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Enabling poor rural people  
to overcome poverty

## Resources available for commitment

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Executive Board — 107<sup>th</sup> Session  
Rome, 12-13 December 2012

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**For: Approval**

## Recommendation for approval

Based on the resource position as at 30 September 2012, 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 2012 amounting to US\$408.7 million, and loan and grant commitments amounting to US\$1,080.1 million, taking into consideration advance commitment authority (ACA) of US\$329.8 million already approved this year, notes that additional ACA amounting to US\$341.6 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 107<sup>th</sup> session in December 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.

## 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 2012.
2. Attachment III provides details of loans and grants approved by the Board during 2012. It also provides details of the loans and grants approved through the lapse-of-time procedure during 2012.
3. Attachment IV provides details of loans and grants proposed to the current session of the Board for a total amount of US\$312.2 million. Based on the exchange rate in force as at 30 September 2012, such loans and grants amount to SDR 202.9 million. Attachment IV also provides an indicative proposal of projects to be approved through the lapse-of-time procedure amounting to US\$131.4 million.
4. Attachment V shows commitments made using advance commitment authority (ACA) from 2001 to 2011. It also provides an analysis of net flows from 1 January to 31 December 2012, currently estimated at US\$408.7 million. In as much as loan and grant commitments amount to US\$1,080.1 million<sup>1</sup> taking into consideration ACA of US\$329.8 million already approved this year, additional ACA amounting to US\$341.6 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,

<sup>1</sup> The amount of US\$1,080.1 million includes:

- Loans and grants already approved amounting to US\$636.5 million;
- Loans and grants presented for approval at this session of the Executive Board amounting to US\$312.2 million;
- Projects subject to approval through the lapse-of-time procedure in the intersessional period amounting to US\$131.4 million, for the 2012 programme of loans and grants.

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.

**Recommendation**

6. Based on the resource position as at 30 September 2012, 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 2012 amounting to US\$408.7 million, and loan and grant commitments amounting to US\$1,080.1 million, taking into consideration ACA of US\$329.8 million already approved this year, notes that additional ACA amounting to US\$341.6 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 107<sup>th</sup> session in December 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 30 September 2012**

(Thousands of United States dollars)

<b>Assets in freely convertible currencies</b>		
Cash and investments	2 302 151	
Promissory notes – Member States <sup>a</sup>	269 741	
Other receivables	<u>44 302</u>	<u>2 616 194</u>
<b>Less:</b>		
Payables and liabilities		(162 238)
General Reserve		(95 000)
Undisbursed effective loans	(2 640 826)	
Approved loans signed but not yet effective	(164 327)	
Undisbursed grants	(85 783)	
Undisbursed DSF	<u>(571 026)</u>	(3 461 962)
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>(1 183 867)</u></b>
<b>Less:</b>		
Loans not yet signed		(359 184)
DSF not yet signed		(117 221)
Grants approved but not yet effective		<u>(26 286)</u>
<b>Net resources available for commitment before ACA carry-forward and 2012 net flows</b>		<b><u>(1 686 558)</u></b>

<sup>a</sup> Promissory notes of US\$269,741,000 are gross of provisions for those amounts drawn down and not paid of US\$80,861,000 and include receivables for US\$20,000,000 of complementary contributions.

**Summary of resource flows in the period**

ACA brought forward at 1 January 2012		<b>1 396 391</b>
Net flows to 30 September 2012 (attachment V)	<b>346 364</b>	
Loan and grant commitments as at 30 September 2012	<b><u>(636 531)</u></b>	
ACA used/(ACA covered)		<b><u>290 167</u></b>
ACA carried forward at 30 September 2012		<b><u>1 686 558</u></b>

**Amounts specifically excluded from the resources available for commitment under the Regular Programme as at 30 September 2012**

(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	
Libya	<u>6 087</u>	6 687

**Total amounts specifically excluded**

**80 861**

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**Loans and grants approved at the 105<sup>th</sup> session of the Executive Board**

<i>Country/recipient</i>	<i>Programme/project title</i>	<i>SDR</i>
<b>Loans</b>		
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
<b>Total</b>		<b>122 940 000</b>
<b>Debt Sustainability Framework (DSF) grants</b>		
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
<b>Total</b>		<b>15 570 000</b>
<b>Grants</b>		
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
<b>Total</b>		<b>2 665 000</b>
<b>Grand total</b>		<b>141 175 000</b>

