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Enabling poor rural people  
to overcome poverty

## Resources available for commitment

## Addendum

### Note to Executive Board representatives

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Executive Board — 103<sup>rd</sup> Session  
Rome, 14-15 September 2011

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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 is to 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 is to approve the total resource commitment to be made through the ACA.<sup>1</sup> Additional use of ACA is being requested for approval at this session of the Board for US\$265.8 million. The Executive Board is hereby requested to authorize the President to conclude agreements for loans and grants approved by the Board at its 103<sup>rd</sup> session in September 2011 and for those to be approved through the lapse-of-time procedure.

## Resources available for commitment

1. For the information of the Executive Board, and as stated in document EB 2011/102/R.14, Management has prepared an update of the estimated resources available for commitment under IFAD's Regular Programme. The aforementioned document had estimated additional advance commitment authority (ACA) of US\$344.6 million was required. Attachment III provides a further analysis of net flows from 1 January to 31 August 2011, currently estimated at US\$263.7 million. Taking into account the above net inflows for the eight-month period; loan and grant commitments amounting to US\$570.2 million;<sup>2</sup> ACA of US\$40.7 million already approved at the May 2011 session of the Board, additional ACA amounting to US\$265.8 million is requested at this session of the Executive Board (attachment III).
2. Attachment I provides details of loans and grants proposed to the current session of the Board for a total amount of US\$328.2 million. Based on the exchange rate in force as at 31 August 2011, such loans and grants amount to SDR 204.1 million. In addition, attachment II provides details of projects approved through the lapse-of-time procedure in the intersessional period May to September 2011. Attachment II also provides an indicative list of projects to be approved through the lapse-of-time procedure in the intersessional period September to December 2011.

### Recommendation

3. Based on the estimated resource position as at 31 August 2011, 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 2011 amounting to US\$263.7 million and loan and grant commitments amounting to US\$570.2 million<sup>2</sup> and considering that ACA for US\$ 40.7 million has been already approved during the current year, notes that additional ACA amounting to US\$265.8 million 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 103<sup>rd</sup> session in September 2011 and for those to be approved through the lapse-of-time procedure, as tentatively indicated in attachment II of 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.

<sup>1</sup> Procedures for the Use of the Advance Commitment Authority, attachment B of Governing Council resolution 154/XXXII/Rev.1.

<sup>2</sup> The amount of US\$570.2 million includes:

- Loans and grants already approved for US\$200.4 million;
- Loans and grants presented for approval at this session of the Executive Board for US\$328.2 million;
- Projects subject to approval through the lapse-of-time procedure in the intersessional period from September to December 2011 for US\$41.6 million.

**Loans and grants to be approved at the 103<sup>rd</sup> session of the Executive Board**

<i>Country/recipient</i>	<i>Programme/project title</i>	<i>US\$<sup>a</sup></i>	<i>SDR<sup>a</sup></i>
<b>Loans</b>			
Argentina	Inclusive Rural Development Programme (PRODERI)	7 960 119	4 950 000
Bangladesh	Haor Infrastructure and Livelihood Improvement Project	55 399 212	34 450 000
Ecuador	Buen Vivir in Rural Territories Programme	17 287 127	10 750 000
Ethiopia	Rural Financial Intermediation Programme II	50 333 682	31 300 000
Ghana	Rural Enterprises Programme	31 679 665	19 700 000
Mauritania	Poverty Reduction Project in the Aftout South and Karakoro – Phase II (PASK II)	9 005 387	5 600 000
Rwanda	Project for Rural Income through Exports	18 654 016	11 600 000
Senegal	Support to Agricultural Development and Rural Entrepreneurship Programme	32 483 717	20 200 000
Zambia	Smallholder Productivity Promotion Programme	24 845 220	15 450 000
<b>Total</b>		<b>247 648 145</b>	<b>154 000 000</b>
<b>Debt Sustainability Framework (DSF) grants</b>			
Ethiopia	Rural Financial Intermediation Programme II	50 333 682	31 300 000
Mauritania	Poverty Reduction Project in the Aftout South and Karakoro – Phase II (PASK II)	9 005 387	5 600 000
Rwanda	Project for Rural Income through Exports	18 654 016	11 600 000
<b>Total</b>		<b>77 993 085</b>	<b>48 500 000</b>
<b>Grants</b>			
Bangladesh	Haor Infrastructure and Livelihood Improvement Project	1 013 106	630 000
World Agroforestry Centre	<b>Programme for the Development of Alternative Biofuel Crops</b>	1 500 000	932 775
<b>Total</b>		<b>2 513 106</b>	<b>1 562 775</b>
<b>Grand total</b>		<b>328 154 336</b>	<b>204 062 775</b>

