicate ongoing projects and programmes

* Countries with ongoing ASAP grants

24 ongoing programmes and projects

in partnership with 16 countries in the region at the end of 2023

1 new programme

approved in 2023 in El Salvador

1 new country strategic opportunities programme

for El Salvador

Highlighted project

Bolivia, Guatemala, Haiti, Honduras and Peru

The **AGRIdigitalización** project was implemented in Peru and several other countries in Latin America and the Caribbean by **Agriterra** as part of IFAD's Rural Poor Stimulus Facility programme. The initiative has helped small-scale farmers and their producer organizations find innovative ways to preserve their livelihoods and recover from the COVID-19 pandemic. The project connects farmers to online services, many of which are offered by small youth-led tech companies, as a means of reaching new markets and accessing technical assistance and financial services.

3,000 farmers will receive virtual technical assistance and training in internal remote communication systems

More than 10,000 family farmers are expected to benefit from the project

86 producer organizations have been supported to market their products

Peru

Gianfranco Ríos Barco is the general manager of an agricultural cooperative that brings together more than 2,000 small producers from the San Martín region.

©IFAD/Giancarlo Shibayama/Factstory

Rural areas across Latin America and the Caribbean were hit especially hard by the COVID-19 pandemic. Although the situation has since improved, rural poverty is worse than it was before the pandemic.

Similarly, progress in improving food security remains mixed, although there have been some encouraging trends. Overall, hunger is on the decline across the region and the level stands at 6.5 per cent. But the overall positive trend masks a worsening trend in the Caribbean, where the share of people suffering from hunger has risen from 14.7 per cent to 16.3 per cent.

Most countries in the region have achieved upper-middle-income status. But inequality remains an issue, and many rural communities have yet to experience the benefits of overall economic development. In many upper-middle-income countries, the severity of poverty in rural areas is comparable to that of low-income countries. Protecting and restoring the region's rich biodiversity is also a challenge, with economic growth all too often having been accompanied by unsustainable levels of environmental degradation. And, as in other regions, the rural people of Latin America and the Caribbean are increasingly challenged by the worsening effects of climate change.

Focusing on nature-based solutions to adapt to climate change

IFAD-financed projects focus on agroecology as a primary approach to improving sustainability and strengthening climate resilience. Projects in Argentina, Bolivia, Brazil and the Dominican Republic, for example, are building biodiversity into agriculture and food systems.

In Argentina, the Goat Value Chain Development Programme works with goat herders to find solutions to adapt to an increasingly challenging climate, with unpredictable rains, strong winds and changing seasonal patterns having threatened the viability of their traditional ways of life.

“There is more wind than ever,” explains Ana Cerda, a 57-year-old goat herder from the Portezuelo Formation region of central Argentina, whose family has herded goats since she was a child. “On top of this, the rains are no longer like they used to be. Now all the water comes at once and the fields get destroyed. All this causes the animals to lose weight.”

Investments to improve the water supply and cultivate native plants for forage and firewood provide nature-based solutions to these problems for herders like Ana. Establishing drip irrigation systems and building sheds to shelter small cattle from dry winds have also provided opportunities for herders to adapt – and thrive – in today's new realities. To date, around 8,000 of the most vulnerable families in the Portezuelo Formation have benefited from the project.

Using digital tools to connect farmers to markets

Getting their products to remunerative markets is often a challenge for small-scale farmers, especially in relatively remote and hard-to-reach regions such as the Peruvian Amazon. And the economic downturn that accompanied the pandemic has exacerbated the challenges they face.

The AGRIdigitalización project, funded by IFAD's Rural Poor Stimulus Facility, has given small-scale farmers in Peru and other countries across the region opportunities to use digital technologies and tools to reach new customers. Through AGRIdigitalización, farmers and farmer collectives have been able to connect to new markets, as well as access vital financial services and technical assistance.

For the Allima Cacao Cooperative, which brings together small-scale farming families in the Chazuta district of the Peruvian Amazon, the project has enabled them to sell their cocoa products on a local e-commerce platform. This kept their businesses going during the pandemic and is now opening up new income-generating opportunities.

“We are benefiting because the business has expanded without having to move somewhere else,” said Gening Tapullima, a cocoa farmer from Peru who participated in the project.

Many of the project participants are Indigenous Peoples in the countries where the project is being implemented, which include Bolivia, Honduras and Peru.

Working with Indigenous Peoples and rebuilding traditional livelihoods

Indigenous Peoples are important partners in IFAD’s work across the region. In many cases, by linking their traditional knowledge and practices with technology, sustainable solutions for challenges related to food security, livelihoods and climate change can be implemented.

In Brazil, for example, an IFAD-supported project in the semi-arid north-eastern region has enabled the Kiriri people to rebuild their traditional ways of life and to marry them with modern innovations. With the support of the project, they are benefiting from a mill to process cassava harvested using their ancestral techniques. As these techniques are now providing them with decent livelihoods and hope for the future, they are training their young people in traditional crafts and beekeeping.



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“The mill has great cultural and commercial value,” says Fabiana, an indigenous Kiriri and participant in the project. **“It helps strengthen our culture – not lose it. Now I have big hopes for the future.”**

Young people, innovation and climate adaptation will be key for the future of rural communities

Supporting young people has long been a pillar of IFAD’s work across Latin America and the Caribbean. Entrepreneurship programmes, capacity development for employment and promoting digital tools to open new market opportunities are among the approaches IFAD prioritizes. Now we are scaling up and going further with this work – for example by integrating young people in technological start-ups through Innovatech, an innovative programme that is pioneering digital solutions to link to markets and services.

We are working with governments to ensure that marginalized groups such as Indigenous Peoples and persons with disabilities benefit from these approaches, in line with our new targeting policy.

Furthermore, innovation in the financial instruments we offer will be important to enable IFAD to work with countries in the region and contribute to the implementation of their national plans for rural development. New instruments are providing us with more scope to do this and allowing us to widen our partnership with the private sector. Non-sovereign operations, the Private Sector Financing Programme, and environmental and social governance bonds are some of the tools we are prioritizing in Latin America and the Caribbean. In addition, we are developing non-financial instruments to broaden IFAD’s offer to countries, such as Reimbursable Technical Assistance and new regional cooperation mechanisms.

Near East, East, North Africa and Europe

23 countries

| | |
|----------------------------|---|
| and Gaza and the West Bank | 1 |
| Albania | |
| Algeria | |
| Armenia | |
| Azerbaijan | |
| Bosnia and Herzegovina | 1 |
| Djibouti | 2 |
| Egypt* | 3 |
| Georgia | 1 |
| Iraq* | 1 |
| Jordan | 2 |
| Kyrgyzstan | 1 |
| Lebanon | |
| Republic of Moldova* | 2 |
| Montenegro | |
| Morocco | 3 |
| Somalia | |
| Sudan | 2 |
| Syrian Arab Republic | 1 |
| Tajikistan | 2 |
| Tunisia | 2 |
| Türkiye | 2 |
| Uzbekistan | 1 |
| Yemen | |

Numbers indicate ongoing projects and programmes

* Countries with ongoing ASAP grants

US\$905.2 million

invested by IFAD in the region's ongoing portfolio

US\$83.5 million

in IFAD financing approved in 2023

27 ongoing programmes and projects

in partnership with 15 countries in the region and Gaza and the West Bank at the end of 2023

2 new programmes and projects

approved in 2023 in Morocco and Somalia

2 new country strategy notes

for Algeria and Montenegro

Highlighted project

Djibouti

The Soil and Water Management Programme (PROGRES) is bringing about improvements in natural resource management and nutrition and is changing the positions of women in communities. A major focus is the improvement of water infrastructure. PROGRES has constructed multiple cisterns and reservoirs, reducing the travel time for fetching water and providing communities with safe water. The programme supports income-generating activities for women and training for improved nutrition.

Time spent collecting water for households is down from 35 to 10 hours per week

Fivefold increase in annual production of pastures

240 counsellors trained to disseminate life-saving practices to prevent maternal and child malnutrition

Improved care for stunted children provided through a community fund

Morocco

Thanks to the development of a pump and reservoir system, Fatima Abumarim can access clean drinking water from a tap at her home in Azal village.

©IFAD/Susan Beccio

Since the adoption of the 2030 Agenda for Sustainable Development, progress in the Near East and North Africa region has been slow. Improvements in economic growth and decent work (SDG 8) have not materialized, which has held back progress across the other goals. Most alarmingly, hunger has worsened. These trends can be attributed to many factors, including the impact of the COVID-19 pandemic and ongoing crises and conflicts in the region.

In Eastern Europe and Central Asia, however, progress has been more mixed. Extreme poverty, undernourishment and malnutrition have all declined, although inequality has increased and unemployment – especially among young people – persists.

In this challenging context, IFAD's work is focused on increasing the economic mobility, incomes and productivity of small-scale farmers. Climate action continues to be a priority for us, with many rural people struggling to adapt to the increasing impacts of climate change across the region.

These two subregions face diverse challenges. On the one hand, the priorities of IFAD-supported projects are often similar, while on the other, approaches need to take diverse realities into account.

Investing in climate adaptation

Building the resilience of rural people to climate change is a focus of IFAD-supported projects across the Near East, North Africa and Europe. For example, in Somalia, the Resilient Livelihood Action to COVID-19 project strengthened the ability of rural people to overcome poverty and food insecurity by introducing agricultural support packages comprising crop seeds, fertilizers, livestock feed and basic farm equipment. The project also provided training in climate-smart agricultural techniques, which contributed to building climate resilience in vulnerable communities. Already in the early stages of implementation, the project saw a 20 per cent rise in productive asset ownership among project participants.

Similarly, in Sudan, the Integrated Agriculture and Marketing Development Project has promoted measures to build resilience of cropping systems to climate change. Among these are the use of drought-tolerant seeds, enhanced water management practices and the adoption of improved farming equipment. The project has also worked with rural people to create sustainable and nutritious vegetable gardens, providing healthier diets and reducing reliance on food imports.

Climate-smart practices were also at the heart of the Livestock and Pasture Development Project II in Tajikistan.



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“After just one rainy season, we could see the results,” says Togirkhon Aymatov, a local horticulturist.

“There was no erosion on the hectare with pistachio trees, whereas the adjacent area was further eroded by heavy spring rains. That was enough to convince us.”

The project introduced an innovative climate-smart technique: the **Groasis Waterboxx**, a reusable system that collected moisture to help saplings establish roots in dry areas. On a previously eroded and abandoned field used as a demonstration plot, the project planted pistachio trees.

Building resilient livelihoods in fragile contexts

Conflict and fragility in the Near East and North Africa have increased the vulnerability of many rural people. Giving these people opportunities and hope for the future is a major emphasis of IFAD's work.

In Jordan, the **Small Ruminants Investment and Graduating Households in Transition Project** (widely known as **SIGHT**) has supported more than 35,000 households of both Syrian refugees and host communities with food packages and grants for microbusiness activities. Ahmed Rafee, a Syrian farmer who fled to Jordan with his family, used the grant to buy an egg hatchery, which he is now operating with his son. By breeding chickens to produce more eggs and using innovative techniques (such as hydroponics) to produce low-cost feed, the father and son have high hopes of **building decent lives** for their families in their adopted home.

“This is more than just a stable source of income. This is something that we can rely on to be less anxious about the future and to preserve our dignity,” said Ahmed.

So far, around 40 per cent of Syrian refugees participating in the project have been able to move out of poverty.

Linking rural people to remunerative markets

In Tunisia, the **Agropastoral Value Chains Project** (PRODEFIL) works particularly with women to create income-generating opportunities. The project provides financial assistance and training to support rural people to start up their own businesses. The construction of rural roads and water infrastructure has improved project participants' mobility and access to services and water while also reducing women's workload. Some 90 per cent of the people benefiting from the project are women, and more than half are young people.

“With the financing, we purchased 33 ewes and two rams,” said Hayet, a young entrepreneur who participated in the project.

Now that she is a successful entrepreneur, Hayet travels to markets and fairs to sell her products. She contributes financially to her family, and her status within the household has improved. This is just one example from the many women whose lives have been transformed by PRODEFIL.

Linking small-scale farmers to markets is a feature of IFAD-supported projects across the region. In Bosnia and Herzegovina, a public-private partnership model – under the **Rural Competitiveness Development Project** – has been critical for achieving this goal. Poor households benefited from a contract farming arrangement, along with a package of inputs, which allowed them to participate in commercial value chains. The project also contributed to the creation of more than 450 jobs and a 30 per cent increase in the commercial value of project participants' products.

West and Central Africa

24 countries

| | |
|----------------------------------|---|
| Benin * | 3 |
| Burkina Faso | 3 |
| Cabo Verde * | 1 |
| Cameroon | 1 |
| Central African Republic | 2 |
| Chad | 3 |
| Congo | 1 |
| Côte d'Ivoire * | 2 |
| Democratic Republic of the Congo | 3 |
| Equatorial Guinea | |
| Gabon | |
| Gambia (The) | 1 |
| Ghana | 3 |
| Guinea | 1 |
| Guinea-Bissau | 2 |
| Liberia * | 3 |
| Mali | 4 |
| Mauritania * | 2 |
| Niger * | 4 |
| Nigeria | 3 |
| Sao Tome and Principe | 1 |
| Senegal | 4 |
| Sierra Leone | 2 |
| Togo | 2 |

Numbers indicate ongoing projects and programmes

* Countries with ongoing ASAP grants

US\$2,177.7 million

invested by IFAD in the region's ongoing portfolio

US\$162.9 million

in IFAD financing approved in 2023

51 ongoing programmes and projects

in partnership with 22 countries in the region at the end of 2023

2 new programmes and projects

approved in 2023 in Burkina Faso and the Central African Republic. Additional financing approved for projects in Chad, Cabo Verde, The Gambia, Mauritania and Sierra Leone

Highlighted project

Ghana and Nigeria

The [Promoting Sustainable Cage Aquaculture in West Africa \(ProSCAWA\)](#) project strengthened rural livelihoods in Ghana and Nigeria by applying knowledge, technologies and expertise in cage aquaculture. Implemented in collaboration with two private sector companies, ProSCAWA developed the capacity of fish farmers for profitable cage culture businesses. Productivity increased, for example, from 700 kg of fish every eight months to 3,000 kg in six months at one of the project sites in Nigeria.

Over 500 smallholder fish farmers were trained in small-scale cage aquaculture best management practices and business development

Increased availability of affordable fish protein improved nutrition in local communities

An online fish marketing platform was developed

Nigeria

Omotayo Samuel displays a catfish just taken from one of the two fishponds she manages. She sells her catfish both in bulk to supermarkets and locally to consumers.

©IFAD/Andrew Esiebo

Despite the lingering impact of the COVID-19 pandemic, accentuated by the war in Ukraine, West and Central Africa is on the road to economic recovery. As global commodity and energy prices stabilize, inflation – including food price inflation – is expected to ease. Growth for 2024 is projected at 4.5 per cent. However, this projected growth remains vulnerable to internal and external shocks, including the recent political instability in the region.

Many of the countries in the region are affected by conflict and other threats, such as climate change. Indeed, out of 24 countries in the region, 11 are on the World Bank list of countries in fragile and conflict-affected situations. This is holding back progress on the SDGs. Hunger continues to rise across sub-Saharan Africa – with prevalence being higher in rural areas – while progress in reducing and ending poverty has been insufficient. More needs to be done to strengthen the resilience of rural communities against the range of threats they are facing.

Scaling up investments to leave no one behind

In the context of “leaving no one behind”, IFAD-financed projects in West and Central Africa aim to address the root causes of fragility while also building the resilience of small-scale farmers. In line with commitments, we have increased investments in mainstreaming youth, gender, nutrition and climate change. In addition, together with its government partners and bilateral and multilateral organizations, IFAD is implementing regional and subregional programmes aimed at building local resilience. For

example, the Joint Programme for the Sahel in Response to the Challenges of COVID-19, Conflicts and Climate Change (SD3C) addresses regional conflict, climate change and the impact of the pandemic. The Regional Programme for the Integration of Agricultural Markets (PRIMA) is designed to improve regional market integration for agricultural commodities, beginning in Benin and Togo.

In addition, we are aware that more needs to be done to attract financing for food systems transformation in West and Central Africa. To bridge the financing gap, IFAD is crowding in investments and technical expertise from the private sector through its private sector investment window. For example, in Nigeria, IFAD’s support to Babban Gona, a socially responsible agricultural trading company providing end-to-end farmer services, is creating market access for small-scale rice and cassava producers.

Strengthening resilience to climate change and other shocks

In Mauritania, the PROGRES project has provided small-scale farmers with irrigation infrastructure, water tanks, improved seeds and other support. This has enabled them to extend their growing seasons, producing diverse and nutritious crops year-round.

“With all the help, we are able to produce any time we want,” explained Sidi Ahmed Jeddo, a vegetable farmer and participant in the project. “We produce vegetables in the winter and summer.”

The improvements in water retention and management have also enabled farmers in drought-prone areas to reclaim arable land and widen their plots.

Building resilience requires advancing a range of sustainable solutions to the threats rural people are facing. In Sierra Leone, the Agricultural Value Chain Development Project promotes climate-smart farming practices such as zero slashing and burning techniques and rotating the cropping of the main cocoa crop with auxiliary crops. Over 1,500 hectares of farmland for more than 1,000 small-scale cocoa farmers have benefited from these techniques.

“The adoption of climate-smart techniques not only helped to keep my farm healthy but the intercropping methodology also provided fast income and nutrition for my household,” said Iye Kamara, a 33-year-old woman cocoa farmer who participated in the project.

The project includes a youth entrepreneurship scheme in which young people are given training in best agronomic practices. This has helped many young women and men start careers in agriculture.

“Farming eventually became my preferred option, thanks to the project,” said Morie Brima, a 24-year-old participant in the project.

Putting young people at the centre of recovery and resilience

Young people are central to IFAD’s work across the region. Africa’s youthful population holds the key to its future. IFAD-supported projects are specifically tailored to young people, offering them the training, services and technology they need to succeed.

In Benin and Nigeria, the Youth Employment in Agribusiness and Sustainable Agriculture Project has given young people the skills, equipment and know-how to succeed as agroentrepreneurs. More than 2,000 previously unemployed young people have become agroentrepreneurs, using their skills to take up opportunities in lucrative segments of local value chains from fish farming to plantain and banana processing.

“Now I have a farmhouse and a farm,” said Awoniyi Folake Temitope, a participant in the project. **“And I have people working with me because I cannot do this work alone.”**

Realizing the potential of women to drive positive change

Digital technologies are making it easier to connect to markets and take advantage of new opportunities. But women are less likely to benefit because they are less likely to have access to these technologies. IFAD-supported projects address this divide by providing women with digital tools and training in how to use them so they can build successful businesses.

In Nigeria, the Value Chain Development Programme uses digital tools, along with training and advice on how to add value to products, to support rural women in creating thriving businesses in cassava value chains. Watsaji Angye, a participant in the programme, has learned how to use her mobile phone, which was provided by the programme, to market the high-value cassava flour she learned to produce. Using her phone she has joined online groups of fellow farmers, where she shares and receives tips on how best to grow and market her produce. Now she is exporting her products to nearby countries such as Benin, Cameroon and Chad.



©IFAD/Barnabas Wanapia

“I built a processing factory with good equipment such as stainless fryers, a grating machine, and pressers which I accessed through the use of digital technology,” said Watsaji. **“I have also built and opened up a new shop where I sell my products.”**



Bolivia

A recently constructed shed allows Elsa Chambi Ramirez to better protect her llamas and alpacas from cold high-altitude temperatures.

©IFAD/Carlos Sanchez

Leading the way towards a more sustainable planet

Climate change, damage to ecosystems and biodiversity loss are epochal global challenges. They are central to IFAD's work and to the livelihoods of the rural people we serve. Addressing these planetary challenges necessarily goes hand in hand with our focus on rural development, poverty reduction and food systems transformation.

Assembling climate finance

We continue to go further in our work on climate resilience, understanding that rural people are – on the one hand – among those most affected by climate change and – on the other hand – underserved by climate finance.

For IFAD, strengthening climate resilience means getting more financing to where it is needed. But it also means using that finance to invest in climate-smart practices and agroecology.

The approaches we are prioritizing include, for example, reinforcing the soil's ability to retain water through appropriate soil carbon content, using water-efficient crops and varieties, and improving irrigation and water storage capacity. Also prominent in IFAD-supported projects are climate and weather forecast information systems, combining forestry and agriculture, the provision of resilient infrastructure such as flood-proof equipment, and much more.

In the context of the Thirteenth Replenishment of IFAD's Resources (IFAD13), we are offering a new form of contribution to our core resources, known as additional climate contributions (or ACCs), as a means of raising additional funds to support these activities. ACCs represent an additional core contribution option for IFAD13. They can be leveraged through borrowing, creating a multiplier effect and boosting financing for all recipient countries. ACCs aim to further integrate climate-related activities within IFAD's project design and implementation, maximizing efficiency and impact while minimizing transaction costs for borrowers, donors and IFAD.

As an international financial institution dedicated to investing in rural people and their businesses, IFAD has an important role in channelling climate finance to rural communities. In 2023, with our partners, we introduced the Africa Rural Climate Adaptation Finance Mechanism (ARCAFIM). This innovative financing model aims to support small-scale food producers and rural microenterprises in Kenya, Rwanda, Tanzania and Uganda so that they can adapt to climate change. ARCAFIM, unveiled at COP28, is designed to be scalable and replicable across regions. It focuses on providing concessional loans, as well as technical assistance, to small and medium-sized rural agribusinesses.

A total of US\$180 million is available for these loans thanks to contributions from IFAD, Equity Bank Kenya, Finland, the Green Climate Fund and the Nordic Development Fund.

ARCAFIM represents a pioneering effort in climate change adaptation financing, leveraging private sector participation through a risk-sharing approach.

Our Enhanced Adaptation for Smallholder Agriculture Programme (ASAP+) continues to play an important role in fostering innovation and catalysing climate finance for the countries that

need it most. Ongoing ASAP+ initiatives include pioneering market-based mechanisms to fairly compensate small-scale farmers for ecosystem services, establishing an Innovation Lab and launching a new modality to provide funding directly to Indigenous Peoples' organizations and farmer organizations for climate-focused projects.

In addition, IFAD's reaccreditation with the Green Climate Fund in 2023 was another important step to enable us to continue to deliver critically needed climate financing for rural communities.

Providing rural people with tools to strengthen climate resilience

One of the many ways we support rural communities so that they can build their resilience to climate change is by providing various forms of insurance. IFAD implements the Insurance for Rural Resilience and Economic Development (INSURED) programme through the Platform for Agricultural Risk Management, providing climate-risk insurance to small-scale farmers.

The year 2023 marked the end of the first phase of INSURED, with approximately 630,000 rural people having been protected against climate risks through the purchase of 150,000 insurance policies since the programme's inception in 2018. INSURED provided technical assistance and design support to 28 IFAD-supported projects across 17 countries during this time.

In Kenya, thanks to INSURED, participants in an IFAD-supported project are benefiting from an area-yield index insurance scheme that covers farmers against the risk of drought, floods, pests and diseases. This kind of index insurance is less costly than traditional insurance because it avoids complex claims procedures, instead making automatic payouts based on weather data, sampling and sophisticated mapping. The insurance scheme is administered electronically, alongside other project benefits. Payouts are credited to e-wallets that farmers use to buy inputs so that they can plant again the following season. "I am glad that we are being compensated because drought affected our crops," said Fatuma Rashid, a farmer participating in the scheme. "We will be able to move forward."

Across seven rainy seasons, about 56,000 producers, over 50 per cent of those enrolled in the scheme, have received payouts totalling US\$1.4 million.

Leading the way towards a more sustainable planet

Addressing the drivers of climate change

As well as building up the resilience of rural people's livelihoods to the impacts of changing weather patterns, a growing number of new IFAD projects are addressing the causes of climate change by reducing greenhouse gas emissions. For example, in 2023 we launched the Methane Pledge Partnership: Pathways to Reducing Methane in Food Systems, supported by contributions from the Global Methane Hub and the United States Department of State.

The initiative will span 10 IFAD-supported projects in 15 countries across all IFAD regions.

It will support a range of activities – including technical assistance, development of a farmer-friendly guidebook and other knowledge products – as countries work towards achieving the goals of the Global Methane Pledge, itself an important milestone in getting on track to limit global warming to 1.5° C.

During the year, several new projects also featured a focus on reducing the greenhouse gas emissions of small-scale livestock systems. These projects – spanning three IFAD regions – promoted sustainable techniques such as improving feed and fodder management, breeding programmes and manure management. Tracking the effects of these on greenhouse gas emissions will be an important part of implementation. These will contribute to our efforts to make livestock more climate-friendly.

Going further on biodiversity

Addressing the planetary emergency also means finding solutions to preserve and restore natural resources. This issue resonates especially strongly with IFAD considering how rural people depend on natural resources and the role they play as custodians of much of the world's richest biodiversity. We have begun engaging with the implementation of the landmark Global Biodiversity Framework, and the updating of countries' national biodiversity strategy and action plans. During the year, we collaborated with initiatives supporting countries to formulate their plans. We presented IFAD roles in training courses organized by the United Nations Environment Programme and the Convention on Biological Diversity and prepared a note

to showcase IFAD's approach to the "Supporting the Implementation of Global Biodiversity Framework".

We are now systematically incorporating these approaches to protecting biodiversity into our project designs. IFAD's biodiversity community of practice has tripled its membership and contributed to learning events with multiple partners. In 2023, we also began piloting the tracking of finance allocated to nature-based solutions and rolled out our first biodiversity core indicator; biodiversity impacts are now measured across much of IFAD's investment portfolio.

Biodiversity has also been well integrated into the strategy for IFAD's thirteenth replenishment cycle. For instance, the new ACCs will channel additional finance towards biodiversity, while ASAP+ will strengthen its nature-positive approach. IFAD has also committed to strengthening investments in ecosystem restoration, sustainable land and water management, and biodiversity conservation. We are also exploring innovations such as connecting smallholder farmers to payments for environmental services.



Viet Nam

Nguyen Thi Chi runs her own broom production facility. She sells her brooms in the local markets of Ben Tre province and provides part-time employment for 11 other women.

©IFAD/Nguyen Hoang Sanh

Financing for the future

In recent years, aware that official development assistance would not be sufficient to take us where we need to go, IFAD has embarked on various reforms in our financial architecture. In 2023, we consolidated and moved forward with our new financial framework, taking further steps to put us in a position to reach more rural people in the years to come.

A funding model to help reach the SDGs

In 2023, Fitch Ratings and S&P Global Ratings both confirmed IFAD's AA+ ratings for the second time. This is a continued testament to IFAD's financial strength and its prudent financial and risk management policies.

Backed by the credit rating, in 2023 IFAD continued to broaden its funding sources and to deepen its presence in capital markets.

During the first quarter of 2023, we drew down the first tranche of our loan with the European Investment Bank (EIB), which had been signed in the final quarter of 2022. The partnership was the first financial agreement signed by IFAD with the EIB. It is focused on our shared goals of strengthening food security and reducing poverty in rural areas, in line with IFAD's core mission and part of the EIB Global programme.

During the second quarter of 2023, IFAD issued two euro-denominated sustainable bond private placements – worth EUR 180 million – under our Sustainable Development Finance Framework. By December 2023, IFAD had secured a total of US\$1.05 billion, or 85 per cent of the overall borrowing for the twelfth replenishment cycle.

In November, at a ceremony at the London Stock Exchange, we launched our first impact report, which was aligned with the International Capital Market Association's harmonized framework for impact reporting.

The impact report showed how the proceeds of the bonds issued in 2022 would be contributing directly to eight SDGs and indirectly to an additional eight SDGs, based on the mapping of IFAD's core indicators with the SDGs.

It is expected that the bond proceeds will be used to support 1,977,669 rural household members, train 15,750 people in income-generating activities or business management, construct water-related infrastructure on 19,500 hectares of land and bring 105,400 hectares of land under climate-resilient practices.

Financing for the future

IFAD's investments in securities are safeguarded by rigid principles to ensure that the issuer adheres to fundamental frameworks on human rights, labour, environment and anti-corruption, as set out in the Ten Principles of the United Nations Global Compact. A targeted percentage of IFAD's liquidity portfolio is invested in green bonds and other thematic environmental, social and governance securities.

Enhancing financial frameworks and disbursement models

In 2023, we successfully concluded the series of financial management and disbursement reforms that were initiated in 2021 and aimed at ensuring more streamlined and principle-based processes. These reforms have led to the establishment of a more robust fiduciary assurance framework and an enhanced disbursement model.

We have now completed the full transition of all IFAD-financed projects to report-based disbursement. Based on this system, an interim financial report serves not only disbursement purposes but also financial reporting purposes. This allows continuous assessment of the financial progress of projects, providing agility in processing disbursement without cumbersome supporting documentation.

We have also enhanced the IFAD Client Portal for more streamlined disbursement processing, shifting away from mainly compliance transactional approaches towards more implementation and advisory support. The focus is now on ensuring strategic guidance, closer monitoring and support to projects.

Another way we are streamlining our financial management is by taking advantage of new financial technologies, such as TRACE blockchain. In 2023, we expanded TRACE blockchain to new countries, including Bangladesh, Ethiopia, Jordan and Kenya. Blockchain technology is used to trace funds from donor to farmer, thereby increasing the transparency of disbursements, improving efficiency and reducing the risk of error or fraud.

In 2023 the time taken to approve withdrawal applications fell from three days to less than half a day, on average, which demonstrates the efficiency improvements that have been realized. These efforts are helping us to increase the accountability and efficiency of disbursements, ensure rapid financing of IFAD projects and provide donors with confidence in our use of funds.

A holistic approach to managing risk

We are advancing a holistic risk management framework through a three pillars of assurance mechanism, which began implementation in 2022. We have introduced systematic peer reviews of key processes, stepped up staff reskilling efforts and conducted technical deep dives at the regional level. These deep dives were a response to outcomes of external audit peer reviews and supervision mission reviews, and aim to harmonize risk management approaches across decentralized teams and share knowledge and good practices.

In 2023, IFAD's financial crime function successfully prevented us from engaging with 38 high-risk parties and required enhanced monitoring of 134 parties. We have enhanced our financial crime software, which automatically screens thousands of parties in IFAD's files against one of the largest financial crime databases in the industry. This allows us to more comprehensively screen for relevant sanctions, money laundering, terrorism financing and related risks. We have taken further steps to integrate the software with IFAD's project software, allowing downstream parties to be comprehensively screened for potential financial crime issues. This enhancement ensures IFAD's oversight of its downstream parties while also supporting compliance with obligations to donors and other stakeholders.

In addition, during the year, IFAD's controllership function assessed and supported 15 IFAD offices and issued 39 recommendations for control enhancements.

These recommendations have been fully implemented. The controllership function supports the delegation of authority within IFAD, mitigating risks that might arise from decentralization, business process control failures, and potential fraud and error – and increasing business efficiency. We launched IFAD's first mandatory delegation of authority training in 2023, with over 350 staff now having taken the training.



Uganda

Training young people in non-farm activities such as woodworking, construction and hairdressing opens up opportunities for finding work and earning an income.

©IFAD/Jjumba Martin

Catalysing donor investment for rural areas

Working towards a successful replenishment

IFAD13 comes at a time when it has become clear that the SDGs are unlikely to be achieved by 2030. Poor rural communities are among the most severely hit by multiple crises – such as climate change, conflict and economic instability. To galvanize progress towards the SDGs, investment in rural people must be scaled up significantly.

