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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 — 106th Session
Rome, 20-21 September 2012

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.¹ Additional use of ACA is being requested for approval at this session of the Board for US\$135.5 million. The Executive Board is hereby requested to authorize the President to conclude agreements for loans and grants approved by the Board at its 106th session in September 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 2012/106/R.11, 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\$186.5 million was required. Attachment II provides a further analysis of net flows from 1 January to 31 August 2012, currently estimated at US\$359.7 million. Taking into account the above net inflows for the eight-month period and loan and grant commitments amounting to US\$689.5 million²; taking into consideration ACA of US\$194.3 million already approved this year, additional ACA amounting to US\$135.5 million is requested at this session of the Executive Board (attachment II). The resulting decrease in the ACA amount requested is due to additional inflows generated in the period mainly related to additional contributions received and higher investment income.
2. Attachment I provides details of loans and grants approved by the Board at its 105th session. It also provides details of loans and grants proposed to the current session of the Board for a total amount of US\$359.3 million. Based on the exchange rate in force as at 31 August 2012, such loans and grants amount to SDR 235.8 million. In addition, attachment I provides an indicative list of projects presented for approval through the lapse-of-time procedure in the intersessional periods April to December 2012, amounting to US\$84.7 million.

Recommendation

3. Based on the estimated resource position as at 31 August 2012, 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 2012 amounting to US\$359.7 million and loan and grant commitments amounting to US\$689.5million², taking into consideration ACA of US\$194.3 million already approved this year, notes that additional ACA amounting to US\$135.5 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 106th session in September 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.

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

² The amount of US\$689.5 million includes:

- Loans and grants approved up to June 2012 of US\$245.5 million (of which US\$218.7 million was approved by the Executive Board, US\$21.1 million approved by lapse-of-time and small grants US\$5.7 million).
- Loans and grants presented for approval at this session of the Executive Board amounting to US\$359.3 million; and
- Projects subject to approval through the lapse-of-time procedure in the intersessional period amounting to US\$84.7 million, for the 2012 programme of loans and grants.

Loans and grants approved at the 105th session of the Executive Board

<i>Country/recipient</i>	<i>Programme/project title</i>	<i>SDR</i>
Loans		
Nigeria	Value Chain Development Programme	47 850 000
Sierra Leone	Rural Finance and Community Improvement Programme	695 000
Kenya	Upper Tana Catchment Natural Resource Management Project	21 250 000
Madagascar	Project to Support Development in the Menabe and Melaky Regions	3 350 000
Cambodia	Project for Agricultural Development and Economic Empowerment	11 300 000
Nepal	Leasehold Forestry and Livestock Programme	975 000
Colombia	Building Rural Entrepreneurial Capacities Project: Trust and Opportunity	19 280 000
Mexico	Rural Development Project in the Mixteca Region and the Mazahua Zone	12 050 000
Uzbekistan	Horticultural Support Project	6 190 000
Total		122 940 000
Debt Sustainability Framework (DSF) grants		
Sierra Leone	Rural Finance and Community Improvement Programme	695 000
Cambodia	Project for Agricultural Development and Economic Empowerment	11 300 000
Nepal	Leasehold Forestry and Livestock Programme	975 000
Tonga	Tonga Rural Innovation Project	2 600 000
Total		15 570 000
Grants		
Nigeria	Value Chain Development Programme	330 000
Colombia	Building Rural Entrepreneurial Capacities Project: Trust and Opportunity	400 000
Mexico	Rural Development Project in the Mixteca Region and the Mazahua Zone	1 290 000
Uzbekistan	Horticultural Support Project	645 000
Total		2 665 000
Grand total		141 175 000^a

^a Amount equivalent to US\$218.7 million at the exchange rate prevailing at approval date of US\$/SDR 1.5487.

Indicative loans and grants to be approved at the 106th session of the Executive Board

