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Enabling poor rural people  
to overcome poverty

## Resources available for commitment

### Note to Executive Board representatives

#### Focal points:

#### Technical questions:

**Ruth Farrant**  
Director and Controller  
Controller's and Financial Services Division  
Tel.: +39 06 5459 2281  
e-mail: r.farrant@ifad.org

**Allegra Saitto**  
Accounting Officer  
Controller's and Financial Services Division  
Tel.: +39 06 5459 2405  
e-mail: a.saitto@ifad.org

#### Dispatch of documentation:

**Deirdre McGrenra**  
Head, Governing Bodies Office  
Tel.: +39 06 5459 2374  
e-mail: gb\_office@ifad.org

Executive Board – 104<sup>th</sup> Session  
Rome, 12-14 December 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\$253.6 million. The Executive Board is hereby requested to authorize the President to conclude agreements for loans and grants approved by the Board at its 104<sup>th</sup> session in December 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 September 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\$547.7 million. Based on the exchange rate in force as at 30 September 2011, such loans and grants amount to SDR 351.7 million. Attachment IV also provides an indicative proposal of projects to be approved through the lapse-of-time procedure amounting to US\$33.3 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 December 2011, currently estimated at US\$467.4 million. In as much as the loans and grants commitments amount to US\$1,027.5 million,<sup>2</sup> and taking into consideration ACA of US\$306.5 million already approved this year, additional ACA amounting to US\$253.6 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\$1,027.5 million includes:

- loans and grants already approved for US\$446.5 million;
- loans and grants presented for approval at this session of the Executive Board for US\$547.7 million;
- projects to be approved through the lapse-of-time procedure for US\$33.3 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 September 2011, the Executive Board, having regard to article 7, section 2(b) of the Agreement Establishing IFAD and noting estimated net inflows for the twelve-month period to 31 December 2011 amounting to US\$467.4 million, and loan and grant commitments amounting to US\$1,027.5 million,<sup>2</sup> and taking into consideration ACA of US\$306.5 million already approved this year, notes that additional ACA amounting to US\$253.6 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 104<sup>th</sup> session in December 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 September 2011**

(Thousands of United States dollars)

<b>Assets in freely convertible currencies</b>		
Cash and investments	2 520 900	
Promissory notes – Member States <sup>a</sup>	308 627	
Other receivables	<u>104 222</u>	<u>2 933 749</u>
<b>Less:</b>		
Payables and liabilities		(224 761)
General Reserve		(95 000)
Undisbursed effective loans	(2 478 150)	
Approved loans signed but not yet effective	(117 031)	
Undisbursed grants	(81 000)	
Undisbursed DSF	<u>(448 915)</u>	(3 125 096)
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>(591 969)</u></b>
<b>Less:</b>		
Loans not yet signed		(379 832)
DSF not yet signed		(42 286)
Grants approved but not yet effective		<u>(30 552)</u>
<b>Net resources available for commitment before ACA carry-forward and 2011 net flows</b>		<b><u>(1 044 639)</u></b>

<sup>a</sup> Promissory notes of US\$308,627,000 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 September 2011 (attachment V)	<b>337 964</b>	
Loan and grant commitments as at 30 September 2011	<b><u>(446 468)</u></b>	
ACA used/(ACA covered)		<b><u>108 504</u></b>
ACA carried forward at 30 September 2011		<b><u>1 044 639</u></b>

**Amounts specifically excluded from the resources available for commitment under the Regular Programme as at 30 September 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 at the 103<sup>rd</sup> session of the Executive Board**

<i>Country/recipient</i>	<i>Programme/project title</i>	<i>SDR<sup>a</sup></i>
<b>Loans</b>		
Argentina	Inclusive Rural Development Programme (PRODERI)	4 950 000
Bangladesh	Haor Infrastructure and Livelihood Improvement Project	34 450 000
Ecuador	Buen Vivir in Rural Territories Programme	10 750 000
Ethiopia	Rural Financial Intermediation Programme II	31 300 000
Ghana	Rural Enterprises Programme	19 700 000
Mauritania	Poverty Reduction Project in the Aftout South and Karakoro – Phase II (PASK II)	5 600 000
Rwanda	Project for Rural Income through Exports	11 600 000
Senegal	Support to Agricultural Development and Rural Entrepreneurship Programme	20 200 000
Zambia	Smallholder Productivity Promotion Programme	15 450 000
<b>Total</b>		<b>154 000 000</b>
<b>Debt Sustainability Framework (DSF) grants</b>		
Ethiopia	Rural Financial Intermediation Programme II	31 300 000
Mauritania	Poverty Reduction Project in the Aftout South and Karakoro – Phase II (PASK II)	5 600 000
Rwanda	Project for Rural Income through Exports	11 600 000
<b>Total</b>		<b>48 500 000</b>
<b>Grants</b>		
Bangladesh	Haor Infrastructure and Livelihood Improvement Project	630 000
World Agroforestry Centre	<b>Programme for the Development of Alternative Biofuel Crops</b>	932 775
<b>Total</b>		<b>1 562 775</b>
<b>Grand total</b>		<b>204 062 775</b>