Against this background, IFAD Member States met during 2023 to agree on priorities and targets for the IFAD13 cycle (2025–2027).

Throughout the year, engagement with Member States was high. IFAD President Alvaro Lario met with several ministers, heads of state and government representatives to discuss priorities and ambitions for IFAD13. IFAD also collaborated closely with partners at all levels to involve them in discussions – for example, civil society organizations, parliamentary groups, regional roundtables and Friends of IFAD.

These discussions came to a broad consensus on the need to invest in ambitious solutions for today's challenges and the importance of thriving rural areas for achieving a food-secure future for all. Delegates supported the call for US\$2 billion in new financing. If realized, this will enable IFAD to deliver nearly US\$4 billion in new IFAD investment during IFAD13, and mobilize a further US\$6 billion in domestic and international cofinancing – a strong return on investment for Member States.

If we can achieve these targets, IFAD will strive to double its impact by 2030 and to improve the lives of over 100 million rural people.

Momentum towards these targets has been strong, with early announcements of record-high pledges from countries across all lists at key global events during 2023, including the United Nations General Assembly and COP28.

With strong engagement from Member States, there are high hopes that the IFAD13 ambitions are within reach. IFAD13 has been prominent in global events, especially the G20 summit in India and the International Monetary Fund/World Bank autumn meeting in Marrakesh, leading up to the final IFAD13 replenishment meeting held in Paris in December. By the end of the year, a total of 52 countries had announced US\$1.16 billion in financing for IFAD13. In 2024, we expect that this momentum will drive us towards our targets in time to begin delivering IFAD13 investments in 2025.

Mobilizing supplementary funds

Supplementary funds are an important means of mobilizing concessional resources to enable IFAD to fulfil its mandate. Supplementary funds offer unique opportunities to foster innovation and enable IFAD to engage in new and emerging work areas that can yield new knowledge, tools and best practices to feed into its programme of work.

In 2023, IFAD signed a total of 59 new supplementary fund contribution agreements and 10 top-up agreements with 26 donors for a total of US\$357 million.

A significant number of the agreements signed in 2023 were for contributions to support crises provoked by the impact of the war in Ukraine. For example, donors such as the European Union and Norway made major contributions to IFAD's Crisis Response Initiative, with donations of EUR 52 million and US\$27 million, respectively.

During the year, many supplementary funding agreements were signed to support innovative work on specific themes, from agroecology and remittances to initiatives unlocking carbon markets and reducing methane emissions.

In addition, IFAD's Executive Board worked with the United States to establish the Vision for Adapted Crops and Soils (VACS) initiative as a pillar of its existing Rural Resilience Programme multi-donor trust fund. During the 139th Executive Board session, an amendment to the existing 2RP trust fund instrument was created to allow for the receipt and administration of contributions to the VACS initiative. This initiative will channel funds into innovative agricultural adaptation efforts, such as improved soil health, better supply chains, crop adaptation, and empowering farmers with technology and knowledge for improved crop production.

Financing development through remittances and diaspora investments

Migrant remittances are a significant and ever-growing source of investment for rural development. In 2022 alone, migrants sent more than US\$647 billion in remittances to their families in low- and middle-income countries.

In light of this, IFAD, through its Financing Facility for Remittances, has continued maximizing remittances through the digital and financial inclusion of migrants and their families and the diaspora impact investment for rural development. Several milestones were achieved in 2023.

Among these was the implementation of 19 innovative projects with private sector partners, aimed at promoting digital remittances, financial inclusion and diaspora investment in Africa. Prominent among the private partners for these projects were money transfer operators, mobile network operators, banks, fintechs and aggregators – as well as impact investment funds – which will ensure greater local ownership and support the smooth flow of funds to where they are needed. In each country of intervention, the Financing Facility for Remittances set up National Remittance Stakeholder Networks and communities of practice.

Hosting the Global Donor Platform for Rural Development

IFAD is a proud host of the Global Donor Platform for Rural Development, a network of 41 development organizations that includes key bilateral and multilateral donors. Its aim – of great relevance to IFAD's work as an assembler of development finance for rural development – is to provide a safe, informal space to promote dialogue within the donor community for rural development, enhanced coordination and harmonization of policies and strategies.

In 2023, the Donor Platform celebrated its twentieth anniversary, producing a special 20-year review: *Understanding the new agriculture and food agenda: How is the past shaping the future?* The review examines to what extent, and how, donor approaches in agriculture, rural development and food systems have changed over two decades, and what should be done to address emerging issues.

During the year, the Donor Platform launched two major reports that will help inform the work of IFAD and our partners as we assemble investment for food systems transformation. The first of these – *From Rhetoric to Reality: Donor coordination for food systems transformation* – provides practical guidance on how to improve coordination and alignment in approaches to food systems and rural development. The second – *Unleashing the Catalytic Power of Donor Financing to Achieve Sustainable Development Goal 2* – was launched by the Donor Platform at its 2023 Annual General Assembly in October. It provides donors with options and recommendations to fill the investment gap for SDG 2, including through commercial loans from multilateral development banks and blended finance from both public and private sectors.



Cabo Verde

Marina Nathalia Delgado, a banana and cassava producer, has benefited from the installation of boreholes with photovoltaic water pumping systems.

©IFAD/POSER/Sergio Da Luz

Influencing the global agenda and widening impact through partnerships

IFAD engages in global events, forums and debates to use its knowledge – including that derived through knowledge products, impact assessments and evaluation from IFAD’s own programme portfolio – to advocate for investment in rural people.

Engaging in strategic global processes

In 2023, our engagement with the G7 and G20 processes contributed to positive outcomes. In the G7, consensus was reached among leaders on the urgent need for more support for sustainable and resilient agriculture and food systems, outlined in the Hiroshima Action Statement.

Furthermore, the G7 has assigned IFAD lead responsibility for the G7 Presidency’s private sector initiative, which focuses on strengthening G7 private sector engagement with small-scale producers in developing countries.

At the same time, the G20 Leaders’ Summit showed strong support for IFAD and its mission. It endorsed the IFAD13 replenishment and called for ambitious resource mobilization to combat food insecurity generally. The G20 New Delhi Leaders’ Declaration called for strong support for IFAD13 from Member

States. Moreover, both France’s President Emmanuel Macron and the United States Secretary of the Treasury Janet Yellen expressed strong support for IFAD and its mission at the summit’s closing press conference.

Another important forum for IFAD’s global engagement is the Committee on World Food Security (CFS). In 2023, IFAD provided strategic, technical and financial support to the CFS. This included contributing to the development of the Voluntary Guidelines on Gender Equality and Women’s and Girls’ Empowerment in the Context of Food Security and Nutrition. Another important process we contributed to was the development of policy recommendations on strengthening data collection and analysis tools for food security and nutrition. Both of these documents were endorsed at the CFS fifty-first plenary session in October 2023.

Influencing the global agenda and widening impact through partnerships

Advocating and sharing knowledge on key themes

One of the areas in which IFAD was particularly active on the global stage during 2023 was remittances and diaspora investment for rural development, building on the work of its Financing Facility for Remittances.

In June, IFAD – in partnership with the United Nations Office of the Special Adviser on Africa and the World Bank – organized the eighth edition of the Global Forum on Remittances, Investment and Development. Discussions at the global forum contributed to the advancement of the international agenda on remittances and diaspora investment, with a major focus on the African landscape. The 2023 global forum facilitated partnerships across sectors, especially through networking among sectors. Its Remittance Marketplace exhibited best practices from IFAD and others and encouraged future joint initiatives.

The Global Forum on Remittances, Investment and Development Summit 2023 Outcomes Report contained actionable outcomes for both remittances and diaspora impact investments. It was subsequently fed into discussions at the High-level Week of the United Nations General Assembly, particularly during the SDG Summit and the High-level Dialogue on Financing for Development.

Also in June, IFAD led commemorations of the International Day of Family Remittances 2023 around the theme Digital remittances towards financial inclusion and cost reduction.

Strengthening partnerships

IFAD's most important partnerships are with the rural people we serve. We work closely with farmers' organizations, Indigenous Peoples' groups and youth representatives to help us deliver on our mission. In 2023, we met the Steering Committee of the Farmers' Forum, the Global Steering Committee of the Indigenous Peoples' Forum at IFAD and members of IFAD's Grassroots Youth Alliance to discuss the priorities of IFAD13.

Representatives of these groups shared their experiences of working with IFAD and made recommendations to further strengthen their partnerships with the Fund. A common priority was the need for predictable and increased support from IFAD to strengthen their participation in policy and related decision-making processes, and in the design and implementation of IFAD-supported projects. These priorities are reflected in the main IFAD13 report and will be carried forward in partnership with the representatives as IFAD13 moves to implementation.

One of IFAD's most important partnerships is with our Rome-based sister United Nations agencies – the Food and Agriculture Organization of the United Nations and the World Food Programme.

In 2023, the Rome-based agencies (RBAs) signed an updated memorandum of understanding during a mission to South Sudan. The memorandum reinforces our joint commitment to addressing global food crises, hunger and malnutrition. It aligns with United Nations reforms, emphasizing cooperation at the country level, clarifying mandates, reducing overlap and identifying opportunities for collective impact. The memorandum supports the Decade of Action, the 2030 Agenda and holistic, multi-stakeholder partnerships to address food security and nutrition challenges. It reflects the dedication of the RBAs to collaboration and shared goals in a world struggling with these issues.

South-South and Triangular Cooperation (SSTC) remains a strategic priority. As of 2023, more than 90 per cent of approved country programmes now contain a section dedicated to SSTC. Multiple knowledge-sharing initiatives took place in 2023, including study tours between the regions of East and Southern Africa and Latin America and the Caribbean, policy dialogues between governments and exchange visits among projects.

The China-IFAD SSTC Facility has contributed to more than 100 business partnerships and supported the mobilization of over 200 experts and 200 solutions from the Global South. IFAD has also strengthened its SSTC collaboration with other partners including the RBAs, the China International Development Cooperation Agency, the Organisation for Economic Co-operation and Development and the Islamic Development Bank.

Looking ahead, IFAD's priorities on SSTC will closely align with IFAD13 priorities, especially on mobilizing and sharing solutions for climate adaptation. In addition, increased engagement with the private sector will support the building of market, business and knowledge linkages among rural communities.

Bolivia

René Soto Vadillo shows a member of his Chojñacota community how a new solar panel water pumping system works.

©IFAD/Carlos Sanchez



Providing IFAD's staff with what they need to succeed

As an organization with a people-focused mandate, we understand that our strength lies in our people. With this in mind, we continue our efforts to provide our staff with the working environment they need to thrive.

Continuing progress on decentralization

Part of this is getting IFAD's workforce closer to the rural people we serve, and our decentralization process continued to progress in 2023.

During the year, we reached the 2023 target of 40 per cent of staff in field duty stations and are on track towards achieving the 45 per cent target of staff positions by the end of 2024.

To realize the benefits of decentralization, we need to ensure that staff have the skills and knowledge required to succeed in the field. In 2023, we integrated the D2.0 Field Staff Upskilling Programme into our corporate training framework. The programme is aimed at field staff with programme and administrative support responsibilities, providing them with relevant expertise, expediting their onboarding, and accelerating their learning curves. The programme encompasses a comprehensive array of subjects, including IFAD's programme and administration policies, procedures, systems and knowledge-sharing practices. In total, 605 training sessions were completed by 80 staff members – the vast majority being General Service staff in the field.

Decentralization needs to be supported by field offices tailored to IFAD's needs, and by high-quality service provision across all duty stations. In new regional offices, our client-oriented service centre approach is helping us to deliver the services required in coordination with our headquarters. In 2023, we filled all new field support positions in the East and Southern Africa and West and Central Africa regional offices, and we established service standards for administrative pools. In East and Southern Africa, we implemented a new system for streamlining service requests, which will soon be rolled out in all decentralized regional offices, including the new ones set to open in the regions of Asia and the Pacific and Latin America and the Caribbean in 2024.

IFAD is also actively engaged in supporting and implementing the United Nations reform agenda, and in realizing its efficiency improvements. Many IFAD field offices benefit from pooled business operations services among United Nations entities. In total, the participation of IFAD field offices in United Nations reform initiatives has resulted in costs avoided of over US\$1 million over the past five years. Our service centres in regional offices also act as bridges with United Nations agencies in countries that provide common services.

Overall, our efforts to ensure high-quality and efficient services for field staff have been appreciated. The 2023 decentralization effectiveness survey indicated that satisfaction with services provided to field staff and offices was 86 per cent, exceeding the IFAD12 target of 80 per cent.

Meeting targets on vacancy rate

In 2023, we completed 120 recruitments, bringing IFAD's vacancy rate down below the 12 per cent threshold indicated in our corporate risk dashboard. This achievement was possible thanks to streamlined recruitment practices, increased collaboration across the organization, and better planning and prioritization of recruitments.

Through the new recruitments, we were also able to reach overall gender and geographical targets. By the end of 2023, the proportion of women in senior positions (P-5 level and above) was more than 45 per cent. We have also reached 55 per cent staff representation of List B and List C countries. To date, there are over 110 different nationalities represented across IFAD.

More people-friendly processes and better work-life balance

An important way to support greater diversity and equity within IFAD's workforce is through greater work-life balance and flexibility.

An important milestone in this regard was the introduction of a unified parental leave framework. The framework grants 16 weeks of leave to both birth and non-birth parents, and an additional 10 weeks to birth parents for pre- and post-natal needs.

Fostering work-life harmony is also a priority, and in April 2023 IFAD formally adopted the revised flexible working arrangements, which superseded the teleworking pilot initially designed and adopted in response to the COVID-19 pandemic. The flexible working arrangements include teleworking provisions and grant flexibility to staff while still recognizing the importance of ensuring business continuity. The new arrangements distinguish between regular teleworking at the assigned duty station and exceptional teleworking of a non-recurring nature, including outside the duty station.

We are also finding ways to make the processes associated with reassignment more predictable and sensitive to the needs of staff and their families. The 2023 reassignment exercise retained successful elements from previous years while implementing changes designed to benefit both staff and the organization. This included the establishment of a fixed timeline – which enables staff to plan in advance, reducing uncertainty and stress – and the consideration of personal and family situations when it comes to relocation.

We have also been looking to further improve the way IFAD works with its Executive Board. In 2023, we designed and had approved procedures for new modalities for the work of the Executive Board, which will ensure a more efficient decision-making process by IFAD's executive governing body.

Another example of our efforts to move to more efficient and people-friendly processes was the revision of the Financing Procedures for IFAD Regular Grants. This revision was a strategic move towards streamlining the desk review process, aiming to reduce the number of memos and to create a more efficient clearance process. This is just one of the ways we are upgrading our internal processes for greater efficiency and to reduce bureaucratic burdens on staff.

The implementation of our Strategy on Diversity, Equity and Inclusion is another way we are promoting a healthy work environment for all staff.

To create awareness of the strategy throughout IFAD, a mandatory e-course was developed in-house and launched in September 2023, with uptake by 187 staff in the first two weeks alone.

During the year, we also launched a series of talks on diversity, equity and inclusion, with external speakers addressing this topic and workplace culture themes, and engaging staff in thought-provoking conversations.



Jordan

Fayez Al-Edwan is a sheep herder and one of the first from his village to use artificial insemination to improve his farm's productivity.

©IFAD/Roger Anis

Putting knowledge and innovation to use for greater impact

Generating knowledge

State-of-the-art knowledge is a prerequisite for informing impactful country policies, country strategies and new operations. IFAD's knowledge function is also an important service to Member States and other partners, as the global community grapples with the challenges associated with achieving the SDGs. Internal and external assessments – most notably the IFAD Knowledge Management Strategy Mid-Term Review (2022), the Independent Office of Evaluation's corporate-level evaluation of IFAD's decentralization experience (2022) and emerging insights from the Multilateral Organisation Performance Assessment (2023) – have helped to inform the emerging direction of IFAD's knowledge management function.

In 2023, IFAD delivered a range of knowledge products that will contribute to our work – and that of our partners – in the years ahead.

These included policy briefs prepared in response to country demand to contribute to national policies on strategic themes ranging from irrigation to livestock to the engagement of young people and women in value chains.

Another significant cluster of products was dedicated to harnessing knowledge for IFAD's operational work. This stream of work included knowledge clinics, knowledge exchanges and stories from the field. We also continued to contribute to global evidence and data on the issues on which we work through activities such as ongoing impact assessments, the 50x2030 Initiative and preparatory work for IFAD's flagship *Rural Development Report* (scheduled for publication in 2025).

Learning from best practices

Knowledge generation is a whole-of-IFAD effort. Aside from IFAD's dedicated knowledge activities, another rich source of knowledge is the sharing of insights and best practices in project design reviews.

During regional stocktaking sessions held in 2023, we conducted in-depth analyses based on quality assurance annual ratings presented to regional divisions. IFAD's Quality Assurance Group also organized bilateral meetings and participated in a design clinic workshop to provide customized qualitative review trends and lessons learned. These collaborative efforts aimed to enrich the project design cycle by drawing from the lessons and successes identified in previous reviews.

Also in 2023, the Smallholder and Agri-SME Finance and Investment Network (SAFIN), which is hosted by IFAD, shared best practices through three major reports on agri-techs and fintechs in East and Southern Africa, the financing needs of farmer organizations, and improving the investment readiness of agricultural small and medium-sized enterprises.

Putting knowledge and innovation to use for greater impact

Learning from independent evaluation

Another important source of learning is the work of IFAD's Independent Office of Evaluation (IOE). In 2023, valuable insights were provided – in terms of both what is working and areas requiring attention – on topics including impact on rural poverty reduction, natural resource management and climate adaptation, and also rural enterprise development.

IOE's reviews highlighted that IFAD's work on the environment and climate continues to sustain its high level of performance. However, trends such as a decline in impact on rural poverty need to be analysed and addressed. With respect to rural enterprise development, IOE underlined some priority areas for IFAD investments, such as linking to market opportunities, focusing on specific themes such as rural finance in which the organization has unique expertise and making use of the know-how of relevant ministries. IOE also provided detailed recommendations on other key areas of IFAD's work, among them implementing successful extension services.

Innovating

As well as the capacity to benefit from lessons learned, designing and implementing impactful projects requires adapting to new challenges and opportunities as they arise. That is, it requires innovation.

Bringing together partners and sharing insights, new ideas and new instruments is an important aspect of IFAD's work on innovation. In June, we organized the IFAD Innovation Day 2023 – with the support of the governments of Colombia, Finland, France, Germany and Norway, and other partners – to discuss how to make innovation and impact investments work for poor rural people. The event, attended by nearly 3,000 people, was featured in almost 500 press articles and viewed by more than 11,000 people.

IFAD Innovation Talks are another way we share innovation, and during 2023 we organized another three of these talks – covering a variety of themes – with an average of over 200 participants per talk. We were also active at global innovation events, among them the Singapore Fintech Festival, where we shared an exhibition booth and spoke on the role of innovation and venture capital in advancing the G20 agenda.

But innovation goes well beyond sharing. It requires a conducive environment and the right tools and investment to produce and support new ideas. During the year, along with the Asian Development Bank, we led the inaugural jointly designed and financed Open Innovation Platform, in partnership with other international financial institutions and the World Food Programme Innovation Accelerator. It was dedicated to the topic "AI for climate resilience in rural areas".

We also launched the IFAD Innovation Labs initiative. The labs are aimed at developing methodologies and tools to help IFAD staff generate ideas and deliver new solutions to recurring problems. To date, around 130 IFAD staff have participated in the labs.

We are also fostering innovation by developing the capacity of future leaders. In partnership with the European Institute of Innovation for Sustainability, we co-designed the Food & Sustainability Certificate Program to help shape future agrifood sector leaders. The programme provides participants with analytical skills to understand food systems and the complex challenges they face and to develop solutions. Thus far, students from 40 countries have participated.

Partnerships with innovative organizations are another area in which much happened in 2023. A notable example was our work with the European Space Agency. During the year, we signed a letter of intent, which will allow IFAD to benefit from satellite imagery data and the expertise of space technology companies. This arrangement, under the auspices of the Global Development Assistance programme of the European Space Agency, will give us more and better information to inform our investments in remote rural communities.

Indonesia

Rusleli teaches local farmers how to plant cocoa seedlings and use organic fertilizer at a self-help agricultural and rural training centre in North Luwu.

©IFAD/Jeffalimages



Tracking projects using cutting-edge technologies

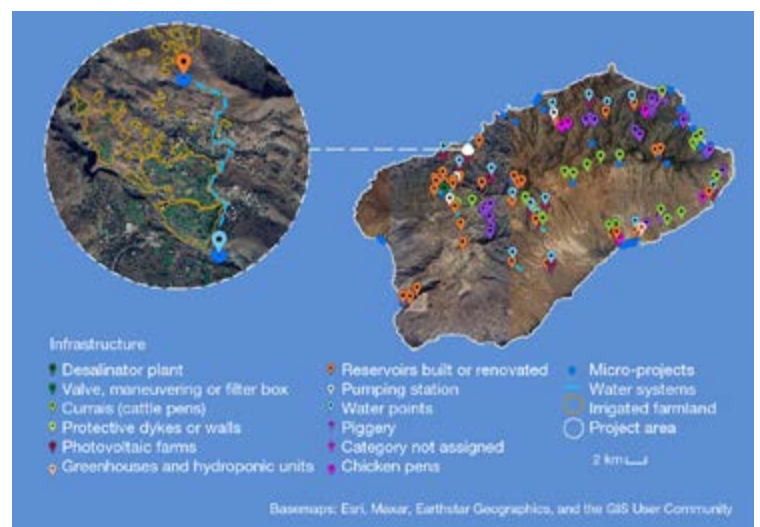
A thorough understanding of conditions on the ground in remote rural communities is fundamental to the success of IFAD-supported projects. That is why we are increasingly using cutting-edge geographic information system (GIS) technologies in IFAD-supported projects.

GIS allows us to pinpoint the location of communities and map project activities, even in highly remote rural areas, where many IFAD-supported projects take place. This provides us with precise data on locations and landscapes. It helps us to monitor progress and make informed decisions. It allows us to measure progress and assess impact. For example, a project that aims to improve pasture management needs to measure the boundaries and the type and timing of interventions to assess whether pastures have become more productive.

If a picture is worth a thousand words, then a precise map is surely worth many more.

To demonstrate, we can take a look at how GIS has enabled the Rural Socio-economic Opportunities Programme (POSER) in Cabo Verde to track the progress of its activities. One of the main aims of POSER is to increase the resilience of rural communities to the impacts of climate change.

The map of Santo Antão, the westernmost island of Cabo Verde, shows 12 different types of infrastructure the project has established. This includes water-related infrastructure such as water points, pumping stations and reservoirs. It includes parcels of land placed under climate-resilient practices, and infrastructure to support income-generating activities, such as farm buildings, cattle pens and greenhouses.



Map showing the investment locations of POSER on the island of Santo Antão.

The level of precision is remarkably high. For example, on recent high-resolution satellite imagery, it is easy to spot photovoltaic installations and other types of investments established by POSER. It is also easy to map water reservoirs the project has built or renovated.



Photovoltaic farms and water points established by POSER.



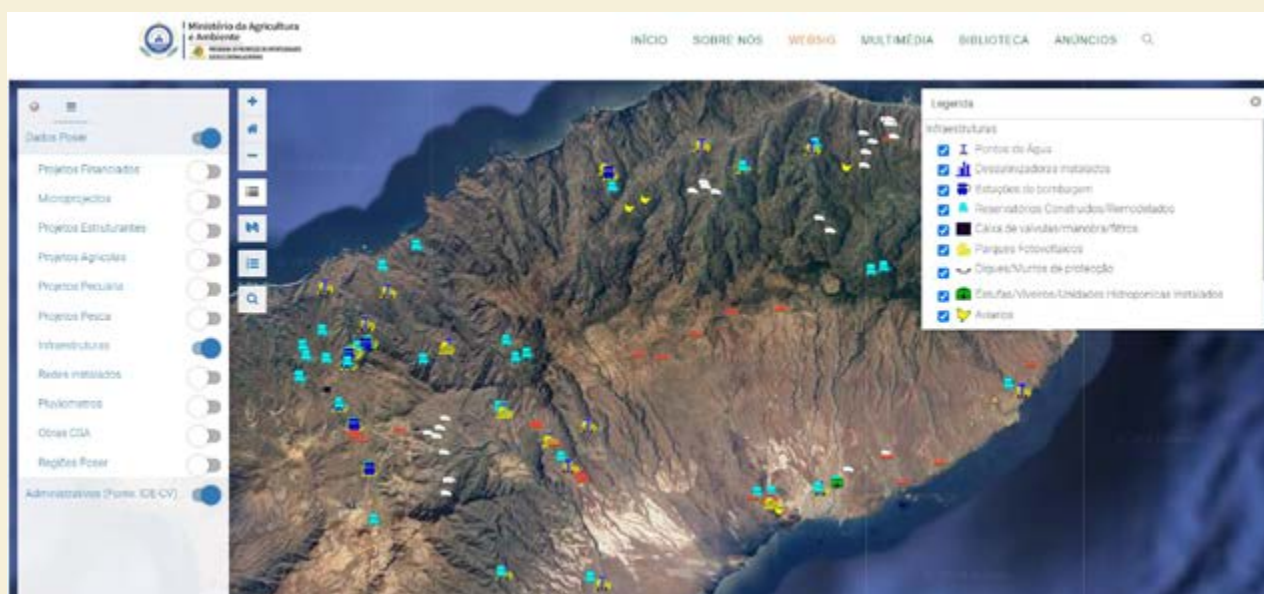
Reservoirs built or renovated by POSER.

The high-quality GIS data are available on the project's web map. Users can zoom in to explore what the project has achieved on the ground.

To collect, process and visualize field data, the project used free open-source software. The data were collected by field officers using tablets.

The web map has helped the IFAD country team with project supervision. The GIS data are also currently being used for an IFAD impact assessment.

To guide IFAD and our partners in applying GIS to map and monitor projects, we have produced a dedicated manual.



GIS data are available on the POSER web map.

Financing Startups



Consolidated financial statements of IFAD as at 31 December 2023

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Notes:

The consolidated financial statements have been prepared using the symbols of the International Organization for Standardization.

Acronyms and abbreviations

| | |
|--------------------|---|
| AATI | African Agricultural Transformation Initiative |
| ABC Fund | Agribusiness Capital Fund |
| 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 |
| CPL | concessional partner loan |
| CRI | Crisis Response Initiative |
| DSF | Debt Sustainability Framework |
| DC | deployable capital |
| EAD | exposure at default |
| ECL | expected credit loss |
| FAO | Food and Agriculture Organization of the United Nations |
| 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 |
| GCF | Green Climate Fund |
| IAS | International Accounting Standard (superseded by IFRS) |
| IFAD11 | Eleventh Replenishment of IFAD's Resources |
| IFAD12 | Twelfth Replenishment of IFAD's Resources |
| IFRS | International Financial Reporting Standards |
| HIPC | Heavily Indebted Poor Countries |
| LGD | loss given default |
| MLR | minimum liquidity requirement |
| OFID | OPEC Fund for International Development |
| PCS | preferred creditor status |
| PD | probability of default |
| PIT | point-in-time |
| RAMP | Reserves Advisory and Management Program |
| RPSF | Rural Poor Stimulus Facility |
| PSTF | Private Sector Trust Fund |
| 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 |

Consolidated and IFAD-only balance sheet

As at 31 December 2023 and 2022
(Thousands of United States dollars)

| | Note | Consolidated | | IFAD-only | |
|---|------|--------------------|--------------------|--------------------|--------------------|
| | | 31 Dec 2023 | 31 Dec 2022 | 31 Dec 2023 | 31 Dec 2022 |
| Assets | | | | | |
| Cash on hand and in banks | 4 | 751 339 | 642 328 | 469 285 | 413 167 |
| Investments | 4 | 1 500 874 | 1 343 614 | 1 136 140 | 1 031 689 |
| Other financial assets | 17 | 16 859 | - | 16 859 | - |
| Share investments at fair value through profit and loss | 5 | 5 863 | 5 811 | - | - |
| Contributions and promissory notes receivables | | | | | |
| Contributors' promissory notes | 6 | 102 523 | 166 693 | 102 523 | 166 693 |
| Contributions receivable | 6 | 861 003 | 991 175 | 427 060 | 660 237 |
| Less: qualified contribution receivables | 6 | (85 598) | (156 034) | (85 598) | (156 034) |
| Less: accumulated allowance for contribution impairment loss | 7 | (117 659) | (120 145) | (117 659) | (120 145) |
| Net contribution and promissory notes receivables | | 760 269 | 881 689 | 326 326 | 550 751 |
| Other receivables | 8 | 19 303 | 20 400 | 165 637 | 155 947 |
| Fixed and intangible assets | 9 | 13 612 | 12 014 | 13 612 | 12 014 |
| Right-of-use assets | 9 | 71 580 | 78 423 | 71 580 | 78 423 |
| Loans outstanding | | | | | |
| Loans outstanding | 10 | 8 871 487 | 8 485 024 | 8 643 285 | 8 258 159 |
| Less: accumulated allowance for loan impairment losses | 10 | (185 980) | (154 170) | (174 613) | (151 352) |
| Less: accumulated allowance for the Heavily Indebted Poor Countries (HIPC) Initiative | 11 | (101 377) | (108 893) | (101 377) | (108 893) |
| Net loans outstanding | | 8 584 130 | 8 221 961 | 8 367 295 | 7 997 914 |
| Total assets | | 11 723 829 | 11 206 240 | 10 566 734 | 10 239 905 |
| Liabilities and equity | | | | | |
| Liabilities | | | | | |
| Payables and liabilities | 13 | 199 996 | 190 423 | 191 933 | 181 202 |
| Undisbursed grants | 14 | 346 834 | 317 100 | 49 039 | 74 955 |
| Deferred revenues | 15 | 575 283 | 434 639 | 65 260 | 47 245 |
| Lease liabilities | 9 | 72 320 | 79 143 | 72 320 | 79 143 |
| Borrowing liabilities | 16 | 2 479 749 | 2 119 204 | 2 249 705 | 1 882 706 |
| Other financial liabilities | 17 | 15 599 | 8 944 | 15 599 | 8 944 |
| Total liabilities | | 3 689 781 | 3 149 453 | 2 643 856 | 2 274 195 |
| Equity | | | | | |
| Contributions | | | | | |
| Regular | | 10 352 727 | 10 164 382 | 10 352 727 | 10 164 382 |
| Special | | 20 369 | 20 369 | 20 369 | 20 369 |
| Total contributions | H | 10 373 096 | 10 184 751 | 10 373 096 | 10 184 751 |
| Retained earnings | | | | | |
| General Reserve | | 95 000 | 95 000 | 95 000 | 95 000 |
| Accumulated deficit | | (2 434 048) | (2 222 964) | (2 545 218) | (2 314 041) |
| Total retained earnings | | (2 339 048) | (2 127 964) | (2 450 218) | (2 219 041) |
| Total equity | | 8 034 048 | 8 056 787 | 7 922 878 | 7 965 710 |
| Total liabilities and equity | | 11 723 829 | 11 206 240 | 10 566 734 | 10 239 905 |

