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Enabling poor rural people  
to overcome poverty

## Resources available for commitment

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Executive Board —100<sup>th</sup> Session  
Rome, 15-17 September 2010

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For: **Approval**

Recommendation for approval. Pursuant to the Procedures for the Use of the Advance Commitment Authority (ACA), the President of the Fund shall report regularly to the Executive Board on the status of resources available for commitment, including the management of the ACA. At each session, the Executive Board shall approve the total resource commitment to be made through the ACA.<sup>1</sup> No additional use of ACA is being requested for approval at this session of the Board. The Executive Board is hereby requested to authorize the President to conclude agreements for loans and grants approved by the Board at its 100<sup>th</sup> session in September 2010 and for those to be approved through the lapse-of-time procedure as per attachment V to this document.

## Resources available for commitment

1. Attachment I contains a statement of resources available for commitment and attachment II lists amounts specifically excluded from resources available for commitment under IFAD's Regular Programme as at 30 June 2010.
2. Attachment III provides details of loans and grants approved by the Board at its ninety-ninth session.
3. Attachment IV provides details of loans and grants proposed to the current session of the Board for a total amount of US\$167.8 million. Based on the exchange rate in force as at 30 June 2010, such loans and grants amount to SDR 113.6 million. In addition, attachment V provides details of loans and grants to be committed and approved through the lapse-of-time procedure for 2010.
4. Attachment VI shows commitments made using advance commitment authority (ACA) from 2001 to 2009. It also provides a further analysis of net flows from 1 January to 31 August 2010 currently estimated at US\$441.3 million. In as much as the loans and grants proposed for approval at the current session of the Board amount to US\$167.8 million, loans and grants to be approved through the lapse-of-time procedure total US\$40.6 million (attachment V), loans and grants already approved amount to US\$270.9 million, and taking into consideration ACA of US\$75.3 million already approved this year<sup>2</sup>, no additional use of ACA is being requested to be approved at this Executive Board session. These figures will be updated in an addendum to this document to be tabled at the Board session.

### **Advance commitment authority and its ceiling**

5. Under article 7, section 2(b), of the Agreement Establishing IFAD, it is the responsibility of the Executive Board to determine the proportion of the Fund's resources to be committed to operations in any financial year. The Governing Council authorized the use of ACA at its twentieth session in February 1997 by amending the Agreement Establishing IFAD for that purpose. The procedures for ACA use during the Eighth Replenishment period are set out in resolution 154/XXXII/Rev.1, attachment B. The ceiling for ACA approved for the Eighth Replenishment period is based on seven years of reflows. The ACA requested at each Board session, if any, will represent the amount of loan and grant commitments in excess of the resources available for commitment. At year-end, taking into account net resources available for commitment and any additional ACA used during the year, the ACA carried forward will be adjusted accordingly. The additional use of ACA in any given year will be the simple sum of the ACA approved by the Executive Board at its three sessions during the year.

<sup>1</sup> Procedures for the Use of the Advance Commitment Authority, attachment B of GC 32/Resolution 154/XXXII/Rev.1.

<sup>2</sup> EB 2010/99/R.13/Add.1.

**Recommendation**

6. Based on the estimated resource position as at 31 August 2010, the Executive Board, having regard to article 7, section 2(b) of the Agreement Establishing IFAD and noting estimated net inflows for the eight-month period to 31 August 2010 amounting to US\$441.3 million, loan and grant commitments amounting to US\$479.3million,<sup>3</sup> and considering that ACA for US\$75.3 million has already been approved during the current year, notes that no additional use of ACA is being requested for approval at this session of the Board. The Executive Board authorizes the President to conclude agreements for loans and grants approved by the Executive Board at its 100<sup>th</sup> session in September 2010 and for those to be approved through the lapse-of-time procedure, as indicated in attachment V to this document. In addition, the Board requests the President to report to the Executive Board at its next and subsequent sessions on the resources available for commitment, loans and grants approved, and the use of ACA.

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<sup>3</sup> The amount of US\$479.3 million includes:

- Loans and grants already approved for US\$270.9 million;
- Loans and grants presented for approval at this session of the Executive Board for US\$167.8 million;
- Projects that will be approved through the lapse-of-time procedure for US\$40.6 million.

