



ANNUAL REPORT 2021



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SUDAN

Ghisma Moussa Ali trained as a paraveterinary. She also runs a mobile phone recharging station powered by a solar panel she bought with her increased income.

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WHERE IFAD WORKS

LATIN AMERICA AND THE CARIBBEAN

27

ongoing projects in 17 countries
US\$487.9 million ongoing IFAD financing

WEST AND CENTRAL AFRICA

49

ongoing projects in 22 countries
US\$1 865.2 million ongoing IFAD financing

EAST AND SOUTHERN AFRICA

46

ongoing projects in 17 countries
US\$1 891.5 million ongoing IFAD financing

NEAR EAST, NORTH AFRICA AND EUROPE

32

ongoing projects in 17 countries and Gaza and the West Bank
US\$921.9 million ongoing IFAD financing

ASIA AND THE PACIFIC

53

ongoing projects in 20 countries
US\$2 561.0 million ongoing IFAD financing

- ★ IFAD headquarters
- Country director-led office
- Regional office
- Country programme officer-led office
- Multi-country office
- ▲ Satellite office
- To be decided





SRI LANKA

Pathma Nandani has been growing tea on her own plot of land, which has enabled her to improve her family's income and start building a house.

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PRESIDENT'S FOREWORD

The world entered 2021 in a state of deep uncertainty. Time was running out to keep the global temperature increase to less than 2°C, hunger was on the rise and SDG 2 seemed further out of reach than ever. And we were still reeling from the impacts of the COVID-19 pandemic.

Rural people are the first to feel the effects of all these issues and they must be central to the solutions. 2021 was a year when this reality finally gained more widespread



attention and traction on the global stage. It was a year when rural people, the resilience of rural communities – and the specific role of IFAD – became central to the global agenda like never before. With this in mind, IFAD continues to take action to scale up our work in building the resilience of rural people's livelihoods across the world.

We need food systems that provide decent work and incomes for all who grow, process, store and market our food.

Major milestones during the year included the United Nations Food Systems Summit, the 2021 United Nations Climate Change Conference (COP26) in Glasgow, and the 2021 Finance in Common Summit. It was critical that rural people were central to the agreed solutions at these major global events, and that investments in their livelihoods were recognized as indispensable for a brighter and more resilient future.

IFAD's unique knowledge, embedded in several authoritative studies we released in 2021, enabled us to emphasize that we need food systems that provide decent work and incomes for all who grow, process, store and market our food. And it enabled us to provide specific solutions to achieve this – from how to create rural employment through local small enterprises, to prioritizing climate adaptation for small-scale farmers, to making healthy diets accessible to all. Among studies we launched in 2021 was our flagship Rural Development Report, dedicated to the theme *Transforming food systems for rural prosperity* and released in the lead-up to the Food Systems Summit. We also published research reports in connection with COP26 to showcase the need for investments in climate adaptation. Both the technical report on Nature-based Solutions and the series of climate risk analysis reports *What can smallholder farmers grow in a warmer world?* provided evidence and examples to support our call for more investment in adaptation for small-scale farmers. Fresh data, evidence and new insights, and recommendations, are an important way for IFAD to influence debates and advocate for rural people on the global stage.

We also needed to bring rural people themselves to the global stage so that they could articulate their concerns and solutions to world leaders. We found various ways to convene dialogues with

rural people and their organizations, using tools such as radio to reach those who would normally be left out of discussions, and documenting rural people's opinions through a dedicated rural voices website. We also actively engaged in the official Food Systems Summit dialogue process, particularly by convening dialogues, and by channelling funding to farmers' and indigenous peoples' organizations to support them to hold their own dialogues. And we brought rural voices to COP26, including by putting rural people on the stage during the 31 events we broadcast to live and virtual audiences from a dedicated IFAD pavilion. These initiatives gave rural people a valuable opportunity to influence global decisions that affect them.

These efforts bore fruit. We are pleased that one of the outcomes of the Food Systems Summit was the establishment of a coalition for action on decent work and living incomes and wages for all food systems workers, which IFAD will co-lead with the ILO.

But 2021 was not just about influencing others. We also had to continue walking the talk as an organization, to find ways to get more investment into rural areas where it is needed and to scale up the impact of that investment.

IFAD12 was a significant milestone. Our members sent an important signal on our ambition by setting the highest-ever resource mobilization target – US\$1.55 billion in core contributions for the 2022-2024 IFAD12 period. This outcome represents a compelling vision of IFAD's role in contributing to global recovery, rebuilding and resilience in a post-pandemic world.

While core contributions will remain the bedrock of our financial model, we will continue to do more to tap into supplementary sources of financing. Climate finance is a major focus for these efforts and over the past three years, we have mobilized almost US\$300 million from sources such as the Global Environment Facility, the Green Climate Fund and the Adaptation Fund. This will help us to deliver on our commitment to ensure that global climate finance reaches small-scale farmers.



IFAD INITIATIVES GAVE RURAL PEOPLE A VALUABLE OPPORTUNITY TO INFLUENCE GLOBAL DECISIONS THAT AFFECT THEM

Building on our AA+ credit rating, we are in a position to complement core replenishment contributions with borrowed resources through the recently introduced Integrated Borrowing Framework (IBF), while also pursuing increased domestic and international cofinancing. In 2021, the implementation of our IBF work began and in June, we launched the Sustainable Development Finance Framework (SDFF), targeting selected impact investors with a demonstrated interest in supporting our mission. Funds raised in accordance with the SDFF will be entirely channelled to projects to support our target population: the poorest, most vulnerable and marginalized rural people.

Indeed, as we diversify our funding base, it is more important than ever that we ensure 100 per cent of the investments we are involved in are directed towards poor rural people and are environmentally sustainable. For this purpose, we are integrating environmental, social and governance (ESG) considerations into our investments, as well as building up our investments in green bonds and other thematic ESG securities. And we are actively advocating and ensuring all

our investments strictly adhere to the Ten Principles of the United Nations Global Compact. This means we systematically exclude products, services and business practices that are incompatible with the fundamental principles of human rights, labour, environment and anti-corruption principles.

We are also further fostering an organizational culture built around inclusivity, equity and sustainability. For this purpose, in 2021 we launched an organization-wide approach to prioritize diversity, equity and inclusivity throughout IFAD. Ultimately, it will ensure everyone who works at IFAD can contribute to their fullest potential, drawing on their unique abilities, to help achieve IFAD’s mandate. We also conducted an IFAD-wide survey to assess experiences on hate speech, racism and discrimination and determine what actions we need to take to ensure they have no place at IFAD.



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A central part of our organizational culture is a commitment to continually improve efficiency. We continue to focus on innovation and modern technologies to find solutions to business challenges. In 2021, we rolled out a corporate automation programme focused on the use of Artificial Intelligence. The focus so far has been on transactional automation, with a staff-driven approach to identify tasks for automation. Examples are automatic uploading of project results, robotic processes to insert exchange rates and use of chatbox to manage queries in multiple high-volume areas of our business.

Achieving continual improvements in efficiency necessarily requires innovation and the second edition of IFAD’s Innovation Challenge was launched at the end of 2021 to bring innovations into our work and business practices, with a specific focus on “innovations for culture change”. We are convinced that young people are at the heart of innovation and during the year promoted opportunities for young innovators in IFAD to grow and contribute to UN-wide innovation efforts through the IFAD and United Nations System Staff College Mentoring Partnerships initiative on the UN Innovation Toolkit. The IFAD Youth Network was extremely active in this space, which places innovation at the heart of UN efforts to bring about the changes needed to achieve the SDGs.

We are fostering an organizational culture built around inclusivity, equity and sustainability.



© IFAD/Daniele Bianchi

And on sustainability, our headquarters building maintained its platinum certification for Leadership in Energy and Environmental design (LEED), the highest green building certification available worldwide. This was thanks to initiatives such as improving biodiversity in our grounds, harvesting renewable energy and reducing non-recyclable waste.

2021 was a year when we helped put in place many of the building blocks for a robust and inclusive global recovery. And we continued to advance the reforms we need to drive the changes we want to see in the world. I am pleased that international audiences have listened to us, and perhaps even more, that they have listened to the voices of the rural people we took to major global events during the year. I have no doubt that in the years ahead, IFAD will continue to build on what we have achieved and to deliver on its noble and worthwhile goals.

We are now in 2022 and already dealing with new shocks. To do so, we are looking back at the results and lessons of 2021, including how we worked with rural people to build their resilience to the pandemic. These lessons are central to what we are doing now to scale up our work, and to provide critical support to rural people affected by disruptions to food systems brought about by the war in Ukraine – for which we have set up a dedicated Crisis Response Initiative.

2021 WAS A YEAR WHEN WE HELPED PUT IN PLACE MANY OF THE BUILDING BLOCKS FOR A ROBUST AND INCLUSIVE GLOBAL RECOVERY

AND WE CONTINUED TO ADVANCE THE REFORMS WE NEED TO BE THE DRIVER OF THE CHANGES WE WANT TO SEE IN THE WORLD

As I prepare to leave IFAD, I do so with a profound sense of gratitude for all that we have been able to achieve. It has been an honour and a privilege to serve this organization and I believe IFAD is well-placed to play a major role in achieving lasting and meaningful change for the world's most vulnerable people.

IFAD, its staff, and the rural people it serves, will always remain close to my heart.

With the continued support of its partners – especially Member States – I know that this organization will continue its historic mandate to strive towards a future where no rural person lives in poverty or hunger.

GILBERT F. HOUNGBO

President of IFAD



BOLIVIA

Improved irrigation systems and climate protection measures mean that farmers in Villa Abecia can provide their families with more nutritious food and have more produce to sell.

©IFAD/Juan I. Cortés

2021 AT A GLANCE

The world entered 2021 on a precipice.

We all knew that the path we had been on:

- **Was unsustainable**

The planet is on track to warm by over 3° C by the end of the century, a situation that would exacerbate deadly heatwaves, flooding and droughts. It would also accelerate threats to food production systems and to the livelihoods of the world's poorest and most vulnerable people.

- **Was inequitable**

The world's richest 1 per cent have more than twice the wealth of 6.9 billion people and inequalities continue to worsen: the share of income captured by the poorest half of the world is around half of what it was two centuries ago.

- **Had led to dire outcomes, especially for the poorest and most vulnerable people**

The most recent estimates indicate that between 720 million and 811 million people were facing hunger in 2020, an increase of over 100 million from 2019.

In 2021, we needed to chart a new path. It was time to come together and fix systems that were not working. Major milestones during the year were:

- **The United Nations Food Systems Summit**
- **The United Nations Climate Change Conference (COP26)**
- **The Finance in Common Summit**

The urgent (and interlinked) need to transform food systems and to address the climate emergency cuts across IFAD's work. We had much to contribute in shaping consensus on the actions needed and how to finance them.

- **To shape debates on food systems and climate, we:**

- Brought the voices of rural people to the global stage
- Provided thought leadership through our flagship Rural Development Report *Transforming Food Systems for Rural Prosperity*
- Shared lessons from our work ► on how to address global challenges
- Collated concise and digestible key messages
- Advocated for positive change through global media

THE MOST RECENT ESTIMATES INDICATE THAT BETWEEN 720 MILLION AND 811 MILLION PEOPLE WERE FACING HUNGER IN 2020, AN INCREASE OF OVER 100 MILLION FROM 2019

IN 2021, WE NEEDED TO CHART A NEW PATH

- Solutions from our work that we brought to the world at the Food Systems Summit and at COP26 included:
 - Investing in climate adaptation for small-scale farmers ▶
 - Prioritizing nature-based solutions ▶
 - Building the resilience of rural people's livelihoods to COVID-19 and other threats ▶
 - Focusing on including traditionally marginalized groups, such as women and youth ▶

There was strong media interest in our work and our messages. At COP26, our advocacy for more investments in climate adaptation captured much global attention – generating more than 1,200 stories in major media. The rural people whose voices we took to COP26 and the Food Systems Summit told world leaders in a clear and compelling way what they – and we – need for a better future.

“What helps us is having access to technology and machinery so we can experiment and work in a productive way.”

Shirley Casachagua, pottery maker, Peru

“Climate change has caused drought and reduced our capacity to access water. This has affected the wheat crop.”

Temesgen Tchane, wheat farmer, Ethiopia

“We need financial assistance schemes, like loans, so we can afford wheat grains.” Shabana Bibi, farmer and tailor, Pakistan

We know what we want to do and how. But we also know that in order to achieve the scale of the impact required, we need to be in a position to do even more, to reach even more people, to have an even greater effect.

That's why, in 2021, we:

- Expanded the number of people we reach

The Report on IFAD's Development Effectiveness 2021 revealed that IFAD is exceeding its promises on the number of people we are reaching. The latest data indicates that, in 2020, IFAD reached 128 million people, above the target of 120 million. A good balance in terms of gender and age was also realized: 49 per cent of direct beneficiaries were women, while 22 per cent were youth. With the success of the Twelfth Replenishment of IFAD's Resources (IFAD12), the refinement of our tools for targeting, and greater country presence through decentralization, we expect to see these numbers expand further in the years ahead.

- Set a record target for resource mobilization with our Member States

On 16 February 2021, IFAD Member States joined the final meeting of the IFAD12 Consultation, pledging a record level of financial contributions for the programme period 2022-2024. The outcome at the end of the consultation was around US\$1.1 billion in core contributions. IFAD12 was a significant milestone. Member States sent an important signal in terms of IFAD's global role by setting the highest ever resource mobilization target to enable the Fund to double and deepen its impact by 2030. The IFAD12 replenishment outcome outlines an impact vision for IFAD, focusing particularly on post-pandemic recovery, rebuilding and resilience.

- Played a thought leadership role on major global topics affecting rural people, and advocated for policy solutions to improve their lives

We devoted much effort to bringing the knowledge we have gained from our work to the world's attention. We published our flagship Rural Development Report Transforming

Food Systems for Rural Prosperity in the lead-up to the Food Systems Summit, and a major study, *What Can Smallholder Farmers Grow in a Warmer World?*, in conjunction with COP26. Other sources of knowledge we took to the world included guidance on securing land rights for rural women and for youth, and on the role of remittances in strengthening rural livelihoods, a topic subsequently highlighted in the 2021 *G20 Rome Leaders' Declaration*.

- **Delivered on our ambitions for a more prominent role in global communications and advocacy**

Visibility with a purpose is at the heart of our new approach to global communications and advocacy – unveiled and implemented in 2021 with significant impacts. The approach is focused on a commitment to go further in ensuring that the central role of small-scale farmers – and other people working in rural areas – is prominent in global discourses on the world's most pressing issues. This involved widening collaboration between communications and field staff to gather and promote stories and evidence, producing more global events, bringing rural voices to the global stage and establishing new partnerships to reach new audiences. As a consequence, in 2021, we saw a marked increase in IFAD's global visibility: for example, we appeared in over 17,000 media stories (representing a 30 per cent increase), IFAD's President delivered over 150 speeches at high-level global events (an increase of 25 per cent from 2020) and our videos received more than one and a half million views. Engagement across all our social media channels was also significantly higher.

- **Used our credit status to tap into new sources of development finance**

We are diversifying our funding sources while maintaining disciplined and robust risk management systems to preserve our AA+ rating.

Building on our preferred creditor status, we are complementing our core replenishment contributions with borrowed resources through the recently introduced Integrated Borrowing Framework, while also pursuing increased international cofinancing through partnerships with other multilateral development banks, bilateral partners and development funds. In doing so, IFAD will capitalize on a stronger country presence and close relationships with governments and other development actors on the ground to broaden reach and impact.

- **Embarked on an ambitious reform of our financial management approach for greater agility, efficiency and transparency**

We began the process of shifting from a financial management approach that is largely rule-based and transactional to one that is more principle-based and agile, with the aim of creating efficiencies, investing in country systems and staff, and ensuring alignment with international best practice. This included making greater use of country financial management systems to alleviate the burden placed on borrowers and recipients when they run parallel ring-fenced systems, as well as driving enhancements in financial discipline among projects through a more robust financial reporting and monitoring relationship.

**49 PER CENT
OF DIRECT
BENEFICIARIES
WERE WOMEN,
WHILE 22 PER CENT
WERE YOUTH**

**IFAD REACHED
128 MILLION PEOPLE,
ABOVE THE TARGET
OF 120 MILLION**

- Continued our journey in broadening our funding sources to increase delivery and expand impact on the ground

In June 2021, we launched the Sustainable Development Finance Framework (SDFF). This will guide our engagement with selected institutional impact investors that have shown a strong focus on sustainable finance and an interest in supporting IFAD's mission to eradicate rural hunger and poverty. Funds raised in accordance with the SDFF will be entirely channelled to finance projects that support its target population: the poorest, most vulnerable and marginalized rural people.

- Took the lead in implementing the outcomes of the United Nations Food Systems Summit

A major outcome of the United Nations Food Systems Summit was the formation of a Coalition of Action on Decent Work and Living Incomes and Wages for all Food Systems Workers. Given the role we played as anchor agency for the summit's action track on advancing equitable livelihoods – building on our first-hand operational experience of building rural people's livelihoods ▶ – IFAD has been assigned to lead this coalition, with our partners the International Labour Organization and CARE as co-hosts. The coalition will be dedicated to ensuring economic and social justice and the right to adequate and nutritious food for all food systems workers. IFAD was also entrusted with a leadership role in addressing finance as a “means of implementation” for food systems transformation.

- Pioneered innovation to improve performance and find better solutions for rural people

Recognizing that rural people are facing new, more complicated challenges and that, in today's landscape, good practices may quickly become obsolete, we are going further to find innovative solutions. In 2021, we launched the IFAD Innovation Talks, a series of learning and knowledge-sharing sessions highlighting innovative approaches, tools, products and services developed by IFAD and its partners. We also hosted a Sharefair on “Geospatial tools and applications for climate investments” ▶ at COP26, where we highlighted real-life applications. And we contributed to major global innovation initiatives, including the Agrobiodiversity Innovation Challenge – where we funded winning solutions – the United Nations Innovation Toolkit, the United Nations Culture Change Innovation Challenge and the Moonshots for Development working group, among others.

- Walked the walk on sustainability

We need to lead by example, and in 2021 we went even further in implementing environmentally friendly initiatives across our business. This included cutting our energy use and water consumption through a range of initiatives, including harvesting renewable energy, collecting rainwater, reducing non-recyclable waste and decreasing paper usage. We are also increasing biodiversity in our grounds by adding bees and other pollinators, such as wild flowers. These and other initiatives have enabled us to maintain our platinum certification for Leadership in Energy and Environmental Design, ▶ the highest green building certification available worldwide.

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IFAD AT A GLANCE

1978-2021^{a,b}

		2017	2018	2019	2020	2021	1978-2021
Operational activities^{c,d}							
Loan and DSF grant approvals							
Number of programmes and projects ^e		32	27	34	18	27	1 167
Amount	US\$ MILLION	1 245.2	1 107.3	1 625.4	782.7	1 030.8	22 360.5
Grant approvals							
Number		56	49	36	25	10	2 914
Amount	US\$ MILLION	62	68	40	35	10.2	1 314.7
Total IFAD loan and grant operations^f	US\$ MILLION	1 312.2	1 175.3	1 665.4	817.7	1 041.0	23 984.2
Cofinancing							
Multilateral	US\$ MILLION	129.1	214.3	1 436.4	102.1	1 146.2	12 008.0
Bilateral		3.0	25.3	123.4	3.5	134.6	2 124.8
NGO		7.8	1.4	13.3	3.4	0.7	85.2
Other ^g		6.1	95.6	4.3	72.4	-	336.4
Domestic contributions	US\$ MILLION	718.2	686.7	1 460.3	934.4	982.9	19 785.4
Total programme and project cost^h	US\$ MILLION	2 176.4	2 198.5	4 703.0	1 933.4	3 305.4	58 324.0
Programmes and projects							
Number of effective programmes and projects under implementation		211	206	203	203	207	
Number of programmes and projects completed		26	29	32	25	26	933
Number of approved programmes and projects initiated by IFAD		31	27	29	18	24	994
Number of recipient countries/territories (current portfolio)		99	101	94	96	94	
Membership and administration							
Member States – at end of period		176	176	176	177	177	
Professional staff – at end of period ⁱ		378	389	441	457	502	

^a IFAD loans and DSF grants for investment programmes and projects are denominated in special drawing rights. 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 The Smallholder Commercialization Programme approved in 2011 for Sierra Leone and the Strategic Support for Food Security and Nutrition Project in the Lao People's Democratic Republic approved in 2016 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.

^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. Also excludes other non-regular financing managed by IFAD and IFAD's contributions to the Rural Poor Stimulus Facility, the IFAD Climate Facility, the Climate Finance Design Gap 2021 and the African Agricultural Transformation Initiative.

ⁱ Includes national professional officers in country offices.

ASIA AND THE PACIFIC

35
COUNTRIES

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

Numbers indicate ongoing programmes and projects

■ Countries with ongoing ASAP grants

53
ONGOING PROGRAMMES AND PROJECTS
in partnership with 20 countries in the region at the end of 2021

1
NEW COUNTRY STRATEGIC OPPORTUNITIES PROGRAMME
in Nepal

4
NEW PROGRAMMES AND PROJECTS
approved in 2021 in India (2 projects), Pakistan and Viet Nam

US\$2,561.0 MILLION
INVESTED BY IFAD
IN THE REGION'S
ONGOING PORTFOLIO

US\$299.2 MILLION
IN NEW APPROVALS
IN 2021



HIGHLIGHTED PROJECT LAO PEOPLE'S DEMOCRATIC REPUBLIC

Lao People's Democratic Republic. A rural family enjoy a nutritious meal. IFAD-supported projects increasingly focus on improving local diets and nutrition.

©IFAD

The Strategic Support for Food Security and Nutrition Project is improving health and nutrition through farmer nutrition schools for pregnant women and mothers of children under the age of 2 years. Nutrition education is coupled with agricultural training to improve and diversify food production for household consumption, through initiatives such as supporting home gardens, raising livestock and growing vegetables.

15,000

HOUSEHOLDS have been lifted above the poverty line

25,000

HOUSEHOLDS have become food-secure

OVER
22,000

women in the project area have improved dietary diversity

34,000

HOUSEHOLDS have been trained in agricultural production and/or nutrition

The COVID-19 pandemic amplified weaknesses in food systems in Asia and the Pacific, worsening hunger and poverty, especially among vulnerable groups. Countries across the region are grappling with shared challenges within their food supply chains, while worsening environmental and climate threats – now coupled with the impacts of the COVID-19 pandemic – are putting increasing pressure on farmers and other rural workers.

More inclusive and equitable food systems have enormous potential for improving the livelihoods of poor and vulnerable people and for advancing progress towards the Sustainable Development Goals (SDGs). Transforming food systems – so that they work for those who work within them – underpins IFAD’s investments in the Asia and the Pacific region. It is estimated that more than 418 million people suffer from hunger in Asia alone, representing more than half of those living in hunger globally, with an additional nearly 3 million in the islands of the Pacific.

The United Nations Food Systems Summit provided an opportunity for rural people in Asia and the Pacific to articulate their concerns before world leaders. IFAD worked with its partners to bring out their voices and share their perspectives on priority actions for transforming food systems. **“We need financial assistance schemes, like loans, so we can afford wheat grains,” Shabana Bibi, a farmer and tailor from Pakistan,** told us as part of IFAD’s Rural Voices project. During 2021, we convened dialogues across the region to spread awareness in the global community of the need to ensure that rural people are not left behind in efforts to transform food systems.

Central to planning around the future of food systems is the need to build a post-pandemic world that is more resilient, sustainable and inclusive. Rural people must be at the heart of this. And we need to ensure that they have the resources and means to adapt to growing challenges, including shocks such as the COVID-19 pandemic, as well as the impacts of climate change, a threat that is ever more present in the exposed landscapes of the Asia and the Pacific region. One area in which IFAD is championing systemic change is through the promotion and uptake of nature-based solutions that protect the environment and build resilience to climate change. Projects funded by IFAD’s Adaptation for Smallholder Agriculture Programme (ASAP) in the region of Asia and the Pacific are prioritizing nature-based solutions to address interlinked societal and environmental challenges.

PROJECTS FUNDED BY IFAD’S ADAPTATION FOR SMALLHOLDER AGRICULTURE PROGRAMME IN THE REGION OF ASIA AND THE PACIFIC ARE PRIORITIZING NATURE-BASED SOLUTIONS

In Indonesia, we are working with the Ministry of Environment and Forestry on a range of projects and activities, focused in particular on restoring peatlands. These activities – which include raising peat soil moisture levels by damming canals and raising groundwater levels, as well as better monitoring and fire prevention systems – are turning carbon sources into carbon sinks and improving the prosperity of local communities. **“The programme has reduced forest and land fires,” said Mr Raham, a participant in one such programme. “And the most important thing is that because of the programme the people in the**



“I want to tell world leaders to support the youth around the world by infusing them with skills and discipline. Our hope is to have a successful business ... and give more youth employment opportunities.”

Kinley Penjor, baker, speaking to IFAD’s Rural Voices project, Bhutan ▶

village are more prosperous than before.” Thus far, an area of more than 3 million hectares of peatland across Indonesia has benefited from enhanced sustainable management, preventing an estimated almost 20 million tonnes of CO₂ emissions. Along with the Ministry of Environment and Forestry, we are capturing lessons from the programme that can be shared to advance strategies for peatland management at the national level and beyond.



“Six months of the year the roads are underwater, which meant I couldn’t get to my crops to harvest them or sell them at market.”

Lalon Mia, farmer, on the impact of climate change, Bangladesh ▶

Bangladesh is one of the most vulnerable countries in the world in terms of climate change. More than half the population – equivalent to at least 90 million people – live in areas that are highly exposed to climate extremes. Rising water levels and flooding are major problems, cutting people off from jobs and other economic opportunities, as are droughts, soil erosion and extreme weather events. That’s why our work in Bangladesh is focused around enabling the poorest, most vulnerable people to adapt and find livelihood opportunities that are resilient to climate change. This means providing early warning systems for farmers, training for new jobs and climate-resilient infrastructure such as barriers against floods and submersible roads. **“Without this road, we could not access the community clinic, which had an impact on our health,” explained Lalon Mia, a farmer and participant in the Haor Infrastructure and**

Livelihood Improvement Project. “This submersible road also helped create a lot of employment opportunities for the youth of this area.”

Crop diversification – the addition of new crops to a farm – is another important strategy in efforts to improve climate resilience in Bangladesh. The Smallholder Agriculture Competitiveness Project has been encouraging farmers to respond to market demand for high-value crops, rather than focusing only on rice, by providing inputs, technology and training. **“I had a cauliflower demonstration plot last year ... and made a remarkable profit,”** said Mohammad Abul Kalam, a participant in the project. **“This year, I’m harvesting bitter melon from the same land supported by the project.”**

Our rich experience in working with rural people in Bangladesh – directly benefiting over 1.5 million people – was the topic of a virtual field visit we presented at COP26. ▶

Achieving positive and sustainable change necessarily means balancing multiple issues and challenges. It means addressing climate change, sustainable livelihoods and food systems transformation at the same time. In Tonga, we are working with our partners at the grassroots level, including with youth groups – as part of the Tonga Rural Innovation Project – Phase II but also more widely – to put young people at the centre of revitalizing food systems through nature-based, climate-resilient approaches. In many cases, this involves community projects combining knowledge from traditional practices with modern innovations. One such example is organic coconut processing, where young people are reconnecting with their ancestral knowledge while improving their livelihoods and well-being. **“I am happy to work on this project because I can help the community,” explained Samuela Katata’ofi, from the Tonga National Youth Congress. “With this project, people can make money for their family and buy food.”** ▶ The focus is on the community level, especially on creating opportunities for young people to enter agriculture and contribute to building the food systems of the future. More broadly, working with young people is a major focus of IFAD’s work across Asia and the Pacific.

EAST AND SOUTHERN AFRICA

PORTFOLIO MANAGEMENT HIGHLIGHTS

22
COUNTRIES

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

Numbers indicate ongoing programmes and projects

■ Countries with ongoing ASAP grants

46
ONGOING PROGRAMMES AND PROJECTS
in partnership with 17 countries in the region at the end of 2021

2
NEW COUNTRY STRATEGIC OPPORTUNITIES PROGRAMMES
in Madagascar and Uganda

7
NEW PROGRAMMES AND PROJECTS
approved in 2021 in Burundi, Kenya, Lesotho, Madagascar, Rwanda, South Sudan and Zimbabwe

US\$1,891.5 MILLION INVESTED BY IFAD IN THE REGION'S ONGOING PORTFOLIO

US\$285.9 MILLION IN NEW APPROVALS IN 2021



Kenya. Young entrepreneurs from the G-Star Youth Group weigh sliced fresh bananas at their processing plant.

©IFAD/Edward Echwalu

HIGHLIGHTED PROJECT KENYA

The Upper Tana Catchment Natural Resource Management Project links sustainable natural resource management to boosting rural livelihoods. The project works with water resource users associations and community forest associations to help them fulfil their responsibilities, resolve natural-resource-based conflicts and identify sustainable income-generating activities.

3,000

HECTARES
of degraded forest land
rehabilitated and over

2 MILLION

tree seedlings
planted

50

PER CENT
reduction in the amount
of firewood used
by the community

HIGHER RURAL INCOMES ACHIEVED THROUGH NEW SUSTAINABLE LIVELIHOOD ACTIVITIES

**SUCH AS SELLING
TREE SEEDLINGS,
PLANTING FRUIT TREES,
BEEKEEPING AND
ECOTOURISM**

Women's empowerment and youth participation are at the centre of our activities.

Throughout 2021, the East and Southern Africa region continued to face multiple challenges, exacerbated by the ongoing pandemic. These included climate shocks and variability, pest invasions, inequality and fragility. More than 80 per cent of the region's countries rank as high risk on the INFORM COVID-19 Risk Index, meaning that they are vulnerable to the health and humanitarian impacts of the pandemic and may need additional international assistance. Projected growth in 2021 and 2022, as economies progressively reopen, remains tentative and vaccination rates remain low. The regional situation is therefore rather precarious, especially for the poorest and most vulnerable people, most of whom live in rural areas.

Given this context, the need to support the resilience and recovery of small-scale farmers and other rural people was IFAD's focus in the East and Southern Africa region in 2021. Women's empowerment and youth participation are at the centre of our activities. The implementation of IFAD's Rural Poor Stimulus Facility (RPSF) has been instrumental in delivering support to the people who need it most and in keeping food systems functioning.