**Loans and grants approved at the 106<sup>th</sup> session of the Executive Board**

<i>Country/recipient</i>	<i>Programme/project title</i>	<i>SDR</i>
<b>Loans</b>		
Cameroon	Rural Microfinance Development Support	1 950 000
Cape Verde	Rural Socio-economic Opportunities Programme	4 210 000
Niger	Ruwanmu Small-Scale Irrigation Project	1 170 000
Mozambique	Pro-Poor Value Chain Development Project in the Maputo and Limpopo Corridors	10 850 000
China	Hunan Agricultural and Rural Infrastructure Improvement Project	30 250 000
India	Jharkhand Tribal Empowerment and Livelihoods Project	33 550 000
Indonesia	Coastal Community Development Project	15 870 000
Nepal	Kisankalagi Unnat Biu-Bijan Karyakram (Improved Seeds for Farmers Programme)	12 850 000
Brazil	Productive and Capacity Development in the State of Ceará – Paulo Freire Project	20 624 403
Brazil	Rural Business for Small Producers Project (Dom Távora)	10 312 201
Peru	Strengthening Local Development in the Highlands and High Rainforest Areas Project	12 900 000
<b>Total</b>		<b>154 536 604</b>
<b>Debt Sustainability Framework (DSF) grants</b>		
Democratic Republic of the Congo	Kinshasa Food Supply Centre Support Programme	45 350 000
Nepal	Kisankalagi Unnat Biu-Bijan Karyakram (Improved Seeds for Farmers Programme)	12 850 000
<b>Total</b>		<b>58 200 000</b>
<b>Grants</b>		
Niger	Ruwanmu Small-Scale Irrigation Project	655 000
Mozambique	Pro-Poor Value Chain Development Project in the Maputo and Limpopo Corridors	1 010 000
China	Hunan Agricultural and Rural Infrastructure Improvement Project	660 000
Indonesia	Coastal Community Development Project	1 186 000
<b>Total</b>		<b>3 511 000</b>
<b>Grand total</b>		<b>216 247 604</b>

**Loans and grants approved through lapse-of-time procedure in the period April to June 2012**

<i>Country/recipient</i>	<i>Programme/project title</i>	<i>SDR</i>
<b>Loans</b>		
Paraguay	Inclusion of Family Farming in Value Chains Project ( <i>Paraguay Inclusivo</i> )	6 500 000
<b>Grants</b>		
Bioversity International	Improving Productivity and Resilience for the Rural Poor through Enhanced Use of Crop Varietal Diversity in Integrated Production and Pest Management (IPPM)	656 750
International Crops Research Institute for the Semi-Arid Tropics (ICRISAT)	Sustainable Management of Crop-based Production Systems for Raising Agricultural Productivity in Rainfed Asia	985 125
International Food Policy Research Institute (IFPRI)	Technical and Capacity Strengthening for Country-level Strategic Analysis and Knowledge Support Systems (SAKSS) in Selected African Countries	1 050 800
Fundación ACUA	Programme to Increase the Visibility and Strengthen the Entrepreneurship of Rural Afro-descendant Communities in Latin America	1 149 312
Stichting Oxfam Novib	Programme for Scaling up Peoples' Biodiversity Management for Food Security	656 750
International Centre of Insect Physiology and Ecology ( <i>icipe</i> )	Programme for Scaling up Biological Control of the Diamondback Moth on Crucifers in East Africa to Other African Countries	656 750
PhytoTrade Africa	Programme for Alleviating Poverty and Protecting Biodiversity through BioTrade	985 125
University of the Andes	Programme for Conditional Cash Transfers and Rural Development in Latin America	1 149 312
<b>Total</b>		<b>13 789 924</b>

