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Enabling poor rural people  
to overcome poverty

## Resources available for commitment

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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\$286.1 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 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 31 December 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\$388.7 million. Based on the exchange rate in force as at 31 December 2011, such loans and grants amount to SDR 252.5 million. Attachment IV also provides an indicative proposal of projects to be approved through the lapse-of-time procedure amounting to US\$45.5 million.
4. Attachment V shows commitments made using the ACA from 2001 to 2011. It also provides an analysis of net flows from 1 January to 31 March 2012, currently estimated at US\$148.1 million. In as much as loan and grant commitments amount to US\$434.2 million,<sup>2</sup> additional ACA amounting to US\$286.1 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 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> The amount of US\$434.2 million includes:

- loans and grants presented for approval at this session of the Executive Board totalling US\$388.7 million;
- projects to be approved through the lapse-of-time procedure totalling US\$45.5 million.

**Recommendation**

6. Based on the 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\$148.1 million, and loan and grant commitments amounting to US\$434.2 million,<sup>2</sup> notes that additional ACA amounting to US\$286.1 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 105<sup>th</sup> session in April 2012 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 31 December 2011**  
(Thousands of United States dollars)

<b>Assets in freely convertible currencies</b>		
Cash and investments	2 493 785	
Promissory notes – Member States <sup>a</sup>	302 786	
Other receivables	<u>141 712</u>	<u>2 938 283</u>
<b>Less:</b>		
Payables and liabilities		(305 816)
General Reserve		(95 000)
Undisbursed effective loans	(2 441 662)	
Approved loans signed but not yet effective	(93 407)	
Undisbursed grants	(95 698)	
Undisbursed DSF	<u>(467 607)</u>	(3 098 374)
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>(641 768)</u></b>
<b>Less:</b>		
Loans not yet signed		(565 070)
DSF not yet signed		(165 946)
Grants approved but not yet effective		<u>(23 607)</u>
<b>Net resources available for commitment before ACA carry-forward and 2011 net flows</b>		<b><u>(1 396 391)</u></b>

<sup>a</sup> Promissory notes of US\$302,785,000 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 31 December 2011 (attachment V)	<b>526 895</b>	
Loan and grant commitments as at 31 December 2011	<b><u>(987 151)</u></b>	
ACA used/(ACA covered)		<b><u>460 256</u></b>
ACA carried forward at 31 December 2011		<b><u>1 396 391</u></b>

**Amounts specifically excluded from the resources available for commitment under the Regular Programme as at 31 December 2011**  
(Thousands of United States dollars)

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**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**

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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</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 at the 104<sup>th</sup> session of the Executive Board**