BUILDING RESILIENCE AND SUPPORTING RECOVERY FOR THE POOREST PEOPLE

The RPSF is strengthening the resilience of small-scale farmers' livelihoods to the effects of the pandemic, as well as to other shocks.

Providing high-quality inputs and services to support agricultural production has been a priority. In Zimbabwe, an RPSF grant, anchored to the IFAD-supported Smallholder Irrigation Revitalization Programme, provided 7,000 beneficiary households with crop and livestock inputs, while also improving access to markets and providing nutrition education. In addition, programme participants received basic personal protective and hygiene equipment to prevent the spread of COVID-19, as well as training in the production of sanitizers and masks.

"We are very happy with inputs that we have received," said Getrude Komondo, a programme participant. "We can now go back into production. This will really reduce the impact of COVID on us."

Similarly, the Rural Livelihoods Recovery Initiative, a regional RPSF-funded programme for the Greater Horn of Africa region, supplied fertilizers, improved seeds, and supplied advisory services to small-scale farmers. To date, over 30,000 rural people have received inputs and services from the project, which has also distributed agroprocessing equipment. In Kenya, the Support African Farmers in the 2020 Emergency programme provided inputs during 2021 to enable around 2,000 small-scale farmers to secure their maize harvest for the season.

DOING EVEN MORE ON CLIMATE AND THE ENVIRONMENT

Environmental sustainability and climate adaptation and resilience of small-scale farmers are major priorities in the fragile landscapes of East and Southern Africa. We are doing more to tap into sources of climate financing, and a review of IFAD projects in the region, validated and approved between January 2019 and October 2021, shows that 94 per cent are accessing climate finance.

Financing climate adaptation and sustainable natural resource management needs to be linked to improvements in rural people's livelihoods. For example, in Kenya, the Upper Tana Catchment Natural Resource Management Project has rehabilitated over 3,000 hectares of degraded forest land and planted more than 2 million tree seedlings, while enabling farmers' organizations to generate income from selling tree seedlings, planting fruit trees, beekeeping and ecotourism. Around 77,000 members of surrounding communities have benefited. The project also introduced high-efficiency cooking stoves and alternative fuels such as biogas, thus reducing, by half, the amount of firewood used by the community. Sustainable energy was also a feature of the Zambia Rural Finance Expansion Programme, in which solar-powered

home lighting and cooking solutions are contributing to the reduced use of fuelwood and illegally sourced firewood.

Rural people taking part in the [Participatory Small-scale Irrigation Development Programme Phase II \(PASIDPII\)](#) in Ethiopia are reporting increased levels of employment and incomes – in particular for youth, who no longer need to migrate for work – as a result of initiatives to reverse the impacts of climate change. Through an initiative funded under the RPSF, local people are building gabions (cages filled with rocks) to channel seasonal rainwater into managed irrigation and prevent soil erosion. This enables local farmers to reliably and productively grow crops and improve incomes. **“The money we earn here has changed our lives,” said Terrefe Tsega, a participant in the project. “The benefit of the work is that it is saving the environment from soil erosion and the youth are getting employment and earning income.”** ▶



“I am hoping COVID will stop spreading now that people have got jobs in this area.”
Mekonnen Tehone,
Participatory Small-scale
Irrigation Development
Programme II participant,
Ethiopia ▶

ENSURING THAT NO ONE IS LEFT BEHIND

Our operations across the region put the most marginalized people at the centre of solutions to overcome poverty and hunger.

Young people are crucial to the success of our work, and our investments in youth have helped transform rural communities.

In Kenya, for instance, [Youth Economic Empowerment through Agribusiness](#) in Kenya (VijaBiz), an IFAD-supported project, offers young people business training, mentorship and grants for agricultural start-ups. As a result of the project, the cereals business of the Gilani Umoja Youth Group underwent a complete transformation, with training in digital marketing, among other things, being crucial to their success. The group has been able to hire young people locally and to increase their incomes through digital approaches to marketing. It is committed to contributing to the future of local communities by creating jobs. **“There will be nobody to say that we don’t have jobs,” said Kangara Wangari, chairperson of the group. “Our aim of job creation will be achieved.”**

94 PER CENT OF IFAD PROJECTS IN THE REGION ARE ACCESSING CLIMATE FINANCE

Women’s empowerment also remains a major concern in our operations, and IFAD projects in East and Southern Africa produced excellent results in this area in 2021.

Empowering women means linking them with income-generating activities, but it also means addressing the root causes of gender-discriminatory structures. This requires working with both women and men together at the household level. For example, in the [Project for the Restoration of Livelihoods in the Northern Region](#) of Uganda, a household mentoring approach is creating tremendous changes for local families, which are too often blighted by alcoholism, gender-based violence and an inability to solve household problems. [Employing local women as household mentors](#) has been crucial to the project’s success. In the northern district of Omoro, 75 per cent of households have moved from two meals a day to three meals a day, home hygiene has improved and no gender-based violence cases have been reported among the mentored households in the last year. Similar cases of transformation can be seen across the regional portfolio.

LATIN AMERICA AND THE CARIBBEAN

PORTFOLIO MANAGEMENT HIGHLIGHTS

32
COUNTRIES

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

Numbers indicate ongoing programmes and projects

■ Countries with ongoing ASAP grants

27
ONGOING PROGRAMMES AND PROJECTS
in partnership with 17 countries in the region at the end of 2021

1
NEW COUNTRY STRATEGIC OPPORTUNITIES PROGRAMME
in Guatemala

8
NEW PROGRAMMES AND PROJECTS
approved in 2021 in Argentina, Bolivia, Brazil, Dominican Republic, Guatemala, Haiti (2 projects) and Mexico

US\$487.9 MILLION INVESTED BY IFAD IN THE REGION'S ONGOING PORTFOLIO
US\$147.8 MILLION IN NEW APPROVALS IN 2021



Nicaragua. Man harvesting sugar cane in Santo Domingo de Guzmán.

©IFAD/David Alan Harvey

HIGHLIGHTED PROJECT NICARAGUA

The Nicaraguan Dry Corridor Rural Family Sustainable Development Project is focused on improving rural livelihoods through the provision of training and technical support to open up activities beyond agricultural production, add value to local products and develop innovative marketing strategies. Women are placed at the centre of activities, which are based around family and business plans drawn up by household members and supported by the project.

58

PER CENT of all project participants were
WOMEN

**BOTH WOMEN
AND MEN**

reported benefits associated with the
**MORE EQUAL
RELATIONSHIPS**
between wives and husbands

**MORE THAN
30,000 FAMILIES
BENEFITED FROM THE
PROJECT,**

**INCLUDING THROUGH
PARTICIPATION IN
COMMUNITY FAIRS,
BUSINESS CONFERENCES
AND LOCAL MARKETING
NETWORKS**

That the COVID-19 pandemic had had a dramatic impact on Latin America and the Caribbean was confirmed in 2021. According to the latest estimates, 59.7 million people in the region were affected by hunger – 13.8 million more than the previous estimate, and equivalent to 9.1 per cent of the population. And 267 million people in the region experienced moderate or severe food insecurity, an increase of 60 million. According to these numbers, hunger and food insecurity in Latin American and the Caribbean have been growing faster than in any other region of the world.

IN 2021, WE WORKED HAND IN HAND WITH LATIN AMERICAN AND CARIBBEAN GOVERNMENTS AND WITH OTHER MULTILATERAL AND NATIONAL RURAL DEVELOPMENT PARTNERS

IFAD has a crucial role to play in redressing this situation. In 2021, we worked hand in hand with Latin American and Caribbean governments and with other multilateral and national rural development partners to address the impacts of both the pandemic and other major challenges that rural communities in the region face, especially climate change ▶ and inequality. Much of our work is focused on enabling rural communities to find solutions to adapt to an unpredictable climate, and on creating opportunities for traditionally vulnerable groups. Women, youth and indigenous peoples are at the centre of much of our work, and we have achieved much by working with them during the year, despite the challenging context.

WORKING WITH RURAL PEOPLE TO BUILD CLIMATE RESILIENCE

Partnerships to bring climate finance into rural areas have been a focus. In this

respect, we have worked as a broker between governments and global climate institutions such as the Green Climate Fund (GCF) and the Global Environment Facility (GEF). An example of this is the [Planting Climate Resilience in Rural Communities of the Northeast Project](#), a US\$202.5 million investment in climate-smart agriculture that will benefit around 1 million people in Brazil's semi-arid north-east region. This will build on the climate-focused work we have been carrying out with rural people in north-eastern Brazil, including the [Rural Sustainable Development Project in the Semi-arid Region of Bahia](#), which is supporting rural people to work as seed guardians, collecting and storing native seeds that are adapted to survive in the changing climate. **“These semi-arid seeds are extremely important,” said Jacimara Pereira, one of the project’s seed guardians. “On top of maintaining the vegetation here, they have helped the region’s production and helped our economy grow.” ▶**

Further efforts to attract climate-focused agricultural investment to the region are being made through the [Enhanced Adaptation for Smallholder Agriculture Programme \(ASAP+\)](#). These efforts have started to bear fruit and to have a knock-on effect on the ability to attract additional funds, as shown by the announcement of a EUR 17 million contribution from Germany to the funding of the [Amazonian Sustainable Management Project \(PAGES\)](#). This project will foster the sustainable use of tropical forest in the southern Amazonian area of Maranhão, becoming the first IFAD-supported project in the Brazilian Amazon basin and taking advantage of IFAD’s long-standing and extensive experience in [agroforestry](#) and [small-scale water infrastructure](#) investments in several states of north-eastern Brazil.

From the region’s largest country to the smallest, we are committed to finding solutions to the problems posed by climate change. Thus, in Grenada, the [Climate-Smart Agriculture and Rural Enterprise Programme \(SAEP\) ▶](#) is working with young people to get them started in careers in the agrifood sector – such as agroprocessing, food preparation and technical trades – that are climate-smart and remunerative.

“The training has impacted my life tremendously, teaching me multiple things that I didn’t know before about the food industry,” said Dwight McLeish, a SAEP trainee. ▶

The project has developed new modalities of training during the pandemic, blending face-to-face and virtual training for more than 1,100 young people.



“I’ve always dreamed of having my own small business one day and I believe that agroprocessing has opened that road for me.”

Lornell Albert, SAEP trainee, Grenada ▶

Across the whole region, young people have been a major focus of IFAD operations. Innovations devised by young people have been critical to the success of IFAD operations. From finding renewable energy solutions through digital technologies in the Peruvian countryside to developing rural-urban supply chains within the confines of the pandemic in Colombia, the energy and ingenuity of young people has been a constant feature of IFAD-supported projects. The second edition of the Rural Youth Innovation Award in Latin America and the Caribbean was an excellent opportunity to highlight these efforts and celebrate the passion and talent of the many young people searching for innovative solutions to build more sustainable, fair and resilient food systems in the region.

An important development in IFAD’s engagement with youth in Latin America and the Caribbean is the start of the Puentes project, which will create jobs and economic opportunities for almost 5,000 young people in Bolivia, Colombia

and Honduras by fostering links between the gastronomy and hospitality sectors and family farms. A major achievement of the project was the opening of the *Miska* (“early sowing”) school in Intibucá, Honduras, in November 2021.

In addition to recognizing the unique value of young people, we understand that women are the backbone of rural communities. Initiatives to close the gender gap in rural areas are being implemented by all ongoing projects. These are exemplified by the Nicaraguan Dry Corridor Rural Family Sustainable Development Project (NICAVIDA), ▶ wherein initiatives to create entrepreneurial opportunities for women – through targeted training and improving their access to productive resources – were combined with a collaborative approach that brought women and men together to transform gender norms. **“There has been a change for us women,” said Juana María Miranda, a participant in NICAVIDA. “Because before we were not taken into account at all, but today we are.” ▶** The project, in which more than half the participants are women, won the IFAD 2021 Gender Award for Latin America and the Caribbean.

“Not only do we eat from this project, but we also give work to other people, who [in turn] eat from it.”
Carla Vanessa Delgado, participant in NICAVIDA, Nicaragua

On the topic of empowerment, we continue to devote much attention to our important work with the region’s indigenous communities. The Public Services Improvement for Sustainable Territorial Development Project has collaborated with indigenous communities in Peru to develop territorial development plans that reflect their culture and priorities. The project has reached over 2,700 indigenous families, considerably exceeding the original target. It was recognized as the best-performing IFAD-supported project at the IFAD Indigenous Peoples Awards 2021.

Innovations devised by young people have been critical to the success of IFAD operations.

NEAR EAST, NORTH AFRICA AND EUROPE

23

COUNTRIES AND GAZA AND THE WEST BANK • 1

Albania	Egypt ■ • 2	Republic of	Syrian Arab
Algeria	Georgia • 1	Moldova ■ • 2	Republic • 1
Armenia • 1	Iraq ■ • 1	Montenegro ■ • 1	Tajikistan • 1
Azerbaijan	Jordan • 2	Morocco ■ • 3	Tunisia • 3
Bosnia and	Kyrgyzstan • 1	Somalia	Turkey • 3
Herzegovina • 2	Lebanon	Sudan ■ • 3	Uzbekistan • 2
Djibouti • 2			Yemen

Numbers indicate ongoing programmes and projects

■ Countries with ongoing ASAP grants

32

ONGOING PROGRAMMES AND PROJECTS

in partnership with 17 countries in the region and Gaza and the West Bank at the end of 2021

2

NEW COUNTRY STRATEGIC OPPORTUNITIES PROGRAMMES

in Morocco and Sudan

2

NEW PROGRAMMES AND PROJECTS

approved in 2021 in Kyrgyzstan and Tajikistan

US\$921.9 MILLION INVESTED BY IFAD IN THE REGION'S ONGOING PORTFOLIO

US\$48.5 MILLION IN NEW APPROVALS IN 2021



Republic of Moldova. Egg noodles are being made at a processing plant developed with the support of IFAD loans and training.

©IFAD/Susan Beccio

HIGHLIGHTED PROJECT REPUBLIC OF MOLDOVA

The Inclusive Rural Economic and Climate Resilience Programme focused on strengthening the climate-adaptive capacity of small-scale farmers and increasing investment in the rural economy more broadly. It combined awareness-raising, training and incentives for sustainable production through subsidies for equipment to adopt conservation agricultural practices.

27,146
HECTARES
of land brought under
climate-resilient practices

57,470
RURAL PEOPLE
benefited from the programme

**INCREASED INCOME
ACHIEVED IN
HALF OF FARMING
HOUSEHOLDS ADOPTING
CONSERVATION
AGRICULTURE**

**IMPROVED LEVELS
OF LAND OWNERSHIP
AND AGRICULTURAL
PRODUCTIVITY FOR
PARTICIPATING FARMERS**

IFAD HAS FOCUSED ON STRENGTHENING FOOD SYSTEMS IN THE REGION USING INNOVATIVE SOLUTIONS SUCH AS DIGITAL AGRICULTURE

The COVID-19 pandemic and its resurgence with protracted effects in 2021 hit the Near East, North Africa and Europe region unevenly, deepening already-severe inequalities between wealthy and vulnerable groups. Across the Near East and North Africa – in addition to conflicts – a number of stresses exerted pressure on food systems: water scarcity, food import dependency, inequalities and gender-based biases, rapid population growth and migration.¹ At the same time, in Eastern Europe and Central Asia, despite efforts to extend social protection, contractions in remittance flows and in domestic spending caused significant income shocks and adverse effects on food security. The impacts were especially acute for poor rural households, depleting savings and forcing asset sell-offs.

For the region as a whole, gross income was estimated to have contracted by 6 per cent in 2020, leading to about 14.2 million more people living in poverty (measured at the US\$5.50 a day poverty line).² The pandemic ultimately eroded the achievements of previous years, making the road towards zero poverty and hunger ever more treacherous.

IFAD has focused on strengthening food systems in the region using innovative solutions such as digital agriculture approaches and new ways of supporting small-scale farmers to improve their livelihoods and food security. Providing timely access to the required agricultural inputs for small-scale farmers has been particularly important in minimizing disruptions, stabilizing farm incomes and promoting the recovery towards more resilient rural livelihoods.

Under the RPSE, an additional allocation of US\$5.5 million across five of the most vulnerable countries and territories in the region (Djibouti, Palestine, Somalia, Sudan and Yemen) has been approved as a response to the COVID-19 pandemic. This has supported IFAD's re-engagement in conflict-affected states such as Somalia and Yemen.

In Djibouti, we implemented the first RPSF project under the Soil and Water Management Programme and the Programme to Reduce Vulnerability in Coastal Fishing Areas, providing agricultural inputs, fishing equipment and solar-powered fridges to fisher families. This enabled them to store their fish and trade with local restaurants. It helped many families get back on their feet following the shock of the pandemic: a rapid assessment showed that 86 per cent of the households that had lost their assets were able to recover their pre-pandemic production level. **“Before, if we couldn't find customers for our fish the same day, we had to throw it away,” said Mohamed Ali Aboubaker, a participant in the programme. “Thanks to the fund, we have acquired a boat and a cold room ... fish can now be stored for several days [and] we have many more customers who stop by and buy fish from us.”** ▶

¹ Food and Agriculture Organization of the United Nations (FAO), IFAD, United Nations Children's Fund, World Food Programme, World Health Organization and United Nations Economic and Social Commission for West Asia, *Regional Overview of Food Security and Nutrition in the Near East and North Africa 2020 – Enhancing resilience of food systems in the Arab States* (Cairo, FAO, 2021) (<https://doi.org/10.4060/cb4902en>).

² World Bank, *Global Economic Prospects*, June 2021 (Washington, D.C., World Bank, 2021); International Monetary Fund, *Regional Economic Outlook for Middle East and Central Asia*, April 2021 (Washington, D.C., International Monetary Fund, 2021).



“We supply restaurants. People living in the surrounding villages also come to buy fish from us. We thank IFAD for their support.”

Mohamed Ali Aboubaker, fish merchant, on the impact of activities funded by the RPSF in Djibouti ▶

Despite the pandemic, IFAD-supported projects have continued to yield positive results for rural people in the region. IFAD has an important role to play when working with countries to build the resilience of rural livelihoods to shocks such as the pandemic, and relaunching a productive and profitable agriculture. In Montenegro, the Rural Clustering and Transformation Project has integrated more than 20,000 small-scale producers into profitable value chain clusters, enabling them to benefit from remunerative market access and prices through collective action. Partnerships between farmers, processors and other private sector actors have provided rural people with predictable and stable prices, meaning stable incomes and reduced poverty. The local dairy sector in particular has benefited from the project, which has also provided farmers with new, high-quality cattle and subsidized milking machines. **“Since it started, we have had regular payments, regular everything,” said Boško Krgović, a participant in the project. “The buyer is the best kind, he’s not a second late.”** ▶

Managing and safeguarding valuable natural resources has been a cornerstone of IFAD’s work in the region, and is crucial to ensuring that rural people have the tools they need to build their resilience to climate change. In Kyrgyzstan, the Livestock and Market Development Programme II

introduced remote sensing technology to livestock-keepers for pasture management, which is helping them make sustainable grazing choices, preserving the health of both grasslands and cattle. So far, approximately 380,000 rural households have benefited from the programme.

As a consequence of the programme, reseeding of depleted plots is under way, the body weight of an average livestock animal has increased and the incidence of conflicts over land has reduced.

“We learned with the help of the Google Earth programme to read electronic maps that help us create pasture management plans,” said Urmatbek Omurbekov, a participant in the programme.

Furthermore, the programme’s climate-resilience dimension was advanced through an early warning system for extreme weather that reaches herders even in the most remote pastures.

Climate resilience is a theme that permeates IFAD’s work throughout the region. In the Republic of Moldova, the Inclusive Rural Economic and Climate Resilience Programme brought more than 27,000 hectares under climate-resilient practices, through a range of interlinked, nature-based approaches. These included training and awareness-raising through farmer field schools, and financial incentives offered to small-scale farmers for the acquisition of equipment specific to conservation agriculture. Forest restoration through the installation of shelter belts – that is, using nature-based agroforestry to build protective barriers that act as windbreaks and reduce soil erosion – has helped sustainably improve yields. Overall, 70 per cent of participating households reported increases in soil humidity, while half had increased their incomes.

Climate resilience is a theme that permeates IFAD’s work throughout the region.

WEST AND CENTRAL AFRICA

24 COUNTRIES

PORTFOLIO MANAGEMENT HIGHLIGHTS

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

Numbers indicate ongoing programmes and projects

■ Countries with ongoing ASAP grants

49
ONGOING PROGRAMMES AND PROJECTS
in partnership with 22 countries in the region at the end of 2021

1
NEW COUNTRY STRATEGIC OPPORTUNITIES PROGRAMME
in Togo

6
NEW PROGRAMMES AND PROJECTS
approved in 2021 in Chad, Congo, Côte d'Ivoire, Ghana, Nigeria and Senegal

US\$1,865.2 MILLION INVESTED BY IFAD IN THE REGION'S ONGOING PORTFOLIO
US\$249.4 MILLION IN NEW APPROVALS IN 2021



Benin. Djannato Jean-Francois set up a poultry farm in Atchanno with a loan from a local bank. The success of the farm has enabled him to pay for his four children's education.

©IFAD/Andrew Esiebo/Panos

HIGHLIGHTED PROJECT **BENIN**

The Market Gardening Development Support Project is helping small market gardeners cope with the impacts of climate change. In particular, it has built their resilience to increasingly frequent flooding of their farmlands through the construction of raised crop beds. Productivity and profits have also been raised through the provision of improved and high-quality seeds.

CONSTRUCTION
OF OVER
81
HECTARES
of raised beds, benefiting
19 cooperatives

**MORE THAN HALF
OF THE BENEFITING
FARMERS WERE
YOUTH**

**PEPPER YIELDS
INCREASED BY
60 PER CENT AND
PROFITS NEARLY
DOUBLED**

Most countries in the region are expected to regain their pre-COVID-19 economic growth trajectories.

In 2021, many countries of West and Central Africa saw a mild rebound in economic activities as they continued to roll out their action plans in response to the COVID-19 pandemic. Across the region, the pandemic has pushed approximately 15 million people into extreme poverty.

Growing instability and unrest, increasing youth unemployment, deteriorating climatic conditions and growing inequality pose concerns about the prospects of getting on track to reach the SDGs. At the same time, while the regional health risk remains high due to relatively low vaccination levels, the economic outlook, at least in the short run, is positive.

Most countries in the region are expected to regain their pre-COVID-19 economic growth trajectories. In particular, we expect to see increases in production and access to inputs, finance and markets for small-scale farmers due to the easing of the COVID-19 restrictions.

Given the overall context, addressing growing levels of fragility, particularly related to climate change and the vulnerability of regional food systems, is at the heart of IFAD's investments in West and Central Africa. Across the 49 ongoing IFAD-supported projects, tailored interventions – focused mainly on climate change adaptation and on improving food production, processing and marketing – are geared towards improving the livelihoods of small-scale farmers and other rural people.

IMPROVING LIVELIHOODS BY BUILDING RESILIENT FOOD SYSTEMS

We devote much attention to increasing farmers' access to inputs (such as fertilizers and improved seeds) and to creating incentives for improving access to attractive markets, prices and finance. These are priorities in the fulfilment of the SDGs, especially those on ending poverty and hunger. In this regard, digital and community marketing platforms have proven to be effective mechanisms.

For example, in Ghana, the matching grant scheme under the Rural Enterprises Programme is providing intensive training in agribusiness and marketing, particularly in the poultry farming subsector. **"I'm making a lot of profit. I'm using [those profits] to take care of not only my children but some family members who are still in school,"** said William Macbeth Vorsah, who was able to expand his poultry farm thanks to the training. William's farm now has three large poultry houses with capacity for 3,000 birds. His market outreach extends beyond the local market, with many of his customers coming from the capital city.

In Nigeria, the Value Chain Development Programme in Niger State has provided local farmers with improved seeds and training in market information systems, enabling them to increase their yields and incomes. **"We are trained in how this product will be sold online,"** said Aminu Ndakogi Kanko, a participant in the programme. **"A buyer can be from another state and he can place the order and the goods will be sent to the destination."** As well as improving the livelihoods of farming families, the programme has created jobs for young people in the area.



"As a result [of the programme], I was able to marry at my youthful age, send my wife to school, build a house and own a car. In addition, I was able to create jobs for the youth by directly employing three young graduates."

Aminu Ndakogi Kanko, participant in the Value Chain Development Programme, Nigeria ▶

Enabling rural people to recover and rebound from shocks is another essential aspect of IFAD's efforts to boost rural livelihoods in the region. In the Democratic Republic of the Congo, the North Kivu Agriculture Sector Support Project is providing immediate support to vegetable producers who have been severely affected by the impact of the COVID-19 pandemic and by a local volcanic eruption. The rapid intervention of the project to meet the needs of affected farmers – with the support of IFAD's RPSE – has been key. **“IFAD support came on time,” said Mrs Liberatice, a member of a potato farm cooperative in the Kibumba production basin in Nyiragongo territory. “It will allow me to resume my agricultural activities after my farm was burnt by the volcano lava flow.”**

“With this, I have regained my dignity because I will no longer depend on food aid.”

Mrs Liberatice, North Kivu Agriculture Sector Support Project beneficiary, Democratic Republic of the Congo

SUPPORTING SMALL-SCALE FARMERS TO ADAPT TO CLIMATE CHANGE

Greater climate variability and difficulties in predicting weather conditions are creating problems for farmers. **“We need to know when there will be rain or when there will be no rain. If we know that such a period will have rains or droughts, we will know how to go about our cropping season,”** explained Lami Mohammed, a participant in the VCDP in Nigeria. The VCDP has partnered with the Nigerian Meteorological Agency to use digital technologies to provide farmers with timely climate information via group messages on WhatsApp.

“Thanks to the programme, we are now receiving regular weather information and the climate-smart reader is helping us in planning for our farming activities.”

Lami Mohammed, participant in the Value Chain Development Programme, Nigeria

Similarly, in Benin, the Market Gardening Development Support Project (PADMAR) is helping small-scale farmers cope with the impact of flooding of their farmlands. The project constructed raised garden beds on over 81 hectares, in addition to providing improved seeds. This has resulted in a significant increase in yields and a near doubling of incomes for the farmers.

“Before the intervention of the project, we were exposed to production losses due to frequent flooding. The project has made it possible to remarkably increase the productivity of chilli peppers on our site,” said Noukpo Léon, a participant in PADMAR.

We are aware that thriving ecosystems are valuable resources in enabling communities to adapt to a changing climate and – through their role in sequestering carbon and regulating the climate – they help reduce the causes of climate change. That's why nature-based solutions are at the heart of our approaches. In Burkina Faso, the Participatory Natural Resource Management and Rural Development Project in the North, Centre-North and East Regions works with rural communities to restore arable land and forests and to protect watersheds. Through farmers' cooperatives, it provides training, encourages peer-to-peer exchanges and supports the construction of infrastructure. Valuable lessons from this project have been documented for adaptation to other contexts.

NATURE-BASED SOLUTIONS ARE AT THE HEART OF OUR APPROACHES



MALAWI

Young workers load bags of potatoes onto a truck bound for a local market.

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TRANSFORMING FOOD SYSTEMS

2021 was the year the world came together to agree on the actions needed to protect the future of our food systems. In September, United Nations Secretary-General António Guterres convened a Food Systems Summit as part of the Decade of Action to achieve the SDGs by 2030. This represented an unprecedented opportunity for us to share our unique experience and knowledge gained from working with the most vulnerable people in food systems, and to advocate for positive change on the global stage.

This meant not only speaking on behalf of the rural people we serve, but also – equally important – finding ways to allow them to speak directly to world leaders. We had to ensure that small-scale farmers and other rural people were at the centre of food systems transformation.

We also needed to inject our expertise and knowledge to advance action-oriented global commitments that would help bring about the required transformation.

The United Nations Food Systems Summit was a culmination of 18 months of work to increase IFAD's visibility and positioning as the organization that puts rural people at the centre of food systems transformation.

Major initiatives in 2021 included:

- Through our interactive [Rural Voices](#) platform and our partnership with Farm Radio International, supported by Canada and World Vision, rural people had the opportunity to directly share their own challenges and solutions with the world. The [On Air Dialogues: Listening to Rural People](#) report, and the [event](#) that resulted from this, generated broad media coverage and social media engagement.
- Ahead of the summit, the Rural Development Report was launched, providing detailed recommendations on actions to transform food systems. The [launch event](#), [microsite](#), [videos](#), [▶ extensive social media campaign](#) and [top-tier media outreach](#) ensured that IFAD was positioned as a thought leader in this process, offering real solutions to food systems challenges.
- We led the development of a coalition of public development banks along with our partners at Agence Française de Développement and Cassa Depositi e Prestiti to increase financing for the world's poorest farmers. Subsequent to IFAD convening a dedicated plenary session on "[Mobilizing trillions: Financing for impact](#)" at the pre-summit in July, a group of public development banks announced the [launch of a dedicated platform](#) to speed up greener and more inclusive investments in food systems.

We had to ensure that small-scale farmers and other rural people were at the centre of food systems transformation.

- At the summit itself, the speech made by the President of IFAD, which was amplified in the media and through social media channels, outlined IFAD’s strong call for action. The momentum continued in the days following the summit, including through IFAD’s Goodwill Ambassador Sabrina Elba carrying IFAD’s message to the stage of Global Citizen’s 24-hour concert. ▶
- From July to September, we produced a series of podcasts focusing on the summit, especially on the need to connect farmers.



“I believe that with all this work, we will achieve a fairer future for farmers around the world – with a healthy environment, equitable access to healthy food, quality water, dignity for everyone.”

Denise Cardoso, farmer, Brazil, speaking on the Rural Voices platform

In addition, IFAD played a variety of roles within the summit architecture. Most notably, we acted as the United Nations anchor agency for Action Track 4, “Advancing equitable livelihoods and value distribution”. This entailed being part of the leadership team for the action track and taking part in a wide range of activities related to content and coordination, such as identifying and developing game-changing solutions to promote equitable livelihoods. We also contributed to each of the other four action tracks through the engagement of IFAD senior technical staff specifically to ensure coordination and knowledge exchange across the tracks.

A major outcome of our work on Action Track 4 – and of the summit in general – was the establishment of the Coalition of Action on Decent Work and Living Incomes and Wages for All Food Systems Workers. IFAD is leading this coalition along with the International Labour Organization and CARE. The coalition is focused around the overarching objective of ensuring economic and social justice and the right to adequate and nutritious food for all food systems workers. This will involve creating viable opportunities to earn decent incomes through productive farming, fishing and pastoralism, and improving decent employment and entrepreneurship opportunities in on- and off-farm food system enterprises.