**Statement of resources available for commitment as at 30 June 2010**  
(Thousands of United States dollars)

<b>Assets in freely convertible currencies</b>		
Cash and investments	2 741 294	
Promissory notes – Member States <sup>a</sup>	377 368	
Other receivables	<u>120 085</u>	<u>3 238 747</u>
<b>Less:</b>		
Payables and liabilities		(440 033)
Programme Development Financing Facility (PDFF) carry forward		(2 400)
General Reserve		(95 000)
Undisbursed effective loans	(2 191 428)	
Approved loans signed but not yet effective	(128 702)	
Undisbursed grants	<u>(334 028)</u>	(2 654 158)
Drawdowns on promissory notes that have not been paid (see Attachment II) <sup>a</sup>		<u>(80 861)</u>
<b>Resources available for commitment</b>		<b><u>(33 705)</u></b>
<b>Less:</b>		
Loans not yet signed		(403 510)
Grants approved not yet effective		<u>(176 399)</u>
<b>Net resources available for commitment before ACA carry-forward and 2010 net flows</b>		<b><u>(613 614)</u></b>

<sup>a</sup> Promissory notes of US\$377,368,000 are gross of provisions for those amounts drawn down and not paid of US\$80,861,000; and include US\$30,000,000 of complementary contributions. The net amount of promissory notes included as resources available for commitment is US\$296,507,000.

**Summary of resource flows in the period**

ACA brought forward at 1 January 2010		<b>789 098</b>
Net flows to 30 June 2010 (Attachment VI)	<b>446 357</b>	
Loan and grant commitments as at 30 June 2010	<b><u>(270 873)</u></b>	
ACA used/(ACA covered)		<b>(175 484)</b>
ACA carried forward at 30 June 2010		<b><u>613 614</u></b>

**Resources available for commitment under the Regular Programme as at 30 June 2010**

Amounts specifically excluded  
(Thousands of United States dollars)

**IFAD Regular Programme****Drawdowns on Initial Contribution****Promissory notes that have not been paid**

Iran (Islamic Republic of)	29 358	
Iraq	<u>13 717</u>	43 075

**Drawdowns on First Replenishment****Promissory notes that have not been paid**

Iraq	<u>31 099</u>	31 099
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**Drawdowns on Third Replenishment****Promissory notes that have not been paid**

Democratic People's Republic of Korea	600	
Libyan Arab Jamahiriya	6 087	6 687

**Total specifically excluded****80 861**

**Loans and grants approved at the ninety-ninth session of the Executive Board**

<i>Country/recipient</i>	<i>Programme/project title</i>	<i>SDR</i>
<b>Loans</b>		
Bangladesh	Char Development and Settlement Project IV	30 248 350
Bangladesh	Participatory Small-scale Water Resources Sector Project	14 069 000
Cameroon	Commodity Value Chain Support Project	12 278 400
Dominican Republic	Rural Economic Development Project in the Central and Eastern Provinces	8 953 000
Ghana	Rural and Agricultural Finance Programme – Supplementary loan	5 755 500
Guatemala	Sustainable Rural Development Programme in El Quiché	10 551 750
Papua New Guinea	Productive Partnerships in Agriculture Project	8 953 000
Uganda	Vegetable Oil Development Project – Phase 2	33 254 000
Viet Nam	Project for the Economic Empowerment of Ethnic Minorities in Poor Communes of Dak Nong Province	12 790 000
<b>Total</b>		<b>136 853 000</b>
<b>Debt Sustainability Framework (DSF) grants</b>		
Burundi	Value Chain Development Programme	25 317 805
Eritrea	Fisheries Development Project	8 044 910
Guinea	National Programme to Support Agricultural Value Chains Actors	5 563 650
Yemen	Economic Opportunities Programme	8 249 550
<b>Total</b>		<b>47 175 915</b>
<b>Grants</b>		
International Center for Agricultural Research in the Dry Areas	Improving the Livelihoods of Rural Communities in the Dry Areas: Sustainable Crop and Livestock Management	639 500
Guatemala	Sustainable Rural Development Programme in El Quiché	319 750
Viet Nam	Project for the Economic Empowerment of Ethnic Minorities in Poor Communes of Dak Nong Province	319 750
Latin American Centre for Rural Development - RIMISP	Knowledge for Change - Policy Processes for Poverty Impact	1 151 100
<b>Total</b>		<b>2 430 100</b>
<b>Grand total</b>		<b>186 459 015</b>