Consolidated statement of comprehensive income

For the years ended 31 December 2023 and 2022
(Thousands of United States dollars)

| | Note | 2023 | 2022 |
|---|-----------|------------------|------------------|
| Revenue | | | |
| Income from loans | 18 | 127 928 | 82 173 |
| Income/(losses) from cash and investments | 19 | 85 407 | 4 273 |
| Income from other sources | 20 | 11 237 | 10 988 |
| Income from contributions | 21 | 215 684 | 202 057 |
| Net (loss)/gain from share investments | | (150) | (593) |
| Total revenue | | 440 106 | 298 898 |
| Operating expenses | | | |
| Staff salaries and benefits | 22 | (119 050) | (116 504) |
| Office and general expenses | | (35 022) | (29 699) |
| Consultants and other non-staff costs | | (65 434) | (65 174) |
| Direct bank and investment costs | 24 | (2 202) | (6 273) |
| Subtotal operating expenses | 22 | (221 708) | (217 650) |
| Other expenses | | | |
| Interest expenditures on financial liabilities and leases | 28 | (85 156) | (17 028) |
| Allowance for loan impairment losses | 10 | (30 302) | (35 739) |
| HIPC Initiative expenses | 27 | 6 874 | (106 165) |
| Grant expenses | 25 | (174 200) | (140 398) |
| Grant expenses countries in debt distress | 25 | (178 062) | (165 076) |
| Depreciation | 9 | (12 428) | (12 236) |
| Subtotal other expenses | | (473 274) | (476 642) |
| Total expenses | | (694 982) | (694 292) |
| (Deficit)/Surplus before foreign exchange adjustments and change in hedge accounting | | | |
| | | (254 876) | (395 394) |
| Net (Loss)/Profit from hedging | 29 | (9 281) | (526) |
| Gains/(Losses) from currency exchange movements of IFAD-only | 26 | 42 494 | (339 637) |
| Net (loss)/profit | | (221 663) | (735 557) |
| Other comprehensive income/(loss): | | | |
| Gains/(Losses) from currency exchange movements and retranslation of consolidated entities | 26 | 11 940 | (18 796) |
| Change in provision for After-Service Medical Coverage Scheme (ASMCS) benefits | 23 | (1 361) | 62 206 |
| Total other comprehensive (loss)/income | | 10 579 | 43 410 |
| Total comprehensive (loss)/income | | (211 084) | (692 147) |

IFAD-only statement of comprehensive income

For the years ended 31 December 2023 and 2022
(Thousands of United States dollars)

| | Note | 2023 | 2022 |
|---|-----------|------------------|------------------|
| Revenue | | | |
| Income from loans | 18 | 123 572 | 79 638 |
| Income /(losses) from cash and investments | 19 | 79 635 | 11 320 |
| Income from other sources | 20 | 18 082 | 14 691 |
| Income from contributions | 21 | 86 | 8 436 |
| Total revenue | | 221 375 | 114 085 |
| Operating expenses | | | |
| Staff salaries and benefits | 23 | (110 052) | (108 685) |
| Office and general expenses | | (31 721) | (26 964) |
| Consultants and other non-staff costs | | (52 758) | (49 813) |
| Direct bank and investment costs | | (1 559) | (5 411) |
| Subtotal operating expenses | 22 | (196 090) | (190 873) |
| Other expenses | | | |
| Interest expenditures on financial liabilities and leases | 28 | (77 507) | (17 028) |
| Allowance for loan impairment losses | 10 | (22 007) | (34 949) |
| HIPC Initiative expenses | 27 | 6 875 | (106 165) |
| Grant expenses | 25 | (5 185) | (8 994) |
| Grant expenses to countries in debt distress | 25 | (178 062) | (165 076) |
| Depreciation | 9 | (12 428) | (12 236) |
| Subtotal other expenses | | (288 314) | (344 448) |
| Total expenses | | (484 404) | (535 321) |
| (Deficit)/Surplus before foreign exchange adjustments and change in hedge accounting | | (263 029) | (421 236) |
| Net (Loss)/Profit from hedging | 29 | (9 281) | (526) |
| Gains/Losses from currency exchange movements of IFAD-only | 26 | 42 494 | (339 637) |
| Net (loss)/profit | | (229 816) | (761 399) |
| Other comprehensive income/(loss): | | | |
| Change in provision for ASMCS benefits | 23 | (1 361) | 62 206 |
| Total other comprehensive (loss)/income | | (1 361) | 62 206 |
| Total comprehensive (loss)/income | | (231 177) | (699 193) |

Consolidated statement of changes in equity

For the years ended 31 December 2023 and 2022
(Thousands of United States dollars)

| | <i>Contributions</i> | <i>Accumulated deficit</i> | <i>General Reserve</i> | <i>Total equity</i> |
|--|----------------------|----------------------------|------------------------|---------------------|
| Balances as at 1 January 2022 | 10 103 962 | (1 530 817) | 95 000 | 8 668 145 |
| 2022 | | | | |
| Instruments of Contributions | 129 345 | | | 129 345 |
| Foreign exchange and other movements | (48 556) | | | (48 556) |
| Net Profit and Loss | | (735 557) | | (735 557) |
| Total other comprehensive profit or (loss) | | 43 410 | | 43 410 |
| Balances as at 31 December 2022 | 10 184 751 | (2 222 964) | 95 000 | 8 056 787 |
| 2023 | | | | |
| Balances as at 1 January 2023 | 10 184 751 | (2 222 964) | 95 000 | 8 056 787 |
| Instruments of Contributions | 183 995 | | | 183 995 |
| Foreign exchange and other movements | 4 350 | | | 4 350 |
| Net Profit and Loss | | (221 663) | | (221 663) |
| Total other comprehensive profit or (loss) | | 10 579 | | 10 579 |
| Balances as at 31 December 2023 | 10 373 096 | (2 434 048) | 95 000 | 8 034 048 |

IFAD-only statement of changes in equity

For the years ended 31 December 2023 and 2022
(Thousands of United States dollars)

| | <i>Contributions</i> | <i>Accumulated deficit</i> | <i>General Reserve</i> | <i>Total equity</i> |
|--|----------------------|----------------------------|------------------------|---------------------|
| Balances as at 1 January 2022 | 10 103 962 | (1 614 848) | 95 000 | 8 584 114 |
| Instruments of Contributions | 129 345 | | | 129 345 |
| Foreign exchange and other movements | (48 556) | | | (48 556) |
| Net Profit and Loss | | (761 399) | | (761 399) |
| Total other comprehensive profit or (loss) | | 62 206 | | 62 206 |
| Balances as at 31 December 2022 | 10 184 751 | (2 314 041) | 95 000 | 7 965 710 |
| 2023 | | | | |
| Balances as at 1 January 2023 | 10 184 751 | (2 314 041) | 95 000 | 7 965 710 |
| Instruments of Contributions | 183 995 | | | 183 995 |
| Foreign exchange and other movements | 4 350 | | | 4 350 |
| Net Profit and Loss | | (229 816) | | (229 816) |
| Total other comprehensive profit or (loss) | | (1 361) | | (1 361) |
| Balances as at 31 December 2023 | 10 373 096 | (2 545 218) | 95 000 | 7 922 878 |

Consolidated and IFAD-only cash flow statement

For the years ended 31 December 2023 and 2022
(Thousands of United States dollars)

| | <i>Consolidated</i> | | <i>IFAD-only</i> | |
|--|---------------------|----------------------|------------------|----------------------|
| | <i>2023</i> | <i>2022 Restated</i> | <i>2023</i> | <i>2022 Restated</i> |
| Cash flows from operating activities | | | | |
| Interest received from loans | 112 445 | 73 401 | 107 948 | 71 303 |
| Receipts for non-replenishment contributions | 260 184 | 216 973 | 13 966 | 13 472 |
| Payments for operating expenses and other payments | (242 953) | (237 906) | (206 862) | (202 096) |
| Grant disbursements | (148 901) | (174 329) | (28 748) | (33 348) |
| DSF disbursements | (178 062) | (165 076) | (178 062) | (165 076) |
| Net cash flows used in operating activities | (197 287) | (286 937) | (291 758) | (315 745) |
| Cash flows from investing activities | | | | |
| Loan disbursements | (699 435) | (743 806) | (691 449) | (735 548) |
| Loan principal repayments | 401 978 | 368 558 | 387 562 | 356 456 |
| Receipts from investments | (33 851) | (130 493) | (2 645) | (119 943) |
| Net cash flows used in investing activities | (331 308) | (505 741) | (306 532) | (499 035) |
| Cash flows from financing activities | | | | |
| Receipts for replenishment contributions | 412 520 | 366 086 | 412 520 | 366 086 |
| Receipts of borrowed funds | 360 188 | 459 753 | 360 188 | 459 753 |
| Payments for borrowing liabilities principal | (57 035) | (45 801) | (42 588) | (33 803) |
| Payments for borrowing liabilities interest | (77 894) | (10 904) | (70 217) | (10 904) |
| Net cash flows from financing activities | 637 779 | 769 134 | 659 903 | 781 132 |
| Effects of exchange rate movements on cash and cash equivalents | (171) | (36 686) | (5 493) | (28 104) |
| Net (decrease) in unrestricted cash and cash equivalents | 109 013 | (60 230) | 56 120 | (61 752) |
| Unrestricted cash and cash equivalents at beginning of year | 642 247 | 702 477 | 413 086 | 474 838 |
| Unrestricted cash and cash equivalents at end of year | 751 260 | 642 247 | 469 206 | 413 086 |
| Composed of: | | | | |
| Unrestricted cash | 751 260 | 642 247 | 469 206 | 413 086 |
| Cash and cash equivalents at end of year | 751 260 | 642 247 | 469 206 | 413 086 |

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 (177 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 or otherwise accruing to the Fund, including by borrowing from Members and other sources.

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 is an integral part of IFAD's operational activities.

In 2023 the external context was characterized by a general increase in the interest rates market by challenges such as the continuing conflicts and instability.

To respond to these challenges during 2023 IFAD has, among other steps:

- Continued implementing interventions focused on food security, climate adaptation and biodiversity;
- Continued implementing the projects financed under the Crisis Response Initiative (CRI) to support countries affected by the food crisis through grant resources.

- Strengthened its support to the private sector, with the implementation of the Private Sector Engagement Strategy.

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 Accounting Standards (IFRS) issued by the International Accounting Standards Board 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 Accounting Standards requires the use of certain critical accounting estimates. It also requires Management to exercise judgment in the process of applying accounting policies. The areas involving a higher degree of judgment 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 2023, there were no new or amended IFRS standards or pronouncements with a material impact on IFAD.

IFRS not yet mandatorily effective

There are no IFRS standards or interpretations that are not yet effective that are expected to have a material impact on the Fund.

(b) Restatement of cash flow statement

The Fund restated the consolidated and IFAD-only cash flow statements for the year ended 31 December 2022 to define cash and cash equivalents as the balances pertaining to cash in hand and deposits held at call with banks. Restricted cash and investments are excluded from the cash and cash equivalent balance. This restatement resulted in the changes to the 2022 cash flow statements summarized in the following table:

Appendix D

| Consolidated cash flow | <i>US\$ thousands</i> | | |
|--|-----------------------|-------------|-------------------|
| | <i>2022 Restated</i> | <i>2022</i> | <i>Difference</i> |
| Balances | | | |
| Unrestricted cash at the beginning of the year | 702.5 | 702.5 | |
| Unrestricted Investments at the beginning of the year | 0 | 1 250.8 | |
| Cash and cash equivalents at the beginning of the year | 702.5 | 1 953.3 | (1 250.8) |
| End of year | | | |
| Unrestricted cash at the end of the year | 642.2 | 642.2 | |
| Unrestricted investments at the end of the year | 0 | 1 343.4 | |
| Cash and cash equivalent at the end of the year | 642.2 | 1 985.6 | (1 343.4) |
| Main movements | | | |
| Receipts from investments | (130.5) | 3.9 | (134.4) |
| Effects of exchange rate movements on cash and cash equivalents. | (36.7) | (79.7) | 43.0 |
| IFAD-only cash flow | | | |
| Balances | | | |
| Unrestricted cash at the beginning of the year | 474.8 | 474.8 | |
| Unrestricted investments at the beginning of the year | 0 | 929.3 | |
| Cash and cash equivalents at the beginning of the year | 474.8 | 1 404.1 | (929.3) |
| End of year | | | |
| Cash and cash equivalents at the end of the year | | | |
| Unrestricted cash at the end of the year | 413.1 | 413.1 | 0 |
| Unrestricted investments at the end of the year | 0 | 1 031.6 | (1 031.6) |
| Cash and cash equivalent at the end of the year | 413.1 | 1 444.7 | (1 031.6) |
| Main movements | | | |
| Receipts from investments | (119.9) | 10.7 | (130.6) |
| Effects of exchange rate movements on cash and cash equivalents | (28.1) | (56.4) | 28.3 |

(c) Area of consolidation

Financing in the form of supplementary funds and other non-core funding forms are 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); and the RPSF launched in 2020 in response to the COVID-19 pandemic.

- IFAD's Trust Fund for the HIPC Initiative;
- IFAD's ASMCS Trust Fund;
- Administrative account for Haiti Debt Relief Initiative;
- Spanish Trust Fund;
- Rural Resilience Programme (former ASAP Trust Fund);
- Private Sector Trust Fund (PSTF); and
- African Agricultural Transformation Initiative (AATI), approved by the Executive Board in August 2021.

These entities have a direct link with IFAD's core activities and are controlled by IFAD in accordance with IFRS 10. 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, at a minimum, to the residual 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 and other facilities

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 2023 the only entity hosted by IFAD is the International Land Coalition (formerly known as the Popular Coalition to Eradicate Hunger and Poverty).

The Fund is an accredited entity of the Green Climate Fund (GCF), and in 2020 signed the first contribution agreement with the GCF. As an accredited entity of the GCF, IFAD does not have the power to govern the related financial and operating policies and is not exposed to nor has rights to the results of its involvement in GCF-financed activities.

(d) Investments in private sector initiatives

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 acted as sponsor in the establishment of the ABC Fund, which is a separate legal entity. IFAD has subscribed share investments through supplementary funds – both on behalf of third parties and directly on its own account (with support from the Swiss Agency for Development and Cooperation). In accordance with IFRS 10, IFAD does not exercise control over decision-making in respect of investments made by the ABC Fund.

(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 except for promissory contributions, which are recognized in equity.

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 are translated at the closing rate and revenue and expenditures are translated at the monthly 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 at amortized cost

A financial asset is classified at "amortized cost" only if both of the following criteria are met: (i) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Since both of these conditions are considered to be met, loan receivables are classified at amortized costs.

Financial assets at fair value

If the criteria is not met, the asset cannot be classified in the amortized cost category and must be classified at fair value through profit and loss (FVTPL). The fair value through other comprehensive income category is not used by the Fund. All other financial assets not classified at amortized cost are classified as FVTPL.

Financial liabilities

Financial liabilities measured at amortized cost comprise financial instruments (other than liabilities held for trading or those designated at fair value) representing the various forms of third-party funding.

These financial liabilities are recognized at settlement date initially at fair value, which is normally the consideration received less transaction costs directly attributable to the financial liability. Subsequently these instruments are measured at amortized cost using the effective interest method.

When IFRS 9 conditions for hedge accounting are met, financial liabilities are recognized at trade date at amortized cost, adjusted for the fair value movements attributable to the risks being hedged.

Interest is accrued and recognized in profit and loss under loan interest expenditures.

Derivative instruments and hedge accounting

Derivative instruments are used to manage interest rate and currency risks and are recognized in the financial statements at trade date at their fair value as "other assets or other liabilities". IFAD applies IFRS 9 hedge accounting treatment to individual identified hedge relationships when conditions set out by the standard are met.

(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 are represented as the balance subscribed but not yet encashed.

Concessional partner loans (CPLs) were introduced with the adoption of the Eleventh Replenishment of IFAD's Resources (IFAD11) resolution. Borrowing terms of CPLs are concessional: the maturities are either 25 or 40 years with a grace period of 5 years for a 25-year loan and 10 years for a 40-year loan. Voting rights are allocated to Member States that provide CPLs in an amount proportionate to the grant element embedded in such loans. Proceeds received as CPLs consists of two components: a borrowing component and an equity component. The equity component is the derived grant element, computed on the basis of the loan terms and the discount rate agreed over the replenishment consultations. The grant element is recorded as equity.

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 asset is impaired, a specific provision for impairment is recognized as a reduction to equity. 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 debtor;

Appendix D

- Breach in contracts or conditions; and
- Initiation of bankruptcy proceeding.

In the absence of such evidence, provisions will be set up as follows:

- 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.

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 deficit of revenue as compared to expenses inclusive of the effects of changes in foreign exchange rates and hedging.

(h) Loans

(i) Loans to Member States

Loans are made 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.

Lending terms of the Fund are published on IFAD site <https://www.ifad.org/en/financial-products-and-terms>.

(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 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.

At its 129th session, the Executive Board approved document EB 2020/129/R.11/Rev.1, setting forth the framework for IFAD non-sovereign private sector operations.

(iii) Measurement of loans

Loan transactions are recognized in the balance sheet at the time the funds are disbursed to the borrower. Loans are recognized initially at fair value, which corresponds to the transaction price (amount disbursed including transaction costs - nominal balance). Loans outstanding are subsequently carried at amortized cost using the effective interest method.

(iv) 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 judgment 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.

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. Compensation from the World Bank HIPC Trust Fund is received based on net present value calculation of future debt relief flows as determined by the World Bank based on IFAD data.

Appendix D

(v) Accumulated allowance for impairment losses

According to IFRS 9 IFAD has established the forward-looking expected credit loss (ECL) methodology to calculate an allowance for loan impairment. The methodology embeds preferred creditor status (PCS) features. It is applied to financial assets recorded at amortized cost such as loans receivables. 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. For these assets, the lifetime ECL results from all possible default events over the expected lifetime, weighted with the probability of default. 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 (probability of default at 100 per cent). 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.

In accordance with IFRS 9, section 5.5 "Impairment", 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 could be 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 remeasured at their fair value. The majority of derivatives are used as hedging instruments (although they do not qualify for hedge accounting) and therefore changes in the fair value of these derivative instruments are recognized immediately in the statement of comprehensive income. IFAD's portfolio is currently classified in full as FVTPL.

(ii) Accumulated allowance for securities held at amortized cost

Portfolios with securities held at amortized cost are subject to an impairment allowance calculated using an ECL methodology. 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 the low credit risk instruments exemption applies.

(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. Restricted cash is excluded from cash and cash equivalents.

(k) Share investments

The Fund, through supplementary fund contributions, held equity investments in the private sector. Such investments are accounted for at FVTPL. Share investments have been recognized at day one at settlement date for the subscribed value.

Appendix D

Realized gains and losses are recognized in the profit and loss in the proper period based on settlement date and value. Fair value changes may generate unrealized gains and losses which are accounted for in the profit and loss. The fair value of the share investment derives from the net asset value, incorporating a liquidity adjustment on a case-by-case basis. As these investments do not meet IFRS 10, IFRS 11 and IAS 28 requirements, they are not considered controlled, joint ventures or associated entities, and thus are not wholly or proportionally consolidated, nor accounted for under the equity method. In line with IFRS 9 requirements, as share investments do not meet the requirements to be accounted for at amortized cost, they are accounted for at fair value.

(l) 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 disburseable. 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 for 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.

(m) Grants

(i) Grants

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

Grants are recorded as expenses on disburseable date for the approved amount and as a liability for undisbursed amounts. In accordance to the General Conditions for Agricultural Development Financing (April 2009), grants become disburseable 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.

(ii) Grants to countries in debt distress

Under the Debt Sustainability Framework (DSF), countries eligible for highly concessional lending receive financial assistance on a grant rather than a loan basis. 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 subject to the Revised Integrated Borrowing Framework as approved by the Executive Board in 2023 (EB 2023/138/R.8). Borrowed funds are deployed in accordance with IFAD's policies and procedures (with the exception of DSF countries).

The Fund's borrowings include loans from Member States in the form of CPLs. These borrowings are carried and reported at amortized cost.

IFAD issues bonds through private placements. Considering that such transactions, together with the related derivative instruments, met IFRS 9 conditions for hedge accounting, such financial liabilities are recognized at trade date at amortized cost, adjusted for the fair value movements attributable to the risks being hedged.

(o) Hedge Accounting - Fair Value Hedge

IFAD applies IFRS 9 hedge accounting treatment to each individual identified hedge relationship, when conditions set out by the standard are met. IFAD documents the relationship between the hedging instrument (derivative) and hedged items (bond) upon initial recognition of the transaction and on an ongoing basis. In particular, IFAD assesses the specific relationships between two or more financial instruments in which the change in value of one instrument (the hedging instrument) is highly negatively correlated to the change in value of the other (the hedged item).

IFAD mitigates interest rate risk by using interest rate swaps to convert the interest rate profile of the liabilities from fixed to floating rate in line with the rate applied to loan assets at ordinary terms.

IFAD mitigates currency risks by using cross currency swaps to convert the currency risk profile of the liabilities from the currency of issuance to the denomination currency associated to loan assets at ordinary terms. Based on current assessment of individual transaction, IFAD does not segregate foreign currency basis from financial instruments.

Such derivatives are recognized on trade date as "Other Financial Assets" or "Other Financial Liabilities".

Changes in fair value of the derivatives are included in the income statement along with corresponding changes in the hedge fair value of the liability that is attributable to the specific hedge risk.

If the hedging derivative expires or is sold, terminated or exercised, or the hedge no longer meets the criteria for fair value hedge accounting under IFRS 9, then hedge accounting is discontinued prospectively. Any adjustment up to the point of discontinuation to a hedged item for which the effective interest method is used is amortized to profit or loss as part of the recalculated effective interest rate of the item over its remaining life. If the hedged item is derecognized, the related unamortized fair value is recognized immediately in profit or loss.

(p) 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 the ASMCS, which provides medical benefits 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. 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 actuarial gains or losses are recognized in other comprehensive income.

(q) 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.

(r) Taxation

As a specialized agency of the United Nations, IFAD enjoys direct tax-exemption status under the Convention on Privileges and Immunities of Specialized United Nations Agencies of 1947 and the Agreement Establishing IFAD; and direct and indirect tax-exemption status under the Agreement between

the Italian Republic and IFAD regarding the provisional headquarters of IFAD.

(s) 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).

(t) 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 & 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. Amortization is calculated on a straight-line basis over the estimated useful life of the software (four to 10 years). Leasehold improvements are capitalized as assets. Amortization is calculated on a straight-line basis over their estimated useful life (not exceeding rental period of IFAD headquarters).

Right-of-use assets

The Fund recognizes right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at, or before, the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term. In order to determine the lease term, the Fund considers the non-cancellable period established in the contract, in which the lessee is entitled to use the underlying asset taking also into account potential renewal options if the lessee is reasonably certain to renew. In particular, with reference to those contracts that allow the lessee to tacitly renew the lease contract after a first set of years, the lease term is determined taking into account factors such as the length of the first period, the existence of dismissal plans for the asset leased and any other circumstance indicating a reasonable certainty of the renewal. It should be noted that, as allowed by the standard, IFAD has decided not to recognize any right-of-use asset or lease liability with reference to the following lease contracts:

- Short-term leases, lower than 12 months; and
- Low-value assets leases. For this purpose an asset is considered as "low value" when its fair value as new is equal to or lower than US\$5,000.

Lease liabilities

At the commencement date of the lease, lease liabilities are measured at the present value of the remaining lease payments, discounted at IFAD's average cost of funding for IFAD financial liabilities.

NOTE 3**CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS****(a) Critical accounting estimates and assumptions**

Estimates and judgments 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. It is reasonably possible that outcomes within the next financial year are different from the assumptions made based on existing knowledge. 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:

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 inputs are substantially and significantly observable, either directly or indirectly, for substantially the full term of the asset or liability.

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

Valuation of ASMCS

As described in note 2(p), IFAD participates in the ASMCS for staff receiving a United Nations pension and eligible former staff on a shared-cost basis. An independent valuation of the liability is performed on an annual basis. The methodology and principal assumptions used are described in note 23(d). A sensitivity analysis of the principal assumptions is included within note 23(e).

(b) Critical judgment in applying accounting policies**Hedge accounting**

For instruments designated for hedge accounting for the hedging instrument-derivatives and hedged items-borrowing liabilities, IFAD calculates the fair value using a discounted cash flow model based on underlying prevailing market interest rates.

Allowance for impairment losses: Impairment Methodology*Governance*

IFAD calculates and reports its impairments based on an individual ECL method. The ECL framework is based on the requirements of IFRS 9's financial instruments section and validated by IFAD's Financial Controller's Division and Office of Enterprise Risk Management. 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 (e.g. 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 between stages.

Inputs

The ECL calculation is performed at the level of individual financial instruments. Expected losses are determined according to an individual process based on certain risk parameters represented by probability of default, loss given default rate, exposure value 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 judgments 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 2023 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 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 informed by IFAD's historical data as well as the experience of other multilateral development institutions, currently set at 30 per cent.

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's 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 for loans outstanding, and models future disbursements and repayments based on the Fund's own experience for undrawn commitments.

Macroeconomic scenarios. 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 judgment 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 judgment, Management may adopt temporary adjustments (overlays) 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 and therefore the staging allocation (e.g. significant scenarios or events representative of the Fund's particular experience).

Based on expert judgment, IFAD Management may assign a different stage to specific loans that require a manual override in respect of their ratings at origination, because of different credit risk ratings assigned to the counterparty on a quarterly basis.

NOTE 4

CASH AND INVESTMENT BALANCES

Analysis of balances (consolidated)

Table 1
As at 31 December

| | US\$ thousands | |
|--|------------------|------------------|
| | 2023 | 2022 |
| Unrestricted cash | 751 260 | 642 247 |
| Cash subject to restriction | 79 | 81 |
| Subtotal cash | 751 339 | 642 328 |
| Unrestricted investments at fair value | 1 500 737 | 1 343 444 |
| Investments subject to restriction | 137 | 170 |
| Subtotal investments | 1 500 874 | 1 343 614 |
| Total cash and investments | 2 252 213 | 1 985 942 |

The composition of the portfolio by entity was as follows:

Table 2
As at 31 December

| Entity | US\$ thousands | |
|-----------------------------------|------------------|------------------|
| | 2023 | 2022 |
| IFAD | 1 605 425 | 1 444 857 |
| ASMCS Trust Fund | 89 983 | 84 212 |
| HIPC Trust Fund | 780 | 2 320 |
| Supplementary funds | 328 174 | 258 713 |
| Spanish Trust Fund | 38 538 | 42 238 |
| Haiti Debt Relief Initiative | 10 371 | 13 794 |
| Rural Resilience Programme | 122 216 | 111 399 |
| PSTF | 49 796 | 23 510 |
| AATI | 6 930 | 4 899 |
| Total cash and investments | 2 252 213 | 1 985 942 |

(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 2023, cash and investments, including payables for investment purchased and receivables, amounted to US\$2,252 million (2022 – to US\$1,986 million) comprised of the following instruments:

Appendix D

Table 3

| | US\$ thousands | |
|---|------------------|------------------|
| | 2023 | 2022 |
| Cash | 751 260 | 642 247 |
| Fixed-income instruments | 1 283 259 | 1 214 040 |
| Unrealized (loss)/gain on forward contracts | 5 118 | 137 |
| Time deposits and other obligations of banks | 185 373 | 77 057 |
| Unrealized (loss)/gain on futures | 280 | 519 |
| Unrealized (loss)/gain on swaps | 26 706 | 51 691 |
| Total cash and investments | 2 251 996 | 1 985 691 |
| Receivables for investments sold and taxes receivable | 408 | 3 461 |
| Payables for investments purchased | (588) | (3 399) |
| Total investment portfolio | 2 251 816 | 1 985 753 |

(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

| Currency | US\$ thousands | |
|--|------------------|------------------|
| | 2023 | 2022 |
| Chinese renminbi | 13 310 | 163 |
| Euro | 698 368 | 788 371 |
| Japanese yen* | 8 111 | 36 |
| Pound sterling* | 13 688 | 1 490 |
| United States dollar | 1 518 334 | 1 195 693 |
| Swiss Franc | 5 | |
| Total cash and investment portfolio | 2 251 816 | 1 985 753 |

* This balance includes open positions on foreign exchange forward contracts offset by open positions in United States dollars for the equivalent amount.

(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

| | US\$ thousands | |
|--|------------------|------------------|
| | 2023 | 2022 |
| Due in one year or less | 1 332 965 | 1 074 451 |
| Due after one year through five years | 861 991 | 858 827 |
| Due from five to 10 years | 55 989 | 51 515 |
| Due after 10 years | 871 | 960 |
| Total cash and investment portfolio | 2 251 816 | 1 985 753 |

The average life to maturity of the fixed-income investments included in the consolidated investment portfolio at 31 December 2023 was 15 months (2022 - 16 months).

(e) Financial risk management

IFAD's investment activities are exposed to a variety of financial risks: market risk, credit risk, custodial risk and liquidity risk.

IFAD's portfolio is managed in accordance with its Investment Policy Statement and Investment Guidelines, which address a variety of financial risks through restrictions on the eligibility of instruments and other limitations:

1. Benchmarks and limits on deviations from benchmarks;
2. Credit floors (refer to note 4[g], credit risk);
3. Conditional value at risk limitation, which measures the expected 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 8.

(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 2023 and 2022, are shown in tables 6 and 7. Disclosures for the net asset value relate to IFAD-only accounts.

Table 6

| 2023 | Actual allocation | |
|-------------------------------------|-------------------|----------------|
| | % | US\$ millions |
| Asset class | | |
| Cash | 29.2 | 469.3 |
| Swaps | 1.6 | 25.5 |
| Time deposit | 2.8 | 44.3 |
| Futures | 0 | 0 |
| Global government bonds/agencies | 56.5 | 907.5 |
| Corporate bonds | 9.9 | 158.8 |
| Total | 100.0 | 1 605.4 |
| Fixed-income receivables (payables) | 0.0 | (0.0) |
| Total | 100.0 | 1 605.4 |

Table 7

| 2022 | Actual allocation | |
|----------------------------------|-------------------|----------------|
| | % | US\$ millions |
| Asset class | | |
| Cash | 28.8 | 413.2 |
| Swaps | 3.4 | 49.6 |
| Time deposit | 0.2 | 2.8 |
| Global government bonds/agencies | 51.5 | 744.0 |
| Corporate bonds | 16.3 | 235.3 |
| Total | 100.0 | 1 444.9 |
| Fixed-income receivables | 0.0 | 0.7 |
| Total | 100.0 | 1 445.6 |

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Table 8
Benchmark indices by portfolio

| Portfolio | Benchmark index |
|--|--|
| Operational cash | Same as the portfolio return |
| Investment tranche (USD) | ICE BofAML 0-1 Year US Treasury Index (AAA) |
| Chinese renminbi portfolio | Zero |
| Investment tranche (EUR) | Liability repayment rate of return |
| World Bank Reserves Advisory and Management Program (RAMP) | IICE BofAML 0-1 Year US Treasury Index (AAA) |
| Hedging portfolio | No benchmark |

Exposure to market risk is managed by modifying the duration of the portfolio.

The upper limit for the duration is set at:

- Global liquidity portfolio: Effective duration shall remain within a maximum range of 0.5 of one year in comparison to the benchmark; and
- Asset liability portfolio: Effective duration shall not exceed two years.