The theme of creating decent work and incomes is integral to IFAD’s work, through activities such as the following:

- Extending training, equipment and technology to women fishers in the Philippines to add value to their fish products. **“[Now] I can buy food, clothes for my children and school supplies. Before, it wasn’t like that.” Ruperta Manadong Gagarin, participant in the Fisheries, Coastal Resources and Livelihood Project.** ▶

- Providing local farmers with secure market access by linking them to school feeding programmes in Guatemala, and improving the nutrition of schoolchildren in the process.

“One of the benefits we’ve seen is the security of a confirmed offer. That order is marked on the calendar.”

► Francisco Mejía, participant in a school feeding programme organized by IFAD with the Food and Agriculture Organization of the United Nations and World Food Programme in collaboration with the Government of Guatemala.

- Linking initiatives to restore local mangrove ecosystems with profitable new business activities, such as oyster farming and processing, and beekeeping, in Senegal.

“I like beekeeping because it is good for my family and myself. We can share what we earn and keep the rest for ourselves. We then use some of our savings to reforest the mangrove and protect it.”

Bana Diouf, participant in the Agricultural Value Chains Support Project.

Our work through the Rural Poor Stimulus Facility continues to be an important part of our efforts to build the resilience of food systems during the pandemic. Since its establishment in April 2020, US\$86 million has been approved to finance 55 single-country and 9 multi-country projects, together with US\$19.3 million in cofinancing. In 2021, we completed quality assurance for 64 new project proposals and 44 additional financing requests under the Rural Poor Stimulus Facility, which will extend the benefits of the facility to millions more rural people.

Learning from IFAD’s operational work will inform our leadership of the coalition. It will provide an opportunity to bring IFAD’s work with small-scale farmers and other food systems workers to global audiences, and to advocate for the centrality of decent work for all food systems workers. This, in turn, will be integral to building the future food systems that work for all.

IFAD was also entrusted with a leadership role in addressing the area of finance as a “means of implementation” for food systems transformation, with a focus on addressing the funding gap and promoting sustainable and inclusive food systems finance.

OUR WORK THROUGH THE RURAL POOR STIMULUS FACILITY CONTINUES TO BE AN IMPORTANT PART OF OUR EFFORTS TO BUILD THE RESILIENCE OF FOOD SYSTEMS DURING THE PANDEMIC

SINCE ITS ESTABLISHMENT IN APRIL 2020, US\$86 MILLION HAS BEEN APPROVED TO FINANCE 55 SINGLE-COUNTRY AND 9 MULTI-COUNTRY PROJECTS, TOGETHER WITH US\$19.3 MILLION IN COFINANCING



GUATEMALA

Felipe Cotojá demonstrating the irrigation system he uses at his corn plantation.

©IFAD/Santiago Albert Pons

PUTTING RURAL PEOPLE AT THE CENTRE OF CLIMATE ACTION

COP26 was the most important global climate meeting since the 2015 United Nations Climate Change Conference, which resulted in the Paris Agreement. In 2015, countries pledged to keep the global temperature increase below 2° C. They set up five-year review cycles to evaluate their progress – COP26 was the first of those reviews.

The meeting came at a time when the first part of the sixth assessment report of the Intergovernmental Panel on Climate Change showed temperatures were rising faster than ever before. And the world's small-scale farmers are already feeling the effects: more frequent extreme weather events are destroying crops, killing animals, reducing earnings and increasing conflicts over natural resources. Across the world, it is small-scale farmers who are on the front line as the impacts of climate change become more severe.

“There have been huge losses because this year the winter should have arrived a month ago but it still hasn't rained.”

Alfonzo Ramírez, farmer, Guatemala ▶

COP26 was the most important global climate meeting since the 2015 United Nations Climate Change Conference, which resulted in the Paris Agreement.

That's why they need the world's attention, just as the world needs them and their work – small-scale farmers produce around one third of the global food calories on less than 11 per cent of the world's land. Making sure that this happened, that they received attention, was IFAD's overarching objective at COP26.

IFAD actively participated in COP26, with a physical presence in Glasgow during the two weeks of the conference. Our strong presence on the ground, focused messaging, thought leadership and visibility in the global media helped to draw global attention to small-scale farmers and the need for increased investments in adaptation. Our participation at COP26 included the following:

- **IFAD's Goodwill Ambassadors, Idris and Sabrina Elba, delivered strong speeches in the plenary session ▶ and at the official press conference, which led to significant coverage in top-tier media, with news outlets rating their participation one of the key COP moments, and crediting them with bringing small-scale farmers into the COP26 spotlight.**

- The 31 events at the IFAD Pavilion attended by live and virtual audiences ensured that the voices of rural producers, youth and indigenous peoples, who are so often marginalized, were given a space in this global forum.
- The combination of a dedicated IFAD COP26 microsite and an extensive social media campaign reached an estimated audience of 4 million people, while ensuring regular, real-time and engaging updates on our key messages and visibility moments.

Our messaging on small-scale farming resonated with global audiences, generating more than 1,200 media stories in global publications. Importantly, our strong presence and outreach enabled us to drive home our main messages and play a thought leadership role by highlighting specialized knowledge and data related to climate change, small-scale agriculture and food systems. This included fresh evidence generated in our report *What Can Smallholder Farmers Grow in a Warmer World?*, launched in the lead-up to COP26.

It also included the knowledge gained from our ongoing work on the ground with rural people across the world, with climate action being integral to all our country strategies.

IFAD's activities to build climate resilience are wide-ranging and depend on local conditions and contexts.

Examples include:

FLASH FLOOD EARLY WARNING SYSTEMS IN FLOOD-PRONE AREAS OF BANGLADESH

HOLISTIC CLIMATE-SMART AGRICULTURE PRACTICES IN AREAS STRIPPED BY WINDS AND DESERTIFICATION IN GEORGIA

RESTORATION AND CONSERVATION INITIATIVES IN THE HIGH ANDES OF PERU

REFORESTATION OF SENEGAL'S MANGROVE FORESTS ►

WETLANDS AND WATERSHED DEVELOPMENT IN BURUNDI

In 2021, IFAD launched a new and enhanced phase of ASAP, the Adaptation for Smallholder Agriculture Programme, to address the climate change drivers of food and nutrition insecurity and build the climate resilience of rural people, with a particular emphasis on targeting the most marginalized and vulnerable women, men, young people and indigenous communities. The new phase, ASAP+, will be integrated into IFAD's programme of work in early 2022, while continuing to mobilize resources for its intended beneficiaries. It will build on the success of ASAP, IFAD's flagship programme for channelling climate and environmental finance to small-scale farmers, which consists of 43 projects implemented in 41 countries. Indeed, during the Eleventh Replenishment of IFAD's Resources period (2019-2021), around 35 per cent of our programme funds were climate finance, at US\$1.2 billion, the greater part of this being for adaptation.

A growing number of IFAD-supported projects are promoting innovative ways for small-scale farmers to build their resilience to climate change. For example, in Kenya, the Climate-Resilient Agricultural Livelihoods Window (KCEP-CRAL) started an insurance pilot, designed specifically to meet the needs of farmers in the arid and semi-arid lands and to protect their rainfed crops against drought, floods, and notifiable pests and diseases. The project provides area yield index insurance, in which harvests are sampled and measured against historical norms. Compensation payouts are triggered for all farmers in a particular agro-ecological area if production falls below a set yield threshold. So far, over 40,000 farmers have signed up, over 11,500 of whom received compensation in 2021 as a consequence of droughts. The insurance payouts have

been credited to farmers' savings e-wallets, making the money available for the next planting season in March 2022. More local farmers are now joining the scheme.

"In terms of this insurance ... I got to know about it through my neighbour who is going to be paid because he was affected," said Musa Omar Mlamba, a farmer and participant in KCEP-CRAL. "It has motivated me to pay it this time."

Also in 2021, the IFAD Independent Office of Evaluation conducted a thematic evaluation of IFAD's support for smallholder farmers' adaptation to climate change.

The evaluation report noted IFAD's achievements, especially in mobilizing climate finance, mainstreaming climate change in projects and targeting the poorest and most vulnerable people. It also highlighted areas where IFAD can do more, especially related to going beyond risk management towards identifying livelihood opportunities for rural people linked to climate adaptation and mitigation – that is, going beyond a do-no-harm approach and building more on win-win solutions, such as those highlighted above in Georgia, Peru and Senegal.

In 2022, keeping climate adaptation and resilience high on the global policy agenda will be a priority, especially at COP27. To solidify the work that IFAD has done so far, we are already actively engaging with the Egyptian Presidency of COP27 to explore opportunities, including hosting and/or participating in high-level events focused on building coalitions among interested parties, and ensuring that the voices of rural people are heard and heeded at COP27 in Sharm El-Sheikh.



TUNISIA

Afif Arfa has set up an enterprise selling bags and other items made from reeds growing locally. She trains other women in her community to do the same.

© IFAD/Alfredo D'Amato/Panos

INFLUENCING GLOBAL DEBATES AND ADVOCATING FOR INVESTMENT IN RURAL AREAS

The COVID-19 pandemic, food systems and climate change dominated the global agenda in 2021. These issues have profound impacts on the rural people we serve. Equally important, thriving rural communities and decent work and livelihood opportunities in rural areas are crucial aspects of building global resilience to these challenges.

Rural people and their work are key to helping us address the most pressing global issues.

We needed to deliver this narrative to global audiences, and we made significant efforts to raise IFAD's visibility for this purpose and to play a thought leadership role in shaping global debates.

Throughout 2021, we ensured that the relevance of IFAD's mission and the central role of small-scale farmers and other rural people were prominent in global discourses. As a testament to IFAD's increased participation on the global stage, in 2021 IFAD's President and senior management delivered more than 150 speeches at global events – a 25 per cent increase from 2020. Since 2019, the number of media stories featuring IFAD has increased annually, from approximately 13,000 to more than 17,000. Throughout 2021, IFAD's experts were regularly featured in global top-tier media, demonstrating an increased recognition of IFAD as a thought leader on the global stage.

Major global events during the year included the United Nations Food Systems Summit and Pre-Summit, COP26, the

2021 Finance in Common Summit and the Nutrition for Growth Summit. IFAD'S participation in these was underpinned by its specialized knowledge and its ability to bring rural people into debates, enabling them to share their perspectives first-hand with world leaders.

SINCE 2019, THE NUMBER OF MEDIA STORIES FEATURING IFAD HAS INCREASED ANNUALLY, FROM APPROXIMATELY 13,000 TO MORE THAN 17,000

Our thought leadership role was underpinned by the launch of a series of authoritative studies on the issues under discussion at these global events. In addition to our flagship Rural Development Report *Transforming Food Systems for Rural Prosperity*, launched in the lead-up to the Summit, we published research reports linked to global climate debates. Both the technical report *Nature-based Solutions* and the series of climate risk analysis reports produced in partnership with the University of Cape Town *What Can Smallholder Farmers Grow in a Warmer World?* were launched to coincide with COP26 and provided evidence to support our call for more investment in climate adaptation for small-scale farmers. These initiatives demonstrate the value of fresh data and new insights or recommendations to create a range of advocacy and communication outreach opportunities and ultimately to enable IFAD to influence global debates.

We are also bringing new ideas to debates on food systems transformation through the IFAD Innovation Talks, a series of learning sessions featuring innovative approaches developed by IFAD and its partners. In 2021, the topics covered included [digital agriculture and opportunities for poor rural people](#), with the participation of Nobel Prize-winning economist Michael Kremer. Showcasing innovation is an intrinsic part of thought leadership, and other notable initiatives in this area in 2021 included the Sharefair – a virtual ideas marketplace – ► that we organized and hosted at COP26 on “Geospatial tools and applications for climate investments” and our contribution to the [Moonshots for Development](#) working group of the innovation arms and laboratories of international financial institutions. We also partnered with CGIAR for the 2021 Agrobiodiversity Innovation Challenge and the Agri-Food Tech Innovation Forum.

Furthermore, by giving rural people their own public platform in media interviews, ► in video stories, ► at events and on the Rural Voices microsite, they were able to share their challenges and solutions first-hand.

Rural people were able to share their challenges and solutions first-hand.

This gave them valuable opportunities to have a voice in the global discussions that have an impact on their lives.

During 2021, IFAD engaged prominently in a range of significant high-level forums, including the first-ever joint G20 Foreign Affairs and Development Ministerial Meetings in Matera in June, under the Presidency of Italy. The President of IFAD participated in these meetings, delivering a strong message on the types of actions needed to mobilize the private sector, governments and development finance institutions to invest in small-scale agriculture and rural development. The meetings provided a unique opportunity for us to highlight our niche role as an international financial institution with a focus on inclusive finance in our investments in sustainable rural transformation. The [Matera Declaration](#)

includes a specific reference to IFAD and its central role in leading the Finance in Common Working Group on Financing Sustainable Food Systems.

Alongside and complementary to our G20 work on financing food systems, IFAD has led international partners in promoting the role of public development banks in mobilizing public and private sector financing for inclusive and nature-positive food systems transformation. This was supported by our role in organizing the Finance in Common Summit held in Rome, and underpins the multi-stakeholder coalition on public development banks, which was an outcome of the Food Systems Summit.

Late in the year, we played a prominent role at the Nutrition for Growth Summit, hosted by Japan, where we organized a number of events focused on maintaining the momentum in implementing the outcomes of the United Nations Food Systems Summit. This provided a valuable opportunity to showcase lessons from our activities, in particular on topics such as [making food affordable and nutrition-sensitive agriculture](#).

Being a thought leader also means sharing knowledge and lessons from our projects, and 2021 has seen a number of milestones for [South-South and Triangular Cooperation \(SSTC\)](#) at IFAD. In support of our response to COVID-19 and to build on the increasing role of SSTC in fragile contexts, four new projects were approved under the China-IFAD SSTC Facility, to share knowledge on how to address pandemic challenges in rural areas. One of these is in the United Republic of Tanzania, where the project will strengthen the value chains of three high-demand crops (beans, cassava and sunflower) and benefit more than 100,000 farmers.

We also used new partnerships to boost the role of SSTC in sharing solutions for improved rural livelihoods. On the [Rural Solutions Portal](#), 46 innovations from the South were published and a new section for partners was created, incorporating over 25 institutions that support SSTC activities across the world. In addition, we launched the [Latin America and](#)

the [Caribbean Knowledge Platform](#), a space within the IFAD website dedicated to sharing knowledge and promoting replicable good practices among the Spanish-speaking rural development practitioner community.

Also in the region of Latin America and the Caribbean, a major event in the area of knowledge-sharing was the high-level workshop on "Building bridges between social protection and productive inclusion policies in Latin America and the Caribbean", which was the culmination of years of work on the subject in collaboration with the University of the Andes.

Increasingly, IFAD's knowledge and research is influencing initiatives on the ground – carried out under IFAD-supported projects but also by our partners – to boost rural people's livelihoods. Our [Agricultural Research for Development \(AR4D\)](#) activities – focused on improving the resilience and livelihoods of rural people through scientific research – produced a series of impressive results in 2021. These included the production and release of 11 high-yielding sorghum varieties and seven finger millet varieties in Kenya and the United Republic of Tanzania. In addition, thanks to AR4D research, five sorghum varieties were developed as commercial crops, benefiting 25,000 contract farmers for the brewing industry in Kenya and 15,000 in the United Republic of Tanzania. And in Burundi, and Rwanda, AR4D projects led to the development of eight new cassava varieties resistant to cassava brown streak disease and cassava mosaic disease, with higher productivity and sustainable seed systems.

During the year, we intensified efforts to integrate AR4D into IFAD country programmes. Some of the major contributions to programmes included solutions for the restoration of degraded land in East Africa and the Sahel, the development of climate-resilient crops in Senegal and Uganda, and the introduction of vaccines against pests in Mali.

Increasingly, partner governments are requesting the use of AR4D as a service to support the use of new technology, which is contributing solutions that build the resilience of farmers against new and traditional threats. For example, the Government of Eritrea recently requested technical support in launching sustainable bio-organic fertilizer and pesticides for small-scale farmers.

THANKS TO AR4D RESEARCH, FIVE SORGHUM VARIETIES WERE DEVELOPED AS COMMERCIAL CROPS, BENEFITING FARMERS IN KENYA AND IN THE UNITED REPUBLIC OF TANZANIA

While learning and knowledge inform our operations, we also prioritize learning from our operations. A series of reports from IFAD's Independent Office of Evaluation showed how IFAD is addressing both the drivers and the consequences of fragility, highlighting our role in mitigating natural resource conflicts and in involving young people as agents of positive change. The Independent Office of Evaluation has adapted its approach to evaluations in the context of the COVID-19 pandemic, ► and is continuing to provide valuable lessons to help us do even more for rural people.

A series of reports from IFAD's Independent Office of Evaluation showed how IFAD is addressing both the drivers and the consequences of fragility.



VIET NAM

Women practising climate-smart production have benefited from improved links with markets and higher incomes in the provinces of Tuyen Quang, Ninh Thuan and Gia Lai.

©IFAD/Susan Beccio

WORKING AT THE GRASSROOTS LEVEL TO BUILD RURAL COMMUNITIES FROM THE BOTTOM UP

IFAD is unique in its commitment to work with rural people at the grassroots level and transform food systems and rural economies from the bottom up. In all of our work, we target small-scale farmers, owners of small and medium-sized rural businesses, and other rural people at risk of being left behind. This requires specialized knowledge of the challenges these women and men face, as well as a commitment to work with them at the grassroots level to find solutions to improve their lives.

In 2021, we continued to put the most vulnerable, remote and marginalized people first and to use our distinctive knowledge of key rural development topics – among them rural finance, value chain development, land tenure, rural institutions, risk management and remittances – to achieve positive change.

WORKING WITH RURAL PEOPLE'S ORGANIZATIONS

Organizations run by rural people – especially farmers' organizations – are not only beneficiaries of IFAD-supported projects. They are also strategic partners.

Our partnerships with farmers' organizations have been especially crucial in keeping food systems functioning as the pandemic continued to disrupt economies throughout 2021. These organizations have played a vital role in keeping food systems and rural livelihoods going, and we have been supporting their excellent work through the [SAFE 2020 programme](#), which had reached approximately 300,000 small farms across Africa by the end of 2021.

The support provided by SAFE 2020 falls into two main categories. First, the programme provides vulnerable small-scale producers with productive inputs and finance so they can continue their activities. Second, the programme established communication platforms to disseminate accurate, up-to-date information on the pandemic, including advice on how to stay safe from the virus. This was important as it is often difficult for poor people in rural areas to get the information they need to deal with crises. **"[Farmers] really turned to us as a trusted source of information, even though health issues are not at the core of our work,"** says Norbert Tuyishime, from the Eastern Africa Farmers Federation.

Our work with farmers' organizations is an important means of amplifying the voices and concerns of rural people in policy dialogues, both nationally and globally. For example, within the [Joint Programme for the Sahel in Response to the Challenges of COVID-19, Conflict and Climate Change \(SD3C\)](#), we have been working with regional pastoralist networks to share the findings of the report *Listening to Herders*. Amplifying the voices of rural people was a major priority of IFAD's work in 2021, with the Rural Voices programme – in which farmers' organizations were also prominent – bringing the voices of rural people to the world's attention during the Food Systems Summit deliberations.

Farmers' organizations also continue to play an important role in informing IFAD's operational activities. And the relationship goes both ways: strengthening and providing capacity to farmers' organizations is a fundamental aspect of IFAD operations. One avenue for this symbiotic relationship is the IFAD-supported [Farmers' Organizations for Africa, Caribbean and Pacific](#) programme, which provides dedicated institutional support to farmers' organizations.

“The partnership between IFAD and farmers' organizations in the Pacific was built on a shared desire to reach grassroots rural farmers. Farmers' organizations in the Pacific are no longer just beneficiaries of IFAD-supported projects but instead are active partners. Heading into 2022, the Pacific Island Farmers Organisation Network and IFAD again have a shared goal, which is to reach more farmers' organizations across the Pacific.”

Kyle Stice, CEO, Pacific Island Farmers Organisation Network (PIFON)

BUILDING FARMERS' RESILIENCE THROUGH HOLISTIC APPROACHES TO RISK MANAGEMENT

Building resilience in the agricultural sector is becoming increasingly urgent. A holistic approach to agricultural risk management (ARM) must be integrated into food systems to assess the multitude of risks and their interrelations, and to identify and design risk management tools tailored to each context.

This is the approach adopted by the multi-donor [Platform for Agricultural Risk Management \(PARM\)](#) and the [Insurance for Rural Resilience and Economic Development \(INSURED\)](#) programme, which is managed by IFAD through PARM. Through these two initiatives, IFAD continues to lead the ARM agenda at the global, regional and national level. At the same time, this work has enabled us to boost the technical expertise in ARM available to IFAD-supported programmes and to our partners.

In 2021, PARM and INSURED expanded country activities, strengthening the abilities of local farmers to deal with the specific risks they faced, and alerting them to the benefits of insurance. For example, in Viet Nam, we began a training-for-trainers programme and developed a set of complementary materials about different types of insurance and their suitability for different agricultural subsectors. One of the main areas of focus for the training was improving farmer awareness and trust for better uptake of formal insurance.

“The technical assistance from IFAD has come to us at the right time as we are formulating the National Agriculture and Rural Development Strategy 2021-2030 with Vision to 2040,” said Dr Tran Cong Thang, Director General of the Vietnamese Institute of Policy and Strategy for Agriculture and Rural Development. **“The agriculture insurance development strategy recommended by IFAD is one of the important elements of this national strategy.”**

SPEEDING UP RECOVERY AND RESILIENCE THROUGH DIGITAL AND FINANCIAL INCLUSION

The world's 200 million migrant workers – and their families – have been among the most vulnerable to the economic fallout of the pandemic, as rising unemployment has particularly affected the sectors in which many of them work. Of the 800 million family members supported by remittances worldwide, almost 25 per cent live in Africa, mostly in rural areas.

Despite projections, remittances continued to flow as a result of increased access to formal channels, thanks to an accelerated adoption of digital technology. In 2021, IFAD's [Financing Facility for Remittances \(FFR\)](#), through the [Platform for Remittances, Investments and Migrants' Entrepreneurship in Africa \(PRIME Africa\)](#) programme, expanded its operations to ensure that this continues to be the case. Through PRIME Africa, we set up new National Remittance Stakeholder Networks in Kenya, Morocco and Uganda, to join those in The Gambia, Ghana and Senegal. We worked closely with these networks throughout the year to promote ideas and innovations to reduce remittance costs, promote tailored financial services for migrants and their families, and create opportunities in rural communities in countries of origin.

IFAD's FFR also launched a series of calls for proposals in each country, to identify private sector partners to implement projects that will advance the efficiency and impact of remittances for a sustainable recovery in rural areas.

In 2021, IFAD's FFR was also active in shaping global debates on the topic of remittances, including through leading the technical support provided to the

G20 Global Partnership for Financial Inclusion and the global campaign for the observance of the [International Day of Family Remittances](#) on 16 June, as well as through the IFAD-led [Remittance Community Task Force](#) and [Global Forum on Remittances, Investment and Development](#). Along with the World Bank, we also released a major study, *Resilience in the Market for International Remittances during the COVID-19 Crisis*, endorsed by the G20 under the Italian Presidency.

EXPANDING OUR WORK ON OTHER KEY THEMES IN 2021

Leading the recovery from the pandemic in rural areas and building the resilient and inclusive rural communities of the future requires more than single interventions. It requires coordinated approaches – supported by detailed and specialized knowledge of rural development challenges – across multiple topics at the grassroots level, in partnership with rural people themselves.

Throughout the year, we continued to expand our work on the issues that affect rural people's lives the most.

- **We are doing more to promote secure access to land and affordable finance for youth across Africa through our Rural Youth Employment Opportunities: Support to Integrated Agribusiness Hubs programme.**

To aid implementation of the programme and contribute to the global knowledge base on this topic, we published a toolkit on ["Access](#)

OF THE 800 MILLION FAMILY MEMBERS SUPPORTED BY REMITTANCES WORLDWIDE, ALMOST 25 PER CENT LIVE IN AFRICA, MOSTLY IN RURAL AREAS

to land for rural youth employment and entrepreneurship”. We are using inclusive approaches to the adoption of digital technologies – such as blockchain, precision agriculture and climate-smart technologies that use remote sensors and satellite imagery – to create new opportunities for rural people. IFAD’s unique grassroots approach, ensuring strong community collaboration at the last mile for rural transformation, is crucial to ensuring benefits for the most marginalized and vulnerable people. For example, in Viet Nam, digital salinity monitoring and forecasting systems are helping farmers protect their crops and more effectively plan their activities. And the increased use of information and communications technologies for development (ICT4D) approaches has enabled us to continue providing essential services, especially training, during the restrictions implemented in response to the COVID-19 pandemic.

- **Renewable energy technologies are an increasing focus of many of our projects and we are pioneering approaches to make these technologies affordable and adaptable to small-scale agriculture.**

One avenue for this is through pilot projects with our partners, such as the Water and Energy for Food Grand Challenge and the regional Climate Innovation Hubs Project with the German Agency for International Cooperation, which will be integrated into ongoing IFAD-supported projects, initially in West Africa (Côte d'Ivoire and Mali) and Latin America. Considerable success in this sphere has already been achieved elsewhere in our portfolio and, in 2021, we produced a publication documenting successes in extending renewable technologies to small-scale farmers in Cambodia.

- **During the year, we made major efforts to share our knowledge and lessons on livestock development, in particular its role in rural livelihoods, and how solutions can contribute to addressing major global challenges, including climate change.**

For example, we organized events dedicated to issues such as “promoting closer cooperation between the human and animal health sectors and recognizing the links between humans, animals, and the environment” – an especially crucial issue as the world grapples with diseases that move between species. We also led national and global discussions on related topics, including assessing carbon emissions from specific livestock subsectors and finding sustainable solutions, supporting mobile pastoralism for climate change mitigation, and advancing sustainable poultry development.

- **Our reimbursable technical assistance programme has covered a range of issues and shaped the development of national policies and approaches to building resilient rural communities in 2021.**

In Mauritius, a revolutionary national seed policy providing solutions for small-scale farmers is entering into legislation. In Botswana, a reimbursable technical assistance programme that focused on small ruminants marks a critical step towards improving small-scale farmers’ self-sustainability, nutrition and market access. Another, in Saudi Arabia, has helped boost small-scale farmers’ coffee and mango production, improving market access and natural resource management.



NIGERIA

Lokogoma Cassava Processing Centre has introduced a more nutritious variety of cassava. It has also created jobs and improved incomes for its young workers.

©IFAD/Bernard Kalu

BRINGING MORE INVESTMENT INTO RURAL AREAS: A PRECONDITION FOR REALIZING AMBITIONS FOR A MORE RESILIENT AND INCLUSIVE WORLD

A RECORD IFAD REPLENISHMENT

IFAD is seeking to double and deepen its impact by 2030. A key part of delivering on this ambition will be our ability to expand the size of our investments in rural areas.

On 16 February 2021, IFAD Member States joined the final meeting of the IFAD12 Consultation, pledging their financial contributions for the programme period 2022-2024. The outcome at the end of the Consultations was around US\$1.1 billion in core contributions, more than in any previous IFAD replenishment cycle.

IFAD12 was a significant milestone. Member States sent an important signal on our global role and ambition by setting the highest-ever resource mobilization target. The IFAD12 replenishment outcome represents a vision for IFAD, particularly in contributing to global recovery, rebuilding and resilience in a post-pandemic world.

The resource mobilization targets set for IFAD12 are:

- US\$1.55 billion in new core contributions and US\$1.2 billion in borrowed resources (including US\$225 million in concessional partner loans) to finance a programme of loans and grants of US\$3.8 billion
- Cofinancing of US\$1.50 for every US\$1 of IFAD financing
- US\$200 million for the Private Sector Financing Programme and US\$500 million for the Enhanced Adaptation for Smallholder Agriculture Programme (ASAP+).

IF THE FINAL MOBILIZATION TARGETS ARE ACHIEVED, IT WILL ENABLE US TO EXPAND OUR PROGRAMME OF WORK TO US\$11.1 BILLION IN IFAD12, COMPARED WITH THE US\$8.4 BILLION TARGET OF IFAD11

If the final mobilization targets are achieved, it will enable us to expand our programme of work to US\$11.1 billion in IFAD12, compared with the US\$8.4 billion target of IFAD11.

The IFAD12 outcome agreement includes a number of important commitments, underscoring a shared vision for IFAD's role in advancing global change. We will continue to concentrate our investments on the poorest people and the poorest countries, with 100 per cent of core IFAD resources directed at low-income countries and lower-middle-income countries. We will increase our focus on fragile countries. And IFAD-supported projects will continue to target people most likely to be left behind: women, young people, indigenous peoples and people with disabilities.

In August 2021, IFAD12 became effective after a minimum of 50 per cent of pledged contributions had been confirmed.

DIVERSIFYING OUR FUNDING BASE, WHILE CORE RESOURCES REMAIN THE BEDROCK OF OUR MODEL

A major IFAD12 commitment is that we will take a leadership role in ensuring that global climate finance reaches small-scale farmers and poor rural people. Indeed, climate finance is already a particular focus of our efforts to increase the size of our investments. During 2021, we continued to mobilize global climate resources from the Adaptation Fund, the Green Climate Fund (GCF) and the Global Environment Facility (GEF). Over the past three years (2019-2021), we have mobilized almost US\$300 million from these sources, further strengthening the global environment and climate outcomes of our investments.

We have committed to doing even more in the years ahead, building on the positive outcomes of COP26, where we advocated for greater investment in climate adaptation. At COP26, donors pledged US\$413 million to the Least Developed Countries Fund, hosted by the GEF, and US\$356 million to the Adaptation Fund.

Seizing this momentum, IFAD will redouble efforts to mobilize resources for ASAP+ through a two-pronged approach: first, by raising additional funds from Member States and, second, by developing a multi-country programme to be financed by the GCF and submitted to the GCF in 2023. Beyond ASAP+, IFAD will continue to maximize efforts to mobilize cofinancing from climate funds such as the Adaptation Fund, the GCF and the GEF, and from multilateral and bilateral partners. Our current GCF portfolio is US\$211 million, and we have a pipeline of around 15 projects that are expected to leverage US\$1.2-\$1.5 billion between 2022 and 2027.

As our climate work demonstrates, IFAD mobilizes and manages a variety of resources from diverse sources. While core replenishment contributions remain the foundation of IFAD's capital, borrowing is fully integrated into our financial framework. We also assemble supplementary resources from a range of development partners, including the private sector and foundations, in the areas that fall within our mandate.

