

Document: EB 2012/105/R.7/Add.1  
Agenda: 6  
Date: 2 April 2012  
Distribution: Public  
Original: English

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Enabling poor rural people  
to overcome poverty

## Resources available for commitment

### Addendum

#### **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  
Tel.: +39 06 54592405  
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 — 105<sup>th</sup> Session  
Rome, 3-4 April 2012

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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\$194.3 million. The Executive Board is hereby requested to authorize the President to conclude agreements for loans and grants approved by the Board at its 105<sup>th</sup> session in April 2012 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 2012/105/R.7, Management has prepared an update of the estimated resources available for commitment under IFAD's Regular Programme. The aforementioned document had estimated that additional advance commitment authority (ACA) of US\$286.1 million was required. Attachment II provides a further analysis of net flows from 1 January to 31 March 2012, currently estimated at US\$108.0 million. Taking into account the above net inflows for the three-month period and loan and grant commitments amounting to US\$302.3 million;<sup>2</sup> additional ACA amounting to US\$194.3 million is requested at this session of the Executive Board (attachment II). The resulting decrease in the ACA amount requested is mainly due to postponement of some projects to future sessions of the Executive Board.
2. Attachment I provides details of loans and grants proposed to the current session of the Board for a total amount of US\$254.3 million. Based on the exchange rate in force as at 29 February 2012, such loans and grants amount to SDR 163.8 million. In addition, attachment I provides an indicative list of projects to be approved through the lapse-of-time procedure in the intersessional period January to April 2012.

### **Recommendation**

3. Based on the estimated resource position as at 31 December 2011, the Executive Board, having regard to article 7, section 2(b) of the Agreement Establishing IFAD and noting estimated net inflows for the three-month period to 31 March 2012 amounting to US\$108.0 million and loan and grant commitments amounting to US\$302.3 million<sup>2</sup> notes that additional ACA amounting to US\$194.3 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 105<sup>th</sup> session in April 2012 and for those to be approved through the lapse-of-time procedure, as tentatively indicated in attachment I 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\$302.3 million includes:

- Loans and grants presented for approval at this session of the Executive Board amounting to US\$254.2 million;
- Projects subject to approval through the lapse-of-time procedure in the intersessional period amounting to US\$48.1 million, for the 2012 programme of loans and grants.

**Loans and grants to be approved at the 105<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>			
Nigeria	Value Chain Development Programme	74 295 260	47 850 000
Sierra Leone	Rural Finance and Community Improvement Programme	1 075 000	692 356
Kenya	Upper Tana Catchment Natural Resource Management Project	32 994 237	21 250 000
Madagascar	Vocational Training and Agricultural Productivity Improvement Programme (FORMAPROD)	33 071 871	21 300 000
Madagascar	Project to Support Development in the Menabe and Melaky Regions	5 201 445	3 350 000
Cambodia	Project for Agricultural Development and Economic Empowerment	17 545 171	11 300 000
Nepal	Leasehold Forestry and Livestock Programme	1 500 000	966 078
Colombia	Building Rural Entrepreneurial Capacities Programme: Trust and Opportunity (TOP)	29 935 476	19 280 000
Mexico	Rural Development Project in the Mixteca Region and the Mazahua Zone	18 709 674	12 050 000
Uzbekistan	Horticultural Support Project	9 611 027	6 190 000
<b>Total</b>		<b>223 939 161</b>	<b>144 228 434</b>
<b>Debt Sustainability Framework (DSF) grants</b>			
Sierra Leone	Rural Finance and Community Improvement Programme	1 075 000	692 356
Cambodia	Project for Agricultural Development and Economic Empowerment	17 545 171	11 300 000
Nepal	Leasehold Forestry and Livestock Programme	1 500 000	966 078
Tonga	Tonga Rural Innovation Project	4 036 942	2 600 000
<b>Total</b>		<b>24 157 113</b>	<b>15 558 434</b>
<b>Grants</b>			
Nigeria	Value Chain Development Programme	512 381	330 000
Madagascar	Vocational Training and Agricultural Productivity Improvement Programme (FORMAPROD)	2 018 471	1 300 000
Colombia	Building Rural Entrepreneurial Capacities Programme: Trust and Opportunity (TOP)	620 000	399 312
Mexico	Rural Development Project in the Mixteca Region and the Mazahua Zone	2 002 944	1 290 000
Uzbekistan	Horticultural Support Project	1 001 472	645 000
<b>Total</b>		<b>6 155 268</b>	<b>3 964 312</b>
<b>Grand total</b>		<b>254 251 542</b>	<b>163 751 180</b>

<sup>a</sup> Amounts calculated using the 29 February 2012 US\$/SDR exchange rate of 1.55267.

**Indicative list of loans and grants to be approved through the lapse-of-time procedure period January-April 2012 for the 2012 programme of loans and grants**

		<i>US\$</i>	<i>SDR<sup>a</sup></i>
Haiti	Small-scale Irrigation Development Project	12 500 000	8 050 648
Maldives	Mariculture Enterprise Development Project	2 496 000	1 607 553
Paraguay	Inclusion of Family Farming in Value Chains Project <i>(Paraguay Inclusivo)</i>	10 092 355	6 500 000
	Grants to be determined	23 000 000	14 813 193
<b>Total</b>		<b>48 088 355</b>	<b>30 971 394</b>

<sup>a</sup> Amounts calculated using the 29 February 2012 US\$/SDR exchange rate of 1.55267.

**Analysis of use of advance commitment authority**

	<i>Millions of United States dollars</i>										
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>ACA brought forward at start of year</b>	-	153.7	277.8	331.1	136.8	296.0	453.3	585.3	742.3	89.0	936.1
Net ACA use/(cover)	153.7	124.1	53.3	(194.3)	159.2	157.3	132.0	157.0	46.7	147.1	460.3
<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>	<b>1 396.4</b>

	<i>Millions of United States dollars</i>
	<i>Estimated January to March 2012</i>
<b>1. Resources available at start of period</b>	<b>0</b>
<b>Analysis of flows</b>	
Members' contributions	55.8
Loan reflows	67.2
Loan and grant cancellations	14.8
Net investment income	10.0
Net exchange rate movements	3.6
Operating expenses	(43.4)
<b>2. Total estimated net inflows for the period</b>	<b>108.0</b>
<b>3. ACA approved by the Executive Board in the year</b>	<b>0</b>
<b>4. Loan and grant commitments</b>	<b>(302.3)</b>
<b>5. ACA to be approved at EB 105<sup>a</sup></b>	<b>194.3</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>1 396.4</b>
<b>9. ACA carried forward (= 3+5+6+7+8)<sup>b</sup></b>	<b>1 590.7</b>

<sup>a</sup> EB 105: 105<sup>th</sup> session of the Executive Board (April 2012).

<sup>b</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 5.5 years of loan reflows.