<sup>a</sup> Using the 31 August 2011 US\$/SDR exchange rate of 1.608105 based on the United States dollar amount for loans and associated grants.

**Projects for approval through the lapse-of-time procedure May - September 2011**

<i>May-September</i>			
<i>Country/recipient</i>	<i>Programme/project title</i>	<i>US\$</i>	<i>SDR<sup>a</sup></i>
Honduras	Northern Horizons – Competitiveness and Sustainable Rural Development Project in the Northern Zone	8 844 577	5 500 000
Rwanda	Support Project for the Strategic Plan for the Transformation of Agriculture – Supplementary financing	2 572 967	1 600 000
Regional Programme for Rural Development Training (PROCASUR)	Strengthening Knowledge-sharing on Innovative Solutions Using the Learning Routes Methodology in Asia and the Pacific	1 000 000	621 850
International Center for Tropical Agriculture (CIAT)	Improved Forage-based Livestock Feeding Systems for Smallholder Livelihoods in the Cambodia-Laos-Viet Nam Development Triangle	1 500 000	932 775
Oxfam Novib	Community-led Value Chain Development for Gender Justice and Pro-Poor Wealth Creation	1 400 000	870 590
PROCASUR	Promoting Young People's Entrepreneurship in Poor Rural Territories in Latin America and the Caribbean	2 000 000	1 243 700
Nacional Financiera, Trustee of the Trust Fund for Biodiversity	Programme to Strengthen Community-based Management in Support of the REDD+ Strategy in Mesoamerica (PROFORCO)	1 200 000	746 220
International Food Policy Research Institute (IFPRI)	Decreasing Vulnerability to Conflict in the Middle East and North Africa through Rural Development	1 000 000	621 850
Microfinance Information Exchange, Inc. (MIX)	Improving Performance Monitoring and Effectiveness in Rural Finance	1 200 000	746 220
International Livestock Research Institute (ILRI)	Enhancing Dairy-based Livelihoods in India and the United Republic of Tanzania through Feed Innovation and Value Chain Development Approaches	1 000 000	621 850
International Land Coalition (ILC)	Catalysing Commitment to Pro-Poor Land Governance	1 000 000	621 850
International Water Management Institute (IWMI)	Disseminating Challenge Program on Water and Food Innovations and Adoption Processes for Water and Food, and Piloting their Mainstreaming in the IFAD Portfolio	1 000 000	621 850
International Maize and Wheat Improvement Center (CIMMYT)	Understanding the Adoption and Application of Conservation Agriculture in Southern Africa	750 000	466 388
<b>Total</b>		<b>24 467 544</b>	<b>15 215 143</b>