Building on a strong AA+ credit rating, IFAD seeks to complement core replenishment contributions with borrowed resources through the recently introduced Integrated Borrowing Framework, while also pursuing increased international cofinancing through mutually beneficial partnerships with other multilateral development banks, bilateral partners and development funds. In doing so, we will capitalize on our stronger country presence and close relationships with governments and other development actors on the ground.

After the approval of the Integrated Borrowing Framework in December 2020, in 2021 the implementation work began. In June, we launched the [Sustainable Development Finance Framework](#) (SDFF), an entry point for selected impact investors with a demonstrated interest in supporting our mission. Funds raised in accordance

IFAD will take a leadership role in ensuring that global climate finance reaches small-scale farmers and poor rural people.

with the SDFF will be entirely channelled to projects to support our target population: the poorest, most vulnerable and marginalized rural people.

In September 2021, another important step was taken in preparation for the full implementation of the Integrated Borrowing Framework: the Executive Board approved the establishment of IFAD's Euro Medium-Term Note Programme, which is a standardized set of documents under which IFAD will be issuing its private placements.

All of this activity is to ensure that IFAD is ready for its inaugural transaction under the Integrated Borrowing Framework in 2022, in line with the borrowing needed to support the IFAD12 target programme of loans and grants.

GOING FURTHER TO GUARANTEE OUR INVESTMENTS ARE ALIGNED WITH OUR MANDATE AND CORE VALUES

As we diversify our funding base and shift to a new financial model, it is even more important that we ensure that 100 per cent of the investments we are involved in are directed, in a sustainable manner, towards what IFAD does: that is, improves the lives of poor rural people.

Realizing the ambitions of our Private Sector Financing Programme has required much diligence and cooperation across IFAD.

That is why we are solidifying our commitment to demonstrate the positive impacts of our investments on the SDGs. Indeed, we have taken the important initiative of setting treasury investment policies and targets in order to shape collective outcomes in line with the SDGs.

We are also integrating environmental, social and governance considerations into the investing of treasury assets, which consist of resources from Member State contributions, loan reflows and borrowings. This was central to the latest annual update of IFAD's Investment Policy Statement. Indeed, as a responsible investor, IFAD actively advocates for sustainable investment strategies and strictly adheres to the Ten Principles of the United Nations Global Compact. We systematically exclude products, services and business practices that are incompatible with the fundamental principles of human rights, labour, the environment and anti-corruption of the United Nations Global Compact. Applicable sanctions from the United Nations Security Council Consolidated List of sanctioned individuals and entities are likewise used to screen IFAD's treasury investments.

Furthermore, as a way of steering towards the best performers among suitable investors, we are building up our investments in green bonds and other thematic environmental, social and governance securities.

Also in 2021, we developed an [IFAD investor presentation](#) to introduce our organization, mandate, and business and financial models to a wider audience.

We are also working with a wide range of partners to create the right conditions for positive change. For example, across Africa, we are working with the Bill & Melinda Gates Foundation, McKinsey & Company and the Alliance for a Green Revolution in Africa on the African Agricultural Transformation Initiative. The initiative will establish national agricultural transformation agencies to coordinate policymaking and implementation along with monitoring and evaluation to drive agricultural transformation.

We are finding new ways to extend our support and investment to the people who need it most. The year 2021 marked the beginning of the implementation of our first-ever regional lending operation: the [Joint Programme for the Sahel in Response to the Challenges of COVID-19, Conflict and Climate Change \(SD3C\)](#). The design, drafting and negotiation of the programme required extensive work by IFAD's legal experts, especially in drafting and negotiating financing agreements with six different participating countries, as well as our partners – the Food and Agriculture Organization of the United Nations, the World Food Programme and the Secretariat of the G5 Sahel. All agreements were signed in February 2021 during a signature ceremony in Nouakchott, Mauritania.

Ensuring that our investments reach their intended beneficiaries also means safeguarding against financial crime. In this area, we became the first United Nations agency to develop an anti-money laundering and countering the financing of terrorism policy, ▶ to be implemented by a new Financial Crime Unit. Under this policy, in 2021, we implemented a range of measures to combat financial crime, such as automated daily sanctions screening, anti-money laundering, counter-terrorism financing screening, know-your-customer questionnaires for new vendors, deep-dive enhanced due diligence assessments and reporting based on industry databases.

We are also using new technologies to trace our investments. Our TRACE Blockchain pilot traces funds from donor to farmer, while capturing development results directly from farmers using mobile phones, speeding up payments and ensuring compliance with anti-money-laundering standards.

Realizing the ambitions of our [Private Sector Financing Programme](#) has required much diligence and cooperation across IFAD. In 2021, the first non-sovereign private sector operation (NSO) debt transaction in IFAD's history – under the [Babban Gona project](#) in Nigeria – was

supported by IFAD's legal team. So too were several other NSO transactions during the year, as we began delivering on the promise of the Private Sector Financing Programme. Furthermore, an NSO quality assurance tool was introduced to comprehensively assess quality at the design stage of NSO project appraisal reports and to support strategic decision-making. The tool is based on the IFAD principles of engagement with the private sector and screening criteria as specified in the [Private Sector Engagement Strategy 2019-2024](#). It takes into account, among other issues, country ownership, complementarity with the programme of loans and grants, compliance with IFAD's Rural Finance Policy, avoidance of control, and promotion of transparency and accountability.

ALSO IN 2021, WE DEVELOPED AN IFAD INVESTOR PRESENTATION TO INTRODUCE OUR ORGANIZATION, MANDATE, AND BUSINESS AND FINANCIAL MODELS TO A WIDER AUDIENCE



INDIA

Maya Bisht manages the receipt book and the accounts for a livelihood collective in the village of Ritha.

©IFAD/Ishan Tankha

LEADING BY EXAMPLE: MODELLING CHANGE THROUGH IFAD'S ORGANIZATIONAL CULTURE

All of IFAD's work is geared towards contributing to a world that is fairer, more inclusive and more sustainable, and a world where hunger and poverty have been eradicated. This is clearly a huge task that requires us to work across many topics, with many partners, and to bring a range of innovative tools and approaches.

But we also need to model the change we want to see in the way we ourselves do business. We need to walk the walk on inclusion, equity and sustainability. This means meeting the highest standards of organizational culture.

AN ORGANIZATIONAL CULTURE BUILT AROUND OUR CORE VALUES

Diversity, equity and inclusion (DEI) are core tenets of IFAD's identity, and we actively promote them throughout our workplace. For this purpose, we established a dedicated DEI Working Group in 2021 to embed DEI in every aspect of IFAD's workplace culture and within IFAD's workforce. This will result in a strengthened culture of mutual respect and accountability and, in turn, in a safe and ethical work environment for all IFAD staff. Ultimately, it will ensure that everyone can contribute to their fullest potential, drawing on their unique abilities, to help achieve IFAD's mandate.

A precondition for an inclusive and welcoming working environment where everyone can thrive is zero tolerance of discrimination, racism and all forms of hate speech. IFAD's multidivisional task force on hate speech, racism and discrimination leads our response to this global scourge. In 2021, the task force conducted an IFAD-wide survey to assess experiences of these issues and to determine what actions are needed to ensure that they have no place at IFAD.

We also continued to focus on combating sexual harassment, exploitation and abuse in the workplace and everywhere that IFAD works. Mandatory training for all individuals holding an employment contract with IFAD was a continued priority during the year. In 2021, we also rolled out a groundbreaking new training module on sexual harassment in the workplace. In addition, the IFAD Ethics Office provided extensive face-to-face and virtual training on sexual harassment, exploitation and abuse to implementation partners of IFAD-supported operations.

We also launched the Ethics in Action programme, a dedicated space on the IFAD internal log-on platform where videos and other communications materials on ethical themes are shared with the IFAD-wide workforce, wherever they may be across the world. The programme serves to reinforce required ethical standards and to provide concrete examples displaying IFAD's core values.

**We need to
walk the walk on
inclusion, equity and
sustainability.**

Sustainability is another area where we see ourselves leading by example, and we went even further on this issue in 2021. We cut our energy use and water consumption by harvesting renewable energy, collecting rainwater, reducing non-recyclable waste and decreasing paper usage.

We also increased biodiversity in our grounds by adding bees, other pollinators, and wild flowers. These and other initiatives have enabled us to maintain our platinum certification for Leadership in Energy and Environmental Design (LEED), ► the highest green building certification available worldwide.

WITH THE GOAL OF HAVING 45 PER CENT OF STAFF BASED IN THE FIELD BY 2023, RECRUITMENT ACTIVITY HAS EXPERIENCED A SURGE IN STAFF POSITIONS IN IFAD COUNTRY OFFICES

OUR CULTURE IS DRIVEN BY OUR PEOPLE

Being leaders in modelling positive change requires bringing the right people to IFAD. To do this, we have changed the way we look at recruitment: from previously assessing candidates for one position only, to assessing them on their fitness for a career at IFAD (including functional and geographical mobility). And we're investing more in finding the right people by establishing IFAD as an "employer of choice". In 2021, we established partnerships with online job boards and recruitment advertising agencies, and IFAD human resources representatives participated in a series of virtual career fairs throughout the year.

Nurturing the leaders of the future is another aspect of our approach. Early in 2021, we launched an initiative called "Fireside Chats with IFAD Leaders".

These events provide a space for open exchange and informal conversations, led by IFAD's younger staff members, where IFAD leaders share their vision, career achievements and failures, and provide words of advice. To date, members of the IFAD Youth Network have interviewed seven leaders, including a special event with the President of IFAD ► in December 2021. With each event, IFAD's young staff members have learned invaluable lessons about what it takes to be a good leader.

In addition, we are actively promoting opportunities for young innovators at IFAD to grow and contribute to efforts across the United Nations to harness innovation and intergenerational partnerships through the IFAD and United Nations System Staff College mentoring partnerships programme using the UN Innovation Toolkit. In 2021, the IFAD Youth Network was extremely active in this space, which places innovation at the heart of bringing about the changes needed to achieve the SDGs.

GETTING CLOSER TO THE RURAL PEOPLE WE SERVE

While getting the right people into IFAD is indispensable in maintaining and building an organizational culture that models the positive change we want to see, it is not enough. We need to bring those people closer to the rural people we serve. This is vital for our unique transformational model, which relies on working at the grassroots level with rural people to identify solutions to the challenges they face. Despite the pandemic, our efforts towards decentralization are continuing at speed. With the goal of having 45 per cent of staff based in the field by 2023, recruitment activity has experienced a surge in national professional, international professional and locally recruited administrative staff positions in IFAD Country Offices.

We also took several steps to strengthen support for IFAD staff in the field and enhance our field activities. We set up new regional centres and reorganized a number of offices to ensure harmonization of functions. The establishment of two regional offices – in Nairobi, Kenya,

overseeing the East and Southern Africa region, and in Abidjan, Côte d'Ivoire, overseeing the West and Central Africa region – increased effectiveness by clustering functions. Importantly, our increased field support was focused around alignment with the United Nations reform and efficiency agendas. For example, our field offices piloted a system-wide tool – the United Nations Booking Hub – that is dedicated to resource-sharing across United Nations agencies. This successful pilot led to IFAD becoming a partner in the initiative, improving the logistics of IFAD field activities through time saving, cost reduction and recovery, and quality improvements.

ADAPTING AND INNOVATING TO MEET THE CHALLENGES OF A CHANGING WORLD

As IFAD moves towards a more decentralized structure, we must recognize the new challenges emerging from links between risks – strategic, operational (including fraud and corruption), information and communications technology risks, cybersecurity or business continuity management risks. In response, we have rolled out new governance initiatives, instruments and tools to manage the risks that IFAD faces, centred on the gathering and processing of risk data to support risk-informed decisions and build effective risk processes (i.e. identification, analysis, prioritization, control and monitoring). Indeed, under the new overarching Enterprise Risk Management Policy, our integrated project risk matrix generates reliable data and analyses to support more robust risk management and oversight and to further develop an early warning system, which is critical in a post-COVID-19 changing risk environment. Our immediate focus when reviewing the data generated has been to detect and analyse any variances in project performance and to identify – if any – areas where risk reporting and management can be further improved.

The approval and operationalization of our industry best-practice Enterprise Risk Management Framework was a major 2021 milestone. Building on this,

we are implementing an effective risk management model that has seen, within the oversight function, the creation of dedicated units to identify, assess and monitor risks, including those related to programme delivery and those associated with decentralization. We also continue to strengthen the controllership function under our Internal Control Framework, provide tools for IFAD offices and divisions to map, monitor and implement efficiencies, and certify internal controls in business processes.

Organizational culture is also bound up in ceaseless efforts to improve efficiency. IFAD's Enhanced Efficiency and Resource Management initiative aims to optimize the use of resources by defining a revised business model based on improved information and management processes. To enable us to do this, we conducted a thorough analysis of efficiency at peer institutions by reviewing practices in both United Nations organizations and international financial institutions. Based on this, we developed a proposal to enhance efficiency and resource management within IFAD. The initiative will optimize the use of organizational resources, with a stronger focus on results. It will also provide increased transparency on costs, ensuring that no additional bureaucracy is added. An initial outcome of the Enhanced Efficiency and Resource Management initiative is the proposal to separate IFAD's regular budget into two parts, based on a good-practice cost classification framework: one part for direct expenses that are linked to programmes or projects and one part for indirect (administrative) expenses. Within this framework, IFAD will establish quarterly corporate efficiency and performance reviews to ensure clear accountabilities and timely course corrections as required.

Enhanced efficiency is one of the benefits of the reform of our project financial management function. Over the course of the year, we laid the groundwork to enable us to evolve from an approach that is largely rule-based and transactional to one that is more principle-based and agile, with

Organizational culture is also bound up in ceaseless efforts to improve efficiency.

the aim of creating efficiencies, investing in country financial management systems and staff, and ensuring alignment with international best practice. In the medium to longer term, this will alleviate the burden placed on borrowers and recipients in running parallel ring-fenced systems, and will pave the way for more investments in improving transparency. Other key aspects of this reform include enhancements in financial discipline among projects through a more robust financial reporting and monitoring relationship, introducing training to ensure that project staff are appropriately trained, and overhauling our financial management policies and procedures so that they are both principle-based and fully integrated in IFAD's wider operational manuals.

Achieving continual improvements in efficiency requires innovation. The second IFAD Innovation Challenge was launched at the end of 2021 and will support ideas that bring innovations into our work and business practices, with a specific track dedicated to "innovations for culture change". Winners of the Innovation Challenge will receive not only funding to test and develop their ideas, but also coaching in behavioural sciences, innovation and storytelling to accelerate innovation.

In 2021, we rolled out a corporate automation programme focused on the use of artificial intelligence. The focus so far has been on transactional automation, with a staff-driven approach to identify tasks for automation. Examples of such solutions are automatic uploading of project results, automatic processes to insert exchange rates, and the use of a chat box to manage queries in multiple high-volume areas of our business.

THE PATH TO DIGITAL TRANSFORMATION

We continue to focus on innovation and modern technologies to find solutions to business challenges – something that became increasingly important in 2021.

This has meant sustaining a high level of digital services for IFAD clients. In 2021, the IFAD Client Portal remained open for business with all of IFAD's beneficiary countries, eclipsing the target set to onboard 75 per cent of countries, and with all prepared eligible countries active on the platform today. It has also meant the first-ever full virtual Governing Council for IFAD's membership, thanks to the use of the latest conference and streaming technology, and the first hybrid Executive Board, with Member States representatives able to physically attend participating in person and the rest of the membership joining remotely.

For IFAD's global workforce, a robust digital infrastructure ensured the availability of all corporate systems and tools 24/7, with zero disruptions for the workforce regardless of their geographical location. The workforce remained productive and connected, engaged in thousands of virtual meetings, all while vital exchanges continued to take place virtually to ensure no disruption of communication and support between management and staff, which was more important than ever during the pandemic.

Further, we initiated our first-ever corporate automation programme. Initiating the programme during the pandemic underlined the critical role that automation technology can play at IFAD. During 2021, 11 automation pilots were launched, impacting areas ranging from operations to financial management, with the vast majority deemed successful and fit for mainstreaming. The using of smart robotic process automation technology, or virtual agents and chatbots, enabled these technologies to be seamlessly embedded into IFAD's day-to-day work. As part of our digital transformation journey, we are continuing the adoption of new technologies, while shifting our focus towards more strategic "intelligent" automation and data analytics to allow us to serve beneficiaries through modern tools.

Consolidated Financial Statements of IFAD

For the year ended 31 December 2021

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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
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 2021 and 2020
(Thousands of United States dollars)

Assets	Note/ appendix	Consolidated		IFAD-only	
		2021	2020	2021	2020
Cash on hand and in banks	4	702 563	472 298	474 924	325 778
Investments	4	1 250 126	1 240 847	929 821	839 564
Share investments at fair value though profit and loss	5	6 842	8 211	-	-
Contributions and promissory notes receivables					
Contributors' promissory notes	6	121 578	153 525	121 578	153 525
Contributions receivable	6	1 298 833	689 181	986 325	411 176
Less: qualified contribution receivables	6	(155 522)	(61 406)	(155 522)	(61 406)
Less: accumulated allowance for contribution impairment loss	7	(123 145)	(120 569)	(123 145)	(120 569)
Net contribution and promissory notes receivables		1 141 744	660 731	829 236	382 726
Other receivables	8	15 477	27 320	142 401	169 715
Fixed and intangible assets	9	13 121	14 935	13 121	14 935
Right-of-use assets	9	83 262	98 086	83 262	98 086
Loans outstanding					
Loans outstanding	10	7 216 248	7 135 825	6 987 690	6 880 796
Less: accumulated allowance for loan impairment losses	10	(102 595)	(103 370)	(100 584)	(100 820)
Less: accumulated allowance for the Heavily Indebted Poor Countries (HIPC) Initiative	12	(3 310)	(4 711)	(3 310)	(4 711)
Net loans outstanding		7 110 343	7 027 744	6 883 795	6 775 265
Total assets		10 323 478	9 550 172	9 356 560	8 606 069
Liabilities and equity					
Liabilities					
Payables and liabilities	13	241 755	249 315	248 185	244 321
Undisbursed grants	14	372 616	390 313	101 326	119 193
Deferred revenues	15	417 171	397 458	49 677	64 033
Lease liabilities	9	83 411	98 079	83 411	98 079
Borrowing liabilities	16	1 792 451	1 465 676	1 527 449	1 154 525
Total liabilities		2 907 404	2 600 841	2 010 048	1 680 151
Equity					
Contributions					
Regular		10 070 632	9 146 684	10 070 632	9 146 684
Special		20 369	20 369	20 369	20 369
Total contributions	H	10 091 001	9 167 053	10 091 001	9 167 053
Retained earnings					
General Reserve		95 000	95 000	95 000	95 000
Accumulated deficit		(2 769 927)	(2 312 722)	(2 839 489)	(2 336 135)
Total retained earnings		(2 674 927)	(2 217 722)	(2 744 489)	(2 241 135)
Total equity		7 416 074	6 949 331	7 346 512	6 925 918
Total liabilities and equity		10 323 478	9 550 172	9 356 560	8 606 069

Consolidated statement of comprehensive income

For the years ended 31 December 2021 and 2020
(Thousands of United States dollars)

	<i>Note</i>	<i>2021</i>	<i>2020</i>
Revenue			
Income from loans	17	72 391	70 178
Income/(losses) from cash and investments	18	6 970	10 282
Income from other sources	19	12 529	10 965
Income from contributions	20	192 887	115 689
Net (loss)/gain from share investments	5	(823)	(2 021)
Total revenue		283 954	205 093
Operating expenses			
Staff salaries and benefits	22	(116 156)	(104 923)
Office and general expenses		(26 791)	(26 805)
Consultants and other non-staff costs		(59 871)	(53 908)
Direct bank and investment costs	23	(4 164)	(1 901)
Subtotal operating expenses	21	(206 982)	(187 537)
Other expenses			
Loan and lease interest expenditures		(3 346)	(1 680)
Allowance for loan impairment losses	10	1 712	(17 019)
HIPC Initiative expenses	28	(2 497)	(2 278)
Grant expenses	24	(187 705)	(105 310)
Debt Sustainability Framework (DSF) expenses	25	(163 942)	(172 396)
Depreciation	9	(12 914)	(12 576)
Subtotal other expenses		(368 692)	(311 259)
Total expenses		(575 674)	(498 796)
(Deficit) before fair value and foreign exchange adjustments		(291 720)	(293 703)
Adjustment for changes in fair value	26	12 868	14 810
(Losses)/gains from currency exchange movements IFAD	27	(178 166)	251 423
Net (loss)/profit		(457 018)	(27 470)
Other comprehensive income/(loss):			
(Losses)/gains from currency exchange movements and retranslation of consolidated entities	27	(11 717)	11 629
Change in provision for After-Service Medical Coverage Scheme (ASMCS) benefits	22	11 530	(13 516)
Total other comprehensive (loss)/income		(187)	(1 887)
Total comprehensive (loss)/income		(457 205)	(29 357)

IFAD-only statement of comprehensive income

For the years ended 31 December 2021 and 2020

(Thousands of United States dollars)

	Note	2021	2020
Revenue			
Income from loans	17	70 158	68 085
Income /(losses) from cash and investments	18	7 296	6 257
Income from other sources	19	17 296	13 240
Income from contributions	20	22 625	20 548
Total revenue		117 375	108 130
Operating expenses			
Staff salaries and benefits	22	(108 546)	(99 550)
Office and general expenses		(23 423)	(24 534)
Consultants and other non-staff costs		(48 338)	(44 949)
Direct bank and investment costs		(3 490)	(957)
Subtotal operating expenses	21	(183 797)	(169 990)
Other expenses			
Loan and lease interest expenditures		(3 346)	(1 680)
Allowance for loan impairment losses	10	1 334	(16 557)
HIPC Initiative expenses	28	(2 497)	(2 278)
Grant expenses	24	(101 297)	(44 867)
DSF expenses	25	(163 942)	(172 396)
Depreciation	9	(12 914)	(12 576)
Subtotal other expenses		(282 662)	(250 354)
Total expenses		(466 459)	(420 344)
(Deficit) before fair value and foreign exchange adjustments		(349 084)	(312 214)
Adjustment for changes in fair value	26	12 366	19 843
(Losses)/gains from currency exchange movements IFAD	27	(178 166)	251 423
Net (loss)/profit		(514 884)	(40 948)
Other comprehensive income/(loss):			
Change in provision for ASMCS benefits	22	11 530	(13 516)
Total other comprehensive (loss)/income		11 530	(13 516)
Total comprehensive (loss)/income		(503 354)	(54 464)

Consolidated statement of changes in retained earnings

For the years ended 31 December 2021 and 2020
(Thousands of United States dollars)

	<i>Accumulated deficit</i>	<i>General Reserve</i>	<i>Total retained earnings</i>
Accumulated deficit as at 1 January 2020	(2 284 594)	95 000	(2 189 594)
2020			
Net profit or (loss)	(27 469)		(27 469)
Total other comprehensive (loss) or profit	(1 887)		(1 887)
DSF compensation	1 228		1 228
Accumulated deficit as at 31 December 2020	(2 312 722)	95 000	(2 217 722)
2021			
Accumulated deficit 1 January	(2 312 722)	95 000	(2 217 722)
Net (loss) or profit	(457 017)		(457 017)
Total other comprehensive profit or (loss)	(187)		(187)
DSF compensation	-		-
Accumulated deficit as at 31 December 2021	(2 769 927)	95 000	(2 674 927)

IFAD-only statement of changes in retained earnings

For the years ended 31 December 2021 and 2020
(Thousands of United States dollars)

	<i>Accumulated deficit</i>	<i>General Reserve</i>	<i>Total retained earnings</i>
Accumulated deficit as at 1 January 2020	(2 282 899)	95 000	(2 187 899)
2020			
Net profit or (loss)	(40 948)		(40 948)
Total other comprehensive loss or profit	(13 516)		(13 516)
DSF compensation	1 228		1 228
Accumulated deficit as at 31 December 2020	(2 366 135)	95 000	(2 241 135)
2021			
Accumulated deficit 1 January	(2 366 135)	95 000	(2 241 135)
Net (loss) or profit	(514 884)		(514 884)
Total other comprehensive profit or (loss)	11 530		11 530
DSF compensation	-		-
Accumulated deficit as at 31 December 2021	(2 869 489)	95 000	(2 744 489)

Consolidated and IFAD-only cash flow statement

For the years ended 31 December 2021 and 2020
(Thousands of United States dollars)

	<i>Consolidated</i>		<i>IFAD-only</i>	
	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>
Cash flows from operating activities				
Interest received from loans	73 356	71 118	71 003	69 161
Receipts for non-replenishment contributions	209 791	184 962	8 879	10 852
Payments for operating expenses and other payments	(223 126)	(183 950)	(196 899)	(175 437)
Grant disbursements	(188 771)	(172 043)	(44 365)	(47 295)
DSF disbursements	(163 942)	(172 396)	(163 942)	(172 396)
Net cash flows used in operating activities	(292 692)	(272 309)	(325 324)	(315 115)
Cash flows from investing activities				
Loan disbursements	(669 719)	(577 230)	(662 772)	(558 379)
Loan principal repayments	375 370	333 093	361 522	321 313
Share investments	-	(10 301)	-	-
Receipts from investments	5 573	7 911	6 905	7 532
Net cash flows used in investing activities	(288 776)	(246 527)	(294 345)	(229 534)
Cash flows from financing activities				
Receipts for replenishment contributions	466 941	313 959	466 941	313 959
Receipts of borrowed funds	477 664	360 434	477 664	360 434
Payments for borrowing liabilities principal	(51 588)	(27 762)	(26 500)	(14 989)
Payments for borrowing liabilities interest	(4 660)	(889)	(4 660)	(889)
Net cash flows from financing activities	888 358	645 742	913 445	658 515
Effects of exchange rate movements on cash and cash equivalents	65 034	64 455	(53 293)	47 252
Net (decrease) in unrestricted cash and cash equivalents	241 855	191 361	240 483	161 118
Unrestricted cash and cash equivalents at beginning of year	1 711 436	1 520 075	1 163 634	1 002 516
Unrestricted cash and cash equivalents at end of year	1 953 291	1 711 436	1 404 117	1 163 634
Composed of:				
Unrestricted cash	702 477	472 209	474 838	325 689
Unrestricted investments, excluding held-to-maturity and payables control accounts	1 250 815	1 239 227	929 279	837 945
Cash and cash equivalents at end of year	1 953 291	1 711 436	1 404 117	1 163 634

Summaries of cash flow information on other consolidated entities

As at 31 December 2021

(Millions of United States dollars)

	HIPC	Haiti Debt Relief Initiative	ASMCS Trust Fund	Spanish Food Security Cofinancing Facility Trust Fund (Spanish Trust Fund)	Rural Resilience Programme	Supplementary funds	Private Sector Trust Fund	African Agricultural Transformation Initiative
Balance sheet								
Total assets	1.3	16.4	95.5	209.9	140.7	553.9	5.3	10.0
Total liabilities	(11.7)	(18.0)	(103.9)	(207.3)	(161.0)	(553.9)	(5.3)	(10.0)
Retained earnings	(10.4)	(1.6)	(8.4)	(2.6)	(20.3)	-	-	-
Statement of comprehensive income								
Total revenue	-	-	(1.0)	2.6	4.5	185.0	-	0.2
Total operating expenses	-	-	(0.2)	0.2	(4.5)	(183.5)	-	(0.2)
Net revenue less operating expenses	-	-	(1.2)	2.8	-	1.4	-	-
Net cash flow	(2.2)	0.6	(5.9)	(19.8)	3.4	19.3	3.0	3.1

As at 31 December 2020

(Millions of United States dollars)

	HIPC	Haiti Debt Relief Initiative	ASMCS Trust Fund	Spanish Trust Fund	Adaptation for Smallholder Agriculture Programme (ASAP) Trust Fund	Supplementary funds
Balance sheet						
Total assets	3.6	16.8	100.1	319.9	131.6	527.2
Total liabilities	(9.2)	(18.9)	(99.9)	(318.1)	(2.0)	(527.2)
Retained earnings	5.6	2.1	(0.2)	(1.8)	(129.6)	-
Statement of comprehensive income						
Total revenue	-	-	3.3	2.3	5.3	88.3
Total operating expenses	-	-	(0.1)	(0.6)	(5.3)	(83.5)
Net revenue less operating expenses	-	-	3.2	1.7	-	4.8
Net cash flow	(0.5)	(3.0)	18.7	(9.6)	(37.7)	62.3

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 an integral part of IFAD's operational activities.

NOTE 2

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

The Consolidated Financial Statements of the Fund are prepared in accordance with International Financial Reporting Standards (IFRS) and on a going

concern basis, based on the current financial situation and cash flow forecast. Information is provided separately in the Financial Statements for entities where this is deemed of interest to readers of the Financial Statements.

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

New and amended IFRS mandatorily effective

During 2021, there were no new or amended IFRS standards or pronouncements with a material impact on IFAD.

In January 2021 the requirements relating to the "Interest Rate Benchmark Reform – phase 2 amendments" become effective. The publication United States dollar LIBOR will continue to be published until 2023, while the publication of all other LIBOR rates ceased at the end of December 2021. Although new transactions may not reference the United States dollar LIBOR after end-2021, rates will be available for the purposes of legacy transactions until 2023. In line with IFRS requirements, the change will be accounted for by updating the effective interest rate. As of 2022, financial instruments (loans, borrowings and other securities) will be aligned with the Secured Overnight Funding Rate (SOFR) conventions, and the impact as assessed is not material.

IFRS not yet mandatorily effective

The following standards or pronouncements will become effective on 1 January 2022 and will not have a material impact on IFAD:

- Amendments to IFRS 3 – Business Combinations;
- Amendments to International Accounting Standard (IAS) 16 - Property, Plant and Equipment; and
- Amendments to IAS 37 - Provisions, Contingent Liabilities and Contingent Assets.

(b) Area of consolidation

Financing in the form of supplementary funds and other non-core funding forms an integral part of IFAD's operations. The Fund prepares consolidated accounts that include the transactions and balances for the following entities:

- Special Programme for sub-Saharan African Countries Affected by Drought and Desertification (SPA);
- IFAD Fund for Gaza and the West Bank (FGWB);
- Other supplementary funds including technical assistance grants, cofinancing, associate professional officers (APOs), programmatic and thematic supplementary funds, the Belgian Fund for Food Security Joint Programme (BFFS.JP) and the Global Environment Facility (GEF); and the Rural Poor Stimulus Facility (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 2021, 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 or has rights to the results of its involvement in GCF-financed activities.