The effective duration of the IFAD-only investment portfolio as of 31 December 2023 and 2022, and respective benchmarks are shown in table 9.

Table 9
Average duration of portfolios and benchmarks in years (IFAD-only)

As of 31 December

| Portfolio | Portfolio | | Benchmark | |
|----------------------------|------------|------------|------------|------------|
| | 2023 | 2022 | 2023 | 2022 |
| Operational cash | | - | | - |
| Investment tranche (USD) | 0.5 | 0.1 | 0.5 | 0.4 |
| Chinese renminbi portfolio | 0.0 | 0.0 | 0.0 | 0.0 |
| Investment tranche (EUR) | 0.3 | 0.4 | 0.4 | 0.5 |
| Hedging | n.a | n.a | n.a | n.a |
| World Bank RAMP | n.a | n.a | n.a | n.a |
| Total average | 0.3 | 0.2 | 0.4 | 0.4 |

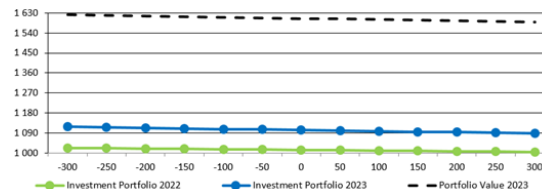
The sensitivity analysis of IFAD's portfolio in table 10 shows how a parallel shift in the yield curve (-300 to +300 basis points) would affect the value of the liquidity portfolio as at 31 December 2023 and 31 December 2022.

Table 10
Sensitivity analysis on IFAD's portfolio

| Basis point shift in yield curve | 2023 | | | 2022 | |
|----------------------------------|--|--------------------------------|---|--------------------------------|--|
| | Change in portfolio value (US\$ million) | Total portfolio (US\$ million) | Change in value of portfolio (US\$ million) | Total portfolio (US\$ million) | |
| -300 | 16 | 1 621 | 9 | 1 456 | |
| -250 | 13 | 1 618 | 7 | 1 455 | |
| -200 | 10 | 1 616 | 6 | 1 453 | |
| -150 | 8 | 1 613 | 4 | 1 452 | |
| -100 | 5 | 1 610 | 3 | 1 450 | |
| -50 | 3 | 1 608 | 1 | 1 449 | |
| 0 | 1 605 | 1 447 | | | |
| 50 | -3 | 1 603 | -1 | 1 446 | |
| 100 | -5 | 1 600 | -3 | 1 444 | |
| 150 | -8 | 1 598 | -4 | 1 443 | |
| 200 | -10 | 1 595 | -6 | 1 441 | |
| 250 | -12 | 1 593 | -8 | 1 440 | |
| 300 | -15 | 1 590 | -9 | 1 438 | |

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 2023, 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\$15 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\$15 million as a result of the capital gains on the marked-to-market portion of the portfolio.

(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 11.

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Table 11
Minimum credit rating floor as per Investment Policy Statement as at 31 December 2023

| Eligible asset classes | Credit rating floors for Standard & Poor's, and Moody's |
|---|---|
| Money market | A- ^a |
| Fixed-income securities: both nominal and inflation-linked | |
| <ul style="list-style-type: none"> • Government and government agencies fixed-income securities at the national or subnational level | A- |
| <ul style="list-style-type: none"> • Supra-nationals | A- |
| <ul style="list-style-type: none"> • Asset-backed securities (only agency-issued or guaranteed) | AAA |
| <ul style="list-style-type: none"> • Covered bonds | A- |
| <ul style="list-style-type: none"> • Corporate bonds | A- |
| <ul style="list-style-type: none"> • Callable bonds | A- |
| Derivatives: for hedging purposes only | |
| <ul style="list-style-type: none"> • Currency forwards | |
| <ul style="list-style-type: none"> • Exchange-traded futures and options | Counterparty must have a minimum credit rating of A- (S&P) or A- (Fitch) or A3 (Moody's) ^b |
| <ul style="list-style-type: none"> • Interest rate swaps | |
| <ul style="list-style-type: none"> • Cross currency swaps | |
| <ul style="list-style-type: none"> • Credit default swaps | |
| <ul style="list-style-type: none"> • Asset swaps | |

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

^b The rating that is compared to the rating floor is the second best rating of three agencies, Standard & Poor's (S&P), Moody's¹ or Fitch.

As at 31 December 2023, the average credit ratings by portfolio were in line with the minimum allowable ratings under the Investment Policy Statement and Investment Guidelines (table 12).

Table 12
Average^a credit ratings by IFAD's portfolio
 As at 31 December 2023 and 2022

| Portfolio | Average credit rating ^a | |
|--------------------------|------------------------------------|------|
| | 2023 | 2022 |
| Operational cash | P-1 | P-1 |
| Prudential tranche (EUR) | Aa3 | A1 |
| Prudential tranche (USD) | Aa1 | Aa2 |

^a The average credit rating is calculated based on market values as at 31 December 2023 and 2022.

(h) Currency risk

IFAD's exposure to currency risk on the cash and investment portfolio is described in table 4 within note 4.

Currency risk arises from the potential for losses stemming from changes in foreign exchange rates. IFAD's Asset and Liability Management Framework is guided by the principle of adequately managing the currency composition of its assets and liabilities, so as to limit losses deriving from fluctuations or an adverse reduction in IFAD's financing capacity.

In the case of misalignments that are considered persistent and significant, IFAD undertakes a realignment procedure by changing the currency composition of its projected inflows to align them to its outflows over a 24-month horizon.

(i) Liquidity risk

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

IFAD's liquidity risk is addressed through IFAD's minimum liquidity ratio (MLR). During 2021, IFAD's liquidity policy stated that highly liquid assets in IFAD's portfolio should remain above 100 per cent of the projected amount of 12 months' disbursements of loans and grants and scheduled repayments of debt.

IFAD's latest financial model assumptions, incorporating the 2023 resources available for commitment under IFAD's sustainable cash flow approach, calculates an MLR of US\$1,098 million that is covered by IFAD's portfolio balance of US\$1,605.4 million.

(j) Capital adequacy

The Fund's main internal capital adequacy metric is the deployable capital (DC) ratio. The DC ratio assesses IFAD's capital utilization and the availability of resources to support future commitments. To ensure that the Fund is well capitalized and maintains strong credit ratings at all times, the capital utilization trajectory is managed within appropriate tolerance levels, indicating that IFAD has enough capital to cover expected and unexpected losses derived from core and non-core risks embedded within the Fund's operations. As at December 2023, IFAD's debt to capital available ratio was within the parameters established in its Capital Adequacy Policy.

NOTE 5

SHARE INVESTMENTS

| | US\$ thousands | |
|---------------------------|----------------|--------------|
| | 2023 | 2022 |
| IFAD | | - |
| Supplementary funds | 9 300 | 8 985 |
| Unrealized (losses)/gains | (3 437) | (3 174) |
| Share investments | 5 863 | 5 811 |

¹ For Moody's ratings, the equivalent rating scale applies.

NOTE 6**CONTRIBUTIONS
PROMISSORY NOTES AND
RECEIVABLES**

Table 1

| | <i>US\$ thousands</i> | |
|---|-----------------------|------------------|
| | 2023 | 2022 |
| Promissory notes to be encashed | | |
| Replenishment contributions | 102 523 | 166 693 |
| Promissory notes to be encashed | 102 523 | 166 693 |
| Contributions receivable | | |
| Replenishment contributions | 427 060 | 660 237 |
| Supplementary contributions | 433 943 | 330 938 |
| Total | 861 003 | 991 175 |
| Qualified instruments of contribution | (85 598) | (156 034) |
| Total promissory notes and contributions receivables | 877 928 | 1 001 834 |

(a) Replenishment

Details of contributions and payments are shown in appendix G. IFAD12 became effective on 18 August 2021. The IFAD13 Consultation took place throughout fiscal year 2023, and the IFAD13 Resolution was adopted at the forty-seventh session of the Governing Council, in February 2024.

(b) Special Programme for Africa (SPA)

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

(c) 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.

(d) Currency Risk

Appendix G - Statement of Contributions – provides details pertaining to the currency composition of contribution promissory notes and receivables. IFAD overall currency risk is managed as described in note 4(h).

(e) Qualified instruments of contribution and promissory notes

At the end of December 2023, contributions receivables and promissory notes still subject to national appropriation measures amounted to US\$85.6 million (US\$156.0 million as at 31 December 2022).

NOTE 7**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

| | <i>US\$ thousands</i> | |
|--|-----------------------|------------------|
| | 2023 | 2022 |
| Balance at beginning of the year | (120 145) | (123 145) |
| Net increase/(decrease) in allowance | 2 486 | 3 000 |
| Balance at year-end | (117 659) | (120 145) |
| Analysed as follows: | | |
| Promissory notes of contributors (a) | (31 993) | (31 993) |
| Amounts receivable from contributors (b) | (85 666) | (88 152) |
| Total | (117 659) | (120 145) |

(a) Allowances against promissory notes

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

Table 2

| | <i>US\$ thousands</i> | |
|---------------------------------------|-----------------------|-----------------|
| | 2023 | 2022 |
| 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 | (2 035) | (2 035) |
| | (2 635) | (2 635) |
| Total | (31 993) | (31 993) |

(b) Allowances against amounts receivable from contributors

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

Table 3

| | <i>US\$ thousands</i> | |
|------------------------------|-----------------------|-----------------|
| | 2023 | 2022 |
| Initial contributions | | |
| Comoros | | (9) |
| Iraq | | (2 576) |
| Iran (Islamic Republic of) | (83 167) | (83 167) |
| | (83 167) | (85 752) |
| Third Replenishment | | |
| Iran (Islamic Republic of) | (2 400) | (2 400) |
| Twelfth Replenishment | | |
| Mauritania* | (99) | |
| Total | (85 666) | (88 152) |

*Balance settled in February 2024

NOTE 8**OTHER RECEIVABLES**

| | US\$ thousands | |
|--|----------------|---------------|
| | 2023 | 2022 |
| Receivables for investments sold | 408 | 3 461 |
| Receivables for reimbursement headquarter expenditures | 9 571 | 9 389 |
| Other receivables | 9 324 | 7 550 |
| Total | 19 303 | 20 400 |

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 9**(a) Fixed and intangible assets**

Table 1

| 2023 | US\$ million | | |
|--|---------------|----------------------|---------------|
| | 1 Jan 2023 | Increase/ (decrease) | 31 Dec 2023 |
| Cost | | | |
| Computer hardware | 7.0 | 1.6 | 8.6 |
| Computer software | 31.7 | 2.1 | 33.8 |
| Vehicles | 1.6 | 0.7 | 2.3 |
| Furniture and fittings | 1.0 | 0.7 | 1.7 |
| Leasehold improvement | 2.0 | - | 2.0 |
| Total cost | 43.3 | 5.1 | 48.4 |
| Accumulated depreciation | | | |
| Computer hardware | (5.9) | (0.7) | (6.6) |
| Computer software | (22.2) | (2.3) | (24.5) |
| Vehicles | (1.2) | (0.3) | (1.5) |
| Furniture and fittings | (0.6) | (0.1) | (0.7) |
| Leasehold improvement | (1.4) | (0.1) | (1.5) |
| Total depreciation | (31.3) | (3.5) | (34.8) |
| Net fixed and intangible assets | 12.0 | 1.6 | 13.6 |

| 2022 | US\$ million | | |
|--|---------------|----------------------|---------------|
| | 1 Jan 2022 | Increase/ (decrease) | 31 Dec 2022 |
| Cost | | | |
| Computer hardware | 6.8 | 0.2 | 7.0 |
| Computer software | 30.5 | 1.2 | 31.7 |
| Vehicles | 1.5 | 0.1 | 1.6 |
| Furniture and fittings | 0.8 | 0.2 | 1.0 |
| Leasehold improvement | 2.0 | - | 2.0 |
| Total cost | 41.6 | 1.7 | 43.3 |
| Accumulated depreciation | | | |
| Computer hardware | (5.5) | (0.4) | (5.9) |
| Computer software | (20.1) | (2.1) | (22.2) |
| Vehicles | (1.1) | (0.1) | (1.2) |
| Furniture and fittings | (0.5) | (0.1) | (0.6) |
| Leasehold improvement | (1.3) | (0.1) | (1.4) |
| Total depreciation | (28.5) | (2.8) | (31.3) |
| Net fixed and intangible assets | 13.1 | (1.1) | 12.0 |

(b) Right-of-use assets and lease liabilities

The recognition of right-of-use assets refers mainly to the operating lease agreement for the headquarter building with a 12-year contract period.

Table 2

| | US\$ million | | | |
|---------------------------------|---------------|----------------------|---------------------------|---------------|
| | 1 Jan 2023 | Increase/ (decrease) | Foreign exchange movement | 31 Dec 2023 |
| Cost | | | | |
| Right-of-use assets | 112.6 | 0.1 | 3.7 | 116.4 |
| Accumulated depreciation | | | | |
| Right-of-use assets | (34.2) | (9.1) | (1.5) | (44.8) |
| Net right-of-use assets | 78.4 | (9.0) | 2.2 | 71.6 |
| Lease liabilities | (79.1) | 9.5 | (2.7) | (72.3) |

2022

| | US\$ million | | | |
|---------------------------------|---------------|----------------------|---------------------------|-------------|
| | 1 Jan 2022 | Increase/ (decrease) | Foreign exchange movement | 31 Dec 2022 |
| Cost | | | | |
| Right-of-use assets | 109.8 | 13.0 | (10.2) | 112.6 |
| Accumulated depreciation | | | | |
| Right-of-use assets | (26.5) | (12.3) | 4.6 | (34.2) |
| Net right-of-use assets | 83.3 | 0.7 | (5.6) | 78.4 |
| Lease liabilities | (83.4) | 0.8 | 3.5 | 79.1 |

NOTE 10**LOANS****(a) Analysis of loan balances**

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

Table 1

| Consolidated | US\$ thousands | |
|---------------------------|------------------|------------------|
| | 2023 | 2022 |
| IFAD | 8 643 284 | 8 258 159 |
| Spanish Trust Fund | 217 425 | 222 909 |
| Private Sector Trust Fund | 10 778 | 3 956 |
| Total | 8 871 487 | 8 485 024 |

The tables below provide details of approved loans (net of cancellations), undisbursed balances and repayments.

(b) Sovereign Loans

Table 2

| IFAD and SPA | US\$ thousands | |
|-------------------------------|------------------|------------------|
| | 2023 | 2022 |
| Approved loans | 16 811 898 | 16 490 743 |
| Undisbursed balance* | (4 014 347) | (4 409 834) |
| Repayments | (4 196 448) | (3 848 911) |
| | 8 601 103 | 8 231 998 |
| Interest/principal receivable | 42 181 | 26 161 |
| Loans outstanding | 8 643 284 | 8 258 159 |

* This balance comprises US\$3.0 billion (in 2022, US\$3.1 billion) pertaining to commitments for disbursing loans and US\$1.0 billion (in 2022, US\$1.3 billion) pertaining to

Appendix D

approved loans, which have not yet met disbursement conditions.

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

Table 3

| | US\$ thousands | |
|-------------------------------|----------------|----------------|
| | 2023 | 2022 |
| Spanish Trust Fund | | |
| Approved loans | 299 684 | 291 589 |
| Undisbursed balance | (382) | (3 689) |
| Repayments | (82 898) | (65 879) |
| | 216 404 | 222 021 |
| Interest/principal receivable | 1 021 | 888 |
| Loans outstanding | 217 425 | 222 909 |

(c) Non-Sovereign Loans

Table 4

| | US\$ thousands | |
|----------------------------------|----------------|--------------|
| | 2023 | 2022 |
| Private Sector Trust Fund | | |
| Approved disburseable | 25 866 | 25 735 |
| Undisbursed balance | (15 252) | (21 886) |
| Repayments | - | - |
| | 10 614 | 3 849 |
| Interest/principal receivable | 164 | 107 |
| Loans outstanding | 10 778 | 3 956 |

(d) Accumulated allowance for impairment losses

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

Table 5a

| | US\$ thousands | |
|--|------------------|------------------|
| | 2023 | 2022 |
| Consolidated | | |
| IFAD | (163 866) | (138 518) |
| Spanish Trust Fund (STF) | (10 214) | (1 986) |
| Private Sector Trust Fund | (1 154) | (832) |
| Accumulated allowance for impairment losses | (175 234) | (141 336) |
| Provision for Haiti Debt Relief | (10 746) | (12 834) |
| Total | (185 980) | (154 170) |

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

Table 5b

| | US\$ thousands | |
|-------------------------------------|------------------|------------------|
| | 2023 | 2022 |
| Consolidated | | |
| Balance at beginning of year | (154 170) | (120 860) |
| Change in provision | (30 302) | (35 739) |
| Exchange rate movements | (1 508) | 2 429 |
| Balance at end of year | (185 980) | (154 170) |

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 following tables provide details of the accumulated allowance by stage and by entity for sovereign loans.

Table 6

| Sovereign Loans | 2023 US\$ millions | | |
|------------------------------------|--------------------|---------------|----------------|
| | IFAD | STF | Total |
| Stage 1 | (5.2) | (0) | (5.2) |
| Stage 2 | (64.3) | (0.8) | (65.1) |
| Stage 3 | (94.4) | (9.4) | (103.8) |
| Allowance impairment losses | (163.9) | (10.2) | (174.1) |
| Haiti Debt relief | (10.7) | - | (10.7) |
| Total | (174.6) | (10.2) | (184.8) |

Table 7

| Sovereign Loans | 2022 US\$ millions | | |
|------------------------------------|--------------------|--------------|----------------|
| | IFAD | STF | Total |
| Stage 1 | (8.8) | (0.1) | (8.9) |
| Stage 2 | (76.7) | (1.4) | (78.1) |
| Stage 3 | (53.0) | (0.4) | (53.4) |
| Allowance impairment losses | (138.5) | (1.9) | (140.4) |
| Haiti Debt relief | (12.8) | - | (12.8) |
| Total | (151.3) | (1.9) | (153.2) |

The tables below provide a summary of the loan portfolio by stage and exposure (loans outstanding and undrawn commitments) as at 31 December 2023 and 2022.

Table 8

| Sovereign Loans | 2023 US\$ millions | |
|-------------------|--------------------|--------------|
| | Exposure | Allowance |
| Stage 1 | 7 960.6 | 5.2 |
| Stage 2 | 3 321.9 | 65.1 |
| Stage 3 | 345.5 | 103.8 |
| Total | 11 628.0 | 174.1 |
| Exposure: | | |
| Loans outstanding | 8 817.5 | |
| Loan commitments | 2 810.5 | |
| Total | 11 628.0 | |

Table 9

| Sovereign Loans | 2022 US\$ millions | |
|-------------------|--------------------|--------------|
| | Exposure | Allowance |
| Stage 1 | 8 146.5 | 8.9 |
| Stage 2 | 3 180.4 | 78.1 |
| Stage 3 | 197.1 | 53.4 |
| Total | 11 524.0 | 140.4 |
| Exposure: | | |
| Loans outstanding | 8 454.0 | |
| Loan commitments | 3 070.0 | |
| Total | 11 524.0 | |

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

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Table 10

| Sovereign Loans | 2023 US\$ millions | | | |
|--|--------------------|----------------|--------------|-----------------|
| | Stage 1 | Stage 2 | Stage 3 | Total |
| Exposure at 1 January 2023 | 8 146.5 | 3 180.4 | 197.1 | 11 524.0 |
| HIPC Countries | | (119.2) | (19.1) | (138.3) |
| Transfer to Stage 1 | 68.1 | (68.1) | | |
| Transfer to Stage 2 | (436.4) | 436.4 | | |
| Transfer to Stage 3 | (198.1) | (33.0) | 231.1 | |
| New assets originated or purchased | 676.8 | | | 676.8 |
| Amortization repayments | (363.8) | (101.9) | (69.7) | (535.4) |
| Forex | 67.5 | 27.3 | 6.1 | 100.9 |
| Exposure as at 31 December 2023 | 7 960.6 | 3 321.9 | 345.5 | 11 628.0 |

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 11

| US\$ million | Probability-weighted scenario | | | Probability-weighted scenario |
|--------------|-------------------------------|--------------|--------------|-------------------------------|
| | Neutral | Optimistic | Pessimistic | |
| Stage 1 | 3.5 | 2.8 | 9.4 | 5.3 |
| Stage 2 | 62.7 | 58.6 | 83.0 | 65.1 |
| Stage 3 | 103.7 | 103.7 | 103.7 | 103.7 |
| Total | 169.9 | 165.1 | 196.1 | 174.1 |

The accumulated allowance for loan impairment losses for loans in the private sector portfolio amounted to US\$1.2 million (stage 1 - US\$0.4 million and stage 2 - US\$0.8 million) over a total exposure of US\$15.5 million.

(e) Non-accrual status

Loans in stage 3 are in non-accrual status; income from such loans is not recognized in the statement of comprehensive income (2023 - US\$3.8 million; 2022 - US\$1.7 million).

(f) Market risk

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

(g) Currency Risk

Appendix H - Statement of loans - provides details pertaining to the loan outstanding portfolio. IFAD's overall currency risk is managed as described in note 4(h).

NOTE 11

HIPC INITIATIVE

(a) Impact of the HIPC Initiative

IFAD provided funding for the HIPC Initiative in the amount of US\$293.0 million during the period 1998-2023. Details of funding from external donors on a cumulative basis are found in appendix E2. Investment income amounted to US\$8.5 million (2022 - US\$8.4 million) from the HIPC Trust Fund balances.

For a summary of debt relief reimbursed since the start of the Initiative and expected in the future, please refer to appendix I. Debt relief approved by the Executive Board to date excludes all amounts relating to the enhanced Initiative for Eritrea. During 2023, interim debt relief was provided to Somalia. At the time of preparation of the 2023 consolidated financial statements, the estimate of IFAD's share of the overall debt relief for these countries, including principal and interest, was US\$19.4 million (2022 - US\$19.0 million for Eritrea).

(b) Accumulated allowance for the HIPC Initiative

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

| | US\$ thousands | |
|-------------------------------------|------------------|------------------|
| | 2023 | 2022 |
| Balance at beginning of year | (108 893) | (4 734) |
| Change in provision | 8 101 | 892 |
| Decision Point in the year | | (104 914) |
| Exchange rate movements | (585) | (137) |
| Balance at end of year | (101 377) | (108 893) |

NOTE 12

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

| | US\$ millions | | |
|----------------------------|------------------------|----------------------|-------------------------|
| | Cash and bank deposits | Investments at FVTPL | Loans at amortized cost |
| 2023 | | | |
| Level 1 | | | |
| Cash and bank balances | 751 | | |
| Investments at FVTPL | | 1 455 | |
| Level 2 | | | |
| Investments at FVTPL | | 45 | |
| Other financial assets | | 17 | |
| Loans outstanding | | | 8 584 |
| Share investments at FVTPL | | 6 | |
| Total | 751 | 1 523 | 8 584 |
| Liabilities | | | |

Table 2

| | US\$ millions | | |
|----------------------------|------------------------|----------------------|----------------------------------|
| | Cash and bank deposits | Investments at FVTPL | Loans at amortized cost restated |
| 2022 | | | |
| Level 1 | | | |
| Cash and bank balances | 642 | | |
| Investments at FVTPL | | 1 292 | |
| Level 2 | | | |
| Investments at FVTPL | | 52 | |
| Loans outstanding | | | 8 222 |
| Share investments at FVTPL | | 6 | |
| Total | 642 | 1 350 | 8 222 |

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Borrowing liabilities, other financial liabilities, and undisbursed grants are classified at fair value level 2.

NOTE 13

PAYABLES AND LIABILITIES

| | US\$ thousands | |
|--|------------------|------------------|
| | 2023 | 2022 |
| Payable for investments purchased | (588) | (3 399) |
| ASMCS liability | (109 089) | (102 872) |
| Other payables and accrued liabilities | (90 319) | (84 152) |
| Total | (199 996) | (190 423) |

Of the total above, an estimated US\$157.1 million (2022 – US\$146.0 million) is payable in more than one year from the balance sheet date.

NOTE 14

UNDISBURSED GRANTS

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

| | US\$ thousands | |
|----------------------------|------------------|------------------|
| | 2023 | 2022 |
| IFAD | (49 039) | (74 955) |
| Supplementary funds | (256 634) | (190 419) |
| Rural Resilience Programme | (41 161) | (51 726) |
| Undisbursed grants | (346 834) | (317 100) |

NOTE 15

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.

| | US\$ thousands | |
|----------------------------|------------------|------------------|
| | 2023 | 2022 |
| IFAD | (65 260) | (47 245) |
| Supplementary funds | (462 225) | (331 460) |
| Rural Resilience Programme | (104 489) | (110 944) |
| PSTF | (34 324) | (26 054) |
| AATI | (10 517) | (11 483) |
| Consolidation entries | 101 532 | 92 547 |
| Deferred revenue | (575 283) | (434 639) |

NOTE 16

BORROWING LIABILITIES

The balance represents the funds received for borrowing activities plus interest accrued. For private placements covered by interest rate swap and cross currency swap derivatives that qualify for IFRS 9 hedge accounting, the balance represents the hedge value of borrowing liabilities.

Table 1

| | US\$ thousands | |
|--|--------------------|--------------------|
| | 2023 | 2022 |
| Borrowing Liabilities at amortized costs | | |
| IFAD | (1 900 638) | (1 740 805) |
| Spanish Trust Fund | (230 044) | (236 498) |
| Subtotal borrowing liabilities at amortized costs | (2 130 682) | (1 977 303) |
| Borrowing liabilities hedge accounting | | |
| IFAD | (349 067) | (141 901) |
| Total borrowing liabilities | (2 479 749) | (2 119 204) |

Table 2 below provides additional details pertaining to borrowing liabilities issued in the form of private placements and related swaps.

Table 2

| | US\$ thousands | |
|--|------------------|------------------|
| | 2023 | 2022 |
| Borrowing Liabilities Hedge accounting | | |
| Opening Balance | (141 901) | 0 |
| New issues | (194 416) | (150 000) |
| Amortization | - | - |
| Interest Payable | (4 152) | (235) |
| Foreign exchange adjustments | (4 103) | - |
| Hedge accounting adjustment | (4 495) | 8 334 |
| Subtotal borrowing liabilities at amortized costs | (349 067) | (141 901) |

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

Table 3

| Borrowing Liabilities amortized cost | US\$ thousands | |
|---|--------------------|--------------------|
| | 2023 | 2022 |
| IFAD | | |
| 0-1 years | (51 487) | (47 592) |
| 2-3 years | (44 030) | (41 772) |
| 3-4 years | (80 776) | (42 566) |
| 4-5 years | (95 429) | (78 564) |
| 5-10 years | (583 678) | (496 898) |
| More than 10 years | (1 045 238) | (1 033 413) |
| Subtotal | (1 900 638) | (1 740 805) |
| Borrowing liabilities hedge accounting | | |
| 0-1 years | (4 471) | (235) |
| 1-5 years | | |
| 5-10 years | (100 000) | (100 000) |
| More than 10 years | (248 837) | (50 000) |
| Subtotal | (353 308) | (150 235) |
| Borrowing hedge accounting adjustment | 4 241 | 8 334 |
| Subtotal | (349 067) | (141 901) |
| Total | (2 249 705) | (1 882 706) |

NOTE 17**OTHER FINANCIAL ASSETS (LIABILITIES)**

This balance represents the fair value of derivatives designated as fair value hedges of derivatives held in relation to borrowings liabilities.

Table 1

| | US\$ thousands | |
|--|----------------|---------|
| | 2023 | 2022 |
| Other financial assets | | |
| Cross currency swaps at floating rate | 16 859 | 0 |
| Other financial liabilities | | |
| Fair value held in relation to borrowing liabilities | (15 599) | (8 944) |

Table 2 provides information regarding instruments designated hedge relationship.

Table 2

| 2023 | US\$ thousands | | |
|---|----------------|---------------------------------------|------------------|
| | Notional | Carrying amount assets/ (liabilities) | Hedge adjustment |
| Cross currency swaps at floating rate | (198 837) | 8 828 | (10 601) |
| Cross currency swaps receivables/(Payables) | | 8 031 | |
| Other financial assets | | 16 859 | |
| Fair value hedges interest rate risk | (150 000) | (15 432) | 14 842 |
| Interest rate swaps receivables/ (payables) | | (167) | |
| Other financial liabilities | | (15 599) | |
| | | | |
| 2022 | US\$ thousands | | |
| | Notional | Carrying amount assets/ (liabilities) | Hedge adjustment |
| Fair value hedges interest rate risk | (150 000) | (8 944) | 8 334 |

NOTE 18**INCOME FROM LOANS**

This balance represents amounts accrued and received as the interest component on the loan portfolio.

| | US\$ thousands | |
|--------------|----------------|---------------|
| | 2023 | 2022 |
| IFAD | 123 572 | 79 638 |
| STF | 4 356 | 2 356 |
| PSTF | | 179 |
| Total | 127 928 | 82 173 |

NOTE 19**INCOME FROM CASH AND INVESTMENTS****(a) Investment management (IFAD-only)**

As at 31 December 2023, funds under management in IFAD's portfolio amounted to US\$1,605 million (2022 – US\$1,445 million).

(b) Derivative instruments

IFAD's portfolio invests in derivative instruments for risk mitigation purposes, primarily to manage the duration of the global liquidity portfolio and asset and liability portfolio, and to ensure alignment to the currency composition of IFAD's commitments. Accordingly, such investments are not considered hedge accounting.

(i) Futures

IFAD had no outstanding futures at 31 December 2023. During fiscal year 2023, realized gains on futures amounted to US\$0 million (2022: realized losses US\$0 million).

(ii) Swaps

IFAD's 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. The following tables provide information regarding designated hedging instrument relationships.

Table 1

| | US\$ thousands | |
|--|-------------------|------|
| | 2023 | 2022 |
| Outstanding swaps notional | 916 529 | |
| Derivative assets | | |
| Interest rate swaps | 30 291 | |
| Derivative liabilities | | |
| Interest rate swaps | (3 585) | |
| Net unrealized market (losses)/ gains of swap contracts | 26 706 | |
| Maturity range of swap contracts | 0.5 to 14.4 years | |

The following table summarizes the notional amount of the hedging instrument, profiled by timing of repayments.

Table 2

| | US\$ thousands | | | |
|---------------------------|------------------|-----------|-----------|-------------------|
| | Less than 1 year | 1-2 years | 2-5 years | More than 5 years |
| Interest rates swaps 2023 | 80 000 | 126 800 | 345 700 | 364 029 |
| Interest rates swaps 2022 | 52 650 | 93 877 | 422 417 | 171 945 |

(iii) Forwards

The unrealized market value loss on forward contracts as of 31 December 2023 amounted to US\$3.3 million (2022 – US\$0.1 million). The maturities of forward contracts of 31 December 2023 was 186 days (31 December 2022 – 0 days).

(c) Income from cash and investments (consolidated)

Gross income from cash and investments for the year ending 31 December 2023 amounted to US\$85.4 million (2022 gross income of US\$4.3 million).

