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Enabling poor rural people  
to overcome poverty

## Resources available for commitment

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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\$344.6 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 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 2011.
2. Attachment III provides details of loans and grants approved by the Board during 2011. It also provides details of the loans and grants approved through the lapse-of-time procedure during 2011.
3. Attachment IV provides details of loans and grants proposed to the current session of the Board for a total amount of US\$377.2 million. Based on the exchange rate in force as at 30 June 2011, such loans and grants amount to SDR 235.5 million. Attachment IV also provides an indicative proposal of projects to be approved through the lapse-of-time procedure amounting to US\$79.4 million.
4. Attachment V shows commitments made using the ACA from 2001 to 2010. It also provides an analysis of net flows from 1 January to 31 August 2011, currently estimated at US\$226.8 million. In as much as the loans and grants commitments amount to US\$612.1 million,<sup>2</sup> and taking into consideration ACA of US\$40.7 million already approved this year, additional ACA amounting to US\$344.6 million is being requested 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

<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> The amount of US\$612.1 million includes:

- loans and grants already approved for US\$155.5 million;
- loans and grants presented for approval at this session of the Executive Board for US\$377.2 million;
- projects to be approved through the lapse-of-time procedure for US\$79.4 million.

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.

**Recommendation**

6. Based on the resource position as at 30 June 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\$226.8 million, and loan and grant commitments amounting to US\$612.1 million,<sup>2</sup> and taking into consideration ACA of US\$40.7 million already approved this year, notes that additional ACA amounting to US\$344.6 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 for approval 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. 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.

**Statement of resources available for commitment as at 30 June 2011**  
(Thousands of United States dollars)

<b>Assets in freely convertible currencies</b>		
Cash and investments	2 621 675	
Promissory notes – Member States <sup>a</sup>	428 460	
Other receivables	<u>140 114</u>	<u>3 190 249</u>
<b>Less:</b>		
Payables and liabilities		(360 087)
General Reserve		(95 000)
Undisbursed effective loans	(2 505 523)	
Approved loans signed but not yet effective	(131 059)	
Undisbursed grants	(80 514)	
Undisbursed DSF	<u>(459 861)</u>	(3 176 957)
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>( 522 656)</u></b>
<b>Less:</b>		
Loans not yet signed		(284 764)
DSF not yet signed		(44 995)
Grants approved but not yet effective		<u>(24 651)</u>
<b>Net resources available for commitment before ACA carry-forward and 2011 net flows</b>		<b><u>(877 066)</u></b>

<sup>a</sup> Promissory notes of US\$428,460,000 are gross of provisions for those amounts drawn down and not paid of US\$80,861,000 and include US\$20,000,000 of complementary contributions.

**Summary of resource flows in the period**

ACA brought forward at 1 January 2011		<b>936 135</b>
Net flows to 30 June 2011 (attachment VI)	<b>214 581</b>	
Loan and grant commitments as at 30 June 2011	<b><u>(155 513)</u></b>	
ACA used/(ACA covered)		<b><u>(59 069)</u></b>
ACA carried forward at 30 June 2011		<b><u>877 066</u></b>

**Amounts specifically excluded from the resources available for commitment under the Regular Programme as at 30 June 2011**  
(Thousands of United States dollars)

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<b>IFAD Regular Programme</b>		
<b>Drawdowns on Initial Contribution</b>		
<b>Promissory notes that have not been paid</b>		
Iran (Islamic Republic of)	29 358	
Iraq	<u>13 717</u>	43 075
<b>Drawdowns on First Replenishment</b>		
<b>Promissory notes that have not been paid</b>		
Iraq	<u>31 099</u>	31 099
<b>Drawdowns on Third Replenishment</b>		
<b>Promissory notes that have not been paid</b>		
Democratic People's Republic of Korea	600	
Libyan Arab Jamahiriya	6 087	6 687
<b>Total specifically excluded</b>		<b><u>80 861</u></b>

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**Loans and grants approved at the 102<sup>nd</sup> session of the Executive Board**

<i>Country/recipient</i>	<i>Programme/project title</i>	<i>SDR</i>
<b>Loans</b>		
Azerbaijan	Integrated Rural Development Project	12 250 000
Indonesia	Smallholder Livelihood Development Project in Eastern Indonesia	30 300 000
Mongolia	Project for Market and Pasture Management Development	7 250 000
Pakistan	Gwadar-Lasbela Livelihoods Support Project	18 550 000
<b>Total</b>		<b>68 350 000</b>
<b>Debt Sustainability Framework (DSF) grants</b>		
Lao People's Democratic Republic	Rural Livelihoods Improvement Programme – Attapeu Province	1 550 000
Tajikistan	Livestock and Pasture Development Project	9 300 000
<b>Total</b>		<b>10 850 000</b>
<b>Grants</b>		
Indonesia	Smallholder Livelihood Development Project in Eastern Indonesia	670 000
<b>Total</b>		<b>670 000</b>
<b>Grand total</b>		<b>79 870 000</b>