**Loans and grants to be approved at the 100<sup>th</sup> session of the Executive Board**

<i>Country/recipient</i>	<i>Programme/project title</i>	<i>US\$</i>	<i>SDR<sup>a</sup></i>
<b>Loans</b>			
Armenia	Rural Asset Creation Programme	13 480 000	9 125 311
Honduras	Sustainable Rural Development Programme for the Southern Region ( <i>Emprende Sur</i> )	10 000 000	6 769 518
Kenya	Programme for Rural Outreach of Financial Innovations and Technologies (PROFIT)	29 300 000	19 834 688
Mali	Fostering Agricultural Productivity Project	31 703 000	21 461 404
Nigeria	Community-Based Agriculture and Rural Development Programme	13 000 000	8 800 374
Pakistan	Southern Punjab Poverty Alleviation Project	40 200 000	27 213 463
Uganda	Agricultural Technology and Agribusiness Advisory Services Project	14 000 000	9 477 325
<b>Total</b>		<b>151 683 000</b>	<b>102 682 083</b>
<b>Debt Sustainability Framework (DSF) grants</b>			
Djibouti	Programme for the Mobilization of Surface Water and Sustainable Land Management	3 000 000	2 030 855
Guinea	National Programme to Support Agricultural Value Chain Actors	8 700 000	5 889 481
Sao Tome and Principe	Participatory Smallholder Agriculture and Artisanal Fisheries Development Programme	3 000 000	2 030 855
<b>Total</b>		<b>14 700 000</b>	<b>9 951 191</b>
<b>Grants</b>			
Armenia	Rural Asset Creation Programme	500 000	338 476
Kenya	Programme for Rural Outreach of Financial Innovations and Technologies (PROFIT)	600 000	406 171
Mali	Fostering Agricultural Productivity Project	294 000	199 024
<b>Total</b>		<b>1 394 000</b>	<b>943 671</b>
<b>Grand total</b>		<b>167 777 000</b>	<b>113 576 945</b>

<sup>a</sup> Using the 30 June 2010 US\$/SDR exchange rate of 1.47721 based on the United States dollar amount for loans and associated grants not negotiated to date.

**Projects to be approved through the lapse-of-time procedure included in the loan and grant commitment EB 99**

<i>Country/recipient</i>	<i>Programme/project title</i>	<i>US\$</i>	<i>SDR</i>
Botswana	Agricultural Services Support Project (loan)	5 090 000	3 347 187
Botswana	Agricultural Services Support Project (grant)	600 000	394 560
<b>Subtotal</b>		<b>5 690 000</b>	<b>3 741 747</b>

**Projects to be approved through the lapse-of-time procedure included in the loan and grant commitment EB 100**

<i>Country/recipient</i>	<i>Programme/project title</i>	<i>US\$</i>	<i>SDR<sup>a</sup></i>
Grenada	Market Access and Rural Enterprise Development	3 000 000	2 030 855
World Agroforestry Centre (ICRAF)	Enabling Rural Transformation and Grass-roots Institutional Building for Sustainable Land Management and Increased Incomes and Food security	1 000 000	676 952
World Agroforestry Centre (ICRAF)	Non-food Biofuel Crop Development for Food, Energy and Environmental Security	1 000 000	676 952
World Agroforestry Centre (ICRAF)	Parkland Trees and Livelihoods: Adapting to Climate Change in the West African Sahel	1 500 000	1 015 428
UNESCO-IHE Institute for Water Education	Spate Irrigation for Rural Growth and Poverty Alleviation	1 200 000	812 342
International Centre of Insect Physiology and Ecology (ICIPE)	Scaling-up Beekeeping and Other Livelihood Options to Strengthen Farming Systems in Near East and North Africa, and Eastern Africa	1 200 000	812 342
International Rice Research Institute (IRRI)	Programme on Improving Livelihoods and Overcoming Poverty in the Drought-Prone Lowlands of Southeast Asia	1 200 000	812 342
International Center for Agricultural Research in the Dry Areas (ICARDA)	Improved Water Management for Sustainable Mountain Agriculture: Jordan, Lebanon and Morocco	1 000 000	676 952
Biodiversity International	Reinforcing Resilience of Rural Communities against Food Insecurity, Poverty and Climate Change through On-farm Conservation of Local Agro-biodiversity	1 000 000	676 952
Biodiversity International	Crop Biodiversity to Reduce Pest and Disease Damage: A Competitive Solution under the Limited Financial Capital of Poor Farmers	1 000 000	676 952
International Rice Research Institute (IRRI)	Accelerating Resource Conserving Technology (RCT) Adoption to Improve Food Security and Rural Livelihoods in the Indo Gangetic Plains.	1 500 000	1 015 428
Global Forum on Agricultural Research (GFAR)	Integration of International Research Efforts for pro-poor Impacts	1 000 000	676 952
WaterWatch, International Water Management Institute (IWMI), Basford, DLV Plant	Adapting Smart Technologies to Assist Smallholders in Africa	1 200 000	812 342
AgriCord	Support services to Farmers Organizations involved in IFAD Country Programs	800 000	541 561
To be determined – Consultative Group on International Agricultural Research (CGIAR)	Value Chain Analysis of Roots and Tubers	1 450 000	981 580
Food and Agriculture Organization of the United Nations (FAO)	Mainstreaming Pro-Poor Policy Initiatives at the Country Level	1 500 000	1 015 428
United Nations Economic and Social Commission for Asia and the Pacific (ESCAP)	Leveraging Pro-Poor Public-Private Partnership for Rural Development	1 350 000	913 885
Songhai	Replicating Songhai Centers in Western and Central Africa	1 500 000	1 015 428
Yeshiva University (YU) and World Agroforestry Centre (ICRAF)	Natural Resource Management and Climate Change in the Sahel	1 500 000	1 015 428
West Africa Rural Foundation (WARF)	Strengthening Project Management Capacity – Phase II	1 000 000	676 952