Table 3

| Fair value | US\$ thousands | |
|--|----------------|--------------|
| | 2023 | 2022 |
| Interest from banks and fixed-income investments | 51 858 | 23 079 |
| Net realized and unrealized (losses)/gains from futures/options/ swaps | 2 532 | 73 973 |
| Realized capital gain/(loss) from fixed-income securities | (10 282) | (27 442) |
| Unrealized gain/(loss) from fixed-income securities | 41 299 | (65 337) |
| Total | 85 407 | 4 273 |

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

Table 4

| | US\$ thousands | |
|------------------------------|----------------|--------------|
| | 2023 | 2022 |
| IFAD | 79 635 | 11 320 |
| ASMCS Trust Fund | 4 409 | (7 585) |
| HIPC Trust Fund | 51 | 18 |
| Spanish Trust Fund | 894 | (123) |
| Haiti Debt Relief Initiative | 34 | 19 |
| ASAP | 236 | 195 |
| Private Sector Trust Fund | 0 | 162 |
| Supplementary funds | 149 | 267 |
| Total | 85 407 | 4 273 |

The annual rate of return on IFAD-only cash and investments in 2023 was 2.17 per cent net of investment expenses (2022: 0.28 per cent net of investment expenses).

NOTE 20

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 | |
|------------------------------------|----------------|---------------|
| | 2023 | 2022 |
| Reimbursement from host government | 8 294 | 8 010 |
| Income from other sources | 2 943 | 2 978 |
| Total | 11 237 | 10 988 |

NOTE 21

INCOME FROM CONTRIBUTIONS

| | US\$ thousands | |
|---------------------|----------------|----------------|
| | 2023 | 2022 |
| IFAD | 86 | 8 436 |
| ASAP | 7 153 | 21 073 |
| PSTF | 7 500 | 25 718 |
| AATI | 1 202 | 336 |
| Supplementary funds | 199 743 | 146 494 |
| Total | 215 684 | 202 057 |

NOTE 22

OPERATING EXPENSES

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

| | US\$ thousands | |
|----------------|----------------|----------------|
| | 2023 | 2022 |
| IFAD | 196 090 | 190 873 |
| Other entities | 25 618 | 26 777 |
| Total | 221 708 | 217 650 |

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

NOTE 23

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 2023 was as follows (breakdown by principal budget source):

Table 1

| Full-time equivalent | General | | |
|---------------------------------|--------------|------------|------------|
| | Professional | Service | Total |
| IFAD administrative budget | 447 | 178 | 625 |
| APO / special programme officer | 24 | | 24 |
| Others | 37 | 6 | 43 |
| Total 2023 | 508 | 184 | 692 |
| Total 2022 | 472 | 184 | 656 |

(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 contract-holders, who are also covered by an insurance plan.

(c) Retirement plan

The UNJSPF carries out an actuarial valuation every two years; the latest available report was prepared as at 31 December 2021. This valuation revealed an actuarial surplus. Thus the UNJSPF was assessed as adequately funded and the United Nations General

Appendix D

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 2023 amounted to US\$16.2 million (2022 – US\$14.8 million).

(d) After-Service Medical Coverage Scheme

The latest actuarial valuation for the ASMCS was carried out as at 31 December 2023. The methodology used was the projected unit-credit-cost method with service prorates. The principal actuarial assumptions used were as follows: discount rate 3.9 per cent for international staff and 4.9 per cent for national staff; return on invested assets, 4.7 per cent; initial medical cost increase, 4.45 per cent; inflation 2.3 per cent; and exchange rate. The results determined IFAD's liability as at 31 December 2023 to be US\$109.1 million. The 2023 and 2022 financial statements include a provision and related assets as at 31 December as follows:

Table 2

| | US\$ thousands | |
|------------------------------------|------------------|------------------|
| | 2023 | 2022 |
| Past service liability | (109 089) | (102 872) |
| Plan assets* | 89 996 | 83 711 |
| Surplus /(deficit) | (19 093) | (19 161) |
| Yearly movements | | |
| Opening balance (deficit) | (19 161) | (60 975) |
| Contribution paid | | 0 |
| Interest cost | (840) | (1 240) |
| Current service charge | (4 016) | (7 376) |
| Actuarial gains/(losses) | (1 361) | 62 206 |
| Interest earned on balances | 4 226 | (7 796) |
| Exchange rate movement | 2 059 | (3 980) |
| Closing balance (deficit) | (19 093) | (19 161) |
| Past service liability | | |
| Total provision at 1 January | (102 872) | (156 462) |
| Interest cost | (840) | (1 240) |
| Current service charge | (4 016) | (7 376) |
| Actuarial gains/(losses) | (1 361) | 62 206 |
| Provision at 31 December | (109 089) | (102 872) |
| Plan assets | | |
| Total assets at 1 January | 83 711 | 95 487 |
| Contribution paid | 4 226 | 0 |
| Interest earned on balances | 2 059 | (7 796) |
| Exchange rate movement | | (3 980) |
| Total assets at 31 December | 89 996 | 83 711 |

* Plan asset balance is inclusive of net receivables and payables for pending trades.

ASMCS assets are invested in accordance with the ASMCS Trust Fund Investment Policy Statement as approved by the Executive Board and Governing Council periodically.

IFAD provides for the full annual current service costs of this medical coverage, including its eligible retirees. In 2023, such costs included under staff salaries and benefits in the financial statements amounted to US\$4.0 million (2022 – US\$7.4 million).

Based on the 2023 actuarial valuation, the level of assets necessary for funding requirements is US\$77.6 million in net present value terms (including

assets pertaining to the International Land Coalition). As reported above, at 31 December 2023 the assets already held in the trust fund are US\$90.0 million; consequently this is sufficient to cover the level of liabilities in actuarial terms.

(e) Actuarial valuation risk of the ASMCS

A sensitivity analysis of the principal assumptions of the liability contained within the group data as at 31 December 2023 is shown below:

Table 3

| Impact on | Liability |
|---|-----------|
| Medical inflation: | |
| 4.9 per cent instead of 3.9 per cent international staff and 5.9 per cent instead of 4.9 for national staff | (25.9) |
| 2.9 per cent instead of 3.9 per cent international staff and 3.9 per cent instead of 4.9 for national staff | 18.4 |

NOTE 24

DIRECT BANK AND INVESTMENT COSTS

| | US\$ thousands | |
|----------------------------|----------------|--------------|
| | 2023 | 2022 |
| Investment management fees | 490 | 441 |
| Other charges | 1 712 | 5 833 |
| Total | 2 202 | 6 274 |

NOTE 25

GRANT EXPENSES

The breakdown of the consolidated figures is set out below:

| Expenses (cancellations) | US\$ thousands | |
|----------------------------------|----------------|----------------|
| | 2023 | 2022 |
| IFAD net grants | 5 185 | 8 994 |
| Supplementary funds ^a | 165 185 | 112 400 |
| ASAP | 3 830 | 19 004 |
| Total Grants | 174 200 | 140 398 |

^a During 2022, as part of a supplementary funds initiative, US\$13.6 million was provided as a contribution to the private sector on behalf of donors.

The grant expenses to countries in debt distress (former DSF) are set out below:

| IFAD-only | US\$ thousands | |
|--|----------------|----------------|
| | 2023 | 2022 |
| Grant expenses to countries in debt distress | 178 062 | 165 076 |
| Total | 178 062 | 165 076 |

NOTE 26

NET FOREIGN EXCHANGE GAINS/LOSSES

The following rates of one unit of special drawing rights (SDR) in terms of United States dollars as at 31 December were used:

Appendix D

Table 1

| Year | United States dollars |
|------|-----------------------|
| 2023 | 1,34400 |
| 2022 | 1,33520 |
| 2021 | 1,40203 |

The balance of foreign exchange movement is shown below:

Table 2

| | US\$ thousands | |
|------------------------------------|----------------|------------------|
| | 2023 | 2022 |
| IFAD | 42 494 | (339 637) |
| Other entities | 11 940 | (18 794) |
| Total movements in the year | 54 434 | (358 431) |

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

Table 3

| | US\$ thousands | |
|--|----------------|------------------|
| | 2023 | 2022 |
| Exchange movements for the year on: | | |
| Cash and investments | 27 949 | (65 542) |
| Net receivables/payables | 1 088 | (2 206) |
| Loans and grants outstanding | 63 262 | (356 678) |
| Promissory notes and Members' receivables | 4 709 | (48 486) |
| Member States' contributions | (4 187) | 46 308 |
| Borrowing liabilities | (38 387) | 68 173 |
| Total movements in the year | 54 434 | (358 431) |

NOTE 27

HIPC INITIATIVE 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 28

INTEREST EXPENSES FINANCIAL LIABILITIES

This is the balance of loan interest expenses accrued and fees incurred for borrowing liabilities as well as for financial lease liabilities.

| | US\$ thousands | |
|--|----------------|---------------|
| | 2023 | 2022 |
| Interest expenses on borrowings | 84 927 | 16 816 |
| Interest expenses on lease liabilities | 229 | 212 |
| Total | 85 156 | 17 028 |

NOTE 29

NET (LOSS)/PROFIT FROM HEDGING

The balance in the table below represents the fair value of the derivatives along with corresponding changes in the hedge value of the hedged liability (or

asset) that is attributable to the specific hedge risk. Further details are provided in note 16.

| | US\$ thousands | |
|--|----------------|--------------|
| | 2023 | 2022 |
| Interest Rates Swaps | | |
| Borrowings hedge adjustment | (6 508) | 8 334 |
| Derivatives fair value adjustment | 6 566 | (8 866) |
| Derivatives interest expenses (revenues) | 3 521 | 6 |
| Subtotal | 3 579 | (526) |
| Cross Currency Swaps | | |
| Borrowings hedge adjustment | 11 003 | - |
| Derivatives fair value adjustment | (8 870) | - |
| Derivatives interest expenses (revenues) | 3 569 | - |
| Subtotal | 5 702 | - |
| Total | 9 281 | (526) |

NOTE 30

HOUSED ENTITY AND OTHER FACILITIES

At 31 December balances owed to IFAD by the housed entities were:

| | US\$ thousands | |
|------------------------------|----------------|--------------|
| | 2023 | 2022 |
| GCF | 0 | 0 |
| International Land Coalition | 1 176 | 1 495 |
| Total | 1 176 | 1 495 |

NOTE 31

CONTINGENT LIABILITIES AND ASSETS

(a) Contingent liabilities

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

IFAD has a contingent liability for grants to countries in debt distress (former DSF financing) effective but not yet disbursed for a global amount of US\$887 million (US\$887 million in 2022). In particular, at the end of December 2023, grants to member countries in debt distress (former DSF) disbursable but not yet disbursed, because the conditions for the release of funds were not yet met, amounted to US\$191 million (US\$244 million in 2022) and while related projects approved but not yet effective amounted to US\$696 million (US\$643 million in 2022).

(b) Contingent assets

At the end of December 2023 the balance of qualified instruments of contribution amounted to US\$85.6 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.

NOTE 32**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 33**RELATED PARTIES**

The Fund has assessed related parties and transactions carried out in 2023. 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 the ones indicated below, for key management personnel and other related parties identified as per IAS 24 requirements.

| | <i>US\$ thousands</i> | |
|--|-----------------------|--------------|
| | 2023 | 2022 |
| Salaries and other entitlements | 2 487 | 2 147 |
| Contribution to retirement and medical plans | 593 | 476 |
| Other related parties | | |
| Total | 3 080 | 2 623 |
| Total accruals | 762 | 704 |
| Total receivables | 80 | 20 |

NOTE 34**DATE OF AUTHORIZATION
FOR ISSUE OF THE
CONSOLIDATED FINANCIAL
STATEMENTS**

Management authorized the issuance of the Consolidated Financial Statements on 8 March 2024.

The statements will be submitted for review by the Audit Committee in April 2024 and approved by the Executive Board in May 2024. The 2022 consolidated financial statements were approved by the Governing Council at its forty-seventh session in February 2024.

Statements of complementary and supplementary contributions

Table 1

Member States:

Statement of cumulative supplementary contributions including project cofinancing from 1978 to 2023 ^a

(Thousands of United States dollars)

| <i>Member States</i> | <i>Project cofinancing</i> | <i>APOs</i> | <i>Other supplementary funds</i> | <i>AATI</i> | <i>PSTF</i> | <i>GEF</i> | <i>Total</i> |
|--------------------------|--------------------------------|---------------|--|-------------|---------------|------------|------------------|
| Algeria | - | - | 77 | - | - | - | 77 |
| Angola | - | - | 7 | - | - | - | 7 |
| Australia ^b | 3 739 | - | 3 244 | - | - | - | 6 983 |
| Austria | 755 | - | - | - | - | - | 755 |
| Bangladesh | - | - | 44 | - | - | - | 44 |
| Belgium | 10 214 | 1 960 | 158 736 | - | - | - | 170 910 |
| Canada | 28 579 | - | 10 145 | - | - | - | 38 724 |
| China | 5 564 | 1 317 | 4 751 | - | - | - | 11 632 |
| Colombia | - | - | 25 | - | - | - | 25 |
| Denmark | 51 339 | 4 885 | 5 643 | - | - | - | 61 867 |
| Estonia | - | - | 635 | - | - | - | 635 |
| Finland | 2 834 | 5 960 | 16 014 | - | 1 001 | - | 25 809 |
| France | 1 032 | 2 463 | 23 423 | - | - | - | 26 918 |
| Germany | 25 503 | 9 857 | 45 052 | - | 38 797 | - | 119 209 |
| Ghana | - | - | 77 | - | - | - | 77 |
| Greece | - | - | 77 | - | - | - | 77 |
| Hungary | - | - | 500 | - | - | - | 500 |
| Iceland | - | - | 19 | - | - | - | 19 |
| India | - | - | 1 077 | - | - | - | 1 077 |
| Indonesia | - | - | 50 | - | - | - | 50 |
| Ireland | 7 301 | - | 7 585 | - | - | - | 14 886 |
| Italy | 30 891 | 8 590 | 43 089 | - | - | - | 82 570 |
| Japan | 3 692 | 5 358 | 6 333 | - | - | - | 15 383 |
| Jordan | - | - | 153 | - | - | - | 153 |
| Kuwait | - | - | 121 | - | - | - | 121 |
| Lebanon | - | - | 86 | - | - | - | 86 |
| Luxembourg | 2 085 | - | 9 212 | - | 2 256 | - | 13 553 |
| Malaysia | - | - | 28 | - | - | - | 28 |
| Morocco | - | - | 50 | - | - | - | 50 |
| Mauritania | - | - | 92 | - | - | - | 92 |
| Netherlands (Kingdom of) | 147 777 | 10 940 | 46 567 | - | - | - | 205 284 |
| New Zealand | 730 | - | 3 605 | - | - | - | 4 335 |
| Nigeria | - | - | 50 | - | - | - | 50 |
| Norway | 73 934 | 2 753 | 11 039 | - | - | - | 87 726 |
| Pakistan | - | - | 25 | - | - | - | 25 |
| Paraguay | - | - | 15 | - | - | - | 15 |
| Portugal | 142 | - | 714 | - | - | - | 856 |
| Qatar | - | - | 110 | - | - | - | 110 |
| Republic of Korea | 5 102 | 7 271 | 2 487 | - | - | - | 14 860 |
| Russian Federation | 1 320 | - | 180 | - | - | - | 1 500 |
| Saudi Arabia | 3 000 | - | 944 | - | - | - | 3 944 |
| Senegal | - | - | 109 | - | - | - | 109 |
| Sierra Leone | - | - | 88 | - | - | - | 88 |
| Spain | 11 801 | - | 6 198 | - | - | - | 17 999 |
| Suriname | 2 000 | - | - | - | - | - | 2 000 |
| Sweden | 19 901 | 5 285 | 28 774 | - | - | - | 53 960 |
| Switzerland | 18 930 | 3 511 | 28 712 | - | - | - | 51 153 |
| Türkiye | - | - | 47 | - | - | - | 47 |
| United Kingdom | 19 074 | - | 16 968 | - | - | - | 36 042 |
| United States | 12 849 | 617 | 2 388 | - | - | - | 15 854 |
| Total | 490 088 | 70 767 | 485 365 | - | 42 054 | - | 1 088 274 |

^a Non-United States dollars contributions have been translated at the year-end exchange rate.^b Australia's withdrawal from IFAD membership became effective 31 July 2007.

Appendix E

Table 2

Non-Member States and other sources:

Statement of cumulative supplementary contributions including project cofinancing from 1978 to 2023 ^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>AATI</i> | <i>PSTF</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 Authority for Agricultural Investment and Development | - | - | 168 | - | - | - | 168 |
| Arab Bank | - | - | 25 | - | - | - | 25 |
| Arab Gulf Programme for United Nations Development Organizations | 299 | - | - | - | - | - | 299 |
| Bill & Melinda Gates Foundation | 5 840 | - | 21 369 | 10 000 | - | - | 37 209 |
| Cassava Programme | - | - | 69 | - | - | - | 69 |
| Chief Executives Board for Coordination (CEB) | - | - | 998 | - | - | - | 998 |
| Congressional Hunger Center | - | - | 183 | - | - | - | 183 |
| Coopernic | - | - | 3 314 | - | - | - | 3 314 |
| European Commission | 814 | - | 889 025 | - | - | - | 889 839 |
| Food and Agriculture Organization of the United Nations | 14 | - | 3 097 | - | - | - | 3 111 |
| Global Agriculture and Food Security Program | 227 749 | - | 17 553 | - | - | - | 245 302 |
| IFAD | 38 628 | - | 3 932 | 2 000 | 25 000 | - | 69 560 |
| Least Developed Countries Fund / Special Climate Change Fund (SCCF) | - | - | 211 231 | - | - | - | 211 231 |
| Least Developed Countries Fund / Special Climate Change Fund (SCCF)/Adaptation Fund | - | - | 28 | - | - | - | 28 |
| New Venture Fund | - | - | 56 | - | - | - | 56 |
| Nordic Development Fund | - | - | 500 | - | - | - | 500 |
| OPEC Fund for International Development | 2 648 | - | 50 | - | - | - | 2 698 |
| Open Society London | 950 | - | 50 | - | - | - | 1 000 |
| David and Lucile Packard Foundation | 95 | - | 203 | - | - | - | 298 |
| Small Foundation | - | - | 400 | - | - | - | 400 |
| UN Women | - | - | 900 | - | - | - | 900 |
| United States Department of Education | - | - | 970 | - | - | - | 970 |
| United Nations Fund for International Partnership | 78 | - | 145 | - | - | - | 223 |
| United Nations Capital Development Fund | 359 | - | 263 | - | - | - | 622 |
| United Nations Development Programme | 856 | - | 6 362 | - | - | - | 7 218 |
| United Nations Economic Commission for Africa | - | - | 353 | - | - | - | 353 |
| United Nations organizations | 3 017 | - | - | - | - | - | 3 017 |
| Visa Foundation | 2 500 | - | 1 000 | - | - | - | 3 500 |
| World Bank | 1 357 | - | 5 706 | - | - | 220 233 | 227 296 |
| Other Supplementary funds | 1 929 | - | 9 644 | - | - | - | 11 573 |
| Total non-Member States and other sources | 292 916 | - | 1 180 171 | 12 000 | 25 000 | 220 233 | 1 730 320 |
| Total 2023 | 783 004 | 70 767 | 1 665 536 | 12 000 | 67 054 | 220 233 | 2 818 594 |
| Total 2022 | 631 602 | 66 787 | 1 482 665 | 12 000 | 51 736 | 195 565 | 2 440 355 |

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

Statement of cumulative complementary contributions from 1978 to 2023

(Thousands of United States dollars)

| | <i>Amount</i> |
|---|----------------|
| Other complementary contributions | |
| 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 (Kingdom of the) | 14 024 |
| Subtotal | 19 679 |
| Contributions made to ASAP in the context of replenishments | 310 645 |
| Unrestricted complementary contributions to the Tenth Replenishment | |
| Canada | 7 586 |
| Germany | 15 307 |
| Netherlands (Kingdom of the) | 23 347 |
| Russian Federation | 3 000 |
| United States | 10 000 |
| Subtotal | 59 240 |
| Unrestricted complementary contributions to the Eleventh Replenishment | |
| Germany | 22 468 |
| Luxembourg | 1 706 |
| Sweden | 12 640 |
| Switzerland | 11 958 |
| Subtotal | 48 772 |
| Total complementary contributions 2023 | 577 136 |
| Total complementary contributions 2022 | 577 136 |

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

(Thousands of United States dollars)

| | <i>Amount</i> |
|--|----------------|
| Contributions made in the context of replenishments (see table above) | 19 679 |
| Contributions not made in the context of replenishments | |
| 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 | 221 463 |
| Subtotal | 273 308 |
| Total contributions to IFAD's HIPC Trust Fund 2023 | 292 987 |
| Total contributions to IFAD's HIPC Trust Fund 2022 | 287 142 |
| Contributions made in the context of arrear clearance for Somalia | |
| Belgium | 2 955 |
| Italy | 482 |
| Sweden | 969 |
| Germany | 6 498 |
| Total contributions for Somalia arrears clearance 2023 | 10 904 |
| Total contributions for Somalia arrears clearance 2022 | 4 406 |

Contributions received in 2023

| <i>Member States</i> | <i>Currency</i> | <i>Amount (thousands)</i> | <i>Thousands of US\$ equivalent</i> |
|---|-----------------|-------------------------------|---|
| For project cofinancing | | | |
| Canada | CAD | 3 000 | 2 228 |
| Denmark | DKK | 34 200 | 5 030 |
| European Commission | EUR | 794 | 877 |
| European Commission | USD | 565 | 565 |
| Germany | EUR | 3 610 | 3 988 |
| Global Agriculture and Food Security Programme | USD | 31 427 | 31 427 |
| Green Climate Fund | USD | 1 532 | 1 532 |
| Global Environmental Facility | USD | 14 748 | 14 748 |
| Least Developed Countries Fund | USD | 11 436 | 11 436 |
| Italy | EUR | 865 | 955 |
| Netherlands (Kingdom of the) | EUR | 9 100 | 10 052 |
| New Zealand | NZD | 3 000 | 1 817 |
| OPEC Fund for International Development | USD | 250 | 250 |
| Saudi Arabia | USD | 1 000 | 1 000 |
| Spain | EUR | 250 | 267 |
| Subtotal | | | 86 172 |
| For APOs | | | |
| China | USD | 110 | 110 |
| Denmark | USD | 241 | 241 |
| Finland | USD | 186 | 186 |
| France | USD | 444 | 444 |
| Germany | USD | 342 | 342 |
| Italy | USD | 761 | 761 |
| Japan | USD | 827 | 827 |
| Republic of Korea | USD | 461 | 461 |
| Netherlands (Kingdom of the) | USD | 495 | 495 |
| Sweden | USD | 63 | 63 |
| Switzerland | USD | 348 | 348 |
| Subtotal | | | 4 278 |
| Other supplementary fund contributions | | | |
| Arab Authority for Agricultural Investment and Development | USD | 42 | 42 |
| Australia | EUR | 50 | 55 |
| Belgium | EUR | 3 000 | 3 314 |
| Bill & Melinda Gates Foundation | USD | 5 576 | 5 576 |
| Denmark | DKK | 93 000 | 13 525 |
| Estonia | EUR | 50 | 55 |
| European Commission | EUR | 47 547 | 52 523 |
| European Commission | USD | 2 596 | 2 868 |
| Finland | EUR | 2 550 | 2 817 |
| France | EUR | 50 | 55 |
| France | USD | 3 200 | 3 200 |
| Germany | EUR | 28 216 | 30 699 |
| Global Dairy Platform | USD | 100 | 100 |
| Integrated Household and Agricultural Surveys in Low and Middle-Income Countries Multi-Donor Trust Fund | USD | 2 000 | 2 000 |
| Ireland | EUR | 1 100 | 1 215 |
| Italy | EUR | 585 | 646 |
| Japan | USD | 2 102 | 2 102 |
| Republic of Korea | KRW | 1 200 000 | 940 |
| Netherlands (Kingdom of the) | EUR | 100 | 110 |
| Norway | NOK | 337 186 | 31 245 |
| Saudi Arabia | USD | 267 | 267 |
| Sweden | SEK | 10 000 | 948 |
| Switzerland | EUR | 50 | 55 |
| United Kingdom | GBP | 50 | 63 |
| United Nations Development Programme | USD | 1 098 | 1 098 |
| United Nations Economic Commission | USD | 71 | 71 |
| United Nations Office for Project Services | USD | 913 | 913 |
| UN Women | USD | 212 | 212 |
| United States Department of State | USD | 300 | 300 |
| Visa Foundation | USD | 583 | 583 |
| Windward Fund | USD | 1 500 | 1 500 |
| Subtotal | | | 159 097 |
| Grand total | | | 249 547 |

Unspent funds in 2023 and 2022

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> |
|------------------------------|--------------|----------------------------------|----------------|
| Australia | - | 2 040 | 2 040 |
| Belgium | - | 2 762 | 2 762 |
| Canada | - | 1 018 | 1 018 |
| China | 482 | 3 602 | 4 084 |
| Denmark | 177 | 3 333 | 3 510 |
| Estonia | - | 388 | 388 |
| Finland | 64 | 2 967 | 3 031 |
| France | 383 | 4 212 | 4 595 |
| Germany | 451 | 32 295 | 32 746 |
| Hungary | - | 460 | 460 |
| India | - | 254 | 254 |
| Ireland | - | 1 245 | 1 245 |
| Italy | 498 | 3 103 | 3 601 |
| Japan | 655 | 1 941 | 2 596 |
| Lebanon | - | 85 | 85 |
| Luxembourg | - | 1 162 | 1 162 |
| Malaysia | - | 13 | 13 |
| Netherlands (Kingdom of the) | 238 | 14 643 | 14 881 |
| New Zealand | - | 1 665 | 1 665 |
| Norway | 101 | 24 876 | 24 977 |
| Republic of Korea | 329 | 1 087 | 1 416 |
| Russian Federation | - | 181 | 181 |
| Saudi Arabia | - | 170 | 170 |
| Spain | - | 207 | 207 |
| Sweden | 51 | 7 678 | 7 729 |
| Switzerland | 498 | 1 270 | 1 768 |
| United Kingdom | - | 358 | 358 |
| United States | - | 8 200 | 8 200 |
| Total | 3 927 | 121 215 | 125 142 |

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 | - | 348 | 348 |
| Arab Authority for Agricultural Investment and Development | - | 13 | 13 |
| Bill & Melinda Gates Foundation | - | 8 116 | 8 116 |
| European Commission | - | 73 562 | 73 562 |
| Food and Agriculture Organization of the United Nations | - | 18 | 18 |
| Global Agriculture and Food Security Programme | - | 47 494 | 47 494 |
| IFAD | - | 16 421 | 16 421 |
| Least Developed Countries Fund / Special Climate Change Fund (SCCF) | - | 32 300 | 32 300 |
| Least Developed Countries Fund / Special Climate Change Fund (SCCF)/Adaptation Fund | - | 15 | 15 |
| United Nations Development Programme | - | 1 900 | 1 900 |
| United Nations Economic Commission for Africa | - | 67 | 67 |
| Visa Foundation | - | 72 | 72 |
| World Bank | - | 27 212 | 27 212 |
| Other | - | 2 516 | 2 516 |
| Total non-Member States and other sources | - | 210 054 | 210 054 |
| Grand total 2023 | 3 927 | 331 269 | 335 196 |
| Grand total 2022 | 3 050 | 252 652 | 255 702 |

Summary of the Rural Resilience Programme

Table 1

Summary of complementary contributions and supplementary funds to the Rural Resilience Programme Trust Fund

(As at 31 December 2023)

(Thousands of United States dollars)

| ASAP | <i>Member States</i> | <i>Total contribution in local currency</i> | <i>Complementary contributions received</i> | <i>Supplementary funds contributions received**</i> | <i>Total contributions received</i> |
|---|--|---|---|---|---|
| | Belgium | EUR 6 000 | 7 855 | | |
| | Canada | CAD 19 849 | 19 879 | | |
| | Finland | EUR 5 000 | 6 833 | | |
| | Netherlands (Kingdom of the) | 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 | | |
| | Flemish Department for Foreign Affairs | EUR 2 000 | | 2 380 | |
| | Republic of Korea | US\$ 3 000 | | 3 000 | |
| Subtotal ASAP | | | 310 645 | 5 380 | 316 025 |
| ASAP2 | Norway | NOK 80 000 | | 9 550 | |
| | France | EUR 300 | | 335 | |
| | Sweden | SEK 50 000 | | 5 904 | |
| Subtotal ASAP2 | | | | 15 789 | 15 789 |
| ASAP+** | Austria | EUR 2 000 | | 2 437 | |
| | Denmark | DKK 190 000 | | 28 170 | |
| | Germany | EUR 32 000 | | 26 863 | |
| | Ireland | EUR 4 000 | | 4 702 | |
| | Sweden | SEK 100 000 | | 11 018 | |
| | Qatar | US\$ 500 | | 500 | |
| | Norway | NOK 100 000 | | 9 882 | |
| Subtotal ASAP+ | | | | 83 572 | 83 572 |
| Total Rural Resilience Programme | | | 310 645 | 104 741 | 415 386 |

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

**As at 31 December 2023, overall ASAP supplementary funds contributions amounted to US\$92.3 million of which US\$83.6 million encashed and US\$8.7 million receivables.