**Loans and grants approved through the lapse-of-time procedure period January-April 2011**

<i>Country/recipient</i>	<i>Programme/project title</i>	<i>SDR</i>
Central African Republic	Project for Reviving Food Crops and Small Livestock Production in the Savannah	6 900 000
International Bank for Reconstruction and Development (IBRD) and International Development Association (IDA)	Developing Inclusive Financial Systems for Improved Access to Financial Services in Rural Areas programme	924 824
Food and Agriculture Organization of the United Nations (FAO)	“Leading the Field” Initiative of the International Treaty on Plant Genetic Resources for Food and Agriculture	924 824
MADRE Inc., Mainyoto Pastoralists Integrated Development Organization (MPIDO) and Tebtebba Foundation	Indigenous Peoples Assistance Facility	893 997
International Water Management Institute (IWMI)	Safe Nutrient, Water and Energy Recovery: Developing a Business Case	400 757
Food and Agriculture Organization of the United Nations (FAO)	Pro-Poor Policy Approaches to Address Risk and Vulnerability at the Country Level	924 824
University of Kassel-WATERCOPE	Supporting National Research Capacity and Policy Development to Cope with Dwindling Water Resources and Intensifying Land Use in the Transborder Altay-Dzungarian Region of Mongolia and China	915 576
<b>Total</b>		<b>11 884 802</b>

**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\$</i>	<i>SDR<sup>a</sup></i>
<b>Loans</b>			
Argentina	Inclusive Rural Development Programme (PRODERI)	7 890 000	4 926 908
Bangladesh	Haor Infrastructure and Livelihood Improvement Project	55 000 000	34 344 734
Ecuador	Buen Vivir in Rural Territories Programme	17 300 000	10 802 980
Ethiopia	Rural Financial Intermediation Programme II	50 000 000	31 222 485
Ghana	Rural Enterprises Programme	31 500 000	19 670 166
Madagascar	Vocational Training and Agricultural Productivity Improvement Programme (FORMAPROD)	33 000 000	20 606 840
Mauritania	Poverty Reduction Project in the Aftout South and Karakoro – Phase II (PASK II)	8 950 000	5 588 825
Rwanda	Project for Rural Income through Exports	18 600 000	11 614 764
Senegal	Support to Agricultural Development and Rural Entrepreneurship Programme	32 300 000	20 169 725
Zambia	Smallholder Productivity Promotion Programme	24 800 000	15 486 353
<b>Total</b>		<b>279 340 000</b>	<b>174 433 780</b>
<b>Debt Sustainability Framework (DSF) grants</b>			
Eritrea	National Agriculture Project	17 280 000	10 790 491
Ethiopia	Rural Financial Intermediation Programme II	50 000 000	31 222 485
Mauritania	Poverty Reduction Project in the Aftout South and Karakoro – Phase II (PASK II)	8 950 000	5 588 825
Rwanda	Project for Rural Income through Exports	18 600 000	11 614 764
<b>Total</b>		<b>94 830 000</b>	<b>59 216 565</b>
<b>Grants</b>			
Bangladesh	Haor Infrastructure and Livelihood Improvement Project	1 000 000	624 450
Madagascar	Vocational Training and Agricultural Productivity Improvement Programme (FORMAPROD)	2 000 000	1 248 899
<b>Total</b>		<b>3 000 000</b>	<b>1 873 349</b>
<b>Grand total</b>		<b>377 170 000</b>	<b>235 523 694</b>

<sup>a</sup> Using the 30 June 2011 US\$/SDR exchange rate of 1.60141 based on the United States dollar amount for loans and associated grants.