(c) 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.

(d) Translation and conversion of currencies

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

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the net profit or loss of the period in which they arise.

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

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

(e) 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: the objective of the Fund's business model is to hold the asset in order to collect the contractual cash flows, and the contractual terms of the financial asset must give rise on specified dates to cash flows that are substantially only payments of principal and interest on the principal amount outstanding.

Financial assets at fair value

If either of the two above 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 measured at amortized cost

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.

(f) Equity

This comprises the following three elements: (i) contributions (equity); (ii) General Reserve; and (iii) retained earnings.

(i) Contributions (equity)

Background to contributions

The contributions to the Fund by each Member when due are payable in freely convertible currencies, except in the case of Category III Members up to the end of the Third Replenishment period, which were permitted to pay contributions in their own currency whether or not it was freely convertible. Each contribution is to be made in cash or, to the extent that any part of the contribution is not needed immediately by the Fund in its operations, may be paid in the form of non-negotiable, irrevocable, non-

interest-bearing promissory notes or obligations payable on demand.

A contribution to IFAD replenishment resources is recorded in full as equity and as receivable when a Member deposits an instrument of contribution, except for qualified instruments of contribution, which are subject to national appropriation measures and which will be proportionally reduced upon fulfilment of those conditions. Amounts receivable from Member States as contributions and other receivables including promissory notes, have been initially recognized in the balance sheet at their FVTPL in accordance with IFRS 9.

Concessional partner loans (CPLs) have been 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. Impairment is quantified as the difference between the carrying amount and the collectable amount. The criteria used to determine whether there is objective evidence of an impairment loss include:

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

In 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 excess of revenue over expenses inclusive of the effects of changes in foreign exchange rates.

(g) Loans

(i) Background to loans

IFAD loans are made only to developing states that are Members of the Fund or to intergovernmental organizations in which such Members participate. In the latter case, the Fund may require governmental or other guarantees. A loan enters into force on the date that both the Fund and the borrower have signed it, unless the financing agreement states that it is subject to ratification. In this case, the financing agreement shall enter into force on the date the Fund receives an instrument of ratification. All IFAD loans are approved and loan repayments and interest are payable in the currency specified in the loan agreement. Loans approved are disbursed to borrowers in accordance with the provisions of the loan agreement.

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

(a) Special loans on highly concessional terms shall be free of interest but bear a service charge of 0.75 per cent per annum and have a maturity period of 40 years, including a grace period of 10 years; (b) loans on hardened terms shall be free of interest but bear a service charge of 0.75 per cent per annum and have a maturity period of 20 years, including a grace period of 10 years; (c) loans on blend terms shall be free of interest but bear a service charge of 0.75 per cent per annum plus a spread and have a maturity period of 20 years, including a grace period of 10 years (these are applicable from 2013 onwards); (d) loans on intermediate terms shall have a rate of interest per annum equivalent to 50 per cent of the variable reference interest rate, as determined annually by the Executive Board, and a maturity period of 20 years, including a grace period of 5 years; (e) loans on ordinary terms approved prior to 2019 shall have a rate of interest per annum equivalent to 100 per cent of the variable reference interest rate, as determined quarterly by the Executive Board, and a maturity period of 15 to 18 years, including a grace period of 3 years; (f) loans on ordinary terms approved after 2019 shall have a rate of interest per annum equivalent to 100 per cent of (i) the respective base rate for the denomination currency, (ii) the country maturity premium adjustment, and (iii) either the fixed or variable spread, as determined quarterly by the Executive Board; and a maturity period of 10 to 18 years, including a grace period of 3 years; and (g) no commitment charge shall be levied on any sovereign loan.

(ii) Loans to non-Member States

At its twenty-first session in February 1998, the Governing Council adopted resolution 107/XXI approving the establishment of a fund for the specific purpose of lending to Gaza and the West Bank (FGWB). The application of article 7, section 1(b), of the Agreement Establishing IFAD was waived for this purpose. Financial assistance, including loans, is transferred to the FGWB by decision of the Executive Board and the repayment thereof, if applicable, is made directly to IFAD's regular resources.

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) Heavily Indebted Poor Countries (HIPC) Initiative

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

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

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

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

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

(iv) Measurement of loans

Loans are initially recognized at fair value on day one (based on disbursement to the borrower) and subsequently measured at amortized cost using the effective interest method. The fair value is calculated using an enhanced fair value tool by applying discount rates to the estimated future cash flows on a loan-by-loan basis in the currency in which the loans are denominated.

(v) Accumulated allowance for impairment losses

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

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

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

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

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

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

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

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

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

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

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

(h) Investments

(i) Classification and Measurement

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

(ii) Accumulated allowance for securities held at amortized cost

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

(i) 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.

(j) 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. 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, a joint venture or associated entities. 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 FVTPL.

(k) Contributions (non-equity)

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

A list of such contributions can be found in appendix E.

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

(l) Grants

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

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

(m) Debt Sustainability Framework

Under the DSF, countries eligible for highly concessional lending receive financial assistance on a grant rather than a loan basis. Principal amounts forgone by IFAD are expected to be compensated on a pay-as-you-go basis (according to the underlying loan amortization schedule) by the Member States, while the service charge is not meant to be compensated. In line with the accounting policy on

contributions-equity DSF principal compensation, contributions will be recorded in full as equity and as receivable when a Member State deposits an instrument of contribution, except for qualified instruments of contribution, which are subject to national appropriation measures that will be proportionally reduced upon fulfilment of those conditions. Amounts receivable from Member States as contributions and other receivables, including promissory notes, have been initially recognized in the balance sheet at their FVTPL in accordance with IFRS 9. Principal compensation will be negotiated during future replenishment consultations (see note 30(b), Contingent assets). DSF financing is subject to IFAD's General Conditions for Agricultural Development Financing. DSF financing is implemented over an extended time-horizon and recognized as expenditure in the statement of comprehensive income in the period in which conditions for the release of funds to the recipient are met.

(n) Borrowing

Financial liabilities are accounted for at amortized cost. IFAD has signed several borrowing agreements with sovereign institutions at variable rate debt. Maturity could vary from 20 years to 40 years. IFAD may not prepay loans outstanding without incurring penalties. Interest rates are variable (linked to EURIBOR plus a spread). Borrowing activities are subject to the Integrated Borrowing Framework as approved by the Executive Board in 2020 (EB 2020/131/(R)/R.21/Rev.1). 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.

(o) Employee schemes

Pension obligations

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

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

a position to identify its share of the underlying financial position and performance of the plan with sufficient reliability for accounting purposes.

After-Service Medical Coverage Scheme

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

In accordance with IAS 19R, IFAD has set up a trust fund into which it transfers the funding necessary to cover the actuarial liability. Service costs are recognized as operating expenditure. The net balance between interest costs and expected return on plan assets is recognized in net profit or loss, while remeasurements on assets and liabilities are recognized as the net position in other comprehensive income.

(p) Accruals for long-service entitlements

Employee entitlements to annual leave and long-service entitlements are recognized when they accrue to employees. An accrual is made for the estimated liability for annual leave and long-service separation entitlements as a result of services rendered by employees up to the balance sheet date.

(q) Taxation

As a specialized agency of the United Nations, IFAD enjoys 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.

(r) Revenue recognition

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

(s) Tangible and intangible assets

Fixed assets

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

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

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\$5000.

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.

Intangible assets

Software development costs are capitalized as intangible assets where future economic benefits are expected to flow to the organization. Depreciation is calculated on a straight-line basis over the estimated useful life of the software (four to 10 years). Leasehold improvements are capitalized as assets. Depreciation is calculated on a straight-line basis over their estimated useful life (not exceeding rental period of IFAD headquarters).

NOTE 3

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

(a) Critical accounting estimates and assumptions

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

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

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

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

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

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

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

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

(b) Critical judgement in applying accounting policies

Fair value accounting

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

In 2022, IFAD will reassess the appropriateness of the current fair value accounting policy in light of the evolving business model and the practices adopted by multilateral development banks, as the main comparators.

Allowance for impairment losses: Impairment Methodology

Governance

IFAD calculates and reports its impairments based on ECL. The ECL framework is based on the requirements of IFRS 9's financial instruments section and validated by IFAD's 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 2g(v) above. Impairments are reported based on either 12-month or lifetime ECL, depending on the stage allocation of the financial instrument. The stage allocation also determines if interest income for the financial instrument is reported on the gross carrying amount or the net of impairment allowance.

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

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

A loan's migration across the Fund's internal credit rating scale is monitored from the instrument's origination date to the reporting date. Following a

significant deterioration in its counterparty's creditworthiness, the loan is classified at stage 2.

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

Inputs

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

Probability of default (PD)

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

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

The cumulative TTC PD rates used in 2021 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, and models future disbursements and repayments based on the Fund's own experience.

Macroeconomic scenarios. Unlike the incurred loss model, the IFRS 9 impairment methodology is forward-looking. The starting point is IFAD's view of

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

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

NOTE 4

CASH AND INVESTMENT BALANCES

Analysis of balances (consolidated)

Table 1
As at 31 December

	US\$ thousands	
	2021	2020
Unrestricted cash	702 477	472 208
Cash subject to restriction	86	90
Subtotal cash	702 563	472 298
Unrestricted investments at fair value	1 249 907	1 240 605
Investments subject to restriction	219	242
Subtotal investments	1 250 126	1 240 847
Total cash and investments	1 952 689	1 713 145

The composition of the portfolio by entity was as follows:

Table 2
As at 31 December

Entity	US\$ thousands	
	2021	2020
IFAD	1 404 745	1 165 342
ASMCS Trust Fund	94 129	100 049
HIPC Trust Fund	1 357	3 594
Supplementary funds	255 335	237 291
Spanish Trust Fund	47 608	67 433
Haiti Debt Relief Initiative	16 409	15 829
ASAP Trust Fund	126 981	123 607
PSTF	3 025	-
AATI	3 100	-
Total cash and investments	1 952 689	1 713 145

(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 2021, cash and investments, including payables for investment purchased and receivables, amounted to US\$1,952.7 million (2020 – to US\$1,713.1 million) comprised of the following instruments:

Table 3

	US\$ thousands	
	2021	2020
Cash	702 563	472 298
Fixed-income instruments	1 191 047	1 185 671
Unrealized (loss)/gain on forward contracts	(725)	2 871
Time deposits and other obligations of banks	54 256	58 573
Unrealized (loss)/gain on futures	326	243
Unrealized (loss)/gain on swaps	5 222	(6 511)
Total cash and investments	1 952 689	1 713 145
Receivables for investments sold and taxes receivable	13	13 051
Payables for investments purchased	-	(13 156)
Total investment portfolio	1 952 702	1 713 040

(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	
	2021	2020
Chinese renminbi	11 025	14 309
Euro	1 003 815	1 041 739
Japanese yen*	7 022	10 526
Pound sterling*	12 457	15 709
United States dollar	918 383	630 757
Total cash and investment portfolio	1 952 702	1 713 040

* 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	
	2021	2020
Due in one year or less	947 721	857 409
Due after one year through five years	903 809	809 034
Due from five to 10 years	99 112	46 068
Due after 10 years	2 060	529
Total cash and investment portfolio	1 952 702	1 713 040

The average life to maturity of the fixed-income investments included in the consolidated investment

portfolio at 31 December 2021 was 25 months (2020 – 17 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 2021 and 2020, are shown in tables 6 and 7. Disclosures for the net asset value relate to **IFAD-only** accounts.

Table 6

2021	Actual allocation	
	%	US\$ millions
Asset class		
Cash	33.8	475.1
Swaps	0.4	5.1
Time deposit	-	0.1
Global government bonds/agencies	45.6	640.6
Corporate bonds	20.2	283.8
Total	100.0	1 404.7

Table 7

2020	Actual allocation	
	%	US\$ millions
Asset class		
Cash	28.0	325.8
Swaps	(0.5)	(6.1)
Time deposit	-	0.5
Global government bonds/agencies	42.4	494.0
Global credit bonds	30.1	351.1
Total	100.0	1 165.3

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	IICE BofAML 0-1 Year US Treasury Index (AAA)
Advisory and Management Program (RAMP)	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 2021 and 2020, 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	
	2021	2020	2021	2020
Operational cash	-	-	-	-
Investment tranche (USD)	0.3	0.4	0.4	0.4
Chinese renminbi portfolio	0.0	0.0	0.0	0.0
Investment tranche (EUR)	0.3	1.0	0.5	0.5
Hedging	n.a.	n.a.	n.a.	n.a.
World Bank RAMP	n.a.	n.a.	n.a.	n.a.
Total average	0.6	0.6	0.5	0.5

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 2021 and 31 December 2020.

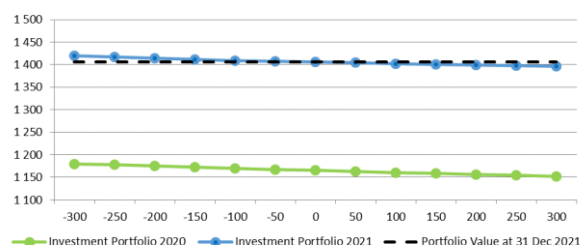
Table 10
Sensitivity analysis on IFAD's portfolio

Basis point shift in yield curve	2021		2020	
	Change in value of externally managed portfolio (US\$ million)	Total portfolio (US\$ million)	Change in value of externally managed portfolio (US\$ million)	Total portfolio (US\$ million)
-300	14	1 419	15	1 180
-250	11	1 417	12	1 178
-200	8	1 414	10	1 175
-150	6	1 412	7	1 173
-100	4	1 409	5	1 170
-50	2	1 407	2	1 168
0	0	1 405	0	1 165
50	-2	1 404	-2	1 163
100	-3	1 403	-5	1 161
150	-4	1 401	-7	1 159
200	-6	1 340	-9	1 156
250	-8	1 398	-11	1 154
300	-9	1 396	-13	1 152

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 2021, 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\$13 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.

Table 11
Minimum credit rating floor as per Investment Policy Statement as at 31 December 2021

Eligible asset classes	Credit rating floors for Standard & Poor's (S&P) 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 2021, 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 2021 and 2020

Portfolio	Average credit rating ^a	
	2021	2020
Operational cash	P-1	P-2
Investment tranche (EUR) ^b	A1	A1
Investment tranche (USD)	Aa2	Aaa

^a The average credit rating is calculated based on market values as at 31 December 2021 and 2020.

^b Approximately 11 per cent of the asset liability portfolio is in operational cash (including EUR 200 million in respect of the Agence Française Développement loan) with an IFAD-approved commercial bank that has a credit rating at least P3 or BBB as reported by S&P.

(h) Currency risk

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 2021 resources available for commitment under IFAD's sustainable cash flow approach, calculates a MLR of US\$1,005 million that is covered by IFAD's portfolio balance of US\$1,404.7 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 2021, IFAD's DC ratio was within the parameters established in its Capital Adequacy Policy.

NOTE 5

SHARE INVESTMENTS

	US\$ thousands	
	2021	2020
IFAD	-	-
Supplementary funds	9 574	10 301
Unrealized (losses)/gains	(2 732)	(2 090)
Share investments	6 842	8 211

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

NOTE 6**CONTRIBUTORS' PROMISSORY NOTES AND RECEIVABLES**

Table 1

	US\$ thousands	
	2021	2020
Promissory notes to be encashed		
Replenishment contributions	122 256	153 412
Fair value adjustment	(678)	113
Promissory notes to be encashed	121 578	153 525
Contributions receivable		
Replenishment contributions	998 152	413 633
Supplementary contributions	315 116	277 875
Total	1 313 268	691 508
Fair value adjustment	(14 436)	(2 327)
Contributions receivable	1 298 832	689 181
Qualified instruments of contribution	(155 522)	(61 406)
Total promissory notes and contributions receivables	1 143 310	627 775

(a) Replenishment

Details of contributions and payments are shown in appendix H. IFAD11 became effective on 14 August 2018. IFAD12 became effective on 18 August 2021.

(b) Special Programme for Africa (SPA)

Details of contributions to the SPA under the first and second phases are shown in appendix H, 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) Qualified instruments of contribution and promissory notes

At the end of December 2021, contributions receivables and promissory notes still subject to national appropriation measures amounted to US\$155.5 million (US\$61.4 million as at 31 December 2020).

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

	US\$ thousands	
	2021	2020
Balance at beginning of the year	120 569	121 798
Net increase/(decrease) in allowance	2 576	(1 229)
Balance at year-end	123 145	120 569
Analysed as follows:		
Promissory notes of contributors (a)	34 993	34 993
Amounts receivable from contributors (b)	88 152	85 576
Total	123 145	120 569

(a) Allowances against promissory notes

As at 31 December 2021, IFAD replenishment contributions deposited in the form of promissory notes up to and including IFAD10 have been fully drawn down.

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

Table 2

	US\$ thousands	
	2021	2020
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	5 035	5 035
	5 635	5 635
Total	34 993	34 993

(b) Allowances against amounts receivable from contributors

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

Table 3

	US\$ thousands	
	2021	2020
Initial contributions		
Comoros	9	9
Iraq	2 576	-
Iran (Islamic Republic of)	83 167	83 167
	85 752	83 176
Third Replenishment		
Iran (Islamic Republic of)	2 400	2 400
Total	88 152	85 576

NOTE 8**OTHER RECEIVABLES**

	US\$ thousands	
	2021	2020
Receivables for investments sold	13	13 051
Receivables for reimbursement headquarter expenditures	8 544	8 611
Other receivables	6 920	5 658
Total	15 477	27 320

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

	US\$ million		
	1 Jan 2021	Increase/ (decrease)	31 Dec 2021
Cost			
Computer hardware	6.3	0.5	6.8
Computer software	29.6	0.9	30.5
Vehicles	1.4	0	1.5
Furniture and fittings	0.6	0.2	0.8
Leasehold improvement	1.9	0.1	2.0
Total cost	39.8	1.7	41.5
Accumulated Depreciation			
Computer hardware	(4.8)	(0.6)	(5.5)
Computer software	(17.5)	(2.6)	(20.1)
Vehicles	(0.9)	(0.2)	(1.1)
Furniture and fittings	(0.5)	-	(0.5)
Leasehold improvement	(1.2)	(0.1)	(1.3)
Total depreciation	(24.9)	(3.6)	(28.4)
Net fixed and intangible assets	14.9	(1.8)	13.1

(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 2021	Increase/ (decrease)	Foreign exchange movement	31 Dec 2021
Cost				
Right-of-use assets	116.8	0.1	(7.1)	109.8
Accumulated depreciation				
Right-of-use assets	(17.8)	(9.4)	0.7	(26.5)
Net right-of-use assets	99.0	(9.3)	(6.4)	83.3
Lease liabilities	(98.1)	7.8	6.9	(83.4)

2020

	US\$ million			
	1 Jan 2020	Increase/ (decrease)	Foreign exchange movement	31 Dec 2020
Cost				
Right-of-use assets	107.2	-	8.6	116.9
Accumulated Depreciation				
Right-of-use assets	(8.6)	(11.3)	2.1	(18.8)
Net right-of-use assets	98.6	(11.3)	11.3	98.0
Lease liabilities	(98.6)	9.3	(8.8)	(98.1)

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

	US\$ thousands	
	2021	2020
IFAD	8 234 060	8 176 703
Spanish Trust Fund	245 454	271 394
PSTF	10	-
Total	8 479 524	8 448 097
Fair value adjustment	(1 263 276)	(1 312 272)
Total	7 216 248	7 135 825

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

Table 2

IFAD and SPA	US\$ thousands	
	2021	2020
Approved loans	16 425 061	16 444 187
Undisbursed balance	(4 476 462)	(4 747 273)
Repayments	(3 733 276)	(3 540 486)
	8 215 323	8 156 428
Interest/principal receivable	18 737	20 276
Loans outstanding at nominal value	8 234 060	8 176 704
Fair value adjustment	(1 246 370)	(1 295 908)
Loans outstanding	6 987 690	6 880 795

Table 3

Spanish Trust Fund	US\$ thousands	
	2021	2020
Approved loans	317 880	344 975
Undisbursed balance	(15 882)	(27 252)
Repayments	(57 081)	(47 050)
	244 917	270 673
Interest/principal receivable	537	721
Loans outstanding at nominal value	245 454	271 394
Fair value adjustment	(16 905)	(16 365)
Loans outstanding	228 549	255 029

Table 4

Consolidated	US\$ thousands	
	2021	2020
Approved loans	16 742 942	16 789 162
Undisbursed balance*	(4 492 344)	(4 774 525)
Repayments	(3 790 357)	(3 587 536)
	8 460 240	8 427 101
Interest/principal receivable	19 284	20 997
Loans outstanding at nominal value	8 479 524	8 448 097
Fair value adjustment	(1 263 276)	(1 312 273)
Loans outstanding	7 216 248	7 135 825

* This balance comprises US\$3.2 billion (in 2020 US\$3.2 billion) pertaining to commitments for disbursing loans and to US\$1.2 billion (in 2020 US\$1.5 billion) to approved loans, which have not yet met disbursement conditions.

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

The fair value of the outstanding loan portfolio at year-end amounts to US\$8.0 billion.

(b) Accumulated allowance for impairment losses

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

Table 5a

Consolidated	US\$ thousands	
	2021	2020
IFAD	103 501	104 833
Spanish Trust Fund (STF)	2 159	2 714
Accumulated allowance for impairment losses	105 660	107 547
Provision for Haiti Debt Relief	15 200	15 200
	120 860	122 747
Fair value adjustment	(18 265)	(19 377)
Total	102 595	103 370

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

Table 5b

Consolidated	US\$ thousands	
	2021	2020
Balance at beginning of year	122 747	105 488
Change in provision	1 167	17 019
Exchange rate movements	(3 056)	150
Balance at end of year	120 860	107 547
Fair value adjustment	(18 265)	(19 377)
Total	102 595	103 370

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.

Table 6

Consolidated	2021 US\$ millions		
	IFAD	STF	Total
Stage 1	5.0	0.1	5.1
Stage 2	36.9	1.6	38.5
Stage 3	61.6	0.5	62.1
Allowance impairment losses	103.5	2.2	105.7
Haiti Debt relief	15.2	-	15.2
Subtotal	118.7	2.2	120.9
Fair value	(18.2)	(0.1)	(18.3)
Total	100.5	2.1	102.6

Table 7

Consolidated	2020 US\$ millions		
	IFAD	STF	Total
Stage 1	12.9	0.3	13.2
Stage 2	27.6	1.9	29.5
Stage 3	64.3	0.5	64.8
Allowance impairment losses	104.8	2.7	107.5
Haiti Debt relief	15.2	-	15.2
Subtotal	120.0	2.7	122.7
Fair value	(19.2)	(0.1)	(19.3)
Total	100.8	2.6	103.4

The tables below provide a summary of the loan portfolio by stage and exposure (loans outstanding and undrawn commitments) as at 31 December 2021. The 2021 ECL embeds the macroeconomic impact of the COVID-19 pandemic, which improved over 2020.

Table 8

Consolidated	2021 US\$ millions	
	Exposure	Allowance
Stage 1	9 215.2	5.1
Stage 2	2 302.0	38.5
Stage 3	206.9	62.1
Total	11 724.1	105.7
Exposure:		
Loans outstanding	8 460.3	
Loan commitments	3 263.8	
Total	11 724.1	

Table 9

Consolidated	2020 US\$ millions	
	Exposure	Allowance
Stage 1	10 072.5	13.1
Stage 2	1 405.4	29.6
Stage 3	215.9	64.8
Total	11 693.8	107.5
Exposure:		
Loans outstanding	8 427.1	
Loan commitments	3 266.7	
Total	11 693.8	

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

Table 10

Consolidated	2021 US\$ millions			
	Stage 1	Stage 2	Stage 3	Total
Exposure at 1 January 2021	10 072.6	1 405.3	215.9	11 693.8
Transfer to Stage 1	25.6	(25.6)	-	-
Transfer to Stage 2	(1 105.4)	1 105.4	-	-
Transfer to Stage 3	-	-	-	-
New assets originated or purchased	929.0	-	-	929.0
Amortization repayments	(432.8)	(107.2)	(2.6)	(542.6)
Forex	(273.8)	(75.9)	(6.4)	(356.1)
Exposure as at 31 December 2021	9 215.2	2 302.0	206.9	11 724.1
Exposure by asset type:				
Loan outstanding	6 539.8	1 713.6	206.9	8 460.3
Loan commitments	2 675.4	588.4	-	3 263.8
Exposure as at 31 December 2021	9 215.2	2 302.0	206.9	11 724.1

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	2.6	2.7	9.7	5.1
Stage 2	44.9	41.9	46.7	38.5
Stage 3	62.1	62.1	62.1	62.1
Total	109.6	106.7	118.5	105.7

(c) Non-accrual status

Had income from loans in stage 3 amounts in non-accrual status been recognized as income, income from loans as reported in the statement of comprehensive income for 2021 would have been higher by US\$1,956,030 (2020 – US\$1,777,500).

(d) Market risk

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

(e) Fair value estimation

Other than initial recognition and determination, the assumptions used in determining fair value are not sensitive to changes in discount rates. The associated impact of the exchange rate movement is closely monitored. In 2022, IFAD will reassess the fair value accounting policy in light of the evolving business model and the practices adopted by other multilateral development banks, as the main comparators.

NOTE 11

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

2021	US\$ millions		
	Cash and bank deposits	Investments at FVTPL	Loans at amortized cost
Level 1			
Cash and bank balances	703	-	-
Investments at FVTPL	-	1 246	-
Level 2			
Investments at FVTPL	-	4	-
Loans outstanding	-	-	7 110
Share investments at FVTPL	-	7	-
Total	703	1 257	7 110

Table 2

2020	US\$ millions		
	Cash and bank deposits	Investments at FVTPL	Loans at amortized cost
Level 1			
Cash and bank balances	472	-	-
Investments at FVTPL	-	1 241	-
Level 2			
Investments at FVTPL	-	-	-
Loans outstanding	-	-	7 028
Share investments at FVTPL	-	8	-
Total	472	1 249	7 028

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

NOTE 12

HIPC INITIATIVE

(a) Impact of the HIPC Initiative

IFAD provided funding for the HIPC Initiative in the amount of US\$249.3 million during the period 1998-2021. Details of funding from external donors on a cumulative basis are found in appendix E2.

For a summary of debt relief reimbursed since the start of the Initiative and expected in the future, please refer to appendix J. Debt relief approved by the Executive Board to date excludes all amounts relating to the enhanced Initiative for Eritrea, Somalia and the Sudan. Authorization for IFAD's share of this debt relief is expected to be given by the Executive Board in 2022. At the time of preparation of the 2021 Consolidated Financial Statements, the estimate of IFAD's share of the overall debt relief for these countries, including principal and interest, was US\$139.9 million (2020 – US\$184.8 million) for Eritrea, Somalia and Sudan). Investment income amounted to US\$8.4 million (2020 – US\$8.4 million) from the HIPC Trust Fund balances.

(b) Accumulated allowance for the HIPC Initiative

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

	US\$ thousands	
	2021	2020
Balance at beginning of year	6 734	8 989
Change in provision	(1 816)	(2 546)
Exchange rate movements	(184)	291
Balance at end of year	4 734	6 734
Fair value adjustment	(1 424)	(2 023)
Total	3 310	4 711

NOTE 13

PAYABLES AND LIABILITIES

	US\$ thousands	
	2021	2020
Payable for investments purchased	-	13 156
ASMCS liability	156 462	159 089
Other payables and accrued liabilities	85 293	77 070
Total	241 755	249 315

Of the total above, an estimated US\$199.2 million (2020 – US\$200.8 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	
	2021	2020
IFAD	103 516	119 751
Supplementary funds	215 954	180 878
ASAP	57 379	89 894
Balance at year-end	376 849	390 523
Fair value adjustment	(4 233)	(210)
Undisbursed grants	372 616	390 313

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	
	2021	2020
Total	419 323	396 911
Fair value adjustment	(2 152)	547
Deferred revenue	417 171	397 458

NOTE 16

BORROWING LIABILITIES

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

Table 1

	US\$ thousands	
	2021	2020
IFAD	1 527 449	1 154 525
Spanish Trust Fund	265 002	311 151
Total borrowing liabilities	1 792 451	1 465 676

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

Table 2

	US\$ thousands	
	2021	2020
IFAD		
0-1 years	37 009	35 826
1-2 years	44 510	47 889
2-3 years	44 510	47 889
3-4 years	45 304	178 401
4-10 years	394 078	161 118
More than 10 years	962 038	683 402
Total	1 527 449	1 154 525

NOTE 17**INCOME FROM LOANS**

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

	US\$ thousands	
	2021	2020
IFAD	70 158	68 085
STF	2 197	2 093
PSTF	36	-
Total	72 391	70 178

NOTE 18**INCOME FROM CASH AND INVESTMENTS****(a) Investment management (IFAD-only)**

As at 31 December 2021, funds under management in IFAD's portfolio amounted to US\$1,405 million (2020 – US\$1,165 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 currency forwards at 31 December 2021. During fiscal year 2021, realized gains on futures amounted to US\$0 million (2020: realized losses US\$1.18 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.

Table 1

	US\$ thousands	
	2021	
Outstanding swaps notional	732 145	
Derivative assets		
Interest rate swaps	-	
Derivative liabilities		
Interest rate swaps	5 228	
Net unrealized market (losses)/ gains of swap contracts	5 228	
Maturity range of swap contracts	0.1 to 6.1 years	

(iii) Forwards

The unrealized market value loss on forward contracts as of 31 December 2021 amounted to US\$0.7 million (2020 – US\$2.87 million). The maturities of forward contracts of 31 December 2021 was 0 days (31 December 2020 – 104 days).

(c) Income from cash and investments (consolidated)

Gross income from cash and investments for the year ending 31 December 2021 amounted to US\$7.0 million (2020 – gross income of US\$10.3 million).

Table 2

Fair value	2021	2020
Interest from banks and fixed-income investments	12 198	10 488
Net realized and unrealized (losses)/gains from futures/options/ swaps	5 617	(6 046)
Realized capital gain/(loss) from fixed-income securities	(1 001)	460
Unrealized gain/(loss) from fixed-income securities	(9 844)	5 380
Total	6 970	10 282

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

Table 3

	US\$ thousands	
	2021	2020
IFAD	7 296	6 257
ASMCS Trust Fund	(986)	3 286
HIPC Trust Fund	2	15
Spanish Trust Fund	368	199
Haiti Debt Relief Initiative	27	223
ASAP	202	1 884
Supplementary funds	94	1 118
Less: income deferred/reclassified	(33)	(2 700)
Total	6 970	10 282

The annual rate of return on IFAD-only cash and investments in 2021 was 0.28 per cent net of investment expenses (2020: 0.55 per cent net of investment expenses).