**Loans and grants approved through lapse-of-time procedure in the period July to September 2012**

<i>Country/recipient</i>	<i>Programme/project title</i>	<i>SDR</i>
<b>Loans</b>		
Haiti	Small-scale Irrigation Development Project	8 750 000
Madagascar*	Vocational Training and Agricultural Productivity Improvement Programme (FORMAPROD)	21 000 000
Maldives	Mariculture Enterprise Development Project	1 650 000
<b>Grants</b>		
Madagascar	Vocational Training and Agricultural Productivity Improvement Programme (FORMAPROD)	1 280 000
Trustees of Columbia University	Climate Risk Management in Agriculture with Demonstration Sites in the Lao People's Democratic Republic, Indonesia and Bangladesh	495 305
Participatory Microfinance Group for Africa (PAMIGA)	Responsible and Sustainable Growth for Rural Microfinance	748 011
Rainwater Harvesting Implementation Network (RAIN) Foundation	Rainwater Harvesting for Food Security: Setting and Enabling Institutional and Policy Environment for Rainwater Harvesting	984 225
United Nations Entity for Gender Equality and the Empowerment of Women (UN Women)	Broadening Economic Opportunities for Rural Women Entrepreneurs in the Latin America and the Caribbean Region Programme	1 640 375
International Center for Agricultural Research in the Dry Areas (ICARDA)	Integrated Crop-Livestock Conversation Agriculture for Sustainable Intensification of Cereal-based Systems in North Africa and Central Asia Programme	984 225
International Livestock Research Institute (ILRI)	Innovative Beef Value Chain Development Schemes in Southern Africa	618 031
African Forum for Agricultural Advisory Services (AFAAS)	Strengthening Country-level Agricultural Advisory Services. Target countries: Burkina Faso, Malawi, Mozambique, Sierra Leone and Uganda	650 150
<b>Total</b>		<b>41 961 905</b>

\* Loan approved by LOT as agreed at EB 105 in April 2012



**Loans and grants to be approved at the 107<sup>th</sup> session of the Executive Board**

<i>Country/recipient</i>	<i>Programme/project title</i>	US\$ <sup>a</sup>	SDR <sup>a</sup>
<b>Loans</b>			
Benin	Adapted Rural Financing Services Promotion Project	13 465 725	8 750 000
Mali	Rural Microfinance Programme – supplementary loan and grant	1 365 000	886 974
Madagascar	Support Programme for Rural Microenterprise Poles and Regional Economies – supplementary loan	11 234 262	7 300 000
China	Yunnan Agricultural and Rural Improvement Project	46 700 000	30 345 562
Philippines	Convergence on Value Chain Enhancement for Rural Growth and Empowerment Project	32 200 000	20 923 493
Philippines	Integrated Natural Resources and Environmental Management Project	20 000 000	12 995 958
Kyrgyzstan	Livestock and Market Development Programme	10 000 000	6 497 979
Tunisia	Agropastoral Development and local Initiatives Promotion Programme in the South-East – Phase II	10 900 000	7 082 797
Turkey	Murat River Watershed Rehabilitation Project	28 162 602	18 300 000
<b>Total</b>		<b>174 027 589</b>	<b>113 082 763</b>
<b>Debt Sustainability Framework (DSF) grants</b>			
Benin	Adapted Rural Financing Services Promotion Project	13 465 725	8 750 000
Burkina Faso	Participatory Natural Resource Management and Rural Development Project in the North, Centre-North and East Regions ( <i>Neer-tamba</i> Project)	51 092 808	33 200 000
Mali	Rural Microfinance Programme – supplementary loan and grant	1 365 000	886 974
Afghanistan	Community Livestock and Agriculture Project	58 000 000	37 688 279
Kyrgyzstan	Livestock and Market Development Programme	10 000 000	6 497 979
<b>Total</b>		<b>133 923 533</b>	<b>87 023 232</b>
<b>Grants</b>			
Philippines	Convergence on Value Chain Enhancement for Rural Growth and Empowerment Project	800 000	519 838
Tunisia	Agropastoral Development and local Initiatives Promotion Programme in the South-East – Phase II	500 000	324 899
Turkey	Murat River Watershed Rehabilitation Project	437 059	284 000
Making Cents International	Scaling-up IFAD Rural Youth Employment Interventions in the MENA region	2 500 000	1 624 495
<b>Total</b>		<b>4 237 059</b>	<b>2 753 232</b>
<b>Grand total</b>		<b>312 188 181</b>	<b>202 859 227</b>

<sup>a</sup> Amounts calculated using the 30 September 2012 US\$/SDR exchange rate of 1,53894.