**Indicative proposal of projects for approval through the lapse-of-time procedure (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	8 720 000	5 445 201
Rwanda	Support Project for the Strategic Plan for the Transformation of Agriculture – Supplementary financing	2 500 000	1 561 124
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	624 450
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	936 675
Oxfam Novib	Community-led Value Chain Development for Gender Justice and Pro-Poor Wealth Creation	1 400 000	874 230
Regional Programme for Rural Development Training (PROCASUR)	Promoting Young People's Entrepreneurship in Poor Rural Territories in Latin America and the Caribbean	2 000 000	1 248 899
The Latin American Centre for Human Economy (CLAEH)	Public Policy Dialogue on Family Agriculture and Food Security in the Southern Cone of Latin America		
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	749 340
International Food Policy Research Institute (IFPRI)	Decreasing Vulnerability to Conflict in the Middle East and North Africa through Rural Development	1 000 000	624 450
Microfinance Information Exchange, Inc. (MIX)	Improving Performance Monitoring and Effectiveness in Rural Finance	1 200 000	749 340
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	624 450
World Agroforestry Centre (ICRAF)	Programme for the Development of Alternative Biofuel Crops	1 500 000	936 675
International Land Coalition (ILC)	Catalyzing Commitment to a Pro-Poor Land Governance	1 000 000	624 450
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	624 450
International Maize and Wheat Improvement Center (CIMMYT)	Understanding the Adoption and Application of Conservation Agriculture in Southern Africa	750 000	468 337
		<b>25 770 000</b>	<b>16 092 071</b>
<i>September-December</i>			
Comoros	National Programme for sustainable Human Development	2 600 000	1 623 569
Lesotho	Smallholder Agriculture Development Programme	11 940 000	7 455 929
Congo	Value Chain Support Programme	9 810 000	6 125 852
Guinea	National Programme to Support Agricultural Value Chain Actors	11 600 000	7 243 617
East Africa Farmers' Federation	Strengthening Knowledge Management and Institutional Development in East Africa Farmers' Federation (EAFF)	1 500 000	936 675
African Rural and Agricultural Credit Association (AFRACA)	Rural Finance Knowledge Management Partnership (Phase 3)	1 500 000	936 675
African Rural and Agricultural Credit Association (AFRACA)	IFADAfrica Regional Knowledge Network (Phase 2)	1 500 000	936 675
The 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	1 124 009
To be determined	Renewable energy technologies for agricultural development in NEN	1 200 000	749 340
Union of Agricultural Producers (Canada)	Strengthening farmer organizations' engagement in Rural Poverty Reduction (Syria, Jordan, Sudan, Morocco and Tunisia)	1 300 000	811 785
European Committee for Education and Agriculture	Enhancing Food Security in the Horn of Africa through Diaspora Investment in Agriculture	1 500 000	936 675
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,	750 000	468 337



	extension officers and farmers		
Institute for Ethical and Environmental Certification (ICEA)	Strengthening Smallholders' Access to Markets for Certified Sustainable Products	800 000	499 560
Humbolt-Universitat Berlin, Instituto Socioambiental Brasilia, Centre for World Solidarity	Pro-poor Resource Governance Under Changing Climates (Brazil and India)	800 000	499 560
Alliance for a Green Revolution in Africa (AGRA)	Expanding access to rural finance	1 000 000	624 450
Africa Rice Centre (WARDA)	Expanding production capacity of rice foundation seed (regional)	1 000 000	624 450
To be determined	Pilot Rural Energy Support Fund (with OFID) (regional)	1 500 000	936 675
Citizens Network for Foreign Affairs (CNFA)	Agro-dealer networks	1 500 000	936 675
<b>Total</b>		<b>53 600 000</b>	<b>33 470 508</b>
<b>Grand total</b>		<b>79 370 000</b>	<b>49 562 579</b>

<sup>a</sup> Using the 30 June 2011 US\$/SDR exchange rate of 1.60141 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>Millions of United States dollars</i>		
	<i>Actual January to June 2011</i>	<i>Estimated July to August 2011</i>	<i>Estimated January to August 2011</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	115.8	37.6	153.3
Loan reflows	147.1	18.9	166.0
Loan and grant cancellations	21.9	0	21.9
Net investment income	41.6	0	41.6
Net exchange rate movements	(42.3)	0	(42.3)
Operating expenses	(69.5)	(44.3)	(113.8)
<b>2. Total estimated net inflows for the period</b>	<b>214.6</b>	<b>12.2</b>	<b>226.8</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>(612.1)</b>
<b>5. ACA to be approved at EB 103<sup>a</sup></b>			<b>344.6</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+7)</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>1 321.4</b>

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

<sup>b</sup> The amount of US\$612.1 million includes:

- Loans and grants already approved for US\$155.5 million;
- Loans and grants presented for approval at this session of the Executive Board for US\$377.2 million;
- Projects to be approved through the lapse-of-time procedure for US\$79.4 million.

<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 5 years of loan reflows.