NOTE 19**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	
	2021	2020
Reimbursement from host government	8 468	8 065
Income from other sources	4 061	2 900
Total	12 529	10 965

NOTE 20**INCOME FROM CONTRIBUTIONS**

	US\$ thousands	
	2021	2020
IFAD	22 625	20 548
ASAP	4 374	4 953
AATI	248	-
Supplementary funds	165 640	90 188
Total	192 887	115 689

NOTE 21**OPERATING EXPENSES**

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

	US\$ thousands	
	2021	2020
IFAD	183 797	169 991
Other entities	23 185	17 546
Total	206 982	187 537

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

NOTE 22**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 2021 was as follows (breakdown by principal budget source):

Table 1

Full-time equivalent	Professional	General Service		Total
IFAD administrative budget	366	177		543
APO / special programme officer	23	-		23
Others	36	10		46
Programme funds	27	4		31
Total 2021	452	191		643
Total 2020	422	198		620

(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 was prepared as at 31 December 2019. This valuation revealed an

actuarial surplus amounting to 0.5 per cent of pensionable remuneration. Thus the UNJSPF was assessed as adequately funded and the United Nations General Assembly did not invoke the provision of article 26, requiring participating agencies to provide additional payments. IFAD makes contributions on behalf of its staff and would be liable for its share of the unfunded liability, if any (current contributions are paid as 7.9 per cent of pensionable remuneration by the employee and 15.8 per cent by IFAD). Total retirement plan contributions made for staff in 2021 amounted to US\$14.0 million (2020 – US\$13.2 million).

(d) After-Service Medical Coverage Scheme

The latest actuarial valuation for the ASMCS was carried out as at 31 December 2021. The methodology used was the projected unit-credit-cost method with service prorates. The principal actuarial assumptions used were as follows: discount rate 2.0 per cent; return on invested assets 3.25 per cent; expected salary increase 2.3 per cent; initial medical cost increase, 4.40 per cent; inflation 2.3 per cent; and exchange rate. The results determined IFAD's liability as at 31 December 2021 to be US\$156.5 million. The 2021 and 2020 financial statements include a provision and related assets as at 31 December as follows:

Table 2

	US\$ thousands	
	2021	2020
Past service liability	(156 462)	(159 089)
Plan assets	95 487	100 062
Surplus /(deficit)	(60 975)	59 027
Yearly movements		
Opening balance (deficit)	(59 027)	(46 653)
Contribution paid	1 345	-
Interest cost	(902)	(999)
Current service charge	(8 000)	(6 426)
Actuarial gains/(losses)	11 529	(13 516)
Interest earned on balances	(1 201)	3 039
Exchange rate movement	(4 719)	5 528
Closing balance (deficit)	(60 975)	(59 027)
Past service liability		
Total provision at 1 January	(159 089)	(138 148)
Interest cost	(902)	(999)
Current service charge	(8 000)	(6 426)
Actuarial gains/(losses)	11 529	(13 516)
Provision at 31 December	(156 462)	(159 089)
Plan assets		
Total assets at 1 January	100 062	91 495
Contribution paid	1 345	-
Interest earned on balances	(1 201)	3 039
Exchange rate movement	(4 719)	5 528
Total assets at 31 December	95 487	100 062

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

IFAD provides for the full annual current service costs of this medical coverage, including its eligible retirees. In 2021, such costs included under staff salaries and benefits in the financial statements amounted to US\$8.9 million (2020 – US\$7.4 million).

Based on the 2021 actuarial valuation, the level of assets necessary to cover ASMCS liabilities is US\$95.5 million in net present value terms (including

assets pertaining to the International Land Coalition). As reported above, at 31 December 2021 the assets already held in the trust fund are US\$95.5 million; consequently this is sufficient to cover the level of liabilities.

(e) Actuarial valuation risk of the ASMCS

A sensitivity analysis of the principal assumptions of the liability and service cost contained within the group data as at 31 December 2021 is shown below:

Table 3

<i>Impact on</i>	<i>Liability</i>
Medical inflation:	
4.85 per cent instead of 3.85 per cent	43.6
3.85 per cent instead of 2.85 per cent	(32.9)

NOTE 23

DIRECT BANK AND INVESTMENT COSTS

	<i>US\$ thousands</i>	
	<i>2021</i>	<i>2020</i>
Investment management fees	454	660
Other charges	3 710	1 241
Total	4 164	1 901

NOTE 24

GRANT EXPENSES

The breakdown of the consolidated figures is set out below:

<i>Expenses (cancellations)</i>	<i>US\$ thousands</i>	
	<i>2021</i>	<i>2020</i>
IFAD grants	101 297	44 867
Contributions to other corporate initiatives ^a	(68 863)	
IFAD net grants	32 434	
Supplementary funds ^b	156 445	58 002
ASAP	(1 174)	2 441
Total	187 705	105 310

^a Several contributions to other initiatives (RPSF, AATI, PSTF) approved by the Executive Board have been accounted for as expenses in 2021. Such transactions are included under consolidation entries.

^b This balance includes US\$84.1 million in grants under the RPSF.

NOTE 25

DSF EXPENSES

The DSF expenses are set out below:

<i>IFAD-only</i>	<i>US\$ thousands</i>	
	<i>2021</i>	<i>2020</i>
DSF expenses	163 942	172 396
Total	163 942	172 396

NOTE 26

ADJUSTMENT FOR CHANGE IN FAIR VALUE

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

Consolidated	<i>US\$ thousands</i>	
	<i>2021</i>	<i>2020</i>
Loans outstanding	10 485	22 207
Accumulated allowance for loan impairment losses	(973)	2 079
Accumulated allowance for HIPC Initiative	(537)	(796)
Net loans outstanding	8 975	23 490
Undisbursed grants	3 893	8 680
Total	12 868	14 810

NOTE 27

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:

Table 1

<i>Year</i>	<i>United States dollars</i>
2021	1.40203
2020	1.44498
2019	1.38610

The balance of foreign exchange movement is shown below:

Table 2

	<i>US\$ thousands</i>	
	<i>2021</i>	<i>2020</i>
IFAD	(178 166)	251 423
Other entities	(11 717)	11 629
Total movements in the year	(189 883)	263 052

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

Table 3

	<i>US\$ thousands</i>	
	<i>2021</i>	<i>2020</i>
Opening balance 1 January	407 762	144 710
Exchange movements for the year on:		
Cash and investments	(66 427)	2 021
Net receivables/payables	81 385	(13 038)
Loans and grants outstanding	(201 642)	268 650
Promissory notes and Members' receivables	(21 985)	19 819
Member States' contributions	18 786	(14 400)
Total movements in the year	(189 883)	263 052
Closing balance 31 December	217 879	407 762

NOTE 28**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 29**HOUSED ENTITY AND OTHER FACILITIES**

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

	<i>US\$ thousands</i>	
	2021	2020
GCF	(2)	(312)
International Land Coalition	2 681	766
Total	2 679	454

NOTE 30**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 12 for further details of the potential cost of loan principal and interest relating to these countries, as well as future interest not accrued on debt relief already approved as shown in appendix J.

IFAD has a contingent liability for DSF financing effective but not yet disbursed for a global amount of US\$965.3 million (US\$1,005.1 million in 2020). In particular, at the end of December 2021, DSF financing disbursable but not yet disbursed, because the conditions for the release of funds were not yet met, amounted to US\$727.5 million (US\$703.2 million in 2020) and DSF projects approved but not yet effective amounted to US\$237.8 million (US\$301.9 million in 2020).

(b) Contingent assets

At the end of December 2021 the balance of qualified instruments of contribution amounted to US\$155.5 million. These contributions are subject to national appropriation measures, therefore those receivables will be considered due upon fulfilment of those conditions and probable at the reporting date.

The DSF framework, approved in 2007, aims for the full recovery of principal repayments forgone through a pay-as-you-go compensation mechanism by Member States. Consequently, IFAD has undertaken a review together with its governing bodies of the mechanism through which this policy will be implemented. This led to the endorsement by the Executive Board in 2013 of the underlying principles thereof. The policy was also endorsed by Member States in the Replenishment Consultation process in 2014 and finally approved by the Governing Council in 2015, moreover in 2019 a DSF reform was conducted to strengthen the compensation

mechanism. This, in effect, provides a concrete basis on which Member States will be expected to contribute towards principal reflows forgone as a result of the DSF, in addition to their regular contributions. The reform will become effective as of 2022, when the IFAD12 period begins.

In 2016, Member States began to make commitments for payment of DSF obligations. The receipt of the funds that have been provided as DSF grants is therefore considered probable and hence is disclosed as a contingent asset. The nominal amount of the amount so disbursed as at 31 December 2021 amounted to US\$1,583.2 million (US\$1,419.3 million as at December 2020). DSF compensation received to date amounts to US\$34 million (US\$34 million in 2020).

NOTE 31**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 32**RELATED PARTIES**

The Fund has assessed related parties and transactions carried out in 2021. This pertained to transactions with Member States (to which IAS 24, paragraph 25, is applicable) key management personnel and other related parties identified under IAS 24. Transactions with Member States and related outstanding balances are reported in appendices H and I. Key management personnel are the President, Vice-President, Associate Vice-Presidents and Director and Chief of Staff, as they have the authority and responsibility for planning, directing and controlling activities of the Fund.

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

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

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

	<i>US\$ thousands</i>	
	<i>2021</i>	<i>2020</i>
Salaries and other entitlements	2 485	1 632
Contribution to retirement and medical plans	587	368
Other related parties		
Total*	3 072	2 000
Total accruals	577	447
Total receivables	50	-

* The increase in 2021 is primarily due higher number of key management personnel.

NOTE 33

DATE OF AUTHORIZATION FOR ISSUE OF THE CONSOLIDATED FINANCIAL STATEMENTS

The 2021 Consolidated Financial Statements are issued by Management for review by the Audit Committee in March 2022 and endorsement by the Executive Board in April 2022. The 2021 Consolidated Financial Statements will be submitted to the Governing Council for formal approval at its next session in February 2023. The 2020 Consolidated Financial Statements were approved by the Governing Council at its forty-fifth session in February 2022.

Statements of complementary and supplementary contributions

Table 1

Member States:

Statement of cumulative supplementary contributions including project cofinancing from 1978 to 2021^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	-	-	80	-	-	-	80
Angola	-	-	7	-	-	-	7
Australia ^b	2 721	-	4 155	-	-	-	6 876
Austria	755	-	-	-	-	-	755
Bangladesh	-	-	45	-	-	-	45
Belgium	10 214	1 960	157 741	-	-	-	169 915
Canada	17 430	-	21 646	-	-	-	39 076
China	4 451	-	5 872	-	-	-	10 323
Colombia	-	-	25	-	-	-	25
Denmark	51 825	4 644	3 956	-	-	-	60 425
Estonia	-	-	495	-	-	-	495
Finland	2 834	5 688	7 183	-	-	-	15 705
France	1 032	1 816	20 176	-	-	-	23 024
Germany	31 608	9 176	33 800	-	-	-	74 584
Ghana	-	-	80	-	-	-	80
Greece	-	-	80	-	-	-	80
Hungary	-	-	400	-	-	-	400
Iceland	-	-	19	-	-	-	19
India	-	-	1 080	-	-	-	1 080
Indonesia	-	-	50	-	-	-	50
Ireland	6 602	-	5 460	-	-	-	12 062
Italy	30 896	7 734	39 081	-	-	-	77 711
Japan	3 692	3 642	4 231	-	-	-	11 565
Jordan	-	-	153	-	-	-	153
Kuwait	-	-	125	-	-	-	125
Lebanon	-	-	89	-	-	-	89
Luxemburg	2 085	-	9 442	-	2 274	-	13 801
Malaysia	-	-	28	-	-	-	28
Morocco	-	-	50	-	-	-	50
Mauritania	-	-	92	-	-	-	92
Netherlands	113 188	10 394	46 626	-	-	-	170 208
New Zealand	730	-	65	-	-	-	795
Nigeria	-	-	50	-	-	-	50
Norway	39 740	2 604	9 692	-	-	-	52 036
Pakistan	-	-	25	-	-	-	25
Paraguay	-	-	15	-	-	-	15
Portugal	142	-	714	-	-	-	856
Qatar	-	-	114	-	-	-	114
Republic of Korea	4 175	6 810	882	-	-	-	11 867
Russian Federation	1 356	-	144	-	-	-	1 500
Saudi Arabia	3 226	-	187	-	-	-	3 413
Senegal	-	-	109	-	-	-	109
Sierra Leone	-	-	88	-	-	-	88
Spain	11 838	-	6 141	-	-	-	17 979
Suriname	2 000	-	-	-	-	-	2 000
Sweden	15 256	5 071	30 404	-	-	-	50 731
Switzerland	16 096	2 656	29 242	-	-	-	47 994
Turkey	-	-	47	-	-	-	47
United Kingdom	19 074	-	16 928	-	-	-	36 002
United States	-	617	1 326	-	-	-	1 943
Total	392 966	62 813	458 440	-	2 274	-	916 492

^a Non-US\$ contributions have been translated at the year-end exchange rate.

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

Table 2

Non-Member States and other sources:**Statement of cumulative supplementary contributions including project cofinancing from 1978 to 2021 ^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
Adaptation Fund	-	-	69 398	-	-	-	69 398
Arab Fund for Economic and Social Development	2 983	-	-	-	-	-	2 983
African Development Bank	2 800	-	1 096	-	-	-	3 896
Arab Bank	-	-	25	-	-	-	25
Arab Gulf Programme for United Nations Development Organizations	299	-	-	-	-	-	299
Bill & Melinda Gates Foundation	-	-	20 472	10 000	-	-	30 472
Cassava Programme	-	-	69	-	-	-	69
Chief Executives Board for Coordination	-	-	998	-	-	-	998
Congressional Hunger Centre	-	-	183	-	-	-	183
Coopernic	-	-	3 412	-	-	-	3 412
European Commission	814	-	767 067	-	-	-	767 881
FAO	14	-	3 194	-	-	-	3 208
Global Agriculture and Food Security Programme	128 881	-	7 956	-	-	-	136 837
Least Developed Countries Fund / Special Climate Change Fund	-	-	85 338	-	-	-	85 338
New Venture Fund	-	-	56	-	-	-	56
OPEC Fund for International Development (OFID)	2 648	-	50	-	-	-	2 698
Open Society Foundation London	950	-	50	-	-	-	1 000
Packard Foundation	95	-	5	-	-	-	100
Small Foundation	-	-	400	-	-	-	400
United Nations Fund for International Partnership	78	-	145	-	-	-	223
United Nations Capital Development Fund	359	-	263	-	-	-	622
United Nations Development Programme	467	-	3 797	-	-	-	4 264
United Nations Organizations	3 017	-	-	-	-	-	3 017
World Bank	1 357	-	2 433	-	-	178 253	182 043
Visa Foundation	-	-	3 500	-	-	-	3 500
IFAD	40 000	-	1 820	2 000	25 000	-	68 820
United Nations Office for Project Services	-	-	1 303	-	-	-	1 303
United Nations Convention to Combat Desertification	-	-	250	-	-	-	250
Other supplementary funds	1 086	-	3 898	-	-	-	4 984
Total non-Member States and other sources	185 848	-	978 659	12 000	25 000	178 253	1 379 760
Total 2021	578 814	62 813	1 437 099	12 000	27 274	178 253	2 296 252
Total 2020	536 110	60 058	1 372 042	-	-	172 014	2 140 224

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

Statement of cumulative complementary contributions from 1978 to 2021

(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	<u>12 002</u>
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	<u>14 024</u>
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	23 347
Russian Federation	3 000
United States	<u>10 000</u>
Subtotal	59 240
Unrestricted complementary contributions to the Eleventh Replenishment	
Germany	22 841
Luxembourg	1 706
Sweden	12 640
Switzerland	<u>11 958</u>
Subtotal	49 145
Total complementary contributions 2021	577 509
Total complementary contributions 2020	578 089

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

(Thousands of United States dollars)

	<i>Amount</i>
Contributions made in the context of replenishments (see table above)	19 679
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	215 618
Subtotal	267 463
Total contributions to IFAD's HIPC Trust Fund 2021	287 142
Total contributions to IFAD's HIPC Trust Fund 2020	287 142

Contributions received in 2021

	<i>Currency</i>	<i>Amount (thousands)</i>	<i>Thousands of US\$ equivalent</i>
For project cofinancing			
Australia	AUD	5 000	3 747
Canada	USD	366	366
Denmark	DKK	58 600	9 305
European Commission	EUR	20 082	22 837
Germany	EUR	3 726	4 265
GEF	USD	8 301	8 301
Least Developed Countries Fund	USD	4 383	4 383
Netherlands	EUR	10 100	11 486
OFID	USD	129	129
Sweden	SEK	20 000	2 307
United Nations Development Programme	USD	638	638
United Nations Office for South-South Cooperation	USD	472	472
Subtotal			68 237
For APOs			
Finland	USD	156	156
France	USD	262	262
Germany	USD	508	508
Italy	USD	370	370
Japan	USD	75	75
Republic of Korea	USD	0	0
Netherlands	USD	289	289
Sweden	USD	644	644
Switzerland	USD	192	192
Subtotal			2 496
Other supplementary fund contributions			
Australia	EUR	50	57
Bill & Melinda Gates Foundation (other)	USD	4 430	4 430
Bill & Melinda Gates Foundation (AATI)	USD	3 100	3 100
Denmark	DKK	100 000	15 080
German Agency for International Cooperation	USD	164	164
Estonia	EUR	75	85
European Commission	EUR	28 420	32 319
Finland	EUR	50	57
France	EUR	3 650	4 151
Germany	EUR	19 149	21 532
India	EUR	70	80
Ireland	EUR	4 000	4 702
Italy	EUR	1 050	1 194
Netherlands	EUR	50	57
Norway	NOK	41 584	4 827
OFID	USD	250	250
Qatar	USD	500	500
Small Foundation	USD	100	100
Sweden	SEK	110 000	12 130
Switzerland	EUR	50	57
Switzerland	USD	100	100
United Kingdom	GBP	50	65
United Nations Office for Project Services	USD	1 042	1 042
United States	USD	105	103
Visa Foundation	USD	1 750	1 750
World Food Programme	USD	350	350
Subtotal			108 281
Grand total			179 014

Unspent funds in 2021 and 2020

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	-	3 513	3 513
Belgium	-	-	-
Canada	-	5 190	5 190
China	-	5 920	5 920
Denmark	-	3 757	3 757
Estonia	-	360	360
Finland	59	70	129
France	197	2 231	2 428
Germany	563	14 766	15 329
Hungary	-	377	377
India	-	256	256
Italy	335	4 270	4 605
Japan	87	63	150
Lebanon	-	88	88
Luxemburg	-	874	874
Malaysia	-	13	13
Netherlands	356	13 398	13 754
Norway	15	6 253	6 268
Republic of Korea	379	1 368	1 747
Russian Federation	-	1 387	1 387
Saudi Arabia	-	596	596
Spain	-	777	777
Sweden	365	11 529	11 894
Switzerland	133	5 073	5 206
United Kingdom	-	360	360
United States	-	359	359
Total	2 489	82 848	85 337

Table 2
Other unspent complementary and supplementary funds from non-Member States
 (Thousands of United States dollars)

<i>Member States</i>	<i>APOs</i>	<i>Other supplementary funds</i>	<i>Total</i>
Abu Dhabi Fund for Development	-	348	348
Adaptation Fund	-	9 457	9 457
Bill & Melinda Gates Foundation (other)	-	4 985	4 985
Bill & Melinda Gates Foundation (AATI)	-	2 851	2 851
European Commission	-	60 520	60 520
FAO	-	66	66
Global Agriculture and Food Security Programme	-	9 292	9 292
IFAD	-	52 901	52 901
Least Developed Countries Fund / Special Climate Change Fund	-	10 265	10 265
OFID	-	47	47
Small Foundation	-	177	177
United Nations Development Programme	-	813	813
GEF	-	21 685	21 685
Visa Foundation	-	691	691
United Nations Office for Project Services	-	368	368
Other	-	609	609
Total non-Member States	-	175 075	175 075
Grand total 2021	2 489	257 923	260 412
Grand total 2020	3 616	210 716	210 716

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 2021)

(All amounts in thousands)

ASAP	Member States	Local currency	Complementary contributions received ^a	Supplementary funds contributions received ^b	Total contributions received
	Belgium	EUR 6 000	7 855		
	Canada	CAD 19 849	19 879		
	Finland	EUR 5 000	6 833		
	Netherlands	EUR 40 000	48 581		
	Norway	NOK 63 000	9 240		
	Sweden	SEK 30 000	4 471		
	Switzerland	CHF 10 000	10 949		
	United Kingdom	GBP 147 523	202 837		
	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		2 418	
^b	Denmark	DKK 190 000		15 080	
	Germany	EUR 17 000		19 084	
	Ireland	EUR 4 000		4 702	
	Sweden	SEK 100 000		11 018	
	Qatar	US\$ 500		500	
Subtotal ASAP+				52 802	52 802
Total Rural Resilience Programme			310 645	73 971	384 616

^a Payments counter-valued at exchange rate prevailing at receipt date.

^b As at 31 December 2021, overall ASAP supplementary funds contributions amounted to US\$87.7 million, of which US\$73.97 million encashed and US\$13.76 million receivables.

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

<i>Grant recipient</i>	<i>Approved grants less cancellations</i>	<i>Disbursable</i>	<i>Disbursements 2021</i>	<i>Undisbursed portion of disbursable grants</i>	<i>Grants not yet disbursable as at 31 December 2021</i>
US\$ grants					
Iraq	2 000	2 000	-	2 000	-
Republic of Moldova	5 000	5 000	1 854	3 146	-
Total US\$	7 000	7 000	1 854	5 146	-
EUR grants					
Côte d'Ivoire	3 070	-	-	-	3 070
Montenegro	1 880	1 880	1 787	93	-
Total EUR	4 950	1 880	1 787	93	3 070
US\$ equivalent	5 629	2 138	2 032	106	3 491
SDR grants					
Bangladesh	9 900	9 900	9 569	331	-
Benin	3 220	3 220	1 839	1 381	-
Bhutan	3 580	3 580	2 837	743	-
Bolivia (Plurinational State of)	6 500	6 500	6 402	98	-
Burundi	3 510	3 510	3 116	394	-
Cabo Verde	2 900	2 900	2 482	418	-
Cambodia	10 150	10 150	9 605	545	-
Chad	3 240	3 240	3 158	82	-
Comoros	740	740	280	460	-
Côte d'Ivoire	2 000	2 000	1 619	381	-
Djibouti	4 000	4 000	3 999	1	-
Ecuador	361	361	361	-	-
Egypt	3 380	3 380	1 281	2 099	-
El Salvador	3 560	3 560	758	2 802	-
Ethiopia	7 870	7 870	5 317	2 553	-
Gambia (The)	3 536	-	3 536	-	-
Ghana	6 500	6 500	5 360	1 140	-
Kenya	7 100	7 100	3 013	4 087	-
Kyrgyzstan	6 500	6 500	6 496	4	-
Lao People's Democratic Republic	3 550	-	3 550	-	-
Lesotho	4 610	4 610	3 382	1 228	-
Liberia	3 280	3 280	2 041	1 239	-
Madagascar	4 200	4 200	2 217	1 983	-
Malawi	5 150	5 150	2 444	2 706	-
Mali	6 498	-	6 498	-	-
Mauritania	4 300	4 300	1 333	2 967	-
Morocco	1 295	1 295	609	686	-
Mozambique	3 260	3 260	3 250	10	-
Nepal	9 710	9 710	9 362	348	-
Nicaragua	5 247	-	5 247	-	-
Niger	9 250	9 250	8 957	293	-
Nigeria	9 800	9 800	6 627	3 173	-
Paraguay	3 650	3 650	363	3 287	-
Rwanda	4 510	4 510	4 509	1	-
Sudan	6 880	6 880	6 063	817	-
Tajikistan	3 600	3 600	3 600	-	-
United Republic of Tanzania	-	-	-	-	-
Uganda	6 770	6 770	6 099	671	-
Viet Nam	7 591	-	7 591	-	-
Yemen	-	-	-	-	-
Total SDR	191 698	165 276	154 770	36 928	-
US\$ equivalent	268 767	231 722	216 992	51 775	-
Total grants in US\$	281 396	240 860	220 879	57 026	3 491

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

<i>Grant recipient</i>	<i>Approved grants less cancellations</i>	<i>Disbursable</i>	<i>Disbursements 2021</i>	<i>Undisbursed portion of disbursable grants</i>	<i>Grants not yet disbursable as at 31 December 2021</i>
US\$ grants					
FAO	403	403	186	215	-
Indonesia	244	244	227	17	-
Kenya	290	-	290	-	-
Netherlands	299	299	269	30	-
Somalia	68	-	68	-	-
United States	1 700	900	1 610	90	-
World Food Programme	1 187	708	1 187	-	-
Total ASAP2 grants in US\$	4 190	2 553	3 837	352	-
Total grants in US\$	285 586	243 413	224 716	57 379	3 491

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 2021. 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 2021, and is not aware of any material control weakness that could affect the reliability of the 2021 financial statements. IFAD's independent external auditor, Deloitte & Touche, S.p.A, has audited the financial statements and has issued an attestation report on Management's assertion on the Fund's internal controls over financial reporting.

Handwritten signature of Gilbert F. Hounbo in black ink.

Gilbert F. Hounbo
President

Handwritten signature of Alvaro Lario in black ink.

Alvaro Lario
**Associate Vice President,
CFO and Chief Controller**

Handwritten signature of Advit Nath in black ink.

Advit Nath
Director and Controller

INDEPENDENT AUDITOR'S REPORT

To the International Fund for Agricultural Development

Opinion

We have audited the consolidated financial statements of International Fund for Agricultural Development (the "Company"), which comprise the consolidated and IFAD-only balance sheets as at 31 December 2021, the consolidated and IFAD-only statements of comprehensive income, the consolidated and IFAD-only statements of changes in retained earnings and the consolidated and IFAD-only cash flow statements for the year then ended, the statements of complementary and supplementary contributions, the statement of cumulative complementary contributions from 1978 to 2021, the statement of contributions from member states and donors to the HIPC Initiative, the contributions received in 2021, the unspent funds, the summary of the rural resilience programme and a summary of significant accounting policies and other notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Information Other than the "Consolidated Financial Statements of IFAD as at 31 December 2021" and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the "High-level review of IFAD's Financial Statements for 2021" but does not include the consolidated financial statements and our auditor's report thereon.

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

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

Responsibilities of the President and those charged with governance for the Consolidated Financial Statements

The President is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as the President determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

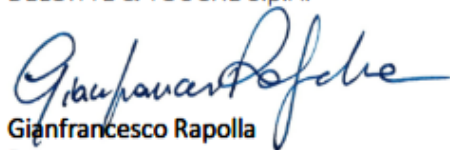
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the President.

- Conclude on the appropriateness of the President's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the consolidated entities or business activities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

DELOITTE & TOUCHE S.p.A.



Gianfrancesco Rapolla
Partner

Rome, March 4, 2022

INDEPENDENT AUDITOR'S REPORT ON MANAGEMENT'S ASSESSMENT ON INTERNAL CONTROLS OVER FINANCIAL REPORTING

To the International Fund for Agricultural Development

We have undertaken a reasonable assurance engagement of the accompanying management's assessment that the International Fund for Agricultural Development ("IFAD") maintained effective internal controls over financial reporting as of December 31, 2021, as contained in IFAD's Management Assertion Report on the effectiveness of internal controls over financial reporting.

Management's Responsibility

Management of IFAD is responsible for the preparation of its assessment on the effectiveness on internal controls over financial reporting in accordance with the criteria for effective internal controls over financial reporting described in the "Internal Control – Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework). IFAD's management 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 included in the accompanying Consolidated financial statements of IFAD as of December 31, 2021.

Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants 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 behavior.

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.

Auditor's Responsibility

Our responsibility is to express an opinion on management's assessment on the effectiveness on internal controls over financial reporting based on the procedures we have performed. We conducted our reasonable assurance engagement in accordance with International Standards on Assurance Engagements - Assurance Engagements other than Audits or Reviews of Historical Information ("ISAE 3000 revised") issued by International Auditing and Assurance Standards Board for reasonable assurance engagements. This standard requires that we plan and perform procedures in order to obtain a reasonable assurance as to whether management's assessment on the effectiveness on internal controls over financial reporting is free of material misstatement.

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A reasonable assurance engagement involves performing procedures to obtain evidence about management's assessment on the effectiveness on internal controls over financial reporting. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement in management's assessment on the effectiveness on internal controls over financial reporting, whether due to fraud or error.

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

Characteristics and Limitations of Internal Controls over Financial Reporting

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

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

Opinion

In our opinion, management's assessment that IFAD as at December 31, 2021 maintained effective internal controls over financial reporting, included within the Consolidated financial statements of IFAD as of December 31, 2021, is fairly stated, in all material respects, based on the criteria for effective internal controls over financial reporting described in the "Internal Control – Integrated Framework" issued by the Committee of Sponsoring Organisations of the Treadway Commission (2013 framework).

DELOITTE & TOUCHE S.p.A.