<i>Country/recipient</i>	<i>Programme/project title</i>	<i>US\$</i>	<i>SDR<sup>a</sup></i>
Kilimo Trust/SNV Netherlands Development Organisation	Network for Enhanced Market Access by Smallholders in Eastern and Southern Africa (NEMAS)	1 500 000	1 015 428
Regional Programme for Rural Development Training (PROCASUR)	Learning Routes	1 500 000	1 015 428
Africa Enterprise Challenge Fund (AECF)	Increasing the Impact of the Africa Enterprise Challenge Fund	1 000 000	676 952
To be determined	Regional Capacity-building	1 500 000	1 015 428
To be determined	Strengthening Farmer Organizations Engagement in Rural Poverty Reduction	1 000 000	676 952
International Center for Agricultural Research in the Dry Areas (ICARDA)	Improved Food Security and Reducing Vulnerability to Climate Change Through Sustainable Productivity Increase of Barley- Livestock-based Production System in Iraq and Jordan	1 500 000	1 015 428
To be determined	Rural Microfinance Support Projects	1 000 000	676 952
<b>Total</b>		<b>34 900 000</b>	<b>23 625 625</b>
<b>Grand total</b>		<b>40 590 000</b>	<b>27 477 482</b>

<sup>a</sup>Using the 30 June 2010 US\$/SDR exchange rate of 1.47721 based on the United States dollar amount for loans and associated grants not negotiated to date.

**Analysis of use of advance commitment authority**

	<i>Millions of United States dollars</i>								
	<i>2001</i>	<i>2002</i>	<i>2003</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>
<b>ACA carry-forward at start of year</b>	-	<b>153.7</b>	<b>277.8</b>	<b>331.1</b>	<b>136.8</b>	<b>296.0</b>	<b>453.3</b>	<b>585.3</b>	<b>742.3</b>
Net ACA use/(cover)	153.7	124.1	53.3	(194.3)	159.2	157.3	132.0	157.0	46.7
<b>ACA carry-forward at end of year</b>	<b>153.7</b>	<b>277.8</b>	<b>331.1</b>	<b>136.8</b>	<b>296.0</b>	<b>453.3</b>	<b>585.3</b>	<b>742.3</b>	<b>789.0</b>

	<i>Millions of United States dollars</i>		
	<i>Actual</i>	<i>Estimated</i>	<i>Estimated</i>
	<i>January to June 2010</i>	<i>July to August 2010</i>	<i>January to August 2010</i>
<b>1. Resources available at start of period</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Analysis of flows</b>			
Members' contributions	193.3	6.7	200.0
Loan reflows	128.7	31.3	160.0
Loan and grant cancellations	56.9	0	56.9
Net investment income	59.2	0	59.2
Net exchange rate movements	60.4	0	60.4
IFAD transfer for Haiti debt relief	0	(15.2)	(15.2)
Operating expenses	(52.1)	(27.9)	(80.0)
<b>2. Total estimated net inflows for the period</b>	<b>446.4</b>	<b>(5.1)</b>	<b>441.3</b>
<b>3. ACA approved by the Executive Board in the year</b>			<b>75.3</b>
<b>4. Loan and grant commitments<sup>a</sup></b>			<b>(479.3)</b>
<b>5. ACA to be approved at EB 100<sup>b</sup></b>			<b>0</b>
<b>6. ACA covered from flows in the period</b>			<b>(37.3)</b>
<b>7. ACA unused balance (=1+2+3+4+5+6)</b>			<b>0</b>
<b>8. ACA brought forward (= prior period)</b>			<b>789.0</b>
<b>9. ACA carried forward (= 3+5+6+8)<sup>c</sup></b>			<b>827.0</b>

<sup>a</sup> Loan and grant commitments include loans and grants presented for approval at this Board session of US\$167.8 million, projects to be approved through lapse-of-time procedure totalling US\$40.6 million, and loans and grants already approved for US\$270.9 million.

<sup>b</sup> EB 100 = 100<sup>th</sup> session of the Executive Board (September 2010).

<sup>c</sup> The ACA ceiling of seven years of loan reflows amounts to approximately US\$2.1 billion, as per the Eighth Replenishment definition. The current estimated carried-forward balance corresponds to about 4.2 years of loan reflows.