<i>Country/recipient</i>	<i>Programme/project title</i>	<i>SDR</i>
<b>Loans</b>		
Liberia	Smallholder Tree Crop Revitalization Support Project	10 500 000
Niger	Food Security and Development Support Project in the Maradi Region (PASADEM)	14 300 000
Malawi	Sustainable Agricultural Production Programme (SAPP)	14 650 000
Cambodia	Rural Livelihoods Improvement Project in Kratie, Preah Vihear and Ratanakiri	850 000
China	Guangxi Integrated Agricultural Development Project	29 650 000
India	Integrated Livelihoods Support Project	56 700 000
Sri Lanka	Iranamadu Irrigation Development Project	14 350 000
Bolivia	Economic Inclusion Programme for Families and Rural Communities in the Highlands, Lowlands and Inter-Andean Valleys (ACCESOS)	11 600 000
Nicaragua	Inclusion of Small-scale Producers in Value Chains and Market Access Project	3 850 000
Bosnia Herzegovina	Rural Business Development Project	8 050 000
Egypt	Promotion of Rural Incomes through Market Enhancement Project	44 140 000
Morocco	Agricultural Value Chain Development Project in the Mountain Zones of Al-Haouz Province	4 100 000
Tunisia	Integrated Agricultural Development Project in the Governorate of Siliana – Phase II	3 200 000
Tunisia	Agropastoral Development and Local Initiatives Promotion Programme for the South-East (PRODESUR)	2 550 000
<b>Total</b>		<b>218 490 000</b>
<b>Debt Sustainability Framework (DSF) grants</b>		
Côte d'Ivoire	Support to Agricultural Development and Marketing Project	14 500 000
Cambodia	Rural Livelihoods Improvement Project in Kratie, Preah Vihear and Ratanakiri	850 000
Guinea	National Programme to Support Agricultural Value Chain Actors (PNAFA), Upper Guinea component	5 750 000
Malawi	Sustainable Agricultural Production Programme (SAAP)	14 650 000
Lao People's Democratic Republic	Soum Son Seun Jai – Community-based Food Security and Economic Opportunities Programme	8 850 000
Timor Leste	Timor-Leste Maize Storage Project	3 200 000
Haiti	Productive Initiatives Support Programme in Rural Areas	4 850 000
Nicaragua	Inclusion of Small-scale Producers in Value Chains and Market Access Project	3 500 000
Sudan	Seed Development Project	6 350 000
Yemen	YemenInvest – Rural Employment Programme	5 720 000
<b>Total</b>		<b>68 220 000</b>
<b>Grants</b>		
Bosnia Herzegovina	Rural Business Development Project	500 000
Egypt	Promotion of Rural Incomes through Market Enhancement Project	630 000
Morocco	Agricultural Value Chain Development Project in the Mountain Zones of Al-Haouz Province	90 000
Tunisia	Agropastoral Development and Local Initiatives Promotion Programme for the South-East (PRODESUR)	350 000
European Committee for Education and Agriculture (CEFA)	Programme for Enhancing Food Security in the Horn of Africa through Diaspora Investment in Agriculture	961 575
Mali Biocarburant SA	Building farmers' income and safety nets while securing local energy supply in West Africa	320 525
<b>Total</b>		<b>2 852 100</b>
<b>Grand total</b>		<b>289 562 100</b>

**Loans and grants approved through the lapse-of-time procedure period January-December 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., Mainyito 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
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)	Improving Performance Monitoring and Effectiveness in Rural Finance	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 approved through the lapse-of-time procedure period September-December 2011**

<i>September-December</i>		<i>SDR</i>
Comoros	National Programme for sustainable Human Development	1 669 331
Lesotho	Smallholder Agriculture Development Programme	6 300 000
Congo	Agricultural Value Chains Development Programme (PADEF)	6 295 305
East Africa Farmers' Federation	Strengthening capacity of East Africa farmer organizations through knowledge management and institutional development	961 575
African Rural and Agricultural Credit Association (AFRACA)	Rural Finance Knowledge Management Partnership (Phase 3)	961 575
PICO Knowledge Net	IFADAfrica Regional Knowledge Network – Phase I	1 153 890
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)	1 153 890
Oxfam Italia	Renewable energy technologies in Albania and Bosnia- Herzegovina	769 260
FAO	Drought recovery and smallholder adaptation programme in Djibouti and Somalia	833 760
SNV Netherlands Development Organisation for the Uganda Oilseed Subsector Platform	Uganda Oilseed Subsector Platform	730 797
<b>Total</b>		<b>20 829 383</b>
<b>Grand Total</b>		<b>47 929 327</b>