### Loans and grants approved through the lapse-of-time procedure period January-September 2011

January – May 2011

Country/recipient	Programme/project title	SDR
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

May - September 2011

Honduras	Northern Horizons – Competitiveness and Sustainable Rural Development Project in the Northern Zone	5 500 000
Rwanda	Support Project for the Strategic Plan for the Transformation of Agriculture – Supplementary financing	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	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	932 775
Oxfam Novib	Community-led Value Chain Development for Gender Justice and Pro-Poor Wealth Creation	870 590
Regional Programme for Rural Development Training (PROCASUR)	Promoting Young People's Entrepreneurship in Poor Rural Territories in Latin America and the Caribbean	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)	746 220
International Food Policy Research Institute (IFPRI)	Decreasing Vulnerability to Conflict in the Middle East and North Africa through Rural Development	621 850
Microfinance Information Exchange, Inc. (MIX)	<b>Improving Performance Monitoring and Effectiveness in Rural Finance</b>	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	621 850
International Land Coalition (ILC)	Catalyzing Commitment to a Pro-Poor Land Governance	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	621 850
International Maize and Wheat Improvement Center (CIMMYT)	Understanding the Adoption and Application of Conservation Agriculture in Southern Africa	466 387
<b>Total</b>		<b>27 099 944</b>

**Loans and grants to be approved at the 104<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>			
Liberia	Smallholder Tree Crop Revitalization Support Project	16 900 000	10 850 646
Niger	Food Security and Development Support Project in the Maradi Region (PASADEM)	22 200 000	14 253 511
Madagascar	Vocational Training and Agricultural Productivity Improvement Programme (FORMAPROD)	33 000 000	21 187 651
Madagascar	Project to Support Development in the Menabe and Melaky Regions – supplementary loan	5 017 000	3 221 165
Malawi	Sustainable Agriculture Production Programme	22 850 000	14 670 843
Cambodia	Rural Livelihoods Improvement Project in Kratie, Preah Vihear and Ratanakiri	1 250 000	802 562
China	Guangxi Integrated Agricultural Development Project	47 000 000	30 176 352
India	Integrated Livelihood Support Project	89 914 000	57 729 287
Sri Lanka	Iranamadu Irrigation Development Project	22 230 000	14 272 772
Bolivia	Economic Inclusion Programme for Families and Rural Communities in the Highlands, Lowlands and Inter-Andean Valleys	18 000 000	11 556 901
Brazil	Rural Business for Small Producers Project (Projeto Dom Távora)	16 000 000	10 272 801
Colombia	Building Rural Entrepreneurial Capacities Programme: Trust and Opportunity	30 000 000	19 261 501
Nicaragua	Inclusion of Small-Scale Producers in Value Chains and Market Access Project	5 650 000	3 627 583
Albania	Mountain Business Competitiveness Programme	14 725 000	9 454 187
Bosnia Herzegovina	Rural Business Development Project	12 720 000	8 166 877
Egypt	Promotion of Rural Incomes Through Market Enhancement Project	70 000 000	44 943 503
Morocco	Agricultural Value Chain Development Project in the Mountain Zones of Al-Haouz Province	6 380 000	4 096 279
<b>Total</b>		<b>433 836 000</b>	<b>278 544 421</b>
<b>Debt Sustainability Framework (DSF) grants</b>			
Côte d'Ivoire	Support to Agricultural Development and Marketing	22 500 000	14 446 126
Cambodia	Rural Livelihoods Improvement Project in Kratie, Preah Vihear and Ratanakiri	1 250 000	802 562
Guinea	National Programme to Support Agricultural Value Chain Actors, Upper Guinea component	9 100 000	5 842 655
Malawi	Sustainable Agriculture Production Programme	22 850 000	14 670 843
Lao People's Democratic Republic	Soum Son Seun Jai – Community-based Food Security and Economic Opportunities Programme	13 960 000	8 924 496
Timor Leste	Maize Storage Project	4 940 000	3 171 727
Haiti	Productive Initiatives Support Programme in Rural Areas	7 500 000	4 815 375
Nicaragua	Inclusion of Small-Scale Producers in Value Chains and Market Access Project	5 650 000	3 627 583
Sudan	Seed Development Project	10 070 000	6 465 444
Yemen	YemenInvest – Rural Employment Programme	9 070 000	5 823 393
<b>Total</b>		<b>106 830 000</b>	<b>68 590 204</b>
<b>Grants</b>			
Madagascar	Vocational Training and Agricultural Productivity Improvement Programme	2 000 000	1 284 100
Colombia	Building Rural Entrepreneurial Capacities Programme: Trust and Opportunity	620 000	398 071
Albania	Mountain Business Competitiveness Programme	500 000	321 025
Bosnia Herzegovina	Rural Business Development Project	780 000	500 799
Egypt	Promotion of Rural Incomes Through Market Enhancement Project	1 000 000	642 050
Morocco	Agricultural Value Chain Development Project in the Mountain Zones of Al-Haouz Province	140 000	89 887
European Committee for Education and Agriculture (CEFA)	Enhancing Food Security in the Horn of Africa through Diaspora Investment in Agriculture	1 500 000	963 075