**Indicative list of loans and grants to be approved through the lapse-of-time procedure in 2012**

<i>Country</i>	<i>Programme/project</i>	<i>Financing type</i>	<i>US\$<sup>a</sup></i>	<i>SDR<sup>a</sup></i>
<b>(I) PROGRAMMES/PROJECTS SUBMITTED VIA LOT UNDER RESOURCE AVAILABILITY APPROVED AT SEPTEMBER 2012 EB (106)</b>				
Burundi	Value Chain Development Programme	DSF Grant Sup.	6 600 000	4 288 666
Georgia	Agricultural Support Project	IFAD Loan Sup.	5 000 000	3 248 990
Swaziland	Smallholder Market-led Production Programme	IFAD Grant	250 000	162 449
		IFAD Loan	4 600 000	2 989 070
Philippines	Rapid Food Production Enhancement Programme – Rehabilitation of Key Agricultural Infrastructure Damaged by Tropical Storm Sendong	IFAD Grant Sup.	1 300 000	844 737
		IFAD Loan Sup.	2 360 000	1 533 523
Venezuela (Bolivarian Republic of)	Arid, Semi-arid and Transitional Areas Development Project in the States of Nueva Esparta and Sucre	IFAD Loan	7 000 000	4 548 585
Grants	To be determined	Grants	24 419 095	15 867 477
<b>(II) PROGRAMMES/PROJECTS SUBMITTED VIA LOT UNDER RESOURCE AVAILABILITY TO BE APPROVED AT DECEMBER 2012 EB (107)</b>				
Gambia (The)	National Agricultural Land and Water Management Development Project	DSF Grant	20 800 000	13 515 797
Sierra Leone	Rehabilitation and Community-Based Poverty Reduction Project	DSF Grant Sup.	6 500 000	4 223 686
		IFAD Loan Sup.	6 500 000	4 223 686
Eritrea	National Agriculture Project	DSF Grant	17 280 000	11 228 508
Egypt	On-farm Irrigation Development Project in the Oldlands	IFAD Grant Sup.	500 000	324 899
		IFAD Loan Sup.	13 400 000	8 707 292
Lebanon	Hilly Areas Sustainable Agricultural Development Project	IFAD Grant Sup.	500 000	324 899
		IFAD Loan Sup.	4 300 000	2 794 131
Nepal	Poverty Alleviation Fund Project – Phase II	DSF Grant Sup.	5 000 000	3 250 000
		IFAD Loan Sup.	5 000 000	3 250 000
<b>Total</b>			<b>131 409 095</b>	<b>85 391 377</b>

<sup>a</sup> Amounts calculated using the 30 September 2012 US\$/SDR exchange rate of 1,53894.

**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	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
<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 September 2012</i>	<i>Estimates October to December 2012</i>	<i>Estimated January to December 2012</i>
<b>1. Resources available at start of period</b>	<b>0</b>		<b>0</b>
<b>Analysis of flows</b>			
Members' contributions	152.6	7.4	160.0
Loan reflows	195.1	84.9	280.0
Loan and grant cancellations	44.5	30.0	74.5
Net investment income	58.6	3.6	62.2
Net exchange rate movements	2.7	0	2.7
HIPC and ASMCS transfers	(10.0)	(10.0)	(20.0)
Operating expenses	(97.1)	(53.6)	(150.7)
<b>2. Total estimated net inflows for the period</b>	<b>346.4</b>	<b>62.3</b>	<b>408.7</b>
<b>3. ACA approved by the Executive Board in the year</b>			<b>329.8</b>
<b>4. Loan and grant commitments<sup>c</sup></b>			<b>(1 080.1)</b>
<b>5. ACA to be approved at EB 107<sup>a</sup></b>			<b>341.6</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>1 396.4</b>
<b>9. ACA carried forward (= 3+5+6+7+8)<sup>b</sup></b>			<b>2 067.8</b>

<sup>a</sup> EB 107: 107<sup>th</sup> session of the Executive Board (December 2012), HIPC Heavily Indebted Poor Country Initiative, ASMCS After-Service Medical Coverage Scheme.

<sup>b</sup> 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 6 years of loan reflows.

<sup>c</sup> The amount of US\$1,080.1 million includes:

- Loans and grants already approved amounting to US\$636.5 million;
- Loans and grants presented for approval at this session of the Executive Board amounting to US\$312.2 million;
- Projects subject to approval through the lapse-of-time procedure in the intersessional period amounting to US\$131.4 million, for the 2012 programme of loans and grants.