**Indicative proposal of projects for approval through the lapse-of-time procedure (2011)**

<i>September-December</i>			
Comoros	National Programme for Sustainable Human Development	2 600 000	1 616 810
Lesotho	Smallholder Agriculture Development Programme	10 000 000	6 218 500
Congo	Value Chain Support Programme	9 810 000	6 100 348
Eastern African Farmers Federation (EAFF)	Strengthening Knowledge Management and Institutional Development in Eastern African Farmers Federation	1 200 000	746 220
African Rural and Agricultural Credit Association (AFRACA)	Rural Finance Knowledge Management Partnership (Phase III)	1 500 000	932 775
AFRACA	IFADAfrica Regional Knowledge Network (Phase II)	1 500 000	932 775
People, Innovation and Change in Organizations (PICO)		1 800 000	1 119 330
Latin American Centre for Human Economy (CLAEH)	Public Policy Dialogue on Family Agriculture and Food Security in the Southern Cone of Latin America (Argentina, Brazil, Uruguay, Paraguay, Chile)	1 800 000	1 119 330
To be determined	Renewable Energy Technologies for Agricultural Development in Near East, North Africa and Europe	1 200 000	746 220
Union of Agricultural Producers (Canada)	Strengthening farmer Organizations Engagement in Rural Poverty Reduction (Syrian Arab Republic, Jordan, Sudan, Morocco and Tunisia)	1 300 000	808 405
European Committee for Education and Agriculture (CEFA)	Enhancing Food Security in the Horn of Africa through Diaspora Investment in Agriculture	1 500 000	932 775

International Rice Research Institute (IRRI)	Greater impact on livelihoods from rice research: development and effective delivery of new production technologies through adaptive research and capacity-building of rice specialists, extension officers and farmers	750 000	466 387
Institute for Ethical and Environmental Certification (ICEA)	Strengthening Smallholders' Access to Markets for Certified Sustainable Products	800 000	497 480
Humbolt-Universität Berlin; Instituto Socioambiental Brasilia; Centre for World Solidarity	Pro-poor Resource Governance in Changing Climates (Brazil and India)	800 000	497 480
Alliance for a Green Revolution in Africa (AGRA)	Expanding access to rural finance	1 000 000	621 850
Africa Rice Centre	Expanding production capacity of rice foundation seed (regional)	1 000 000	621 850
To be determined	Pilot Rural Energy Support Fund (with OPEC Fund for International Development) (regional)	1 500 000	932 775
Citizens Network for Foreign Affairs (CNFA)	Agro-dealer networks	1 500 000	932 775
<b>Total</b>		<b>41 560 000</b>	<b>25 844 086</b>

<sup>a</sup> Using the 31 August 2011 US\$/SDR exchange rate of 1.608105 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>									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>ACA carry-forward at start of year</b>	-	153.7	277.8	331.1	136.8	296.0	453.3	585.3	742.3	789.0
Net ACA use/(cover)	153.7	124.1	53.3	(194.3)	159.2	157.3	132.0	157.0	46.7	147.1
<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>	<b>936.1</b>

	<i>Estimated January to August 2011</i>
<b>1. Resources available at start of period</b>	<b>0</b>
<b>Analysis of flows</b>	
Members' contributions	124.8
Loan reflows	193.1
Loan and grant cancellations	23.2
Net investment income	73.8
Net exchange rate movements	(37.5)
Operating expenses	(113.7)
<b>2. Total estimated net inflows for the period</b>	<b>263.7</b>
<b>3. ACA approved by the Executive Board in the year</b>	<b>40.7</b>
<b>4. Loan and grant commitments<sup>b</sup></b>	<b>(570.2)</b>
<b>5. ACA to be approved at EB 103<sup>a</sup></b>	<b>265.8</b>
<b>6. ACA covered from flows in the period</b>	<b>0</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>936.1</b>
<b>9. ACA carried forward (= 3+5+6+7+8)<sup>c</sup></b>	<b>1 242.6</b>

<sup>a</sup> EB 103: 103<sup>rd</sup> session of the Executive Board (September 2011).

<sup>b</sup> Loan and grant commitments include :

- Loans and grants already approved for US\$200.4 million;
- Loans and grants presented for approval at this session of the Executive Board for US\$328.2 million;
- Projects subject to approval in the intersessional period September to December 2011 for US\$41.6 million.

<sup>c</sup> The ACA ceiling of seven years of loan reflows amounts to approximately US\$2.1-2.3 billion, according to the Eighth Replenishment definition. The current estimated carried-forward balance corresponds to about 4.2 to 4.5 years of loan reflows.