Mali Biocarburant (MBSA)	Building Farmers' Income and Safety Nets while Securing Local Energy Supply in West Africa.	500 000	321 025
<b>Total</b>		<b>7 040 000</b>	<b>4 520 032</b>
<b>Grand total</b>		<b>547 706 000</b>	<b>351 654 657</b>

<sup>a</sup> Using the 30 September 2011 US\$/SDR exchange rate of 1.55751 based on the United States dollar amount for loans and associated grants not negotiated to date.

#### Loans and grants to be approved through the lapse-of-time procedure period September - December 2011

<i>September-December</i>			
Comoros	National Programme for sustainable Human Development	2 600 000	1 669 331
Lesotho	Smallholder Agriculture Development Programme	9 812 313	6 300 000
Congo	Agricultural Value Chains Development Programme (PADEF)	9 805 000	6 295 305
East Africa Farmers' Federation	<b>Strengthening capacity of East Africa farmer organizations through knowledge management and institutional development</b>	1 500 000	963 075
African Rural and Agricultural Credit Association (AFRACA)	Rural Finance Knowledge Management Partnership (Phase 3)	1 500 000	963 075
PICO Knowledge Net	<b>IFADAfrica Regional Knowledge Network – Phase I</b>	1 800 000	1 155 691
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	1 155 691
Oxfam Italia	<b>Renewable energy technologies in Albania and Bosnia- Herzegovina</b>	1 200 000	770 461
FAO	<b>Drought recovery and smallholder adaptation programme in Djibouti and Somalia</b>	1 300 000	834 666
Institute for Ethical and Environmental Certification (ICEA)	Strengthening Smallholders' Access to Markets for Certified Sustainable Products	800 000	513 640
SNV Netherlands Development Organisation for the Uganda Oilseed Subsector Platform	Uganda Oilseed Subsector Platform	1 140 000	731 937
<b>Total</b>		<b>33 257 313</b>	<b>21 352 872</b>

<sup>a</sup> Using the 30 September 2011 US\$/SDR exchange rate of 1.55751 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 September 2011</i>	<i>Estimated October to December 2011</i>	<i>Estimated January to December 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	138.5	91.5	230.0
Loan reflows	214.9	65.1	280.0
Loan and grant cancellations	23.8	36.2	60.0
Net investment income	78.6	(5.0)	73.6
Net exchange rate movements	(12.4)	0	(12.4)
Operating expenses	(105.5)	(58.3)	(163.8)
<b>2. Total estimated net inflows for the period</b>	<b>337.9</b>	<b>129.5</b>	<b>467.4</b>
<b>3. ACA approved by the Executive Board in the year</b>			<b>306.5</b>
<b>4. Loan and grant commitments<sup>b</sup></b>			<b>(1 027.5)</b>
<b>5. ACA to be approved at EB 104<sup>a</sup></b>			<b>253.6</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)</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>1 496.2</b>

<sup>a</sup> EB 104: 104<sup>th</sup> session of the Executive Board (December 2011).

<sup>b</sup> The amount of US\$1 027.5 million includes:

- Loans and grants already approved for US\$446.5 million;
- Loans and grants presented for approval at this session of the Executive Board for US\$547.7 million;
- Projects to be approved through the lapse-of-time procedure for US\$33.3 million.

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