Appendix F

Table 2
Summary of grants under the Rural Resilience Programme (ASAP)
(Amounts in thousands)

| <i>Grant recipient</i> | <i>Approved grants less cancellations</i> | <i>Disbursable</i> | <i>Disbursements 2023</i> | <i>Undisbursed portion of disbursable grants</i> | <i>Grants not yet disbursable as at 31 December 2023</i> |
|-----------------------------------|---|--------------------|---------------------------|--|--|
| US\$ grants | | | | | |
| Cuba | 4 000 | 4 000 | - | 4 000 | - |
| Iraq | 2 000 | 2 000 | 500 | 1 500 | - |
| Republic of Moldova | 5 000 | 5 000 | 4 041 | 959 | - |
| Total US\$ | 11 000 | 11 000 | 4 541 | 6 459 | - |
| EUR grants | | | | | |
| Côte d'Ivoire | 3 070 | 3 070 | 426 | 2 644 | - |
| Montenegro | 1 880 | 1 880 | 1 880 | - | - |
| Total EUR | 4 950 | 4 950 | 2 306 | 2 644 | - |
| US\$ equivalent | 5 468 | 5 468 | 2 547 | 2 921 | - |
| SDR grants | | | | | |
| Bangladesh | 9 900 | 9 900 | 9 569 | 331 | - |
| Benin | 3 220 | 3 220 | 3 208 | 12 | - |
| Bhutan | 3 580 | 3 580 | 3 036 | 544 | - |
| Bolivia (Plurinational State of) | 6 401 | - | 6 401 | - | - |
| Burundi | 3 385 | - | 3 385 | - | - |
| Cabo Verde | 2 900 | 2 900 | 2 900 | - | - |
| Cambodia | 10 150 | 10 150 | 10 150 | - | - |
| Chad | 3 240 | 3 240 | 3 240 | - | - |
| Comoros | 740 | 740 | 646 | 94 | - |
| Côte d'Ivoire | 1 619 | - | 1 619 | - | - |
| Djibouti | 3 999 | - | 3 995 | 4 | - |
| Ecuador | - | - | - | - | - |
| Egypt | 3 380 | 3 380 | 2 388 | 992 | - |
| El Salvador | 3 560 | 3 560 | 3 555 | 5 | - |
| Ethiopia | 7 870 | 7 870 | 6 912 | 958 | - |
| Gambia (The) | 3 536 | - | 3 536 | - | - |
| Ghana | 6 500 | 6 500 | 6 497 | 3 | - |
| Kenya | 7 100 | 7 100 | 6 607 | 493 | - |
| Kyrgyzstan | 6 496 | - | 6 496 | - | - |
| Lao People's Democratic Republic | 3 550 | - | 3 550 | - | - |
| Lesotho | 4 610 | 4 610 | 4 605 | 5 | - |
| Liberia | 3 280 | 3 280 | 2 785 | 495 | - |
| Madagascar | 4 200 | 4 200 | 3 656 | 544 | - |
| Malawi | 5 150 | 5 150 | 4 446 | 704 | - |
| Mali | 6 498 | - | 6 498 | - | - |
| Mauritania | 4 300 | 4 300 | 2 975 | 1 325 | - |
| Morocco | 1 295 | 1 295 | 938 | 357 | - |
| Mozambique | 3 250 | - | 3 250 | - | - |
| Nepal | 9 710 | 9 710 | 9 629 | 81 | - |
| Nicaragua | 5 247 | - | 5 247 | - | - |
| Niger | 9 250 | 9 250 | 9 112 | 138 | - |
| Nigeria | 9 800 | 9 800 | 7 178 | 2 622 | - |
| Paraguay | 3 650 | 3 650 | 1 469 | 2 181 | - |
| Rwanda | 4 510 | 4 510 | 4 509 | 1 | - |
| Sudan | 6 877 | 4 730 | 6 735 | 142 | - |
| Tajikistan | 3 600 | - | 3 600 | - | - |
| Uganda | 6 770 | 6 770 | 6 769 | 1 | - |
| Viet Nam | 7 591 | - | 7 591 | - | - |
| Yemen | - | - | - | - | - |
| Total SDR | 190 714 | 133 395 | 178 682 | 12 032 | - |
| US\$ equivalent | 256 320 | 179 282 | 240 154 | 16 166 | - |
| Total ASAP1 grants in US\$ | 272 788 | 195 750 | 247 242 | 25 546 | - |

Table 3
Summary of grants under the ASAP2
(Thousands of United States dollars)

| <i>Grant recipient</i> | <i>Approved grants less cancellations</i> | <i>Disbursable</i> | <i>Disbursements 2023</i> | <i>Undisbursed portion of disbursable grants</i> | <i>Grants not yet disbursable as at 31 December 2023</i> |
|-----------------------------------|---|--------------------|-------------------------------|--|--|
| US\$ grants | | | | | |
| FAO | 403 | 403 | 403 | - | - |
| Indonesia | 244 | 244 | 244 | - | - |
| Kenya | 290 | - | 290 | - | - |
| Netherlands (Kingdom of the) | 272 | - | 272 | - | - |
| Somalia | 68 | - | 68 | - | - |
| United States | 1 548 | - | 1 548 | - | - |
| World Food Programme | 1 187 | - | 1 187 | - | - |
| Total ASAP2 grants in US\$ | 4 012 | 647 | 4 012 | - | - |
| Total grants in US\$ | 4 012 | 647 | 4 012 | - | - |

Table 4
Summary of grants under the Adaptation for Smallholder Agriculture Programme (ASAP+)
(Thousands of United States dollars)

| <i>Grant recipient</i> | <i>Approved grants less cancellations</i> | <i>Disbursable</i> | <i>Disbursements 2023</i> | <i>Undisbursed portion of disbursable grants</i> | <i>Grants not yet disbursable as at 31 December 2023</i> |
|---|---|--------------------|-------------------------------|--|--|
| Grants | | | | | |
| Ethiopia | 10 500 | - | - | - | 10 500 |
| Brazil | 17 067 | 17 067 | 1 453 | 15 615 | - |
| Total ASAP+ grants | 27 567 | 17 067 | 1 453 | 15 615 | 10 500 |
| Total Rural Resilience Programme | 304 367 | 213 464 | 252 707 | 41 161 | 10 500 |

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 2023. 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 2023, and is not aware of any material control weakness that could affect the reliability of the 2023 financial statements. IFAD's independent external auditor, PricewaterhouseCoopers, 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.

Alvaro Lario
President

Hernán Alvarado
Associate Vice President,
CFO and Chief Controller

Advit Nath
Director and Controller



Independent auditor's report

To the International Fund for Agricultural Development

Our Opinion

We have audited the consolidated financial statements of the International Fund for Agricultural Development (“the Fund” or “IFAD”), which comprise the consolidated and IFAD-only balance sheet as at 31 December 2023, the consolidated and IFAD-only statements of comprehensive income, the consolidated and IFAD-only statements of changes in equity, the consolidated and IFAD-only cash flow statement for the year then ended, the statements of complementary and supplementary contributions, the statement of cumulative complementary contributions from 1978 to 2023, the statement of contributions from Member States and donors to the HIPC initiative and contributions to arrears clearance, the contributions received in 2023, the Unspent Funds and the summary of the Rural Resilience Programme and related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Fund as at 31 December 2023 and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board.

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 this report. We are independent of the Fund in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code. 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 2023” and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in Appendices G, H, H1, H2, H3, I, J, K, L and L1 as defined within the section ‘Contents’ on page 3 but does not include the consolidated financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report.

PricewaterhouseCoopers SpA

Sede legale: **Milano** 20145 Piazza Tre Torri 2 Tel. 02 77851 Fax 02 7785240 Capitale Sociale Euro 6.890.000,00 i.v. C.F. e P.IVA e Reg. Imprese Milano Monza Brianza Lodi 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: **Ancona** 60131 Via Sandro Totti 1 Tel. 071 2132311 - **Bari** 70122 Via Abate Gimma 72 Tel. 080 5640211 - **Bergamo** 24121 Largo Belotti 5 Tel. 035 229691 - **Bologna** 40124 Via Luigi Carlo Farini 12 Tel. 051 6186211 - **Brescia** 25121 Viale Duca d'Aosta 28 Tel. 030 3697501 - **Catania** 95129 Corso Italia 302 Tel. 095 7532311 - **Firenze** 50121 Viale Gramsci 15 Tel. 055 2482811 - **Genova** 16121 Piazza Piccapietra 9 Tel. 010 29041 - **Napoli** 80121 Via dei Mille 16 Tel. 081 36181 - **Padova** 35138 Via Vicenza 4 Tel. 049 873481 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091 349737 - **Parma** 43121 Viale Tanara 20/A Tel. 0521 275911 - **Pescara** 65127 Piazza Ettore Troilo 8 Tel. 085 4545711 - **Roma** 00154 Largo Fochetti 29 Tel. 06 570251 - **Torino** 10122 Corso Palestro 10 Tel. 011 556771 - **Trento** 38122 Viale della Costituzione 33 Tel. 0461 237004 - **Treviso** 31100 Viale Felissent 90 Tel. 0422 696911 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 040 3480781 - **Udine** 33100 Via Poscolle 43 Tel. 0432 25789 - **Varese** 21100 Via Albuzzi 43 Tel. 0332 285039 - **Verona** 37135 Via Francia 21/C Tel. 045 8263001 - **Vicenza** 36100 Piazza Pontelandolfo 9 Tel. 0444 393311

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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 identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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.

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 IFRS Accounting Standards, and for such internal control as the President determines is necessary to enable the preparation of the 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 Fund'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 the President either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund'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 the consolidated financial statements.

As part of our audit conducted in accordance with ISAs, we exercised professional judgment and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained 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;
- We obtained 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 Group's internal control;



- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the President;
- We concluded 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 Fund'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 Fund to cease to continue as a going concern;
- We evaluated 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;
- We obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Fund 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 on the consolidated financial statements.

We communicated 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 identified during our audit.

Rome, 8 March 2024

PricewaterhouseCoopers SpA



Scott Cunningham
(Partner)



INDEPENDENT REASONABLE ASSURANCE REPORT ON MANAGEMENT'S ASSESSMENT OF INTERNAL CONTROLS OVER FINANCIAL REPORTING

To the International Fund for Agricultural Development

We have been engaged to undertake a reasonable assurance engagement of management's assessment that the International Fund for Agricultural Development ("the Fund" or "IFAD") maintained an effective system of internal controls over financial reporting as at 31 December 2023, as contained in the accompanying *Management Assertion Report on the Effectiveness of Internal Controls Over Financial Reporting*.

Responsibilities of Management

Management of the Fund is responsible for implementing and maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting in accordance with the criteria for effective internal controls over financial reporting based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Management of the Fund is also responsible for the preparation of the *Management Assertion Report on the Effectiveness of Internal Controls Over Financial Reporting*.

Our independence and quality control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 (ISQC Italia 1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

PricewaterhouseCoopers SpA

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Auditor's responsibilities

Our responsibility is to express an opinion on the *Management Assertion Report on the Effectiveness of Internal Controls Over Financial Reporting* based on the procedures performed. We conducted our work in accordance with International Standards on Assurance Engagements - Assurance Engagements other than Audits or Reviews of Historical Financial Information ("ISAE 3000 revised") issued by the International Auditing and Assurance Standards Board for reasonable assurance engagements. That standard requires that we plan and perform procedures to obtain reasonable assurance about whether the *Management Assertion Report on the Effectiveness of Internal Controls Over Financial Reporting* is free from material misstatement.

Our engagement involved performing procedures to obtain evidence regarding the design, implementation, and operating effectiveness of the internal controls over financial reporting, supporting the *Management Assertion Report on the Effectiveness of Internal Controls Over Financial Reporting*. The procedures selected depended on the auditor's professional judgement, including an assessment of the risks of material misstatements in the *Management Assertion Report on the Effectiveness of Internal Controls Over Financial Reporting*, whether due to fraud or error. In making that risk assessment, the auditor considers internal control relevant to the preparation of the accompanying consolidated financial statements of IFAD as at 31 December 2023.

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

Definition and Limitations of Internal Control over Financial Reporting

An entity's internal control over financial reporting is a process designed 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 (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management of the entity; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that 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 assessment that IFAD as at 31 December 2023, maintained an effective system of internal controls over financial reporting, is prepared, in all material respects, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Rome, 8 March 2024

PricewaterhouseCoopers SpA



Scott Cunningham
(Partner)

Statements of contributions

Table 1

Summary of contributions

(Thousands of United States dollars)

| | 2023 | 2022 |
|--|-------------------|-------------------|
| Replenishments | | |
| Initial contributions | 1 017 370 | 1 017 370 |
| First Replenishment | 1 016 564 | 1 016 564 |
| Second Replenishment | 567 245 | 567 245 |
| 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 | 963 550 | 963 550 |
| Ninth Replenishment | 987 355 | 987 355 |
| Tenth Replenishment | 913 959 | 913 914 |
| Eleventh Replenishment | 1 040 071 | 1 038 389 |
| Twelfth Replenishment | 1 156 353 | 1 043 735 |
| Thirteenth Replenishment | 1 078 | |
| Total IFAD | 10 241 909 | 10 126 486 |
| 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 | 20 369 | 20 369 |
| Total replenishment contributions | 10 613 510 | 10 498 087 |
| Complementary contributions | | |
| Belgian Survival Fund | 80 002 | 80 002 |
| HIPC Initiative | 19 679 | 19 679 |
| ASAP complementary contributions | 310 645 | 310 645 |
| Unrestricted complementary contributions – Tenth Replenishment | 59 240 | 59 240 |
| Unrestricted complementary contributions – Eleventh Replenishment | 48 772 | 48 772 |
| Other complementary contributions | 58 798 | 58 798 |
| Total complementary contributions | 577 136 | 577 136 |
| Other | | |
| HIPC contributions not made in the context of replenishment resources | 273 308 | 267 463 |
| Belgian Survival Fund contributions not made in the context of replenishment resources | 63 836 | 63 836 |
| Contribution in the context of arrear clearance for Somalia | 10 904 | 4 406 |
| Supplementary contributions^b | | |
| Project cofinancing | 783 004 | 631 602 |
| APO funds | 70 767 | 66 787 |
| Other supplementary funds | 1 665 536 | 1 482 665 |
| GEF | 220 233 | 195 565 |
| PSTF | 67 054 | 51 736 |
| AATI | 12 000 | 12 000 |
| ASAP supplementary funds | 104 741 | 83 853 |
| Total supplementary contributions | 2 923 335 | 2 524 208 |
| Total contributions | 14 462 029 | 13 935 136 |
| Total contributions include the following: | | |
| Total replenishment contributions (as above) | 10 613 510 | 10 498 087 |
| Less provisions | (117 659) | (120 145) |
| Less qualified instruments of contribution | (85 598) | (156 034) |
| Less DSF compensation | (37 157) | (37 157) |
| Total replenishment contributions | 10 373 096 | 10 184 751 |

^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.

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Table 2

Replenishments through to IFAD12: Statement of Members' contributions ^a

(As at 31 December 2023)

| Member State | Replenishments through to IFAD11 (thousands of US\$ equivalent) | | IFAD12 | | | | |
|----------------------------------|---|----------|-----------------------|------------------------------|---|------------------|--------|
| | | Currency | Instruments deposited | | Payments (thousands of US\$ equivalent) | | |
| | | | Amount (thousands) | Thousands of US\$ equivalent | Cash | Promissory notes | Total |
| Afghanistan | - | | - | 0 | - | 0 | |
| Albania | 60 | | - | 0 | - | 0 | |
| Algeria | 82 430 | US\$ | 500 | 500 | 500 | 0 | 500 |
| Angola | 9 796 | US\$ | 2 000 | 2 000 | 2 000 | 0 | 2 000 |
| Argentina | 29 900 | US\$ | 1 667 | 1 667 | 1 667 | 0 | 1 667 |
| Armenia | 80 | US\$ | 10 | 10 | 10 | 0 | 10 |
| Australia ^b | 37 247 | US\$ | - | 0 | - | 0 | 0 |
| Austria | 126 972 | EUR | 16 000 | 17 627 | 11 736 | 0 | 11 736 |
| Azerbaijan | 300 | US\$ | 10 | 10 | 10 | 0 | 10 |
| Bangladesh | 8 106 | US\$ | 2 000 | 2 000 | 1 333 | 667 | 2 000 |
| Barbados | 10 | US\$ | - | 0 | - | 0 | 0 |
| Belgium | 149 694 | US\$ | - | 0 | - | 0 | 0 |
| Belize | 205 | US\$ | - | 0 | - | 0 | 0 |
| Benin | 582 | US\$ | 200 | 200 | 200 | 0 | 200 |
| Bhutan | 245 | US\$ | - | 0 | - | 0 | 0 |
| Bolivia (Plurinational State of) | 1 600 | US\$ | 140 | 140 | - | 0 | 0 |
| Bosnia and Herzegovina | 332 | US\$ | 53 | 53 | 53 | 0 | 53 |
| Botswana | 965 | US\$ | - | 0 | - | 0 | 0 |
| Brazil | 104 696 | US\$ | 6 000 | 6 000 | 6 000 | 0 | 6 000 |
| Burkina Faso | 734 | US\$ | 250 | 250 | 250 | 0 | 250 |
| Burundi | 130 | US\$ | 50 | 50 | 50 | 0 | 50 |
| Cambodia | 1 815 | US\$ | 600 | 600 | 600 | 0 | 600 |
| Cameroon | 4 169 | US\$ | 1 255 | 1 255 | 1 255 | 0 | 1 255 |
| Canada | 464 347 | CAD | 112 500 | 86 565 | 67 605 | 0 | 67 605 |
| Cabo Verde | 69 | US\$ | 23 | 23 | 23 | 0 | 23 |
| Central African Republic | 13 | US\$ | - | 0 | - | 0 | 0 |
| Chad | 391 | US\$ | - | 0 | - | 0 | 0 |
| Chile | 860 | US\$ | - | 0 | - | 0 | 0 |
| China | 247 277 | CNY | 593 853 | 87 802 | 59 891 | 0 | 59 891 |
| Colombia | 1 040 | US\$ | 60 | 60 | 60 | 0 | 60 |
| Comoros | 31 | US\$ | - | 0 | - | 0 | 0 |
| Congo | 818 | XAF | 55 000 | 95 | 95 | 0 | 95 |
| Democratic Republic of the Congo | 2 070 | US\$ | 500 | 500 | 500 | - | 500 |
| Cook Islands | 5 | US\$ | - | 0 | - | 0 | 0 |
| Côte d'Ivoire | 1 735 | US\$ | 217 | 217 | 217 | 0 | 217 |
| Cuba | 106 | US\$ | - | 0 | - | 0 | 0 |
| Cyprus | 432 | US\$ | 60 | 60 | 40 | 0 | 40 |
| Denmark | 152 614 | US\$ | - | 0 | - | 0 | 0 |
| Djibouti | 37 | US\$ | - | 0 | - | 0 | 0 |
| Dominica | 51 | US\$ | - | 0 | - | 0 | 0 |
| Dominican Republic | 1 288 | US\$ | 67 | 67 | 67 | 0 | 67 |
| Timor-Leste | 100 | US\$ | - | 0 | - | 0 | 0 |
| Ecuador | 1 391 | US\$ | 210 | 210 | 210 | 0 | 210 |
| Egypt | 29 409 | US\$ | 3 000 | 3 000 | 3 000 | 0 | 3 000 |
| El Salvador | 200 | US\$ | 100 | 100 | 100 | 0 | 100 |
| Eritrea | 140 | US\$ | - | 0 | - | 0 | 0 |
| Estonia | 59 | US\$ | - | 0 | - | 0 | 0 |
| Eswatini | 338 | US\$ | 40 | 40 | 40 | 0 | 40 |
| Ethiopia | 381 | US\$ | 100 | 100 | 60 | 0 | 60 |
| Fiji | 425 | US\$ | - | 0 | - | 0 | 0 |
| Finland | 121 289 | EUR | 32 101 | 35 910 | 30 387 | 0 | 30 387 |

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| Member State | Replenishments through to IFAD11 (thousands of US\$ equivalent) | IFAD12 | | | | | |
|---|---|-----------------------|-----------------------|---------------------------------|--|---------------------|--------|
| | | Instruments deposited | | | Payments (thousands of US\$ equivalent) | | |
| | | Currency | Amount (thousands) | Thousands of US\$ equivalent | Cash | Promissory notes | Total |
| France | 439 615 | US\$ | 106 000 | 106 000 | 70 000 | 0 | 70 000 |
| Gabon | 3 837 | US\$ | 500 | 500 | - | 0 | 0 |
| Gambia (The) | 120 | US\$ | 50 | 50 | 50 | 0 | 50 |
| Georgia | 30 | US\$ | 50 | 50 | 50 | 0 | 50 |
| Germany | 594 544 | EUR | 88 490 | 97 209 | 65 664 | 0 | 65 664 |
| Ghana | 3 566 | US\$ | 2 000 | 2 000 | 2 000 | 0 | 2 000 |
| Greece | 4 302 | EUR | 85 | 89 | 89 | 0 | 89 |
| Grenada | 75 | US\$ | 20 | 20 | 20 | 0 | 20 |
| Guatemala | 1 693 | US\$ | 450 | 450 | 300 | 0 | 300 |
| Guinea | 675 | US\$ | 79 | 79 | 79 | 0 | 79 |
| Guinea-Bissau | 30 | US\$ | - | 0 | - | 0 | 0 |
| Guyana | 3 268 | US\$ | 475 | 475 | 475 | 0 | 475 |
| Haiti | 197 | US\$ | 220 | 220 | 176 | 0 | 176 |
| Honduras | 801 | US\$ | - | 0 | - | 0 | 0 |
| Hungary | 100 | US\$ | - | 0 | - | 0 | 0 |
| Iceland | 375 | US\$ | - | 0 | - | 0 | 0 |
| India | 216 612 | US\$ | 50 460 | 50 460 | 34 307 | 0 | 34 307 |
| Indonesia | 81 959 | US\$ | 10 000 | 10 000 | 6 000 | 0 | 6 000 |
| Iran (Islamic Republic of) ° | 128 750 | US\$ | - | 0 | - | 0 | 0 |
| Iraq | 56 599 | US\$ | - | 0 | - | 0 | 0 |
| Ireland | 46 951 | EUR | 12 500 | 13 681 | 9 079 | 0 | 9 079 |
| Israel | 481 | US\$ | 25 | 25 | 25 | 0 | 25 |
| Italy | 554 981 | EUR | 84 000 | 92 103 | 59 626 | 0 | 59 626 |
| Jamaica | 326 | US\$ | - | 0 | - | 0 | 0 |
| Japan | 598 037 | JPY | 6 084 784 | 43 538 | 11 168 | 32 370 | 43 538 |
| Jordan | 1 240 | US\$ | 200 | 200 | 200 | 0 | 200 |
| Kazakhstan | 80 | US\$ | 27 | 27 | 27 | 0 | 27 |
| Kenya | 6 690 | US\$ | 1 000 | 1 000 | 1 000 | 0 | 1 000 |
| Kiribati | 26 | US\$ | - | 0 | - | 0 | 0 |
| Democratic People's Republic of Korea° | 800 | US\$ | - | 0 | - | 0 | 0 |
| Republic of Korea | 46 139 | US\$ | 13 560 | 13 560 | 6 961 | 0 | 6 961 |
| Kuwait | 218 513 | US\$ | 31 000 | 31 000 | 20 150 | 10 850 | 31 000 |
| Lao People's Democratic Republic | 479 | US\$ | 92 | 92 | 92 | 0 | 92 |
| Lebanon | 495 | US\$ | - | 0 | - | 0 | 0 |
| Lesotho | 804 | US\$ | 115 | 115 | 115 | 0 | 115 |
| Liberia | 121 | US\$ | - | 0 | - | 0 | 0 |
| Libya ° | 52 000 | US\$ | - | 0 | - | 0 | 0 |
| Luxembourg | 12 409 | EUR | 3 900 | 2 880 | 2 880 | 0 | 2 880 |
| Madagascar | 776 | US\$ | 200 | 200 | 200 | 0 | 200 |
| Malawi | 123 | US\$ | 100 | 100 | 100 | 0 | 100 |
| Malaysia | 1 175 | US\$ | 70 | 70 | 70 | 0 | 70 |
| Maldives | 101 | US\$ | 50 | 50 | 50 | 0 | 50 |
| Mali | 638 | US\$ | 281 | 281 | 281 | 0 | 281 |
| Malta | 55 | US\$ | - | 0 | - | 0 | 0 |
| Mauritania | 184 | US\$ | 100 | 100 | - | 0 | 0 |
| Mauritius | 285 | US\$ | - | 0 | - | 0 | 0 |
| Mexico | 48 131 | US\$ | 3 333 | 3 333 | 3 333 | 0 | 3 333 |
| Micronesia (Federated States of) | 3 | US\$ | 2 | 2 | 2 | 0 | 2 |
| Republic of Moldova | 135 | US\$ | 30 | 30 | 30 | 0 | 30 |
| Mongolia | 215 | US\$ | 10 | 10 | 10 | 0 | 10 |
| Montenegro | - | US\$ | 12 | 12 | 12 | 0 | 12 |
| Morocco | 9 544 | US\$ | 800 | 800 | 800 | 0 | 800 |

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| Member State | Replenishments through to IFAD11 (thousands of US\$ equivalent) | IFAD12 | | | | | |
|------------------------------------|---|-----------------------|-----------------------|---------------------------------|--|---------------------|--------|
| | | Instruments deposited | | | Payments (thousands of US\$ equivalent) | | |
| | | Currency | Amount (thousands) | Thousands of US\$ equivalent | Cash | Promissory notes | Total |
| Mozambique | 655 | US\$ | - | 0 | - | 0 | 0 |
| Myanmar | 266 | US\$ | 6 | 6 | 6 | 0 | 6 |
| Namibia | 360 | US\$ | - | 0 | - | 0 | 0 |
| Nepal | 419 | US\$ | 75 | 75 | 75 | 0 | 75 |
| Netherlands (Kingdom of the) | 572 830 | EUR | 72 500 | 79 263 | 54 408 | 0 | 54 408 |
| New Zealand | 17 710 | NZD | 4 500 | 2 908 | 1 958 | 0 | 1 958 |
| Nicaragua | 619 | US\$ | 150 | 150 | 100 | 0 | 100 |
| Niger | 547 | US\$ | 185 | 185 | 185 | 0 | 185 |
| Nigeria | 138 169 | US\$ | - | 0 | - | 0 | 0 |
| Norway | 344 604 | NOK | 648 000 | 63 811 | 42 542 | 0 | 42 542 |
| Oman | 350 | US\$ | - | 0 | - | 0 | 0 |
| Pakistan | 47 934 | US\$ | 10 000 | 10 000 | - | 0 | 0 |
| Panama | 449 | US\$ | - | 0 | - | 0 | 0 |
| Papua New Guinea | 170 | US\$ | - | 0 | - | 0 | 0 |
| Paraguay | 1 756 | US\$ | - | 0 | - | 0 | 0 |
| Peru | 2 370 | US\$ | 375 | 375 | 375 | 0 | 375 |
| Philippines | 2 878 | US\$ | 700 | 700 | 467 | 0 | 467 |
| Portugal | 4 384 | US\$ | 1 683 | 1 683 | 1 683 | 0 | 1 683 |
| Qatar | 39 980 | US\$ | - | 0 | - | 0 | 0 |
| Romania | 350 | US\$ | - | 0 | - | 0 | 0 |
| Russian Federation | 21 000 | US\$ | - | 0 | - | 0 | 0 |
| Rwanda | 421 | US\$ | 100 | 100 | 100 | 0 | 100 |
| Saint Kitts and Nevis | 20 | US\$ | - | 0 | - | 0 | 0 |
| Saint Lucia | 22 | US\$ | - | 0 | - | 0 | 0 |
| Samoa | 80 | US\$ | 20 | 20 | 20 | 0 | 20 |
| Sao Tome and Principe | 11 | US\$ | 20 | 20 | 20 | 0 | 20 |
| Saudi Arabia | 481 078 | US\$ | - | 0 | - | 0 | 0 |
| Senegal | 997 | US\$ | - | 0 | - | 0 | 0 |
| Seychelles | 200 | US\$ | - | 0 | - | 0 | 0 |
| Sierra Leone | 97 | US\$ | 100 | 100 | 100 | 0 | 100 |
| Solomon Islands | 10 | US\$ | - | 0 | - | 0 | 0 |
| Somalia | 10 | US\$ | - | 0 | - | 0 | 0 |
| South Africa | 1 913 | US\$ | 500 | 500 | 500 | 0 | 500 |
| South Sudan | 10 | US\$ | - | 0 | - | 0 | 0 |
| Spain | 103 983 | US\$ | 3 834 | 3 834 | 3 834 | 0 | 3 834 |
| Sri Lanka | 11 889 | US\$ | 1 | 1 | 1 | 0 | 1 |
| Sudan | 1 859 | US\$ | - | 0 | - | 0 | 0 |
| Sweden | 407 432 | SEK | 800 000 | 78 487 | 51 993 | 26 494 | 78 487 |
| Switzerland | 260 020 | CHF | 47 000 | 52 081 | 31 883 | 0 | 31 883 |
| Syrian Arab Republic | 1 817 | US\$ | - | 0 | - | 0 | 0 |
| Tajikistan | 5 | US\$ | 3 | 3 | 3 | 0 | 3 |
| United Republic of Tanzania | 806 | US\$ | 120 | 120 | 120 | 0 | 120 |
| Thailand | 2 100 | US\$ | 300 | 300 | 300 | 0 | 300 |
| Togo | 267 | US\$ | - | 0 | - | 0 | 0 |
| Tonga | 55 | US\$ | 50 | 50 | 50 | 0 | 50 |
| Tunisia | 6 528 | US\$ | 1 250 | 1 250 | 830 | 0 | 830 |
| Türkiye | 28 636 | US\$ | 5 000 | 5 000 | 3 000 | 0 | 3 000 |
| Uganda | 922 | US\$ | 300 | 300 | 300 | 0 | 300 |
| United Arab Emirates | 60 180 | US\$ | 3 000 | 3 000 | 2 000 | 0 | 2 000 |
| United Kingdom | 515 170 | GBP | 36 960 | 47 260 | 15 848 | 0 | 15 848 |
| United States | 1 064 174 | US\$ | 86 000 | 86 000 | 86 000 | 0 | 86 000 |
| Uruguay | 1 125 | US\$ | - | 0 | - | 0 | 0 |
| Uzbekistan | 55 | US\$ | 50 | 50 | 50 | 0 | 50 |
| Venezuela (Bolivarian Republic of) | 196 258 | US\$ | - | 0 | - | 0 | 0 |

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| Member State | Replenishments through to IFAD11 (thousands of US\$ equivalent) ^a | IFAD12 | | | | | |
|---|--|-----------------------|-----------------------|---------------------------------|--|---------------------|----------------|
| | | Instruments deposited | | | Payments (thousands of US\$ equivalent) | | |
| | | Currency | Amount (thousands) | Thousands of US\$ equivalent | Cash | Promissory notes | Total |
| Viet Nam | 3 903 | US\$ | 600 | 600 | 200 | 0 | 200 |
| Yemen | 4 348 | US\$ | - | 0 | - | 0 | 0 |
| Yugoslavia | 108 | US\$ | - | 0 | - | 0 | 0 |
| Zambia | 1 294 | US\$ | - | 0 | - | 0 | 0 |
| Zimbabwe | 2 803 | US\$ | 200 | 200 | 200 | 0 | 200 |
| Total contributions 31 December 2023 | 9 084 475 | | | 1 156 354 | 782 531 | 70 381 | 852 912 |
| For 2022 | 9 082 751 | | | 1 043 735 | 395 203 | 121 466 | 516 669 |

^a Amounts are expressed in thousands of United States dollars, thus payments received of less than US\$500 are not shown in the appendix.

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

^c Note 7 provides details on allowances for contributions impairment.