Gianfrancesco Rapolla
Partner

Rome, March 4, 2022

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

As at 31 December 2021 and 2020

Assets	Note/ appendix	Thousands of US\$		Thousands of SDR	
		2021	2020	2021	2020
Cash on hand and in banks	4	474 924	325 778	338 740	225 455
Investments	4	929 821	839 564	663 195	581 020
Contribution and promissory notes receivables					
Contributors' promissory notes	6	122 256	153 412	87 199	106 169
Contributions receivable	6	998 582	413 933	712 239	286 462
Less: provisions and qualified instruments of contribution		(278 667)	(181 975)	(198 759)	(125 936)
Net contribution and promissory notes receivables		842 171	385 370	600 678	266 695
Other receivables		142 401	169 716	101 567	117 452
Fixed and intangible assets	9(a)	13 121	14 935	9 358	10 336
Right-of-use assets	9(b)	83 262	98 086	59 386	67 881
Loans outstanding					
Loans outstanding	10(a)	8 234 060	8 176 704	5 872 944	5 658 689
Less: accumulated allowance for loan impairment losses	10(b)	(118 701)	(120 032)	(84 663)	(83 069)
Less: accumulated allowance for the HIPC Initiative	12(b)/J	(4 734)	(6 734)	(3 377)	(4 660)
Net loans outstanding		8 110 625	8 049 938	5 784 905	5 570 959
Total assets		10 596 325	9 883 387	7 557 829	6 839 798

Liabilities and equity	Note/ appendix	Thousands of US\$		Thousands of SDR	
		2021	2020	2021	2020
Liabilities					
Payables and liabilities		248 183	244 322	177 017	169 082
Undisbursed grants	14	103 516	119 751	73 833	82 874
Deferred revenues		49 652	63 915	35 414	44 233
Lease liabilities	9(b)	83 411	98 079	59 492	67 875
Borrowing liabilities	16	1 527 449	1 154 525	1 089 453	798 989
Total liabilities		2 012 211	1 680 592	1 435 209	1 163 054
Equity					
Contributions					
Regular		10 362 261	9 149 445	9 142 012	8 456 950
Special		20 369	20 369	15 219	15 219
Total contributions	H	10 103 962	9 169 814	9 157 232	8 472 169
Retained earnings					
General Reserve		95 000	95 000	67 759	65 745
Accumulated deficit		(1 614 848)	(1 062 019)	(3 034 612)	(2 735 234)
Retained earnings		(1 519 848)	(967 019)	(3 034 612)	(2 861 170)
Total equity		8 584 114	8 202 795	6 122 620	5 676 744
Total liabilities and equity		10 596 325	9 883 387	7 557 829	6 839 798

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

IFAD-only statement of comprehensive income at nominal value

For the years ended 31 December 2021 and 2020
(Thousands of United States dollars)

	Note	2021	2020
Revenue			
Income from loans	17	70 158	68 085
Income /(losses) from cash and investments	18	7 296	6 257
Income from other sources	19	17 297	13 240
Income from contributions	20	22 624	20 548
Total revenue		117 375	108 130
Operating expenses			
	22		
Staff salaries and benefits	22	(108 546)	(99 550)
Office and general expenses		(23 423)	(24 534)
Consultants and other non-staff costs		(48 338)	(44 949)
Direct bank and investment costs		(3 490)	(958)
Subtotal operating expenses		(183 797)	(169 991)
Other expenses			
Loan and lease interest expenditures		(3 346)	(1 680)
Allowance for loan impairment losses		1 334	(16 557)
HIPC Initiative expenses	28	(2 497)	(2 277)
Grant expenses	24	(101 297)	(44 867)
DSF expenses	25	(163 942)	(172 396)
Depreciation	9	(12 914)	(12 576)
Subtotal other expenses		(282 662)	(250 353)
Total expenses		(466 459)	(420 344)
(Deficit) before foreign exchange adjustments		(349 084)	(312 214)
(Losses)/gains from currency exchange movements IFAD	27	(215 274)	303 987
Net (loss)/profit		(564 358)	(8 277)
Other comprehensive income/(loss):			
Change in provision for ASMCS benefits	22	11 530	(13 516)
Total other comprehensive (loss)/income		11 530	(13 516)
Total comprehensive (loss)/income		(552 828)	(21 743)

Statements of contributions

Table 1

Summary of contributions

(Thousands of United States dollars)

	2021	2020
Replenishments		
Initial contributions	1 017 371	1 017 371
First Replenishment	1 016 564	1 016 564
Second Replenishment	567 245	567 053
Third Replenishment	553 881	553 881
Fourth Replenishment	361 421	361 421
Fifth Replenishment	441 401	441 401
Sixth Replenishment	567 021	567 021
Seventh Replenishment	654 640	654 640
Eighth Replenishment	963 550	963 550
Ninth Replenishment	982 852	982 492
Tenth Replenishment	912 091	912 046
Eleventh Replenishment	1 036 304	979 416
Twelfth Replenishment	973 844	296
Total IFAD	10 048 185	9 017 344
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	10 419 786	9 388 945
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	59 270
Unrestricted complementary contributions – Eleventh Replenishment	49 145	49 695
Other complementary contributions	58 798	58 798
Total complementary contributions	577 509	578 089
Other		
HIPC contributions not made in the context of replenishment resources	267 463	267 463
Belgian Survival Fund contributions not made in the context of replenishment resources	63 836	63 836
Supplementary contributions ^b		
Project cofinancing	578 814	536 110
APO funds	62 812	60 058
Other supplementary funds	1 437 099	1 372 042
GEF	178 253	172 014
PSTF	27 274	
AATI	12 000	
ASAP supplementary funds	87 732	24 066
Total supplementary contributions	2 383 984	2 164 589
Total contributions	13 712 578	12 462 623
Total contributions include the following:		
Total replenishment contributions (as above)	10 419 786	9 388 945
Less provisions	(123 145)	(120 569)
Less qualified instruments of contribution	(155 522)	(61 406)
Less DSF compensation	(37 156)	(37 156)
Total net replenishment contributions	10 103 963	9 169 814
Less fair value adjustment	(12 962)	(2 761)
Total replenishment contributions at fair value	10 091 001	9 167 053

^a Including Iceland's special contribution prior to membership and US\$20 million from OFID.

^b Includes interest earned according to each underlying agreement.

Table 2

Replenishments through to IFAD11: Statement of Members' contributions ^a

(As at 31 December 2021)

Member State	Replenishments through to IFAD10 (thousands of US\$ equivalent)	IFAD11					
		Instruments deposited			Payments (thousands of US\$ equivalent)		
		Currency	Amount (thousands)	Thousands of US\$ equivalent	Cash	Promissory notes	Total
Afghanistan							
Albania	60						
Algeria	82 430						
Angola	5 838	US\$	3 958	3 958	3 958	-	3 958
Argentina	27 400	US\$	2 500	2 500	2 500		2 500
Armenia	70	US\$	10	10	10	-	10
Australia ^a	37 248						
Austria	108 407	EUR	16 000	18 565	18 565		18 565
Azerbaijan	300						
Bangladesh	6 606	US\$	1 500	1 500	1 500		1 500
Barbados	10						
Belgium	149 695						
Belize	205						
Benin	579	US\$	3	3	3		3
Bhutan	225	US\$	20	20	20		20
Bolivia (Plurinational State of)	1 500	US\$	100	100	100		100
Bosnia and Herzegovina	274	US\$	59	59	59		59
Botswana	830	US\$	90	90	90		90
Brazil ^b	98 696	US\$	6 000	6 000	6 000		6 000
Burkina Faso	609	US\$	125	125	125		125
Burundi	110	US\$	20	20	20		20
Cambodia	1 365	US\$	450	450	450		450
Cameroon	4 169						
Canada	407 549	CAD	75 000	56 798	56 798		56 798
Cabo Verde	46	US\$	23	23	23		23
Central African Republic	13						
Chad	391						
Chile	860						
China	165 839	CNY	546 507	81 438	81 438		81 438
Colombia	1 040						
Comoros ^c	31						
Congo	818						
Democratic Republic of the Congo	1 870	-	-	-	-	-	-
Cook Islands	5						
Côte d'Ivoire	1 635	US\$	100	100	100		100
Cuba	57	US\$	49	49	49		49
Cyprus	372	US\$	60	60	60		60
Denmark	152 614						
Djibouti	37						
Dominica	51						
Dominican Republic	1 074	US\$	50	50	50		50
Timor-Leste	100	-	-	-	-	-	-
Ecuador	1 241						
Egypt	26 409	US\$	3 000	3 000	3 000		3 000
El Salvador	100	US\$	100	100	100		100
Eritrea	100	US\$	40	40	40		40
Estonia	59						
Eswatini	313	US\$	25	25	25		25
Ethiopia	331	US\$	50	50	50		50
Fiji	400						
Finland	86 415	EUR	30 598	34 874	34 874		34 874

Replenishments through to IFAD11: Statement of Members' contributions ^a (continued)

(As at 31 December 2021)

Member State	Replenishments through to IFAD10 (thousands of US\$ equivalent)	IFAD11					
		Instruments deposited			Payments (thousands of US\$ equivalent)		
		Currency	Amount (thousands)	Thousands of US\$ equivalent	Cash	Promissory notes	Total
France	369 543	US\$	70 073	70 073	70 073		70 073
Gabon	3 837						
Gambia (The)	120						
Georgia	30						
Germany	521 842	EUR	63 206	72 701	72 701		72 701
Ghana	2 966	US\$	600	600	600		600
Greece	4 245	US\$	57	57	57		57
Grenada	75						
Guatemala	1 543	US\$	75	75	75		75
Guinea	575	US\$	100	100	100		100
Guinea-Bissau	30						
Guyana	2 555	US\$	713	713	713		713
Haiti	197						
Honduras	801						
Hungary	100						
Iceland	375						
India	172 497	US\$	44 115	44 115	44 115		44 115
Indonesia	71 959	US\$	10 000	10 000	10 000		10 000
Iran (Islamic Republic of) ^d	128 750						
Iraq	56 599						
Ireland ^d	38 095	EUR	7 500	8 856	8 856		8 856
Israel	471	US\$	10	10	10		10
Italy	486 388	EUR	58 000	68 593	68 593		68 593
Jamaica	326						
Japan ^b	542 171	JPY	6 377 966	58 020	30 327	27 693	58 020
Jordan	1 140	US\$	100	100	100		100
Kazakhstan	50	US\$	30	30	30		30
Kenya	5 690	US\$	864	864	864		864
Kiribati	26						
Democratic People's Republic of Korea	800	-	-	-	-	-	-
Republic of Korea	34 139	US\$	12 000	12 000	12 000		12 000
Kuwait	203 041	US\$	15 472	15 472	15 472		15 472
Lao People's Democratic Republic	418	US\$	61	61	61		61
Lebanon	495						
Lesotho	689	US\$	115	115	115		115
Liberia	121						
Libya ^c	52 000						
Luxembourg	9 694	EUR	1 750	2 714	2 714		2 714
Madagascar	674	US\$	102	102	102		102
Malawi	123						
Malaysia	1 175						
Maldives	101						
Mali	506	US\$	132	132	132		132
Malta	55						
Mauritania	184						
Mauritius	285						
Mexico	43 131	US\$	5 000	5 000	5 000		5 000
Micronesia (Federated States of)	1	US\$	2	2	2		2
Republic of Moldova	105	US\$	30	30	30		30
Mongolia	115	US\$	100	100	100		100
Morocco	8 744	US\$	800	800	800		800

Replenishments through to IFAD11: Statement of Members' contributions ^a (continued)

(As at 31 December 2021)

Member State	Replenishments through to IFAD10 (thousands of US\$ equivalent)	IFAD11					
		Instruments deposited			Payments (thousands of US\$ equivalent)		
		Currency	Amount (thousands)	Thousands of US\$ equivalent	Cash	Promissory notes	Total
Mozambique	655						
Myanmar	260	US\$	6	6	6	6	
Namibia	360						
Nepal	345	US\$	74	74	74	74	
Netherlands	494 877	US\$	77 953	77 953	77 953	77 953	
New Zealand	14 720	NZD	4 500	2 991	2 991	2 991	
Nicaragua	469	US\$	150	150	150	150	
Niger	376	XAF	100	171	171	171	
Nigeria	131 957						
Norway	303 216	NOK	360 000	41 388	41 388	41 388	
Oman	350						
Pakistan	38 934	US\$	5 779	5 779	5 779	5 779	
Panama	249	US\$	200	200	200	200	
Papua New Guinea	170						
Paraguay	1 556	US\$	200	200	200	200	
Peru	1 995	US\$	375	375	375	375	
Philippines	2 378	US\$	500	500	500	500	
Portugal	4 384						
Qatar	39 980						
Romania	250	US\$	100	100	100	100	
Russian Federation	12 000	US\$	9 000	9 000	9 000	9 000	
Rwanda	321	US\$	100	100	100	100	
Saint Kitts and Nevis	20						
Saint Lucia	22						
Samoa	50	US\$	30	30	30	30	
Sao Tome and Principe ^c	10	US\$	1	1	1	1	
Saudi Arabia	455 778	US\$	25 300	25 300	25 300	25 300	
Senegal	797	US\$	200	200	200	200	
Seychelles	135	US\$	65	65	65	65	
Sierra Leone	97						
Solomon Islands	10						
Somalia	10						
South Africa	1 913						
South Sudan	10						
Spain	101 801	EUR	476	526	526	526	
Sri Lanka	10 888	US\$	1 001	1 001	1 001	1 001	
Sudan	1 609	EUR	203	250	250	250	
Sweden	352 332	SEK	500 000	55 100	55 100	55 100	
Switzerland	216 962	CHF	41 019	43 058	43 058	43 058	
Syrian Arab Republic	1 817						
Tajikistan	3	US\$	2	2	2	2	
United Republic of Tanzania	686	US\$	120	120	120	120	
Thailand	1 800	US\$	300	300	300	300	
Togo	167	US\$	100	100	100	100	
Tonga	55						
Tunisia	5 528	US\$	1 000	1 000	302	302	
Turkey	23 636	US\$	5 000	5 000	5 000	5 000	
Uganda	722	US\$	193	193	193	193	
United Arab Emirates	57 180	US\$	3 000	3 000	3 000	3 000	
United Kingdom	427 956	GBP	66 000	87 214	87 214	87 214	
United States	971 674	US\$	92 500	92 500	92 500	92 500	
Uruguay	925	US\$	200	200	200	200	
Uzbekistan	40	US\$	15	15	15	15	
Venezuela (Bolivarian Republic of)	196 258						

Replenishments through to IFAD11: Statement of Members' contributions ^a (continued)

(As at 31 December 2021)

Member State	Replenishments through to IFAD10 (thousands of US\$ equivalent)	IFAD11					
		Instruments deposited			Payments (thousands of US\$ equivalent)		
		Currency	Amount (thousands)	Thousands of US\$ equivalent	Cash	Promissory notes	Total
Viet Nam	3 303	US\$	600	600	600	600	600
Yemen	4 348						
Yugoslavia	108						
Zambia ^e	894						
Zimbabwe	2 703	US\$	100	100	100		100
Total contributions 31 December 2021	8 038 037			1 036 304	1 007 913	27 693	1 035 606
For 2020	8 037 632			979 416	606 611	118 270	724 881

^a Australia's withdrawal from membership of IFAD became effective on 31 July 2007.^b See note 6(a).^c See notes 7(a) and (b).^d In addition to its pledge to the Eighth Replenishment of EUR 6 million, Ireland made a further contribution of EUR 891,000.^e Payments include cash and promissory notes. Amounts are expressed in thousands of United States dollars. Thus payments received for less than US\$500 are not shown in appendix H. Consequently, the contribution from Zambia (US\$148) does not appear above.**IFAD12: Statement of Members' contributions^a**

(As at 31 December 2021)

Member State	IFAD12					
	Instruments deposited			Payments (thousands of US dollars equivalent)		
	Currency	Amount (thousands)	Thousands of US dollars equivalent	Cash	Promissory notes	Total
Angola	US\$	2 000	2 000	2 000		2 000
Austria	EUR	16 000	18 195			
Bangladesh	US\$	2 000	2 000		2 000	2 000
Benin	US\$	200	200	193		193
Burundi	US\$	50	50	50		50
Cambodia	US\$	600	600	600		600
Canada	CAD	112 500	59 378	19 793		19 793
China	CNY	593 853	93 177			
Côte d'Ivoire	US\$	217	217	217		217
Cyprus	US\$	60	60			
Finland	EUR	32 101	36 469	19 411		
France	US\$	106 000	106 000			
Gabon	US\$	500	500			
Gambia (The)	US\$	50	50	50		50
Germany	EUR	88 490	100 594	10 059		10 059
Ghana	US\$	2 000	2	2		2
Guatemala	US\$	450	450			
Guyana	US\$	238	238	238		238
Haiti	US\$	220	220			
India	US\$	47 000	47 000			
Indonesia	US\$	10 000	10 000			
Ireland	EUR	12 500	14 215			
Italy	EUR	84 000	95 525			
Japan	JPY	6 084 784	52 840		26 420	26 420
Jordan	US\$	67	67	67		67
Kazakhstan	US\$	7	7	7		7
Kuwait	US\$	31 000	31 000		31 000	31 000
Lao People's Democratic Republic	US\$	92	92	92		92
Lesotho	US\$	115	115	115		115
Madagascar	US\$	200	200	103		103
Malawi	US\$	100	100	100		100
Maldives	US\$	50	50	50		50

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Mali	US\$	281	281	281	281
Mauritania	US\$	100	100		
Mexico	US\$	1 667	1 667	1 667	1 667
Micronesia (Federated States of)	US\$	1	1	1	1
Montenegro	US\$	12	12	12	12
Nepal	US\$	75	75	75	75
Netherlands	EUR	72 500	82 447		
Nicaragua	US\$	150	150		
Niger	US\$	185	185	185	185
Norway	NOK	508 000	57 606		
Pakistan	US\$	10 000	10 000		
Philippines	US\$	700	700		
Rwanda	US\$	100	100	100	100
Sao Tome and Principe	US\$	15	15	15	15
Sierra Leone	US\$	100	100	100	100
Sri Lanka	US\$	1	1	1	1
Sweden	SEK	800 000	88 360		
Switzerland	CHF	47 000	51 583		
Turkey	US\$	5 000	5 000		
United Arab Emirates	US\$	3 000	3 000		
Uzbekistan	US\$	50	50	50	50
Viet Nam	US\$	600	600		
Zimbabwe	US\$	200	200	200	200
Total contributions					
31 December 2021			973 844	55 834	59 420
For 2020			296	296	0

Table 3
SPA: Statement of contributions
(As at 31 December 2021)

Donor	Currency	First phase		Second phase		Total
		Instruments deposited		Instruments deposited		
		Amount	Thousands of US\$ equivalent	Amount	Thousands of US\$ equivalent	
Australia	AUD	500	389	-	-	389
Belgium	EUR	31 235	34 975	11 155	12 263	47 238
Denmark	DKK	120 000	18 673	-	-	18 673
Djibouti	US\$	1	1	-	-	1
European Union	EUR	15 000	17 619	-	-	17 619
Finland	EUR	9 960	12 205	-	-	12 205
France	EUR	32 014	37 690	3 811	4 008	41 698
Germany	EUR	14 827	17 360	-	-	17 360
Greece	US\$	37	37	40	40	77
Guinea	US\$	25	25	-	-	25
Ireland	EUR	380	418	253	289	707
Italy	EUR	15 493	23 254	5 132	6 785	30 039
Italy	US\$	10 000	10 000	-	-	10 000
Japan	JPY	2 553 450	21 474	-	-	21 474
Kuwait	US\$	-	-	15 000	15 000	15 000
Luxembourg	EUR	247	266	-	-	266
Mauritania	US\$	25	25	-	-	25
Netherlands	EUR	15 882	16 174	8 848	9 533	25 707
New Zealand	NZD	500	252	-	-	252
Niger	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 2021			288 868		62 364	351 232
31 December 2020			288 868		62 364	351 232

Table 4
Statement of Members' contributions received in 2021
 As at 31 December 2021
 (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				
Iraq			2 717	
Total IFAD0			2 717	
IFAD9				
Sierra Leone			60	
Zimbabwe			300	
Total IFAD8			360	
IFAD10				
Brazil			8 000	
Botswana			45	
TOTAL IFAD10			8 045	
IFAD11				
Argentina			800	
Armenia			5	
Austria			6 289	
Bangladesh				750
Brazil			3 053	
Burkina Faso			42	
Canada			19 885	
China			28 862	
Cuba			49	
Cyprus			20	
Dominican Republic			50	
Ethiopia			10	
Finland			6 170	
France			15 533	
Ghana			203	
Germany		26 839		24 966
Greece			57	
Guatemala			75	
India			14 372	
Indonesia			7 000	
Ireland			3 040	
Italy			52 846	
Japan				15 119
Republic of Korea			4 530	
Kuwait				5 250
Luxembourg			964	
Mexico			5 000	
Nicaragua			50	
Netherlands			25 000	
New Zealand			1 096	
Norway			14 191	
Pakistan			3 004	
Paraguay			200	
Russian Federation			3 000	
Samoa			10	
Saudi Arabia				12 650
Senegal			200	
Sri Lanka			332	
Sweden				20 539
Switzerland			15 444	
Tajikistan			1	
Turkey			4 000	
United Arab Emirates			1 000	
United Kingdom	26 585	27 199		58 554
United States			26 581	
Uzbekistan			10	
Viet Nam			400	

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Zimbabwe			100	
Total IFAD11	26 585	54 038	263 474	137 828
IFAD12				
Angola			2 000	
Austria	18 782			
Bangladesh	2 000	2 000		
Benin	200		194	
Burundi			50	
Canada	59 813		19 793	
Cambodia			600	
China	91 908			
Côte d'Ivoire			216	
Cyprus	60			
Finland	37 525		19 411	
France	106 000			
Gabon	500			
Gambia (The)			50	
Ghana			2	
Germany	104 414		10 060	
Guatemala	450			
Guyana			237	
Haiti	220			
India	47 000			
Indonesia	10 000			
Ireland	14 100			
Italy	95 206			
Japan	55 467	26 832		
Jordan			67	
Kazakhstan			7	
Kuwait		31 000		
Lao People's Democratic Republic			92	
Lesotho			115	
Madagascar	200		103	
Mauritania	100			
Micronesia (Federated States of)			1	
Malawi			100	
Maldives			50	
Mexico			1 667	
Montenegro			12	
Nepal			75	
Netherlands	85 147			
Nicaragua	150			
Niger			185	
Norway	58 153			
Pakistan	10 000			
Philippines	700			
Rwanda			100	
Sierra Leone			100	
Sri Lanka			1	
Sweden	93 554			
Switzerland	51 043			
Turkey	5 000			
United Arab Emirates	3 000			
Uzbekistan			50	
Viet Nam	600			
Zimbabwe			200	
Total IFAD12	951 292	59 832	55 538	0
Grand total	977 877	113 870	330 134	137 828

^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 2021 and 2020)
 (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	18 037	37 508	-	18 037
Argentina	25 400	4 445	20 955	410	4 035
Bangladesh	196 423	87 925	108 498	24 750	63 175
Belize	8 000	2 816	5 184	-	2 816
Bhutan	10 281	1 500	8 781	-	1 500
Bolivia (Plurinational State of)	23 600	-	23 600	-	-
Brazil	30 000	-	30 000	-	-
Burkina Faso	19 000	12 079	6 921	-	12 079
Burundi	12 750	-	12 750	-	-
Cabo Verde	2 003	2 003	-	1 652	351
Cambodia	111 546	32 156	79 390	-	32 156
Cameroon	1 100	1 100	-	-	1 100
Central African Republic	8 050	1 249	6 801	-	1 249
China	286 500	59 069	227 431	-	59 069
Côte d'Ivoire	36 889	13 017	23 872	-	13 017
Democratic Republic of the Congo	26 640	300	26 340	-	300
Djibouti	16 101	7 432	8 669	-	7 432
Dominican Republic	24 030	750	23 280	-	750
Ecuador	34 468	3 500	30 968	-	3 500
Eswatini	8 950	3 218	5 732	-	3 218
Gambia (The)	4 255	803	3 452	-	803
Ghana	84 000	11 904	72 096	-	11 904
Grenada	6 400	3 569	2 831	-	3 569
Guatemala	11 330	-	11 330	-	-
Guinea	36 950	7 593	29 357	-	7 593
Guinea-Bissau	13 990	2 252	11 738	-	2 252
Guyana	7 960	1 163	6 797	199	964
Haiti	3 500	3 500	-	2 931	569
Honduras	16 330	-	16 330	-	-
India	214 550	36 012	178 538	-	36 012
Indonesia	95 185	33 255	61 930	-	33 255
Iraq	15 730	1 000	14 730	-	1 000
Jordan	8 400	5 053	3 347	280	4 773
Kenya	40 000	11 537	28 463	-	11 537
Lebanon	4 900	-	4 900	-	-
Liberia	36 763	7 835	28 928	-	7 835
Madagascar	61 000	-	61 000	-	-
Malawi	21 000	10 454	10 546	-	10 454
Maldives	3 285	420	2 865	-	420
Mauritania	4 740	781	3 959	-	781
Mexico	73 822	7 039	66 783	-	7 039
Mozambique	17 000	2 663	14 337	-	2 663
Myanmar	8 984	2 750	6 234	-	2 750
Nepal	109 208	18 089	91 119	9 523	8 566
Nicaragua	21 034	15 025	6 009	-	15 025
Nigeria	189 070	28 817	160 253	-	28 817
Pakistan	144 100	69 491	74 609	-	69 491
Papua New Guinea	25 500	7 700	17 800	-	7 700
Paraguay	10 000	3 898	6 102	-	3 898
Peru	24 000	3 511	20 489	-	3 511
Philippines	73 233	18 688	54 545	689	17 999
Republic of Moldova	18 200	10 228	7 972	-	10 228
Sierra Leone	40 200	8 492	31 708	-	8 492
South Sudan	1 900	-	1 900	-	-
Sri Lanka	108 100	33 933	74 167	10 200	23 733
Tajikistan	20 080	6 909	15 171	-	6 909
Tonga	900	-	900	-	-
Turkey	8 200	6 085	2 115	-	6 085
Uganda	75 820	11 121	64 699	-	11 121
United Republic of Tanzania	68 338	9 488	58 850	7 946	1 542
Uzbekistan	92 400	37 475	54 925	-	37 475
Viet Nam	42 500	20 634	21 866	-	20 634
Zambia	6 609	6 609	-	-	6 609
Zimbabwe	35 700	200	35 500	-	200
Subtotal US\$^a	2 844 442	716 572	2 127 870	58 580	657 992

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<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>
EUR loans					
Angola	26 200	3 097	23 103	-	3 097
Argentina	22 680	7 575	15 105	1 512	6 063
Bangladesh	71 850	15 274	56 576	-	15 274
Benin	42 579	4 918	37 661	-	4 918
Bosnia and Herzegovina	22 907	10 827	12 080	741	10 086
Burkina Faso	64 885	5 932	58 953	-	5 932
Chad	10 795	295	10 500	-	295
China	70 099	70 099	-	3 031	67 068
Comoros	5 830	-	5 830	-	-
Congo	6 600	-	6 600	-	-
Côte d'Ivoire	15 640	-	15 640	-	-
Cuba	24 100	5 036	19 064	-	5 036
Ecuador	1 772	1 772	-	-	1 772
Egypt	160 890	26 258	134 632	10 050	16 208
El Salvador	10 850	5 426	5 424	-	5 426
Eswatini	8 550	5 812	2 738	855	4 957
Gabon	10 511	924	9 587	-	924
Georgia	16 000	6 438	9 562	-	6 438
Indonesia	167 800	31 804	135 996	-	31 804
Jordan	11 350	722	10 628	-	722
Kenya	101 010	5 069	95 941	-	5 069
Lesotho	14 010	-	14 010	-	-
Madagascar	6 270	-	6 270	-	-
Mali	34 255	893	33 362	-	893
Mexico	1 297	1 297	-	216	1 081
Montenegro	3 880	3 112	768	323	2 789
Morocco	72 465	10 720	61 745	-	10 720
Niger	65 270	5 407	59 863	-	5 407
Pakistan	74 090	-	74 090	-	-
Paraguay	15 800	2 729	13 071	-	2 729
Philippines	50 110	39 181	10 929	9 262	29 919
Republic of Moldova	18 939	100	18 839	-	100
Sao Tome and Principe	970	500	470	-	500
Senegal	111 875	14 588	97 287	-	14 588
Sudan	11 300	1 000	10 300	-	1 000
Togo	15 780	2 244	13 536	-	2 244
Tunisia	42 350	6 538	35 812	-	6 538
Turkey	70 194	9 713	60 481	-	9 713
Subtotal EUR	1 481 753	305 300	1 176 453	25 990	279 310
US\$ equivalent	1 685 050	347 187	1 337 862	29 556	317 631
SDR loans ^a					
Albania	34 462	34 462	-	14 925	19 537
Angola	24 400	22 365	2 035	7 155	15 210
Argentina	31 269	30 150	1 119	24 991	5 159
Armenia	60 942	60 937	5	16 734	44 203
Azerbaijan	43 931	43 931	-	9 701	34 230
Bangladesh	438 220	433 567	4 653	132 215	301 352
Belize	1 847	1 847	-	1 270	577
Benin	94 190	84 882	9 308	36 540	48 342
Bhutan	38 492	38 425	67	12 412	26 013
Bolivia (Plurinational State of)	72 492	67 536	4 956	26 096	41 440
Bosnia and Herzegovina	45 686	45 686	-	15 279	30 407
Botswana	842	842	-	600	242
Brazil	110 037	108 900	1 137	45 722	63 178
Burkina Faso	83 846	82 057	1 789	29 143	52 914
Burundi	40 859	40 859	-	20 853	20 006
Cabo Verde	24 691	20 998	3 693	5 353	15 645
Cambodia	62 365	61 801	564	9 526	52 275
Cameroon	119 000	79 839	39 161	15 063	64 776
Central African Republic	26 244	26 244	-	13 794	12 450
Chad	18 138	18 138	-	4 391	13 747
China	515 741	515 741	-	213 976	301 765
Colombia	32 024	30 678	1 346	14 335	16 343
Comoros	5 292	5 291	1	2 427	2 864
Congo	22 080	21 726	354	2 755	18 971
Côte d'Ivoire	21 265	21 117	148	7 418	13 699
Cuba	6 850	6 812	38	1 827	4 985
Democratic People's Republic of Korea	50 496	50 496	-	10 539	39 957
Democratic Republic of the Congo	50 370	42 802	7 568	18 220	24 582
Djibouti	7 146	7 146	-	1 987	5 159
Dominica	1 146	1 146	-	891	255
Dominican Republic	17 902	17 902	-	7 696	10 206