**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>			
Mali	Rural Microfinance Programme	1 365 000	887 043
Nigeria	Value Chain Development Programme	74 400 000	48 348 735
Sierra Leone	Rural Finance and Community Improvement Programme	1 075 000	698 587
Kenya	Upper Tana Catchment Natural Resource Management Project	32 000 000	20 795 155
Madagascar	Vocational Training and Agricultural Productivity Improvement Programme (FORMAPROD)	33 000 000	21 445 003
Madagascar	Project to Support Development in the Menabe and Melaky Regions	5 225 801	3 350 000
South Africa	South African Market-led Smallholder Agricultural Development Programme	14 870 000	9 663 248
Cambodia	Project for Agricultural Development and Economic Empowerment	17 500 000	11 372 350
China	Hunan Agricultural and Rural Infrastructure Improvement Project	46 000 000	29 893 035
Indonesia	Coastal Communities Development Project	22 300 000	14 491 623
Nepal	Leasehold Forestry and Livestock Programme	1 500 000	974 773
Colombia	Building Rural Entrepreneurial Capacities Programme: Trust and Opportunity (TOP)	30 000 000	19 495 458
Mexico	Rural Development Project in the Mixteca Region and the Mazahua Zone	18 700 000	12 152 168
Albania	Mountain Business Competitiveness Programme	14 720 000	9 565 771
Turkey	Murat River Watershed Rehabilitation Project	31 400 000	20 405 246
Uzbekistan	Horticultural Support Project	9 600 000	6 238 546
<b>Total</b>		<b>353 655 801</b>	<b>229 776 741</b>
<b>Debt Sustainability Framework (DSF) grants</b>			
Mali	Rural Microfinance Programme	1 365 000	887 043
Sierra Leone	Rural Finance and Community Improvement Programme	1 075 000	698 587
Cambodia	Project for Agricultural Development and Economic Empowerment	17 500 000	11 372 350
Nepal	Leasehold Forestry and Livestock Programme	1 500 000	974 773
Tonga	Tonga Rural Innovation Project	3 000 000	1 949 546
<b>Total</b>		<b>24 440 000</b>	<b>15 882 299</b>
<b>Grants</b>			
Nigeria	Value Chain Development Programme	500 000	324 924
Madagascar	Vocational Training and Agricultural Productivity Improvement Programme (FORMAPROD)	2 000 000	1 299 697
South Africa	South African Market-led Smallholder Agricultural Development Programme	500 000	324 924
China	Hunan Agricultural and Rural Infrastructure Improvement Project	1 000 000	649 849
Indonesia	Coastal Communities Development Project	2 000 000	1 299 697
Colombia	Building Rural Entrepreneurial Capacities Programme: Trust and Opportunity (TOP)	620 000	402 906
Mexico	Rural Development Project in the Mixteca Region and the Mazahua Zone	2 000 000	1 299 697
Albania	Mountain Business Competitiveness Programme	500 000	324 924
Turkey	Murat River Watershed Rehabilitation Project	490 000	318 426
Uzbekistan	Horticultural Support Project	1 000 000	649 849
<b>Total</b>		<b>10 610 000</b>	<b>6 894 893</b>
<b>Grand total</b>		<b>388 705 801</b>	<b>252 553 933</b>

<sup>a</sup> Amounts calculated using the 31 December 2011 US\$/SDR exchange rate of 1.53882.

**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**

		US\$	SDR <sup>a</sup>
Haiti	Small-scale Irrigation Development Project	12 500 000	8 123 107
Paraguay	Inclusion of Family Farming in Value Chains Project ( <i>Paraguay Inclusivo</i> )	10 000 000	6 498 486
	Grants to be determined	23 000 000	14 946 517
<b>Total</b>		<b>45 500 000</b>	<b>29 568 111</b>

<sup>a</sup> Amounts calculated using the 31 December 2011 US\$/SDR exchange rate of 1.53882.

**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>Actual January to December 2011</i>	<i>Estimated January to March 2012</i>
<b>1. Resources available at start of period</b>	<b>0</b>	<b>0</b>
<b>Analysis of flows</b>		
Members' contributions	237.9	76.7
Loan reflows	287.0	83.0
Loan and grant cancellations	62.1	14.8
Net investment income	94.4	17.0
Net exchange rate movements	(4.1)	(0)
Operating expenses	(150.4)	(43.4)
<b>2. Total estimated net inflows for the period</b>	<b>526.9</b>	<b>148.1</b>
<b>3. ACA approved by the Executive Board in the year</b>	<b>610.7</b>	<b>0</b>
<b>4. Loan and grant commitments</b>	<b>(987.2)</b>	<b>(434.2)</b>
<b>5. ACA to be approved at EB 105<sup>a</sup></b>	<b>-</b>	<b>286.1</b>
<b>6. ACA covered from flows in the period</b>	<b>(150.4)</b>	<b>0</b>
<b>7. ACA unused balance (=1+2+3+4+5+6)</b>	<b>0</b>	<b>0</b>
<b>8. ACA brought forward (= prior period)</b>	<b>936.1</b>	<b>1 396.4</b>
<b>9. ACA carried forward (= 3+5+6+7+8)<sup>b</sup></b>	<b>1 396.4</b>	<b>1 682.5</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.