IFAD13: Statement of Members' contributions

(As at 31 December 2023)

| Member State | IFAD13 | | | | | |
|---|-----------------------|-----------------------|---|--|---------------------|--------------|
| | Instruments deposited | | | Payments (thousands of US dollars equivalent) | | |
| | Currency | Amount (thousands) | Thousands of US dollars equivalent | Cash | Promissory notes | Total |
| Bosnia and Herzegovina | EUR | 60 | 66 | 66 | - | 66 |
| Cabo Verde | US\$ | 12 | 12 | 12 | - | 12 |
| Poland | US\$ | 1 000 | 1 000 | 1 000 | - | 1 000 |
| Total contributions 31 December 2020 | | - | 1 078 | 1 078 | - | 1 078 |

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Table 3
SPA: Statement of contributions
(As at 31 December 2023)

| 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 (Kingdom of the) | EUR | 15 882 | 16 174 | 8 848 | 9 533 | 25 707 |
| New Zealand | NZD | 500 | 252 | - | - | 252 |
| Niger | 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 2023 | | | 288 868 | | 62 364 | 351 232 |
| 31 December 2022 | | | 288 868 | | 62 364 | 351 232 |

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Table 4
Statement of Members' contributions received in 2023
 As at 31 December 2023
 (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> |
| IFAD0 | | | | |
| Comoros | | | 8 | |
| Iraq | | | 5 293 | |
| TOTAL IFAD0 | | | 5 301 | |
| IFAD3 | | | | |
| Libya | | | | 1 000 |
| Total IFAD3 | - | - | - | 1 000 |
| IFAD10 | | | | |
| Botswana | | | 45 | - |
| Brazil | - | - | 4 000 | - |
| TOTAL IFAD10 | | - | 4 045 | - |
| IFAD11 | | | | |
| Japan | - | - | | 11 706 |
| Pakistan | - | - | 4 | |
| Spain (DSF) | - | - | 1 657 | |
| Zambia | - | - | 400 | |
| Total IFAD11 | | - | 2 061 | 11 706 |
| IFAD12 | | | | |
| Algeria | | | 250 | |
| Argentina | | | 833 | |
| Armenia | | | 5 | |
| Austria | | | 5 687 | |
| Bangladesh | | | - | 1 333 |
| Benin | | | 6 | |
| Bolivia (Plurinational State of) | 140 | | - | |
| Brazil | 6 000 | | 6 000 | |
| Burkina Faso | | | 250 | |
| Cameroon | | | 1 255 | |
| Canada | | | 27 566 | |
| Cabo Verde | | | 23 | |
| China | | | 28 526 | |
| Cyprus | | | 20 | |
| Dominican Republic | | | 67 | |
| Ecuador | | | 210 | |
| Ethiopia | | | 30 | |
| Finland | | | 5 305 | |
| France | | | 35 000 | |
| Georgia | | | 50 | |
| Germany | | 30 519 | - | 31 713 |
| Ghana | | | 58 | |
| Guatemala | | | 150 | |
| Guyana | | | 238 | |
| Haiti | | | 88 | |
| India | | | 17 153 | |
| Indonesia | | | 3 000 | |
| Ireland | | | 4 493 | |
| Italy | | | 31 850 | |
| Japan | | | - | 11 168 |
| Jordan | | | 67 | |
| Kazakhstan | | | 10 | |
| Kenya | | | 1 000 | |
| Republic of Korea | | | 4 216 | |
| Kuwait | | | - | 10 850 |
| Luxembourg | | | 1 394 | |
| Malaysia | | | 70 | |
| Mexico | | | 1 667 | |
| Micronesia (Federated States of) | | | 1 | |
| Morocco | | | - | 400 |
| Netherlands (Kingdom of the) | | | 23 844 | |

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| | | | | |
|------------------------|---------------|---------------|----------------|----------------|
| New Zealand | | | 917 | |
| Nicaragua | | | 50 | |
| Norway | | | 20 643 | |
| Philippines | | | 233 | |
| Portugal | | | 1 683 | |
| Samoa | | | 10 | |
| Spain | | | 3 834 | |
| Sweden | | | - | 25 591 |
| Switzerland | | | 15 952 | |
| Tajikistan | | | 2 | |
| Thailand | | | 300 | |
| Tunisia | | | 421 | |
| Türkiye | | | 2 000 | |
| United Arab Emirates | | | 1 000 | |
| United States | | | 43 000 | |
| United Kingdom | 44 764 | 15 412 | | 15 848 |
| Total IFAD12 | 50 904 | 45 932 | 290 425 | 96 904 |
| IFAD13 | | | | |
| Bosnia and Herzegovina | | | 66 | |
| Cabo Verde | | | 12 | |
| Poland | | | 1 000 | |
| Total IFAD13 | | | 1 078 | |
| Grand total | 50 904 | 45 932 | 302 911 | 109 609 |

^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 2023 and 2022)
 (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 | 55 545 | 27 370 | 28 175 | 3 162 | 24 208 |
| Argentina | 25 400 | 16 708 | 8 692 | 2 050 | 14 658 |
| Bangladesh | 239 403 | 137 276 | 102 127 | 26 250 | 111 026 |
| Belize | 8 000 | 3 619 | 4 381 | 1 067 | 2 552 |
| Benin | 11 080 | - | 11 080 | - | - |
| Bhutan | 19 215 | 5 217 | 13 998 | - | 5 217 |
| Bolivia (Plurinational State of) | 23 600 | 3 243 | 20 357 | - | 3 243 |
| Brazil | 48 000 | - | 48 000 | - | - |
| Burkina Faso | 19 000 | 17 936 | 1 064 | - | 17 936 |
| Burundi | 12 750 | 1 272 | 11 478 | - | 1 272 |
| Cabo Verde | 7 433 | 2 003 | 5 430 | 1 753 | 250 |
| Cambodia | 159 446 | 76 159 | 83 287 | - | 76 159 |
| Cameroon | 1 100 | 1 100 | - | - | 1 100 |
| Central African Republic | 8 050 | 3 415 | 4 635 | - | 3 415 |
| China | 286 500 | 150 623 | 135 877 | 7 950 | 142 673 |
| Côte d'Ivoire | 36 889 | 20 182 | 16 707 | - | 20 182 |
| Democratic Republic of the Congo | 73 340 | 3 922 | 69 418 | - | 3 922 |
| Djibouti | 16 401 | 13 619 | 2 782 | 433 | 13 186 |
| Dominican Republic | 24 030 | 3 190 | 20 840 | - | 3 190 |
| Ecuador | 44 831 | 3 730 | 41 101 | - | 3 730 |
| El Salvador | 11 800 | - | 11 800 | - | - |
| Eswatini | 8 950 | 5 294 | 3 656 | 596 | 4 698 |
| Gambia (The) | 4 255 | 2 222 | 2 033 | - | 2 222 |
| Ghana | 99 000 | 19 250 | 79 750 | - | 19 250 |
| Grenada | 6 400 | 5 213 | 1 187 | - | 5 213 |
| Guatemala | 11 330 | - | 11 330 | - | - |
| Guinea | 36 950 | 10 452 | 26 498 | - | 10 452 |
| Guinea-Bissau | 13 990 | 5 382 | 8 608 | - | 5 382 |
| Guyana | 7 960 | 7 426 | 534 | 995 | 6 431 |
| Haiti | 3 500 | 3 500 | - | 3 106 | 394 |
| Honduras | 16 330 | 1 798 | 14 532 | - | 1 798 |
| India | 304 745 | 64 993 | 239 752 | 3 213 | 61 780 |
| Indonesia | 95 185 | 60 926 | 34 259 | - | 60 926 |
| Iraq | 15 730 | 1 000 | 14 730 | - | 1 000 |
| Jordan | 8 400 | 6 831 | 1 569 | 1 400 | 5 431 |
| Kenya | 40 000 | 22 421 | 17 579 | - | 22 421 |
| Lao People's Democratic Republic | 13 235 | 467 | 12 768 | - | 467 |
| Lebanon | 4 900 | - | 4 900 | - | - |
| Liberia | 72 643 | 28 055 | 44 588 | - | 28 055 |
| Madagascar | 61 000 | - | 61 000 | - | - |
| Malawi | 51 000 | 17 865 | 33 135 | - | 17 865 |
| Maldives | 3 285 | 1 235 | 2 050 | - | 1 235 |
| Mauritania | 23 436 | 3 146 | 20 290 | - | 3 146 |
| Mexico | 45 492 | 14 868 | 30 624 | 2 200 | 12 668 |
| Mozambique | 17 000 | 7 937 | 9 063 | - | 7 937 |
| Myanmar | 8 984 | 2 750 | 6 234 | - | 2 750 |
| Nepal | 109 209 | 21 089 | 88 120 | 10 099 | 10 990 |
| Nicaragua | 20 504 | 19 420 | 1 084 | - | 19 420 |
| Niger | 80 000 | - | 80 000 | - | - |
| Nigeria | 189 070 | 60 814 | 128 256 | - | 60 814 |
| Pakistan | 194 100 | 137 805 | 56 295 | 913 | 136 892 |
| Papua New Guinea | 25 500 | 13 100 | 12 400 | 1 913 | 11 187 |
| Paraguay | 10 000 | 6 446 | 3 554 | 1 000 | 5 446 |
| Peru | 24 000 | 11 710 | 12 290 | - | 11 710 |
| Philippines | 70 519 | 27 775 | 42 744 | 1 677 | 26 098 |
| Republic of Moldova | 18 200 | 16 052 | 2 148 | 1 820 | 14 232 |
| Rwanda | 3 740 | 3 740 | - | - | 3 740 |
| Sierra Leone | 40 200 | 20 028 | 20 172 | - | 20 028 |
| Solomon Islands | 9 300 | - | 9 300 | - | - |
| South Sudan | 1 900 | 549 | 1 351 | - | 549 |
| Sri Lanka | 108 100 | 48 868 | 59 232 | 15 602 | 33 266 |
| Tajikistan | 22 080 | 13 524 | 8 556 | - | 13 524 |
| Togo | 15 561 | - | 15 561 | - | - |
| Tonga | 900 | 340 | 560 | - | 340 |
| Türkiye | 7 832 | 7 832 | - | - | 7 832 |

Appendix H

| <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> |
|----------------------------------|--|--------------------------|----------------------------|-------------------|--------------------------|
| Uganda | 75 820 | 21 111 | 54 709 | - | 21 111 |
| United Republic of Tanzania | 113 338 | 19 227 | 94 111 | 8 421 | 10 806 |
| Uzbekistan | 92 400 | 50 308 | 42 092 | 2 310 | 47 998 |
| Viet Nam | 85 500 | 37 169 | 48 331 | 4 843 | 32 326 |
| Zambia | 14 479 | 6 610 | 7 869 | 331 | 6 279 |
| Zimbabwe | 72 840 | 3 171 | 69 669 | - | 3 171 |
| Subtotal US\$^a | 3 510 605 | 1 330 303 | 2 180 302 | 103 104 | 1 227 199 |
| EUR loans | | | | | |
| Angola | 26 200 | 10 119 | 16 081 | - | 10 119 |
| Argentina | 22 680 | 20 642 | 2 038 | 4 536 | 16 106 |
| Bangladesh | 71 850 | 60 860 | 10 990 | - | 60 860 |
| Benin | 55 120 | 12 441 | 42 679 | - | 12 441 |
| Bosnia and Herzegovina | 22 907 | 16 546 | 6 361 | 2 224 | 14 322 |
| Burkina Faso | 120 235 | 38 001 | 82 234 | - | 38 001 |
| Cameroon | 48 736 | 1 100 | 47 636 | - | 1 100 |
| Chad | 10 795 | 3 185 | 7 610 | - | 3 185 |
| China | 70 099 | 70 099 | - | 14 600 | 55 499 |
| Comoros | 5 830 | 1 957 | 3 873 | - | 1 957 |
| Congo | 6 600 | 291 | 6 309 | - | 291 |
| Côte d'Ivoire | 15 640 | 4 526 | 11 114 | - | 4 526 |
| Cuba | 24 100 | 11 850 | 12 250 | 785 | 11 065 |
| Ecuador | 1 569 | 1 569 | - | - | 1 569 |
| Egypt | 160 890 | 46 118 | 114 772 | 16 750 | 29 368 |
| El Salvador | 10 850 | 9 830 | 1 020 | 723 | 9 107 |
| Eswatini | 8 550 | 8 550 | - | 1 995 | 6 555 |
| Gabon | 1 913 | 1 913 | - | - | 1 913 |
| Georgia | 16 000 | 11 296 | 4 704 | 1 067 | 10 229 |
| Indonesia | 204 735 | 90 484 | 114 251 | - | 90 484 |
| Jordan | 11 350 | 6 945 | 4 405 | - | 6 945 |
| Kenya | 101 010 | 33 362 | 67 648 | - | 33 362 |
| Lesotho | 32 890 | 3 087 | 29 803 | - | 3 087 |
| Madagascar | 89 050 | 365 | 88 685 | - | 365 |
| Mali | 72 933 | 18 259 | 54 674 | - | 18 259 |
| Mauritania | 5 000 | - | 5 000 | - | - |
| Mexico | 1 297 | 1 297 | - | 432 | 865 |
| Montenegro | 3 880 | 3 880 | - | 970 | 2 910 |
| Morocco | 138 675 | 23 652 | 115 023 | 2 862 | 20 790 |
| Niger | 65 270 | 16 948 | 48 322 | - | 16 948 |
| Pakistan | 74 090 | 1 100 | 72 990 | - | 1 100 |
| Paraguay | 8 383 | 4 898 | 3 485 | 1 580 | 3 318 |
| Philippines | 43 028 | 38 497 | 4 531 | 15 606 | 22 891 |
| Republic of Moldova | 18 939 | 1 467 | 17 472 | - | 1 467 |
| Rwanda | 47 810 | 1 500 | 46 310 | - | 1 500 |
| Sao Tome and Principe | 970 | 798 | 172 | - | 798 |
| Senegal | 94 354 | 40 063 | 54 291 | - | 40 063 |
| Sudan | 11 300 | 2 475 | 8 825 | - | 2 475 |
| Togo | 15 780 | 2 467 | 13 313 | - | 2 467 |
| Tunisia | 42 350 | 13 418 | 28 932 | 3 344 | 10 074 |
| Türkiye | 70 194 | 27 409 | 42 785 | 3 175 | 24 234 |
| Subtotal EUR | 1 853 852 | 663 264 | 1 190 588 | 70 649 | 592 615 |
| US\$ equivalent | 2 047 857 | 732 674 | 1 315 183 | 78 042 | 654 632 |
| SDR loans^a | | | | | |
| Albania | 34 462 | 34 462 | - | 17 420 | 17 042 |
| Angola | 24 400 | 24 254 | 146 | 9 043 | 15 211 |
| Argentina | 16 858 | 16 858 | - | 14 705 | 2 153 |
| Armenia | 60 941 | 60 941 | - | 22 160 | 38 781 |
| Azerbaijan | 43 931 | 43 931 | - | 14 134 | 29 797 |
| Bangladesh | 470 170 | 445 491 | 24 679 | 154 313 | 291 178 |
| Belize | 1 847 | 1 847 | - | 1 501 | 346 |
| Benin | 94 190 | 91 349 | 2 841 | 41 045 | 50 304 |
| Bhutan | 38 492 | 38 425 | 67 | 14 989 | 23 436 |
| Bolivia (Plurinational State of) | 72 492 | 72 490 | 2 | 31 848 | 40 642 |
| Bosnia and Herzegovina | 45 686 | 45 686 | - | 19 619 | 26 067 |
| Botswana | 842 | 842 | - | 654 | 188 |
| Brazil | 110 029 | 110 026 | 3 | 60 290 | 49 736 |
| Burkina Faso | 83 846 | 83 837 | 9 | 34 187 | 49 650 |
| Burundi | 40 859 | 40 859 | - | 22 771 | 18 088 |
| Cabo Verde | 24 691 | 23 966 | 725 | 6 459 | 17 507 |
| Cambodia | 62 365 | 62 360 | 5 | 12 382 | 49 978 |
| Cameroon | 119 000 | 93 687 | 25 313 | 18 264 | 75 423 |
| Central African Republic | 26 215 | 26 215 | - | 15 174 | 11 041 |
| Chad | 18 138 | 18 138 | - | 5 597 | 12 541 |
| China | 515 741 | 515 741 | - | 262 804 | 252 937 |

Appendix H

| <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> |
|---------------------------------------|--|--------------------------|----------------------------|-------------------|--------------------------|
| Colombia | 32 023 | 32 013 | 10 | 18 583 | 13 430 |
| Comoros | 5 292 | 5 291 | 1 | 2 647 | 2 644 |
| Congo | 22 080 | 21 957 | 123 | 4 411 | 17 546 |
| Côte d'Ivoire | 21 117 | 21 117 | - | 8 482 | 12 635 |
| Cuba | 6 840 | 6 840 | - | 2 283 | 4 557 |
| Democratic People's Republic of Korea | 50 496 | 50 496 | - | 10 539 | 39 957 |
| Democratic Republic of the Congo | 50 370 | 46 581 | 3 789 | 20 450 | 26 131 |
| Djibouti | 7 146 | 7 146 | - | 2 252 | 4 894 |
| Dominica | 1 146 | 1 146 | - | 949 | 197 |
| Dominican Republic | 17 902 | 17 902 | - | 10 053 | 7 849 |
| Ecuador | 25 487 | 25 487 | - | 12 883 | 12 604 |
| Egypt | 176 172 | 176 172 | - | 100 932 | 75 240 |
| El Salvador | 45 265 | 45 265 | - | 25 496 | 19 769 |
| Equatorial Guinea | 5 794 | 5 794 | - | 5 183 | 611 |
| Eritrea | 29 143 | 24 536 | 4 607 | 10 112 | 14 424 |
| Eswatini | 3 473 | 3 473 | - | 2 374 | 1 099 |
| Ethiopia | 416 527 | 391 968 | 24 559 | 76 286 | 315 682 |
| Gabon | 3 530 | 3 530 | - | 3 009 | 521 |
| Gambia (The) | 34 187 | 34 187 | - | 15 389 | 18 798 |
| Georgia | 30 370 | 30 370 | - | 10 900 | 19 470 |
| Ghana | 182 125 | 178 573 | 3 552 | 50 776 | 127 797 |
| Grenada | 1 633 | 1 633 | - | 1 031 | 602 |
| Guatemala | 15 366 | 15 366 | - | 15 075 | 291 |
| Guinea | 64 160 | 64 160 | - | 35 281 | 28 879 |
| Guinea-Bissau | 8 487 | 8 487 | - | 3 973 | 4 514 |
| Guyana | 8 522 | 8 522 | - | 4 170 | 4 352 |
| Haiti | 58 463 | 58 463 | - | 31 356 | 27 107 |
| Honduras | 87 603 | 85 741 | 1 862 | 37 300 | 48 441 |
| India | 590 143 | 579 730 | 10 413 | 254 734 | 324 996 |
| Indonesia ^b | 155 017 | 155 017 | - | 66 760 | 88 257 |
| Jordan | 14 432 | 14 432 | - | 8 882 | 5 550 |
| Kenya | 173 090 | 170 789 | 2 301 | 32 342 | 138 447 |
| Kyrgyzstan | 27 660 | 26 638 | 1 022 | 4 138 | 22 500 |
| Lao People's Democratic Republic | 65 202 | 60 944 | 4 258 | 23 432 | 37 512 |
| Lebanon | 2 406 | 2 406 | - | 1 183 | 1 223 |
| Lesotho | 30 146 | 30 124 | 22 | 11 993 | 18 131 |
| Liberia | 27 296 | 24 053 | 3 243 | 3 304 | 20 749 |
| Madagascar ^b | 197 432 | 186 451 | 10 981 | 46 804 | 139 647 |
| Malawi ^b | 168 680 | 118 041 | 50 639 | 40 054 | 77 987 |
| Maldives | 10 793 | 10 793 | - | 4 993 | 5 800 |
| Mali | 137 964 | 137 434 | 530 | 45 149 | 92 285 |
| Mauritania | 49 545 | 49 545 | - | 21 733 | 27 812 |
| Mauritius | 1 205 | 1 205 | - | 1 076 | 129 |
| Mexico | 13 827 | 13 827 | - | 5 455 | 8 372 |
| Mongolia | 27 169 | 27 106 | 63 | 6 723 | 20 383 |
| Morocco | 44 201 | 43 513 | 688 | 27 731 | 15 782 |
| Mozambique | 143 311 | 143 311 | - | 52 655 | 90 656 |
| Myanmar | 52 550 | 16 884 | 35 666 | - | 16 884 |
| Nepal | 118 702 | 98 716 | 19 986 | 44 870 | 53 846 |
| Nicaragua | 49 474 | 49 474 | - | 17 668 | 31 806 |
| Niger | 90 916 | 89 432 | 1 484 | 19 197 | 70 235 |
| Nigeria | 212 379 | 198 503 | 13 876 | 36 047 | 162 456 |
| North Macedonia | 11 721 | 11 721 | - | 5 914 | 5 808 |
| Pakistan | 324 732 | 279 805 | 44 927 | 103 211 | 176 594 |
| Papua New Guinea | 23 450 | 23 186 | 264 | 4 277 | 18 909 |
| Paraguay | 16 298 | 16 298 | - | 6 346 | 9 952 |
| Peru | 45 207 | 45 207 | - | 13 245 | 31 962 |
| Philippines | 83 100 | 80 478 | 2 622 | 34 919 | 45 559 |
| Republic of Moldova | 55 613 | 55 613 | - | 11 217 | 44 396 |
| Rwanda ^b | 194 493 | 181 279 | 13 214 | 42 077 | 139 202 |
| Samoa | 1 908 | 1 908 | - | 1 246 | 662 |
| Sao Tome and Principe | 13 747 | 13 747 | - | 6 958 | 6 789 |
| Senegal | 112 027 | 109 317 | 2 710 | 31 295 | 78 022 |
| Seychelles | 1 875 | 1 875 | - | 1 155 | 720 |
| Sierra Leone | 45 736 | 45 736 | - | 19 457 | 26 279 |
| Solomon Islands | 4 069 | 4 069 | - | 1 752 | 2 317 |
| Somalia ^b | 13 250 | 13 250 | - | 5 750 | 7 500 |
| Sri Lanka | 156 846 | 156 742 | 104 | 57 716 | 99 026 |
| Sudan | 128 641 | 128 641 | - | 62 782 | 65 859 |
| Syrian Arab Republic | 15 220 | 13 287 | 1 933 | 5 916 | 7 371 |
| Tajikistan | 6 200 | 6 200 | - | - | 6 200 |
| Togo | 24 584 | 22 212 | 2 372 | 11 878 | 10 334 |
| Tonga | 5 928 | 5 833 | 95 | 2 916 | 2 917 |

Appendix H

| <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> |
|--|--|--------------------------|----------------------------|-------------------|--------------------------|
| Tunisia | 22 393 | 22 382 | 11 | 8 595 | 13 787 |
| Türkiye | 43 114 | 43 114 | - | 29 371 | 13 743 |
| Uganda | 322 097 | 253 525 | 68 572 | 75 287 | 178 238 |
| United Republic of Tanzania | 225 249 | 225 249 | - | 66 373 | 158 876 |
| Uruguay | 2 081 | 2 081 | - | 847 | 1 234 |
| Uzbekistan | 22 922 | 21 163 | 1 759 | 3 271 | 17 892 |
| Venezuela (Bolivarian Republic of) | 10 450 | 10 450 | - | 8 845 | 1 605 |
| Viet Nam | 216 205 | 216 205 | - | 50 168 | 166 037 |
| Yemen | 138 389 | 138 389 | - | 48 917 | 89 472 |
| Zambia | 128 831 | 128 820 | 11 | 45 077 | 83 742 |
| Zimbabwe | 8 818 | 8 818 | - | 5 007 | 3 811 |
| Subtotal SDR | 8 144 648 | 7 758 589 | 386 059 | 2 850 242 | 4 908 347 |
| IFAD Fund for Gaza and the West Bank ^c | 2 513 | 2 513 | - | 1 353 | 1 160 |
| Total SDR | 8 147 161 | 7 761 102 | 386 059 | 2 851 595 | 4 909 507 |
| US\$ equivalent | 10 949 750 | 10 430 888 | 518 862 | 3 832 531 | 6 598 357 |
| Total outstanding loans as at 31 December 2023 US\$ | 16 508 212 | 12 493 865 | 4 014 347 | 4 013 677 | 8 480 188 |
| Other receivables | | | | | 41 653 |
| Total loan receivables as at 31 December 2023 US\$ | | | | | 8 521 841 |
| Total outstanding loans as at 31 December 2022 US\$ | 16 189 047 | 11 779 213 | 4 409 834 | 3 674 377 | 8 104 836 |
| Other receivables | | | | | 25 702 |
| Total loan receivables as at 31 December 2022 US\$ | | | | | 8 130 538 |

^a Loans in SDR and, for the purpose of presentation in the balance sheet, the accumulated amount of loans denominated in SDR has been valued at the US\$/SDR rate of 1.344 as at 31 December 2023. Loans denominated in EUR have been valued at the US\$/EUR rate of 0.905 as at 31 December 2023.

^b Repayment amounts include participation by Belgium, Germany, Italy, the Kingdom of the Netherlands, Norway and Sweden 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 the West Bank is included in the above balance. See note 2(h)(ii).

Appendix H

Table 2
Summary of loans approved at nominal value by year
 (As at 31 December 2023)

| Year | Currency | Approved loans in thousands of Denomination | | | | Value in thousands of US\$ | | | | |
|-------------------|----------|---|---|--------------------|------------------------|----------------------------|---|--------------------|---------------------------------|------------------------|
| | | As at 1 January 2023 | Effective/ (Reductions/ Cancellations) 2023 | Loans fully repaid | As at 31 December 2023 | As at 1 January 2023 | Effective/ (Reductions/ Cancellations) 2023 | Loans fully repaid | Exchange rate movement SDR/US\$ | As at 31 December 2023 |
| 1978 | US\$ | 68 530 | - | - | 68 530 | 68 530 | - | - | - | 68 530 |
| 2016 | US\$ | 164 568 | - | - | 164 568 | 164 568 | - | - | - | 164 568 |
| 2017 | US\$ | 617 043 | (20 000) | - | 597 043 | 617 043 | (20 000) | - | - | 597 043 |
| 2018 | US\$ | 654 795 | (367) | - | 654 428 | 654 795 | (367) | - | - | 654 428 |
| 2019 | US\$ | 386 451 | - | - | 386 451 | 386 451 | - | - | - | 386 451 |
| 2020 | US\$ | 412 095 | (1 124) | - | 410 971 | 412 095 | (1 124) | - | - | 410 971 |
| 2021 | US\$ | 473 489 | - | - | 473 489 | 473 489 | - | - | - | 473 489 |
| 2022 | US\$ | 663 401 | (2) | - | 663 399 | 663 401 | (2) | - | - | 663 399 |
| 2023 | US\$ | - | 91 726 | - | 91 726 | - | 91 726 | - | - | 91 726 |
| 1979 | SDR | 201 485 | - | - | 201 485 | 269 023 | - | - | 1 771 | 270 794 |
| 1980 | SDR | 176 647 | - | - | 176 647 | 235 860 | - | - | 1 553 | 237 413 |
| 1981 | SDR | 182 246 | - | - | 182 246 | 243 336 | - | - | 1 602 | 244 938 |
| 1982 | SDR | 103 109 | - | - | 103 109 | 137 672 | - | - | 906 | 138 578 |
| 1983 | SDR | 132 091 | - | - | 132 091 | 176 368 | - | - | 1 161 | 177 529 |
| 1984 | SDR | 131 907 | - | (3 650) | 128 257 | 176 122 | - | (4 905) | 1 160 | 172 377 |
| 1985 | SDR | 59 522 | - | - | 59 522 | 79 474 | - | - | 523 | 79 997 |
| 1986 | SDR | 23 663 | - | - | 23 663 | 31 595 | - | - | 208 | 31 803 |
| 1987 | SDR | 60 074 | - | - | 60 074 | 80 211 | - | - | 529 | 80 740 |
| 1988 | SDR | 52 100 | - | - | 52 100 | 69 565 | - | - | 458 | 70 023 |
| 1989 | SDR | 86 206 | - | - | 86 206 | 115 102 | - | - | 759 | 115 861 |
| 1990 | SDR | 40 064 | - | - | 40 064 | 53 494 | - | - | 352 | 53 846 |
| 1991 | SDR | 98 025 | - | - | 98 025 | 130 884 | - | - | 862 | 131 746 |
| 1992 | SDR | 79 888 | - | - | 79 888 | 106 666 | - | - | 703 | 107 369 |
| 1993 | SDR | 122 240 | - | - | 122 240 | 163 215 | - | - | 1 075 | 164 290 |
| 1994 | SDR | 122 598 | - | - | 122 598 | 163 693 | - | - | 1 078 | 164 771 |
| 1995 | SDR | 149 100 | - | - | 149 100 | 199 078 | - | - | 1 311 | 200 389 |
| 1996 | SDR | 178 369 | - | - | 178 369 | 238 159 | - | - | 1 568 | 239 727 |
| 1997 | SDR | 219 073 | - | - | 219 073 | 292 507 | - | - | 1 926 | 294 433 |
| 1998 | SDR | 203 208 | - | - | 203 208 | 271 324 | - | - | 1 787 | 273 111 |
| 1999 | SDR | 240 196 | - | - | 240 196 | 320 712 | - | - | 2 112 | 322 824 |
| 2000 | SDR | 237 216 | - | - | 237 216 | 316 732 | - | - | 2 086 | 318 818 |
| 2001 | SDR | 234 079 | - | - | 234 079 | 312 543 | - | - | 2 058 | 314 601 |
| 2002 | SDR | 190 303 | - | - | 190 303 | 254 092 | - | - | 1 673 | 255 765 |
| 2003 | SDR | 211 093 | - | (2 557) | 208 536 | 281 852 | - | (3 437) | 1 856 | 280 271 |
| 2004 | SDR | 234 225 | - | - | 234 225 | 312 738 | - | - | 2 060 | 314 798 |
| 2005 | SDR | 306 516 | - | (28 147) | 278 369 | 409 261 | - | (37 830) | 2 696 | 374 127 |
| 2006 | SDR | 308 977 | (2) | - | 308 975 | 412 547 | (4) | - | 2 717 | 415 260 |
| 2007 | SDR | 254 994 | - | - | 254 994 | 340 469 | - | - | 2 242 | 342 711 |
| 2008 | SDR | 250 843 | (14) | - | 250 829 | 334 925 | (19) | - | 2 206 | 337 112 |
| 2009 | SDR | 255 041 | (1 126) | - | 253 915 | 340 531 | (1 514) | - | 2 243 | 341 260 |
| 2010 | SDR | 390 931 | - | - | 390 931 | 521 972 | - | - | 3 437 | 525 409 |
| 2011 | SDR | 444 574 | (1 214) | - | 443 360 | 593 597 | (1 632) | - | 3 909 | 595 874 |
| 2012 | SDR | 376 204 | (1 340) | - | 374 864 | 502 308 | (1 801) | - | 3 308 | 503 815 |
| 2013 | SDR | 317 650 | (115) | - | 317 535 | 424 127 | (155) | - | 2 793 | 426 765 |
| 2014 | SDR | 302 124 | - | - | 302 124 | 403 397 | (1) | - | 2 657 | 406 053 |
| 2015 | SDR | 441 158 | (5 428) | (16 962) | 418 768 | 589 035 | (7 295) | (22 796) | 3 879 | 562 823 |
| 2016 | SDR | 174 853 | (2 216) | - | 172 637 | 233 462 | (2 977) | - | 1 537 | 232 022 |
| 2017 | SDR | 216 630 | (371) | - | 216 259 | 289 245 | (498) | - | 1 904 | 290 651 |
| 2018 | SDR | 26 090 | (2) | - | 26 088 | 34 835 | (3) | - | 230 | 35 062 |
| 2019 | SDR | 244 788 | - | - | 244 788 | 326 842 | - | - | 2 152 | 328 994 |
| 2020 | SDR | 61 907 | - | - | 61 907 | 82 658 | - | - | 545 | 83 203 |
| 2021 | SDR | 31 574 | (16 274) | - | 15 300 | 42 158 | (21 872) | - | 277 | 20 563 |
| 2022 | SDR | 21 050 | - | - | 21 050 | 28 106 | - | - | 185 | 28 291 |
| 2023 | SDR | - | 31 948 | - | 31 948 | - | 42 943 | - | - | 42 943 |
| 2014 | EUR | 82 055 | - | - | 82 055 | 87 573 | - | - | 3 069 | 90 642 |
| 2015 | EUR | 246 894 | (14 702) | - | 232 192 | 263 498 | (16 241) | - | 9 234 | 256 491 |
| 2016 | EUR | 95 790 | - | - | 95 790 | 102 231 | - | - | 3 583 | 105 814 |
| 2017 | EUR | 92 230 | - | - | 92 230 | 98 432 | - | - | 3 450 | 101 882 |
| 2018 | EUR | 116 558 | (10 337) | - | 106 221 | 124 397 | (11 419) | - | 4 359 | 117 337 |
| 2019 | EUR | 510 220 | (10 689) | - | 499 531 | 544 532 | (11 808) | - | 19 083 | 551 807 |
| 2020 | EUR | 152 306 | - | - | 152 306 | 162 549 | - | - | 5 696 | 168 245 |
| 2021 | EUR | 180 621 | - | - | 180 621 | 192 768 | - | - | 6 755 | 199 523 |
| 2022 | EUR | 216 632 | - | - | 216 632 | 231 201 | - | - | 8 102 | 239 303 |
| 2023 | EUR | - | 196 274 | - | 196 274 | - | 216 813 | - | - | 216 813 |
| Total US\$ | | 3 440 372 | 70 233 | | 3 510 605 | 3 440 372 | 70 233 | | | 3 510 605 |
| Total SDR | | 8 194 631 | 3 846 | (51 316) | 8 147 161 | 10 941 492 | 5 172 | (68 968) | 72 054 | 10 949 750 |
| Total EUR | | 1 693 306 | 160 546 | | 1 853 852 | 1 807 181 | 177 345 | | 63 331 | 2 047 857 |
| Totals | | 13 328 309 | 234 625 | (51 316) | 13 511 618 | 16 189 045 | 252 750 | (68 968) | 135 385 | 16 508 212 |