<i>Country/recipient</i>	<i>Programme/project title</i>	<i>US\$^a</i>	<i>SDR^a</i>
Loans			
Cameroon	Rural Microfinance Development Support Project – supplementary loan	2 971 881	1 950 000
Cape Verde	Rural Socio-economic Opportunities Programme	6 416 216	4 210 000
Mali ^b	Rural Microfinance Programme – supplementary loan and grant	1 371 637	900 000
Niger	Ruwanmu Small-Scale Irrigation Project	1 783 129	1 170 000
Mozambique	Pro-Poor Value Chain Development in the Maputo and Limpopo Corridors Project	16 535 853	10 850 000
China	Hunan Agricultural and Rural Infrastructure Improvement Project	46 102 263	30 250 000
India	Jharkhand Tribal Empowerment and Livelihoods Project	51 131 601	33 550 000
Indonesia	Coastal Community Development Project	24 186 543	15 870 000
Nepal	Improved Seeds for Farmers Programme	19 583 937	12 850 000
Brazil	Productive Development and Capacity Building Project (Paulo Freire Project)	31 432 451	20 624 403
Brazil	Rural Business for Small Producers Project (Dom Távora)	15 697 630	10 300 000
Peru	Strengthening Local Development in the Highlands and High Rainforest Areas Project	18 364 703	12 050 000
Turkey	Murat River Watershed Rehabilitation Project	27 889 964	18 300 000
Total		263 467 808	172 874 403
Debt Sustainability Framework (DSF) grants			
Democratic Republic of the Congo	Kinshasa Food Supply Centre Support Programme	69 115 294	45 350 000
Mali ^b	Rural Microfinance Programme – supplementary loan and grant	1 371 637	900 000
Nepal	Improved Seeds for Farmers Programme	19 583 937	12 850 000
Total		90 070 868	59 100 000
Grants			
Niger	Ruwanmu Small-Scale Irrigation Project	998 247	655 000
Mozambique	Pro-Poor Value Chain Development in the Maputo and Limpopo Corridors Project	1 539 282	1 010 000
China	Hunan Agricultural and Rural Infrastructure Improvement Project	1 005 868	660 000
Indonesia	Coastal Community Development Project	1 807 513	1 186 000
Turkey	Murat River Watershed Rehabilitation Project	432 828	284 000
Total		5 783 738	3 795 000
Grand total		359 322 414	235 769 403

^a Amounts calculated using the 31 August 2012 US\$/SDR exchange rate of 1.52404.

^b Subject to clearance of amounts in arrears.

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

		<i>US\$</i>	<i>SDR^a</i>
Loans			
Haiti ^b	Small-scale Irrigation Development Project	13 335 365	8 750 000
Maldives ^b	Mariculture Enterprise Development Project	2 514 669	1 650 000
Madagascar ^c	Vocational Training and Agricultural Productivity Improvement Programme (FORMAPROD)	33 955 650	22 280 000
Various grants		34 900 000	22 899 635
Total		84 705 684	55 579 635

^a Amounts calculated using the 31 August 2012 US\$/SDR exchange rate of 1.52404.

^b Project presented by lapse-of-time during the intersessional period April – September 2012.

^c Project presented at the 105th session of the Executive Board and approved by lapse-of-time during the intersessional period April – September 2012.

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
ACA brought forward at start of year	-	153.7	277.8	331.1	136.8	296.0	453.3	585.3	742.3	789.0	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
ACA carry-forward at end of year	153.7	277.8	331.1	136.8	296.0	453.3	585.3	742.3	789.0	936.1	1 396.4

	<i>Millions of United States dollars</i>
	<i>Estimated January to August 2012</i>
1. Resources available at start of period	0
Analysis of flows	
Members' contributions	152.4
Loan reflows	177.7
Loan and grant cancellations	45.9
Net investment income	52.4
Net exchange rate movements	31.8
Operating expenses	(100.5)
2. Total estimated net inflows for the period	359.7
3. ACA approved by the Executive Board in the year	194.3
4. Loan and grant commitments^a	(689.5)
5. ACA to be approved at Executive Board 106^b	135.5
6. ACA covered from flows in the period	0
7. ACA unused balance (=1+2+3+4+5+6)	0
8. ACA brought forward (= prior period)	1 396.4
9. ACA carried forward (= 3+5+6+7+8)^c	1 726.2

^a The amount of US\$689.5 million includes:

- Loans and grants approved up to June 2012 of US\$245.5 million (of which US\$218.7 approved by the Executive Board, US\$21.1 million approved by lapse-of-time, small grants US\$5.7 million).
- Loans and grants presented for approval at this session of the Executive Board amounting to US\$359.3 million;
- Projects subject to approval through the lapse-of-time procedure in the intersessional period amounting to US\$84.7 million, for the 2012 programme of loans and grants.

^b 106th session of the Executive Board (September 2012).

^c The ACA ceiling of seven years of loan reflows amounts to approximately US\$2.4 billion, as per the Eighth Replenishment definition. The current estimated carried-forward balance corresponds to about 5.2 years of loan reflows.