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<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>
Ecuador	26 894	25 802	1 092	10 140	15 662
Egypt	189 344	188 797	547	96 818	91 979
El Salvador	45 265	45 265	-	20 352	24 913
Equatorial Guinea	5 794	5 794	-	5 088	706
Eritrea	29 142	23 892	5 250	8 522	15 370
Eswatini	14 428	14 428	-	12 889	1 539
Ethiopia	416 527	343 384	73 143	64 347	279 037
Gabon	3 529	3 529	-	2 604	925
Gambia (The)	34 187	34 187	-	13 648	20 539
Georgia	30 370	30 370	-	8 241	22 129
Ghana	182 125	166 259	15 866	42 400	123 859
Grenada	1 632	1 632	-	830	802
Guatemala	15 377	15 377	-	14 744	633
Guinea	64 160	64 160	-	30 744	33 416
Guinea-Bissau	8 487	8 487	-	3 719	4 768
Guyana	8 522	8 522	-	3 605	4 917
Haiti	58 463	58 463	-	27 874	30 589
Honduras	87 603	83 735	3 868	31 213	52 522
India	599 515	557 041	42 474	217 916	339 125
Indonesia ^b	155 017	155 017	-	54 149	100 868
Jordan	14 432	14 143	289	7 014	7 129
Kenya	173 090	151 639	21 451	25 160	126 479
Kyrgyzstan	46 448	23 689	22 759	3 450	20 239
Lao People's Democratic Republic	65 202	52 187	13 015	20 411	31 776
Lebanon	2 406	2 406	-	1 183	1 223
Lesotho	30 606	29 981	625	10 454	19 527
Liberia	28 999	20 800	8 199	2 597	18 203
Madagascar ^b	198 780	167 162	31 618	39 213	127 949
Malawi ^b	147 630	91 204	56 426	35 034	56 170
Maldives	10 793	10 793	-	4 340	6 453
Mali	137 964	132 147	5 817	39 914	92 233
Mauritania	49 545	49 545	-	18 718	30 827
Mauritius	1 205	1 205	-	990	215
Mexico	35 484	32 173	3 311	21 484	10 689
Mongolia	27 169	25 937	1 232	4 695	21 242
Morocco	50 513	44 610	5 903	24 515	20 095
Mozambique	143 413	143 259	154	44 256	99 003
Myanmar	52 550	16 884	35 666	-	16 884
Nepal	118 702	94 957	23 745	39 959	54 998
Nicaragua	49 474	49 474	-	14 859	34 615
Niger	90 916	84 442	6 474	16 378	68 064
Nigeria	212 379	175 582	36 797	26 216	149 366
Pakistan	325 290	263 205	62 085	89 575	173 630
Papua New Guinea	23 450	22 566	884	2 240	20 326
Paraguay	16 298	16 298	-	4 697	11 601
Peru	47 423	44 939	2 484	9 134	35 805
Philippines	83 100	80 257	2 843	27 970	52 287
Republic of Moldova	55 612	55 612	-	8 200	47 412
Rwanda ^b	194 497	158 829	35 668	36 128	122 701
Samoa	1 908	1 908	-	1 150	758
Sao Tome and Principe	13 747	13 747	-	6 271	7 476
Senegal	112 445	109 317	3 128	25 313	84 004
Seychelles	1 980	1 875	105	825	1 050
Sierra Leone	45 736	45 736	-	17 056	28 680
Solomon Islands	4 069	4 069	-	1 627	2 442
Somalia ^b	16 900	16 900	-	1 430	15 470
Sri Lanka	156 846	152 316	4 530	47 408	104 908
Sudan	145 605	145 602	3	73 466	72 136
Syrian Arab Republic	28 754	12 573	16 181	4 509	8 064
Tajikistan	6 200	6 200	-	-	6 200
North Macedonia	11 721	11 721	-	5 132	6 589
Togo	24 583	22 230	2 353	10 950	11 280
Tonga	5 927	5 823	104	2 674	3 149
Tunisia	34 159	31 259	2 900	15 115	16 144
Turkey	52 360	52 359	1	32 817	19 542
Uganda	322 419	240 590	81 829	62 603	177 987
United Republic of Tanzania	225 251	225 250	1	51 942	173 308
Uruguay	2 081	2 081	-	587	1 494
Uzbekistan	22 922	18 707	4 215	1 276	17 431
Venezuela (Bolivarian Republic of)	10 450	10 450	-	8 845	1 605
Viet Nam	216 205	216 205	-	38 096	178 109
Yemen	138 389	138 389	-	48 917	89 472
Zambia	134 556	126 630	7 926	38 550	88 080
Zimbabwe	8 818	8 818	-	4 532	4 286

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<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>
Subtotal SDR	8 256 047	7 535 144	720 903	2 473 552	5 061 592
IFAD Fund for Gaza and the West Bank ^c	2 513	2 513	-	1 193	1 320
Total SDR	8 258 560	7 537 657	720 903	2 474 745	5 062 912
US\$ equivalent	11 578 773	10 568 043	1 010 730	3 469 674	7 098 369
Total loans 31 December 2021					
US\$ at nominal value	16 108 265	11 631 798	4 476 462	3 557 810	8 073 993
Other receivables					18 300
Fair value adjustment					(1 209 069)
31 December 2021 US\$ at fair value					6 883 224
Total loans 31 December 2020 US\$ at nominal value					
	16 117 686	11 370 413	4 747 273	3 368 402	8 002 011
Other receivables					19 719
Fair value adjustment					(1 253 633)
December 2020 US\$ at fair value	16 117 686	11 370 413	4 747 273	3 368 402	6 768 097

^a Loans denominated in United States dollars and are repayable in the currencies in which withdrawals are made. Loans in SDR and, for purposes of presentation in the balance sheet, the accumulated amount of loans denominated in SDR has been valued at the US\$/SDR rate of 1.402 at 31 December 2021. Loans denominated in EUR have been valued at the US\$/EUR rate of 0.879 at 31 December 2021.

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

^c The amount of the loan to the IFAD Fund for Gaza and the West Bank is included in the above balance. See note 2(g)(ii).

Table 2
Summary of loans approved at nominal value by year
 (As at 31 December 2021)

Year		Approved loans in thousands of SDR				Value in thousands of US\$				
		As at 1 January 2021	Loans cancelled	Loans fully repaid	As at 31 December 2021	As at 1 January 2021	Loans cancelled	Loans fully repaid	Exchange rate movement SDR/US\$	As at 31 December 2021
1978	US\$	68 530	-	-	68 530	68 530	-	-	-	68 530
2016	US\$	255 027	(66 160)	-	188 867	255 027	(66 160)	-	-	188 687
2017	US\$	652 264	(91)	-	652 173	652 264	(91)	-	-	652 173
2018	US\$	692 837	(30 000)	-	662 837	692 837	(30 000)	-	-	662 837
2019	US\$	386 451	-	-	386 451	386 451	-	-	-	386 451
2020	US\$	412 095	-	-	412 095	412 095	-	-	-	412 095
2021	US\$	-	-	-	473 489	-	-	-	-	473 489
1979	SDR	201 485	-	-	201 485	291 142	-	-	(8 654)	282 488
1980	SDR	176 647	-	-	176 647	255 251	-	-	(7 586)	247 665
1981	SDR	182 246	-	-	182 246	263 342	-	-	(7 826)	255 516
1982	SDR	103 109	-	-	103 109	148 990	-	-	(4 427)	144 563
1983	SDR	132 091	-	-	132 091	190 869	-	-	(5 674)	185 195
1984	SDR	131 907	-	-	131 907	190 603	-	-	(5 665)	184 938
1985	SDR	60 332	-	(810)	59 522	87 179	-	(1 136)	(2 591)	83 452
1986	SDR	23 663	-	-	23 663	34 193	-	-	(1 017)	33 176
1987	SDR	60 074	-	-	60 074	86 806	-	-	(2 580)	84 226
1988	SDR	52 100	-	-	52 100	75 283	-	-	(2 236)	73 047
1989	SDR	86 206	-	-	86 206	124 566	-	-	(3 702)	120 864
1990	SDR	40 064	-	-	40 064	57 892	-	-	(1 721)	56 171
1991	SDR	98 025	-	-	98 025	141 644	-	-	(4 209)	137 435
1992	SDR	79 888	-	-	79 888	115 437	-	-	(3 432)	112 005
1993	SDR	122 240	-	-	122 240	176 634	-	-	(5 249)	171 385
1994	SDR	122 598	-	-	122 598	177 152	-	-	(5 266)	171 886
1995	SDR	149 100	-	-	149 100	215 447	-	-	(6 405)	209 042
1996	SDR	178 369	-	-	178 369	257 740	-	-	(7 660)	250 080
1997	SDR	219 073	-	-	219 073	316 556	-	-	(9 409)	307 147
1998	SDR	203 208	-	-	203 208	293 631	-	-	(8 727)	284 904
1999	SDR	240 196	-	-	240 196	347 078	-	-	(10 313)	336 765
2000	SDR	250 027	-	(12 811)	237 216	361 289	-	(17 961)	(10 743)	332 585
2001	SDR	247 504	-	(2 470)	245 034	357 643	-	(3 463)	(10 634)	343 546
2002	SDR	228 239	-	(25 470)	202 769	329 806	-	(35 710)	(9 808)	284 288
2003	SDR	223 470	-	-	223 470	322 910	-	-	(9 598)	313 312
2004	SDR	247 518	-	-	247 518	357 659	-	-	(10 631)	347 028
2005	SDR	306 516	-	-	306 516	442 913	-	-	(13 167)	429 746
2006	SDR	310 019	(1 042)	-	308 977	447 971	(1 461)	-	(13 314)	433 196
2007	SDR	255 008	-	-	255 008	368 481	-	-	(10 951)	357 530
2008	SDR	255 560	(4 706)	-	250 854	369 279	(6 598)	-	(10 976)	351 705
2009	SDR	264 886	(9 845)	-	255 041	382 755	(13 803)	-	(11 377)	357 575
2010	SDR	410 516	(1 974)	-	408 542	593 187	(2 768)	-	(17 629)	572 790
2011	SDR	450 431	(2 777)	-	447 654	650 864	(3 893)	-	(19 345)	627 626
2012	SDR	392 308	(12 273)	-	380 035	566 877	(17 207)	-	(16 849)	532 821
2013	SDR	321 147	(3 261)	-	317 886	464 051	(4 572)	-	(13 793)	445 686
2014	SDR	315 258	(12 985)	-	302 273	455 542	(18 205)	-	(13 542)	423 795
2015	SDR	448 811	(4 949)	-	443 862	648 523	(6 939)	-	(19 276)	622 308
2016	SDR	188 840	(5 732)	-	183 108	272 870	(8 036)	-	(8 111)	256 723
2017	SDR	216 630	-	-	216 630	313 026	-	-	(9 304)	303 722
2018	SDR	26 090	-	-	26 090	37 700	-	-	(1 122)	36 578
2019	SDR	244 788	-	-	244 788	353 714	-	-	(10 514)	343 200
2020	SDR	61 907	-	-	61 907	89 454	-	-	(2 659)	86 795
2021	SDR	-	-	-	31 574	-	-	-	44 268	44 268
2014	EUR	84 600	(2 545)	-	82 055	103 512	(2 894)	-	(7 305)	93 313
2015	EUR	262 927	(15 490)	(543)	246 894	321 704	(17 616)	(617)	(22 703)	280 767
2016	EUR	95 790	-	-	95 790	117 204	-	-	(8 272)	108 932
2017	EUR	92 230	-	-	92 230	112 848	-	-	(7 964)	104 884
2018	EUR	116 558	-	-	116 558	142 615	-	-	(10 065)	132 550
2019	EUR	510 220	-	-	510 220	624 280	-	-	(44 058)	580 222
2020	EUR	158 858	(1 472)	-	157 386	194 371	(1 674)	-	(13 718)	178 979
2021	EUR	-	-	-	180 621	-	-	-	205 402	205 402
Total US\$		2 467 204	(96 251)	-	2 844 442	2 498 204	(96 251)	-	-	2 844 442
Total SDR		8 328 094	(59 544)	(41 561)	8 258 560	12 033 948	(83 483)	(58 270)	(313 423)	11 578 773
Total EUR		1 321 183	(19 507)	(543)	1 481 754	1 616 534	(22 184)	(617)	91 318	1 685 050
Totals		12 116 481	(175 302)	(42 104)	12 584 756	16 117 686	(201 918)	(58 887)	(222 106)	16 108 265

Table 3
Maturity structure of outstanding loans by period at nominal value
 (As at 31 December 2021 and 2020)
 (Thousands of United States dollars)

<i>Period due</i>	<i>2021</i>	<i>2020</i>
Less than 1 year	474 658	453 571
1-2 years	409 868	395 475
2-3 years	455 473	424 239
3-4 years	460 138	447 299
4-5 years	454 762	436 800
5-10 years	2 112 272	2 020 716
10-15 years	1 514 265	1 529 988
15-20 years	1 095 714	1 127 609
20-25 years	683 462	721 848
More than 25 years	413 381	444 466
Total	8 073 993	8 002 011

Table 4
Summary of outstanding loans by lending type at nominal value
 (As at 31 December 2021 and 2020)
 (Thousands of United States dollars)

<i>Lending type</i>	<i>2021</i>	<i>2020</i>
Highly concessional terms	6 530 647	6 622 418
Hardened terms	39 155	42 384
Intermediate terms	189 492	215 833
Ordinary terms	889 861	814 514
Blended terms	424 838	306 862
Total	8 073 993	8 002 011

Table 5
Disbursement structure of undisbursed loans at nominal value
 (Projected as at 31 December 2021 and 2020)
 (Thousands of United States dollars)

<i>Disbursements in:</i>	<i>2021</i>	<i>2020</i>
Less than 1 year	930 285	607 230
1-3 years	1 539 862	1 295 584
3-5 years	1 242 677	1 183 331
5-10 years	763 638	1 661 128
Total	4 476 462	4 747 273

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

Table 1
Statement of loans at nominal value
(As at 31 December 2021 and 2020)

<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	-	1 459	1 255
Burkina Faso	10 546	10 546	-	6 169	4 377
Burundi	4 494	4 494	-	2 090	2 404
Cabo Verde	2 183	2 183	-	1 169	1 014
Chad	9 617	9 617	-	5 149	4 468
Comoros	2 289	2 289	-	1 298	991
Djibouti	114	114	-	63	51
Ethiopia	6 660	6 660	-	3 955	2 705
Gambia (The)	2 638	2 638	-	1 451	1 187
Ghana	22 321	22 321	-	11 754	10 567
Guinea	10 762	10 762	-	6 188	4 574
Guinea-Bissau	2 126	2 126	-	1 329	797
Kenya	12 241	12 241	-	6 116	6 125
Lesotho	7 481	7 481	-	4 018	3 463
Madagascar	1 098	1 098	-	604	494
Malawi	5 777	5 777	-	2 600	3 177
Mali	10 193	10 193	-	6 112	4 081
Mauritania	19 020	19 020	-	10 983	8 037
Mozambique	8 291	8 291	-	5 078	3 213
Niger	11 119	11 119	-	6 614	4 505
Senegal	23 234	23 234	-	12 490	10 744
Sierra Leone	1 505	1 505	-	715	790
Sudan	26 012	26 012	-	14 016	11 996
Uganda	8 124	8 124	-	4 874	3 250
United Republic of Tanzania	6 789	6 789	-	3 734	3 055
Zambia	8 607	8 607	-	5 123	3 484
Total	225 955	225 955	-	125 151	100 804
US\$ equivalent	316 796	316 796	-	175 466	141 331
Other receivables					437
Fair value adjustment					(37 301)
31 December 2021 US\$ at fair value					104 467
31 December 2020 US\$ at nominal value					
Other receivables					557
Fair value adjustment					(42 275)
31 December 2020 US\$ at fair value					112 699

Table 2
Summary of loans by year approved at nominal value
 (As at 31 December 2021)

Year		Approved loans in thousands of SDR			Value in thousands of US\$			
		As at 1 January 2021	Loans cancelled	As at 31 December 2021	As at 1 January 2021	Loans cancelled	Exchange rate movement SDR/US\$	As at 31 December 2021
1986	SDR	24 902	-	24 902	35 983	-	(1 070)	34 913
1987	SDR	41 292	-	41 292	59 666	-	(1 773)	57 893
1988	SDR	34 770	-	34 770	50 242	-	(1 493)	48 749
1989	SDR	25 756	-	25 756	37 217	-	(1 106)	36 111
1990	SDR	17 370	-	17 370	25 099	-	(746)	24 353
1991	SDR	18 245	-	18 245	26 365	-	(785)	25 580
1992	SDR	6 952	-	6 952	10 046	-	(299)	9 747
1993	SDR	34 267	-	34 267	49 516	-	(1 473)	48 043
1994	SDR	16 320	-	16 320	23 582	-	(701)	22 881
1995	SDR	6 081	-	6 081	8 787	-	(261)	8 526
Total	SDR	225 955	-	225 955	326 501	-	(9 707)	316 796

Table 3
Maturity structure of outstanding loans by period at nominal value
 (As at 31 December 2021 and 2020)
 (Thousands of United States dollars)

Period due	2021	2020
Less than 1 year	8 479	9 101
1-2 years	8 145	8 394
2-3 years	8 145	8 394
3-4 years	8 145	8 394
4-5 years	8 145	8 394
5-10 years	40 723	41 971
10-15 years	38 438	40 840
15-20 years	18 690	24 408
20-25 years	2 421	4 521
Total	141 331	154 417

Table 4
Summary of outstanding loans by lending type at nominal value
 (As at 31 December 2021 and 2020)
 (Thousands of United States dollars)

Lending type	2021	2020
Highly concessional terms	141 331	154 417
Total	141 331	154 417

Table 5
Summary of IFAD and SPA loan balances

IFAD	US\$ thousands	
	2021	2020
Approved loans	16 108 265	16 117 686
Undisbursed balance	(4 476 462)	(4 747 273)
Repayments	(3 557 810)	(3 368 402)
	8 073 993	8 002 011
Interest/principal receivable	18 300	19 719
Loans outstanding at nominal value	8 092 293	8 021 730
Fair value adjustment	(1 209 069)	(1 253 633)
Loans outstanding	6 883 224	6 768 097
SPA	US\$ thousands	
	2021	2020
Approved loans	316 796	326 501
Undisbursed balance	-	-
Repayments	(175 466)	(172 084)
	141 331	154 417
Interest/principal receivable	437	557
Loans outstanding at nominal value	141 768	154 974
Fair value adjustment	(37 301)	(42 275)
Loans outstanding	104 467	112 699
IFAD and SPA	US\$ thousands	
	2021	2020
Approved loans	16 425 061	16 444 187
Undisbursed balance	(4 476 462)	(4 747 273)
Repayments	(3 733 276)	(3 540 486)
	8 215 323	8 156 428
Interest/principal receivable	18 737	20 276
Loans outstanding at nominal value	8 234 060	8 176 704
Fair value adjustment	(1 246 370)	(1 295 908)
Loans outstanding	6 987 690	6 880 796

Statement of grants

(As at 31 December 2021 and 2020)

(Thousands of United States dollars)

	<i>Undisbursed as at 1 January 2021</i>	<i>2021 movements</i>			<i>Exchange rate</i>	<i>Undisbursed as at 31 December 2021</i>
		<i>Disbursable</i>	<i>Disbursements</i>	<i>Cancellations</i>		
Grants	119 751	32 317	(44 365)	(2 819)	(1 368)	103 516
Fair value adjustment						(2 190)
Total 2021 at fair value						101 326
Total 2020	123 619	43 768	(47 295)	(1 830)	1 489	119 751
Fair value adjustment						(559)
Total 2020 at fair value						119 192

IFAD-only Debt Sustainability Framework

(As at 31 December 2021 and 2020)

(Thousands of United States dollars)

<i>Borrower or guarantor</i>	<i>Undisbursed as at 1 January 2021</i>	<i>Effective/ (cancellations) 2021</i>	<i>Disbursements 2021</i>	<i>Undisbursed as at 31 December 2021</i>
DSF projects denominated in EUR				
Benin	11 726	-	(2 586)	9 140
Mali	-	12 705	(424)	12 281
Niger	23 554	1 185	(1 175)	23 564
Sudan	15 096	45 200	(6 479)	53 817
Sao Tome and Principe	3 880	-	(969)	2 911
Chad	23 337	24 865	(5 491)	42 711
Togo	2 316	-	(524)	1 792
Grand total	79 909	83 955	(17 648)	146 216
US\$ equivalent				
	90 873	95 474	(20 069)	166 277
DSF projects denominated in US\$				
Afghanistan	36 851	-	(4 640)	32 211
Burkina Faso	11 096	-	(3 810)	7 286
Bhutan	-	1 000	(200)	800
Central African Republic	9 760	10 080	(1 645)	18 195
France	78	-	(39)	39
Guinea	11 696	-	(1 680)	10 016
Gambia (The)	16 520	-	(1 809)	14 711
Guinea-Bissau	670	4 370	(464)	4 576
Haiti	9 859	5 000	(3 859)	11 000
Kiribati	2 763	-	(907)	1 856
Liberia	12 908	6 210	(3 693)	15 425
Maldives	1 215	-	(204)	1 011
Mauritania	-	18 960	(2 124)	16 836
Mozambique	89 010	34 400	(8 720)	114 690
Malawi	14 076	-	(3 534)	10 542
Samoa	3 400	-	(77)	3 323
Sierra Leone	5 166	7 700	(3 566)	9 300
Tajikistan	13 554	-	(3 057)	10 497
Tonga	-	3 600	(500)	3 100
Grand Total	238 622	91 320	(44 528)	285 414
DSF projects denominated in SDR				
Afghanistan	31 049	-	(5 303)	25 746
Benin	36	-	-	36
Burundi	37 367	-	(8 053)	29 314
Burkina Faso	11 223	(2 232)	(6 713)	2 278
Central African Republic	198	(198)	-	-
Côte d'Ivoire	989	(843)	29	175
Democratic Republic of the Congo	12 445	-	(3 799)	8 646
Comoros	161	-	(161)	0
Eritrea	9 707	-	(1 477)	8 230
Ethiopia	23 835	(291)	(10 373)	13 171
Guinea	949	(1 088)	139	0
Gambia (The)	1	(2)	1	0
Kyrgyzstan	8 620	(29)	(1 035)	7 556
Kiribati	10	-	-	10
Lesotho	1 151	-	(607)	544
Madagascar	15 719	-	(3 896)	11 823
Mali	9 845	-	(3 014)	6 831
Mozambique	2 576	-	(2 557)	19
Mauritania	6 472	4 668	(1 876)	9 264
Malawi	16 718	13 700	(3 561)	26 857
Niger	11 399	-	(4 897)	6 502
Nicaragua	18	(60)	42	0
Nepal	14 380	(1 416)	(4 007)	8 957

Appendix I3

Rwanda	1	-	-	1
Sudan	5 877	-	(3 180)	2 697
Sao Tome and Principe	14	(14)	-	-
Chad	6	-	-	6
Togo	3 042	-	(689)	2 353
Tajikistan	1 441	-	(1 439)	2
Tonga	353	-	(249)	104
Yemen	14 622	-	-	14 622
Zimbabwe	13 613	-	(2 626)	10 987
Grand total	253 837	12 195	(69 301)	196 731
SDR at USD Equivalent	355 888	17 098	(97 162)	275 823
2021 total USD/EUR/XDR	685 382	203 891	(161 760)	727 514
Exchange difference			(2182)	
Total 2021 disbursements			(163 942)	
2020 total USD/EUR/XDR	717 392	163 878	(172 396)	703 181

Summary of the Heavily Indebted Poor Countries (HIPC) Initiative

As at 31 December 2021

(Thousands of United States dollars)

Completion point countries	Debt relief provided to 31 December 2021		Debt relief to be provided as approved by the Executive Board			World Bank contribution	Total debt relief
	Principal	Interest	To be covered by IFAD		To be covered by		
			Principal	Interest			
Benin	4 568	1 643					6 211
Bolivia (Plurinational State of)	5 900	1 890					7 790
Burkina Faso	6 769	2 668					9 437
Burundi	14 507	3 149	315	44		339	18 354
Cameroon	3 074	727					3 801
Comoros	1 682	287	269	30		355	2 623
Central African Republic	9 563	2 935					12 498
Chad	2 708	477					3 185
Congo		99					99
Côte d'Ivoire	1 814	326					2 140
Democratic Republic of the Congo	10 676	3 067	1 462	95		1 042	16 342
Ethiopia	20 569	5 905					26 474
Gambia (The)	2 508	619					3 127
Ghana	15 585	5 003					20 588
Guinea	11 202	2 168					13 370
Guinea-Bissau	4 227	1 176	672	46		338	6 459
Guyana	1 526	299					1 825
Haiti	1 946	635					2 581
Honduras	1 077	767					1 844
Liberia	9 065	6 252	153	15		151	15 636
Madagascar	7 810	2 096					9 906
Malawi	20 371	4 446					24 817
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	2 812					13 828
Rwanda	16 786	5 211					21 997
Sao Tome and Principe	2 111	514	506	60		376	3 567
Senegal	2 247	882					3 129
Sierra Leone	10 956	2 351					13 307
United Republic of Tanzania	12 692	4 292					16 984
Togo	2 009	758					2 767
Uganda	12 449	4 654					17 103
Zambia	19 169	4 921					24 090
SDR	281 057	82 909	3 377	290		2 601	370 234
Less future interest on debt relief not accrued ^a							(878)
Total SDR debt relief							369 356
Total US\$ equivalent	394 050	116 241	4 733	407		3 647	517 848
Fair value adjustment			(1 424)				
31 December 2021 at fair value			3 309				
As at 31 December 2020							
SDR	277 170	82 359	4 660	471		4 030	368 690
Less future interest on debt relief not accrued ^a							(1 426)
Total SDR debt relief							367 264
Total US\$ equivalent	400 505	119 007	6 732	681		5 823	530 689
Fair value adjustment			(2 021)				
31 December 2020 at fair value			4 711				

^a Including interest covered by the World Bank contribution.^b Balance net of future interest on debt relief not accrued.

Summary of contributions to the Haiti Debt Relief Initiative

(As at 31 December 2021 and 2020)

	<i>Thousands of US\$</i>	<i>Thousands of SDR</i>
2021		
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	1 403	
Debt relief provided	(28 964)	
Total administrative account Member States 2021	-	
IFAD		
IFAD contribution	15 200	
Interest earned	1 482	
Debt relief provided	(1 226)	
Total administrative account IFAD	15 456	
Grand total	15 456	
Exchange rate movement	899	
Total cash and investments	16 355	
2020		
Grand total	18 395	
Exchange rate movement	(2 624)	
Total cash and investments	15 771	

IFAD-only analysis of operating expenses

(For the years ended 31 December 2021 and 2020)

An analysis of IFAD operating expenses by principal sources of funding

(Thousands of United States dollars)

<i>Expense</i>	<i>Administrative expenses^a</i>	<i>Direct charges^b</i>	<i>IFAD's Climate Facility</i>	<i>Other sources^c</i>	<i>Total</i>
Staff salaries and benefits	104 058	20	-	4 514	108 592
Office and general expenses	22 160	597	201	418	23 376
Consultants and other non-staff costs	40 617	286	54	7 382	48 339
Direct bank and investment costs	-	3 490	-	-	3 490
Total 2021	166 835	4 393	255	12 314	183 797
Total 2020	158 728	2 089	-	9 174	169 991

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

^b Direct charges against investment income.

^c Includes Government of Italy reimbursable expenses, voluntary separation leave expenditures and positions funded from service charges and Targeted Investment in IFAD's Capacity budget. 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	EUR	6 000	7 077
Sweden	SEK	50 000	5 734
Switzerland	CHF	2 000	2 261
Total			52 635
IFAD		40 000	30 000
Total			82 635

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 2021</i>	<i>Undisbursed portion of disbursable grants</i>
Afghanistan	1 990	447	443
Angola	1 363	1 363	-
Bangladesh	2 007	2 007	-
Agricord	401	361	40
Benin	960	314	646
Burkina Faso	1 757	1 562	195
Burundi	1 576	627	83
Cambodia	1 172	1 021	151
Cameroon	1 333	640	693
Central African Republic	1 408	507	127
Chad	1 754	632	1 122
Comoros	721	260	65
Congo	985	355	89
Côte d'Ivoire	1 253	-	-
Democratic Republic of the Congo	1 214	1 214	-
Djibouti	414	394	20
Eritrea	440	200	240
Eswatini	675	675	-
Ethiopia	2 241	1 010	1 231
Gabon	444	385	60
Gambia (The)	590	558	32
Germany	3 267	1 651	1 615
Guinea	1 179	531	-
Guinea-Bissau	773	184	589
Kenya	6 668	3 020	599
Lebanon	247	201	46
Lesotho	740	333	-
Liberia	1 086	938	149
Madagascar	1 832	412	412
Malawi	1 369	1 369	-
Mali	982	391	51
Mauritania	738	701	37
Mozambique	1 699	765	-
Myanmar	600	-	-
Nepal	1 206	1 080	126
Agriterra	2 300	1 500	800
Niger	2 981	1 140	1 027
Nigeria	2 044	1 823	221

Appendix M

<i>Country location/ beneficiary</i>	<i>Approved grants less cancellations^a</i>	<i>Disbursements 2021</i>	<i>Undisbursed portion of disburseable grants</i>
Pakistan	2 372	2 135	237
Palestine	608	608	-
Papua New Guinea	732	390	342
Philippines	3 204	3 160	44
Rwanda	1 400	630	770
Samoa	385	303	82
Sao Tome and Principe	444	444	-
Senegal	1 003	979	24
Sierra Leone	1 150	1 035	115
Somalia	1 693	610	16
South Africa	241	217	24
South Sudan	706	479	227
Sudan	1 661	1 635	26
Syria Arab Republic	545	545	-
United Republic of Tanzania	1 961	1 961	-
Togo	1 016	86	930
Tonga	700	630	70
Uganda	2 121	500	455
Tunisia	86	77	9
Vanuatu	710	710	-
PAD	3 160	2 979	181
Yemen	836	753	84
Zambia	1 455	1 060	395
Zimbabwe	1 555	1 555	-
Total US\$	84 154	54 049	14 941

^a Balance considers grants approved not yet disburseable (US\$18.2 million) as well as at disburseable stage (US\$66.0 million).



EGYPT

Feeding time for cattle at a dairy station in El Israa, West Noubariya.

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FRONT COVER (LARGE)

SENEGAL

Oyster cultivation generates many jobs and is a key source of income for women in the Delta of Saloum.

©IFAD/Ibrahima Kebe Diallo

FRONT COVER (SMALL)

GUATEMALA

With support from an agri-digitalization project set up under the Rural Poor Stimulus Facility, Ana Zambrano Rodriguez established a small savings group in her community.

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BACK COVER

BANGLADESH

Nur Alam, a young farmer from Kalapara, cultivates vegetables on his demo plot.

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International Fund for Agricultural Development
Via Paolo di Dono, 44 - 00142 Rome, Italy
Tel: +39 06 54591 - Fax: +39 06 5043463
Email: ifad@ifad.org
www.ifad.org

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