Appendix H

Table 3

Maturity structure of outstanding loans by period at nominal value

(As at 31 December 2023 and 2022)

(Thousands of United States dollars)

| <i>Period due</i> | <i>2023</i> | <i>2022</i> |
|--------------------|------------------|------------------|
| Less than 1 year | 547 502 | 489 577 |
| 1-2 years | 459 993 | 434 614 |
| 2-3 years | 490 872 | 454 214 |
| 3-4 years | 494 911 | 473 629 |
| 4-5 years | 498 712 | 459 888 |
| 5-10 years | 2 239 866 | 2 135 499 |
| 10-15 years | 1 586 532 | 1 493 752 |
| 15-20 years | 1 090 452 | 1 074 461 |
| 20-25 years | 681 120 | 678 876 |
| More than 25 years | 390 228 | 410 326 |
| Total | 8 480 188 | 8 104 836 |

Table 4

Summary of outstanding loans by lending type at nominal value

(As at 31 December 2023 and 2022)

(Thousands of United States dollars)

| <i>Lending type</i> | <i>2023</i> | <i>2022</i> |
|---------------------------------|------------------|------------------|
| Super highly concessional terms | 7 005 | 0 |
| Highly concessional terms | 6 545 280 | 6 420 825 |
| Hardened terms | 29 958 | 33 680 |
| Intermediate terms | 140 298 | 159 593 |
| Ordinary terms | 1 086 804 | 956 842 |
| Blended terms | 670 843 | 533 896 |
| Total | 8 480 188 | 8 104 836 |

Table 5

Disbursement structure of undisbursed loans at nominal value

(Projected as at 31 December 2023 and 2022)

(Thousands of United States dollars)

| <i>Disbursements in:</i> | <i>2023</i> | <i>2022</i> |
|--------------------------|------------------|------------------|
| Less than 1 year | 782 505 | 933 065 |
| 1-3 years | 1 478 678 | 1 545 888 |
| 3-5 years | 914 938 | 1 084 365 |
| 5-10 years | 838 226 | 846 516 |
| Total | 4 014 347 | 4 409 834 |

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

Table 1
Statement of loans at nominal value
(As at 31 December 2023 and 2022)

| <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 | - | 1 632 | 1 082 |
| Burkina Faso | 10 546 | 10 546 | - | 6 776 | 3 770 |
| Burundi | 4 494 | 4 494 | - | 2 258 | 2 236 |
| Cabo Verde | 2 183 | 2 183 | - | 1 276 | 907 |
| Chad | 9 617 | 9 617 | - | 5 695 | 3 922 |
| Comoros | 2 289 | 2 289 | - | 1 451 | 838 |
| Djibouti | 114 | 114 | - | 68 | 45 |
| Ethiopia | 6 660 | 6 660 | - | 4 269 | 2 391 |
| Gambia (The) | 2 638 | 2 638 | - | 1 583 | 1 055 |
| Ghana | 22 321 | 22 321 | - | 12 928 | 9 394 |
| Guinea | 10 762 | 10 762 | - | 6 726 | 4 036 |
| Guinea-Bissau | 2 126 | 2 126 | - | 1 435 | 691 |
| Kenya | 12 241 | 12 241 | - | 6 712 | 5 529 |
| Lesotho | 7 481 | 7 481 | - | 4 392 | 3 090 |
| Madagascar | 1 098 | 1 098 | - | 677 | 421 |
| Malawi | 5 777 | 5 777 | - | 2 889 | 2 888 |
| Mali | 10 193 | 10 193 | - | 6 493 | 3 700 |
| Mauritania | 19 020 | 19 020 | - | 12 023 | 6 997 |
| Mozambique | 8 291 | 8 291 | - | 5 493 | 2 798 |
| Niger | 11 119 | 11 119 | - | 7 170 | 3 949 |
| Senegal | 23 234 | 23 234 | - | 13 687 | 9 547 |
| Sierra Leone | 1 505 | 1 505 | - | 790 | 715 |
| Sudan | 26 012 | 26 012 | - | 14 666 | 11 346 |
| Uganda | 8 124 | 8 124 | - | 5 280 | 2 843 |
| United Republic of Tanzania | 6 789 | 6 789 | - | 4 074 | 2 716 |
| Zambia | 8 607 | 8 607 | - | 5 549 | 3 058 |
| Total | 225 958 | 225 958 | - | 135 991 | 89 967 |
| Total outstanding loans as at 31 December 2023 - US\$ equivalent | 303 686 | 303 686 | - | 182 771 | 120 915 |
| Other receivables | | | | | 528 |
| Total loan receivables as at 31 December 2023 (US\$) | | | | | 121 443 |
| Total outstanding loans as at 31 December 2022 (US\$) | | | | | 127 162 |
| Other receivables | | | | | 459 |
| Total loan receivables as at 31 December 2022 US\$ | | | | | 127 621 |

Appendix H1

Table 2
Summary of loans by year approved at nominal value
 (As at 31 December 2023)

| Year | | Approved loans in thousands of SDR | | | Value in thousands of US\$ | | | |
|--------------|------------|------------------------------------|-----------------|------------------------|----------------------------|-----------------|---------------------------------|------------------------|
| | | As at 1 January 2023 | Loans cancelled | As at 31 December 2023 | As at 1 January 2023 | Loans cancelled | Exchange rate movement SDR/US\$ | As at 31 December 2023 |
| 1986 | SDR | 24 902 | - | 24 902 | 33 250 | - | 218 | 33 468 |
| 1987 | SDR | 41 292 | - | 41 292 | 55 133 | - | 363 | 55 495 |
| 1988 | SDR | 34 770 | - | 34 770 | 46 425 | - | 306 | 46 731 |
| 1989 | SDR | 25 756 | - | 25 756 | 34 389 | - | 227 | 34 616 |
| 1990 | SDR | 17 370 | - | 17 370 | 23 192 | - | 153 | 23 345 |
| 1991 | SDR | 18 246 | - | 18 246 | 24 362 | - | 161 | 24 523 |
| 1992 | SDR | 6 952 | - | 6 952 | 9 282 | - | 62 | 9 344 |
| 1993 | SDR | 34 268 | - | 34 268 | 45 755 | - | 301 | 46 056 |
| 1994 | SDR | 16 320 | - | 16 320 | 21 791 | - | 143 | 21 934 |
| 1995 | SDR | 6 082 | - | 6 082 | 8 121 | - | 53 | 8 174 |
| Total | SDR | 225 958 | - | 225 958 | 301 700 | - | 1 987 | 303 686 |

Table 3
Maturity structure of outstanding loans by period
 (As at 31 December 2023 and 2022)
 (Thousands of United States dollars)

| Period due | 2023 | 2022 |
|------------------|----------------|----------------|
| Less than 1 year | 9 178 | 8 399 |
| 1-2 years | 7 808 | 7 756 |
| 2-3 years | 7 808 | 7 756 |
| 3-4 years | 7 808 | 7 756 |
| 4-5 years | 7 808 | 7 756 |
| 5-10 years | 39 037 | 38 783 |
| 10-15 years | 31 381 | 34 459 |
| 15-20 years | 10 087 | 13 443 |
| 20-25 years | - | 1 054 |
| Total | 120 915 | 127 162 |

Table 4
Summary of outstanding loans by lending type
 (As at 31 December 2023 and 2022)
 (Thousands of US\$)

| Lending type | 2023 | 2022 |
|---------------------------|----------------|----------------|
| Highly concessional terms | 120 915 | 127 162 |
| Total | 120 915 | 127 162 |

Summary of IFAD and SPA loan balances

| IFAD | US\$ thousands | |
|-------------------------------|------------------|------------------|
| | 2023 | 2022 |
| Approved loans | 16 508 212 | 16 189 047 |
| Undisbursed balance | (4 014 347) | (4 409 834) |
| Repayments | (4 013 677) | (3 674 377) |
| | 8 480 188 | 8 104 836 |
| Interest/principal receivable | 41 653 | 25 702 |
| Loans outstanding | 8 521 841 | 8 130 538 |

| SPA | US\$ thousands | |
|-------------------------------|----------------|----------------|
| | 2023 | 2022 |
| Approved loans | 303 686 | 301 696 |
| Undisbursed balance | - | - |
| Repayments | (182 771) | (174 534) |
| | 120 915 | 127 162 |
| Interest/principal receivable | 528 | 459 |
| Loans outstanding | 121 443 | 127 621 |

| IFAD and SPA | US\$ thousands | |
|-------------------------------|------------------|------------------|
| | 2023 | 2022 |
| Approved loans | 16 811 898 | 16 490 743 |
| Undisbursed balance | (4 014 347) | (4 409 834) |
| Repayments | (4 196 448) | (3 848 911) |
| | 8 601 103 | 8 231 998 |
| Interest/principal receivable | 42 181 | 26 161 |
| Loans outstanding | 8 643 284 | 8 258 159 |

Appendix H2

Statement of grants

(As at 31 December 2023 and 2022)

(Thousands of United States dollars)

| | <i>Undisbursed as at 1 January 2023</i> | <i>2023 movements</i> | | | <i>Exchange rate</i> | <i>Undisbursed as at 31 December 2023</i> |
|-------------|---|-----------------------|----------------------|----------------------|--------------------------|---|
| | | <i>Disbursable</i> | <i>Disbursements</i> | <i>Cancellations</i> | | |
| Grants 2023 | 74 955 | 7 984 | (28 748) | (5 517) | 365 | 49 039 |
| Grants 2022 | 103 516 | 8 230 | (33 348) | (1 971) | (1 472) | 74 955 |

IFAD-only Debt Sustainability Framework

(As at 31 December 2023 and 2022)

(Thousands of United States dollars)

| <i>Borrower or guarantor</i> | <i>Undisbursed as at 1 January 2023</i> | <i>Effective/ (cancellations) 2023</i> | <i>Disbursements 2023</i> | <i>Undisbursed as at 31 December 2023</i> |
|---|---|--|---------------------------|---|
| DSF projects denominated in EUR | | | | |
| Benin | 13 746 | 3 322 | (4 878) | 12 190 |
| Chad | 30 306 | 18 330 | (9 930) | 38 706 |
| Comoros | 310 | 1 501 | (313) | 1 498 |
| Madagascar | - | 2 320 | (135) | 2 185 |
| Mali | 10 227 | (31) | (5 060) | 5 136 |
| Niger | 20 981 | - | (2 519) | 18 462 |
| Sao Tome and Principe | 1 792 | 4 441 | (1 863) | 4 370 |
| Sudan | 46 312 | - | (5 458) | 40 854 |
| Togo | 1 683 | 4 615 | (57) | 6 241 |
| Grand total | 125 357 | 34 498 | (30 213) | 129 642 |
| US\$ equivalent | 138 476 | 38 107 | (33 374) | 143 209 |
| DSF projects denominated in US\$ | | | | |
| Afghanistan | 32 211 | - | - | 32 211 |
| Bhutan | 800 | - | (9) | 791 |
| Burkina Faso | 3 734 | - | (2 753) | 981 |
| Burundi | 7 000 | 42 950 | (2 046) | 47 904 |
| Central African Republic | 30 715 | - | (8 201) | 22 514 |
| Democratic Republic of the Congo | 9 403 | - | (1 616) | 7 787 |
| Ethiopia | - | 78 200 | (396) | 77 804 |
| France | 39 | - | - | 39 |
| Gambia (The) | 11 579 | - | (6 143) | 5 436 |
| Guinea | 3 832 | - | - | 3 832 |
| Guinea-Bissau | 4 283 | 11 571 | (3 310) | 12 544 |
| Haiti | 21 692 | (1 200) | (6 186) | 14 306 |
| Kiribati | 525 | - | (515) | 10 |
| Liberia | 11 587 | - | (2 442) | 9 145 |
| Madagascar | - | 22 500 | - | 22 500 |
| Malawi | 5 911 | - | (2 779) | 3 132 |
| Maldives | 796 | - | (182) | 614 |
| Mauritania | 14 004 | - | (7 443) | 6 561 |
| Mozambique | 95 643 | - | (28 463) | 67 180 |
| Samoa | 3 198 | - | (17) | 3 181 |
| Sierra Leone | 6 201 | 3 330 | (1 842) | 7 689 |
| South Sudan | 7 180 | - | (1 573) | 5 607 |
| Tajikistan | 6 448 | 31 100 | (6 697) | 30 851 |
| Tonga | 2 858 | - | (560) | 2 298 |
| Grand total | 279 639 | 188 451 | (83 173) | 384 917 |
| DSF projects denominated in SDR | | | | |
| Afghanistan | 24 707 | - | (610) | 24 097 |
| Benin | 36 | - | 69 | 105 |
| Burkina Faso | 15 | - | - | 15 |
| Burundi | 22 961 | - | (11 143) | 11 818 |
| Comoros | 1 | - | - | 1 |
| Democratic Republic of the Congo | 6 388 | - | (2 066) | 4 322 |
| Eritrea | 27 310 | (269) | (3 286) | 23 755 |
| Ethiopia | 9 534 | - | (3 011) | 6 523 |
| Kiribati | 10 | - | - | 10 |
| Kyrgyzstan | 5 500 | - | (2 974) | 2 526 |
| Lesotho | 434 | (384) | (33) | 17 |
| Madagascar | 9 267 | - | (6 347) | 2 920 |
| Malawi | 19 871 | - | (6 475) | 13 396 |
| Mali | 3 445 | - | (3 226) | 219 |
| Mauritania | 6 961 | - | (1 970) | 4 991 |
| Mozambique | 19 | (28) | 9 | - |
| Nepal | 4 123 | - | (2 621) | 1 502 |
| Niger | 1 512 | - | - | 1 512 |
| Rwanda | 1 | (1) | - | - |

Appendix H3

| | | | | |
|---------------------------------|----------------|----------------|------------------|----------------|
| Sudan | 59 | (6) | 5 | 58 |
| Togo | 2 357 | - | 14 | 2 371 |
| Tonga | 95 | - | - | 95 |
| Yemen | 24 362 | - | (83) | 24 279 |
| Zimbabwe | 3 208 | - | (3 074) | 134 |
| Grand total | 172 176 | (688) | (46 822) | 124 666 |
| SDR at USD equivalent | 231 405 | (925) | (62 928) | 167 552 |
| 2023 total USD/EUR/SDR | 649 520 | 225 633 | (179 475) | 695 678 |
| Exchange difference | | | 1 413 | |
| Total 2023 disbursements | | | (178 062) | |
| 2022 total USD/EUR/SDR | 704 140 | 105 232 | (166 055) | 643 317 |

Summary of the Heavily Indebted Poor Countries (HIPC) Initiative

As at 31 December 2023
(Thousands of United States dollars)

| Completion point countries | Debt relief provided to 31 December 2023 | | 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 | 5 900 | 1 890 | - | - | - | 7 790 |
| Burundi | 15 491 | 3 251 | - | - | - | 18 742 |
| Burkina Faso | 6 769 | 2 668 | - | - | - | 9 437 |
| Cameroon | 3 074 | 727 | - | - | - | 3 801 |
| Central African Republic | 9 563 | 2 935 | - | - | - | 12 498 |
| Chad | 2 708 | 477 | - | -- | - | 3 185 |
| Comoros | 2 055 | 333 | 146 | 15 | 183 | 2 732 |
| Congo | 0 | 99 | - | - | - | 99 |
| Democratic Republic of the Congo | 11 613 | 3 160 | 1 153 | 64 | 772 | 16 762 |
| Côte d'Ivoire | 1 814 | 326 | - | - | - | 2 140 |
| Ethiopia | 20 569 | 5 905 | - | - | - | 26 474 |
| Gambia (The) | 2 508 | 619 | - | - | - | 3 127 |
| Ghana | 15 585 | 5 003 | - | - | - | 20 588 |
| Guinea | 11 202 | 2 167 | - | - | - | 13 369 |
| Guinea-Bissau | 4 588 | 1 217 | 553 | 32 | 259 | 6 650 |
| Guyana | 1 526 | 299 | - | - | - | 1 825 |
| Haiti | 1 946 | 635 | - | - | - | 2 581 |
| Honduras | 1 077 | 767 | - | - | - | 1 844 |
| Liberia | 9 251 | 6 272 | 91 | 8 | 85 | 15 708 |
| Madagascar | 7 810 | 2 096 | - | - | - | 9 906 |
| Malawi | 20 371 | 4 445 | - | - | - | 24 816 |
| 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 | 11 016 | 2 813 | 0 | - | - | 13 829 |
| Rwanda | 16 786 | 5 210 | - | - | - | 21 996 |
| Sao Tome and Principe | 2 401 | 560 | 410 | 44 | 288 | 3 704 |
| Senegal | 2 247 | 882 | - | - | - | 3 129 |
| Sierra Leone | 10 956 | 2352 | - | - | - | 13 308 |
| United Republic of Tanzania | 12 691 | 4 293 | - | - | - | 16 984 |
| Togo | 2 008 | 759 | - | - | - | 2 767 |
| Uganda | 12 449 | 4 655 | - | - | - | 17 104 |
| Zambia | 19 169 | 4 920 | - | - | - | 24 089 |
| Decision Point Countries | | | | | | |
| Somalia ^c | 4 253 | 139 | 7 004 | 348 | - | 11 744 |
| Sudan | - | - | 66 072 | 6 288 | - | 72 360 |
| SDR | 288 441 | 83 398 | 75 430 | 6 801 | 1 588 | 455 657 |
| Less future interest on debt relief not accrued ^a | | | | | | (7 633) |
| Total SDR debt relief | | | | | | 448 025 |
| Total US\$ equivalent | 387 664 | 112 086 | 101 377 | 9 140 | 2 134 | 612 401 |
| As at 31 December 2022 | | | | | | |
| SDR | 283 113 | 83 143 | 81 555 | 7 508 | 1 915 | 457 234 |
| Less future interest on debt relief not accrued ^a | | | | | | (617) |
| Total SDR debt relief | | | | | | 456 617 |
| Total US\$ equivalent | 378 015 | 111 009 | 108 893 | 10 024 | 2 558 | 609 675^b |

^a Including interest covered by the World Bank contribution.

^b Balance net of future interest on debt relief not accrued.

^c Somalia reached completion point in December 2023, measures will be operationalized during fiscal year 2024.

Summary of contributions to the Haiti Debt Relief Initiative

(As at 31 December 2023 and 2022)

| | <i>Thousands of US\$</i> | <i>Thousands of SDR</i> |
|--|--------------------------|-------------------------|
| 2023 | | |
| 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 | 1 572 | |
| Debt relief provided | (29 133) | |
| Total administrative account Member States 2023 | - | |
| IFAD | | |
| IFAD contribution | 15 200 | |
| Interest earned | 2 057 | |
| Debt relief provided | (6 511) | |
| Total administrative account IFAD | 10 746 | |
| Grand total | 10 746 | |
| Exchange rate movement | (375) | |
| Total cash and investments | 10 371 | |
| 2022 | | |
| Grand total | 12 834 | |
| Exchange rate movement | 960 | |
| Total cash and investments | 13 794 | |

IFAD-only analysis of operating expenses

(For the years ended 31 December 2023 and 2022)

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>Service Charges^b</i> | <i>IFAD's Climate Facility</i> | <i>Other sources^c</i> | <i>Total</i> |
|---------------------------------------|--|------------------------------------|--------------------------------|----------------------------------|----------------|
| Staff salaries and benefits | 106 648 | 3 764 | 461 | (821) | 110 052 |
| Office and general expenses | 27 851 | 1 419 | 120 | 2 331 | 31 721 |
| Consultants and other non-staff costs | 47 493 | 3 145 | 587 | 1 533 | 52 758 |
| Direct bank and investment costs | | | | 1 559 | 1 559 |
| Total 2023 | 181 992 | 8 328 | 1 168 | 4 602 | 196 090 |
| Total 2022 | 174 007 | 5 844 | 1 230 | 9 793 | 190 874 |

^a These refer to IFAD's regular budget, the budget of the Independent Office of Evaluation of IFAD, carry-forward and ASMCS costs.

^b Includes positions funded from service charges.

^c Includes direct charges against investment income; Targeted Investment in IFAD's Capacity budget; Government of Italy reimbursable expenses due to the implementation of IFRS 16 headquarter reimbursable expenditures are disclosed as a reduction in lease liabilities.

Rural Poor Stimulus Facility (RPSF)

Table 1
(Thousands of United States dollars)

| <i>Member State</i> | <i>Local currency</i> | <i>Contribution denomination currency</i> | <i>Contribution received US\$ equivalent</i> |
|-------------------------------------|-----------------------|---|--|
| Canada | CAD | 6 000 | 4 538 |
| Germany | EUR | 27 394 | 33 025 |
| Netherlands (Kingdom of the) | EUR | 6 000 | 7 077 |
| Sweden | SEK | 50 000 | 5 734 |
| Switzerland | CHF | 2 000 | 2 261 |
| Total | | | 52 635 |
| IFAD | | | 40 000 |
| Total as at 31 December 2023 | | | 92 635 |
| Total as at 31 December 2022 | | | 92 635 |

Table 2
Summary of grants under the RPSF
(Thousands of United States dollars)

| <i>Country location/beneficiary</i> | <i>Approved grants less cancellations^a</i> | <i>Disbursements 2023</i> | <i>Undisbursed portion of disbursable grants</i> |
|-------------------------------------|---|---------------------------|--|
| Afghanistan | 1 987 | 1 833 | 154 |
| Agricord | 401 | 401 | - |
| Agriterra | 2 300 | 2 300 | - |
| Angola | 1 363 | 1 363 | - |
| Bangladesh | 2 007 | 2 007 | - |
| Benin | 960 | 956 | 4 |
| Burkina Faso | 1 917 | 1 911 | 7 |
| Burundi | 1 530 | 1 530 | - |
| Cambodia | 1 172 | 1 172 | - |
| Cameroon | 1 409 | 1 408 | 0 |
| Central African Republic | 1 408 | 1 405 | 2 |
| Chad | 1 754 | 1 685 | 69 |
| Comoros | 325 | 325 | - |
| Congo | 985 | 961 | 25 |
| Côte d'Ivoire | 1 253 | 1 160 | 93 |
| Democratic Republic of the Congo | 2 696 | 2 696 | - |
| Djibouti | 414 | 414 | - |
| Eritrea | 185 | 185 | - |
| Eswatini | 658 | 658 | - |
| Ethiopia | 2 240 | 2 240 | - |
| Gabon | 444 | 425 | 19 |
| Gambia (The) | 590 | 590 | - |
| Guinea | 1 179 | 1 179 | - |
| Guinea-Bissau | 773 | 773 | 0 |
| Kenya | 5 593 | 5 593 | - |
| Lebanon | 240 | 240 | - |
| Lesotho | 740 | 740 | - |
| Liberia | 1 086 | 1 084 | 3 |
| Live and Learn Kiribati | 168 | 168 | - |
| Madagascar | 931 | 931 | - |
| Malawi | 1 369 | 1 369 | - |
| Mali | 982 | 980 | 2 |
| Mauritania | 738 | 541 | 197 |
| Mozambique | 1 678 | 1 678 | - |
| Myanmar | 600 | - | 600 |
| Nepal | 1 206 | 1 206 | - |
| Niger | 2 955 | 2 842 | 113 |
| Nigeria | 2 044 | 2 044 | - |
| Pakistan | 2 372 | 2 372 | - |
| Palestine | 608 | 604 | 4 |
| Papua New Guinea | 732 | 732 | - |

Appendix L

| <i>Country location/beneficiary</i> | <i>Approved grants less cancellations^a</i> | <i>Disbursements 2023</i> | <i>Undisbursed portion of disbursable grants</i> |
|---------------------------------------|---|---------------------------|--|
| Precision Agriculture for Development | 3 160 | 3 160 | - |
| Rwanda | 1 400 | 1 400 | - |
| Samoa | 217 | 217 | - |
| Sao Tome and Principe | 444 | 441 | 3 |
| Senegal | 1 003 | 979 | 24 |
| Sierra Leone | 1 150 | 978 | 172 |
| Somalia | 2 751 | 2 751 | - |
| South Africa | 331 | 331 | - |
| South Sudan | 706 | 706 | - |
| Sparkassenstiftung | 2 543 | 2 543 | - |
| Sudan | 1 661 | 1 657 | 4 |
| Syrian Arab Republic | 545 | 545 | - |
| Philippines | 3 204 | 3 204 | - |
| Togo | 1 016 | 945 | 71 |
| Tonga | 700 | 700 | - |
| Tunisia | 118 | 118 | - |
| Uganda | 2 121 | 2 121 | - |
| United Republic of Tanzania | 1 961 | 1 961 | - |
| Vétérinaires Sans Frontières Germany | 724 | 724 | - |
| World Vision New Zealand | 710 | 710 | - |
| Yemen | 3 836 | 3 836 | - |
| Zambia | 1 455 | 1 455 | - |
| Zimbabwe | 1 555 | 1 555 | - |
| Total US\$ as at December 2023 | 87 303 | 85 738 | 1 565 |
| Total US\$ as at December 2022 | 89 502 | 84 679 | 4 823 |

^a Balance considers grants approved as well as at disbursable stage.

Crisis Response Initiative (CRI)

Table 3

(Thousands of United States dollars)

| <i>Member States</i> | <i>Local currency</i> | <i>Contribution denomination currency</i> | <i>Contribution Received US\$ equivalent</i> |
|-------------------------------------|-----------------------|---|--|
| Germany | EUR | 30 000 | 31 683 |
| Ireland | EUR | 1 000 | 1 012 |
| Netherlands (Kingdom of the) | EUR | 10 000 | 9 989 |
| United States | USD | 10 000 | 10 000 |
| Norway | NOK | 300 000 | 27 647 |
| Total as at 31 December 2023 | | | 80 331 |
| Total as at 31 December 2022 | | | 52 884 |

Table 4

Summary of grants under CRI

(Thousands of United States dollars)

| <i>Country location</i> | <i>Approved grants less cancellations</i> | <i>Disbursements</i> | <i>Undisbursed grants*</i> |
|-------------------------------------|---|----------------------|----------------------------|
| Afghanistan | 5 324 | 4 792 | 532 |
| Burundi | 4 842 | 1 207 | 3 635 |
| Central African Republic | 5 769 | 4 738 | 1 031 |
| Eritrea | 3 300 | 3 300 | - |
| Ethiopia | 3 300 | 3 300 | - |
| Haiti | 3 245 | - | 3 245 |
| Madagascar | 3 000 | 1 910 | 1 090 |
| Mali | 2 887 | - | 2 887 |
| Mozambique | 5 774 | 1 809 | 3 965 |
| Malawi | 8 060 | 3 000 | 5 060 |
| Somalia | 10 000 | 8 250 | 1 750 |
| Chad | 3 253 | 1 036 | 2 217 |
| Uganda | 5 050 | - | 5 050 |
| Yemen | 3 300 | 1 000 | 2 300 |
| Total as at 31 December 2023 | 67 104 | 34 342 | 32 762 |
| Total as at 31 December 2022 | 6 300 | 2 970 | 3 330 |

* This balance includes US\$14.8 million of grants approved not yet meeting disbursable conditions

Private Sector Trust Fund (PSTF)

Table 1
(Thousands of United States dollars)

| <i>Member State</i> | <i>Local currency</i> | <i>Contribution denomination currency</i> | <i>Contribution US\$ equivalent</i> |
|---|-----------------------|---|-------------------------------------|
| Finland | EUR | 1 000 | 1 001 |
| Germany | EUR | 35 944 | 38 797 |
| Luxembourg | EUR | 2 000 | 2 256 |
| Total | | | 42 054 |
| IFAD | | | 25 000 |
| Total as at 31 December 2023^a | | | 67 054 |
| Total as at 31 December 2022 | | | 51 735 |

^a This balance comprises receivables amounting to US\$7.6 million.

Table 2
Statement of outstanding loans (As at 31 December 2023)
(Amounts expressed in thousands)

| <i>Country of the Borrower</i> | <i>Approved loans less cancellations</i> | <i>Disbursed</i> | <i>Undisbursed</i> | <i>Repayments</i> | <i>Outstanding</i> |
|--|--|------------------|--------------------|-------------------|--------------------|
| <i>EUR loans</i> | | | | | |
| Madagascar | 3 500 | 1 733 | 1 767 | | 1 733 |
| Subtotal EUR | 3 500 | 1 733 | 1 767 | - | 1 733 |
| US\$ equivalent | 3 866 | 1 914 | 1 952 | - | 1 914 |
| <i>US\$ loans</i> | | | | | |
| Bolivia (Plurinational State of) | 5 000 | | 5 000 | | |
| Cambodia | 5 000 | 5 000 | | | 5 000 |
| Mozambique | 2 000 | 1 700 | 300 | | 1 700 |
| Nigeria | 5 000 | 2 000 | 3 000 | | 2 000 |
| Uganda | 5 000 | | 5 000 | | |
| Subtotal US\$ | 22 000 | 8 700 | 13 300 | | 8 700 |
| Total US\$ | 25 866 | 10 614 | 15 252 | | 10 614 |
| Other receivables | | | | | 164 |
| Total loan receivables as at 31 December 2023 (US\$ equivalent) | | | | | 10 778 |
| Total loan receivables as at 31 December 2022 (US\$ equivalent) | | | | | 3 849 |

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Viet Nam

The Ben Tre Coconut Investment Joint Stock Company received a loan that enabled it to expand its operations and create income-generating opportunities for local coconut producers.

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Argentina

Rural producers construct a well that will ensure better access to water for goats in Patagonia.

©IFAD/Factstory

Nigeria

The use of improved cassava varieties has led to better harvests and higher earnings, which can be invested in expanding production to create a more secure future for the community.

©IFAD/Andrew Esiebo

Jordan






Muneira Ali Awad, here with one of her goats bought with a loan, aims at being self-sufficient and grows food for herself and her three children in her greenhouse.

©IFAD/Roger Anis





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