
Update on 2024 commitments, programme of loans and grants and related resources

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Action: The Executive Board is invited to take note of the update on 2024 commitments, programme of loans and grants and related resources.

Technical questions:

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Update on 2024 commitments, programme of loans and grants and related resources

1. At the 173rd meeting of the Audit Committee, the Associate Vice-President, Programme Management Department, updated members on the delivery of the programme of loans and grants (PoLG) in 2024. This information note provides the status as at 13 August, in advance of the 174th meeting.
2. From 2022 to 2023, IFAD's Executive Board approved investment projects equivalent to US\$1.36 billion, funded from the PoLG for the Twelfth Replenishment of IFAD's Resources (IFAD12). As at January 2024, the remaining balance to be approved to achieve the IFAD12 PoLG target of US\$3.354 billion was US\$1.998 billion.
3. To date,¹ in 2024, IFAD has approved 13 investment projects with a value of US\$367 million, and US\$7 million under the grants programme, for a total of US\$374 million. This amount, alongside the approvals in 2022 and 2023 and regular grant approvals, brings the total amount approved for IFAD12 to US\$1.73 billion.
4. The remaining IFAD12 financing planned for delivery in 2024 stands at US\$1.62 billion. Details are provided in table 1.

Table 1

IFAD12 PoLG approved and planned financing

(As at 13 August 2024 – millions of United States dollars)

	IFAD12 PoLG approved	2022 approved	2023 approved	2024 approved	Total approved	2024 planned
Performance-based allocation system (PBAS) loans	1 839	632	236	223	1 091	748
Borrowed Resource Access Mechanism (BRAM)	1 042	67	110	111	288	755
Debt Sustainability Framework (DSF) grants	433	119	183	34	335	98
Grant	40	3	6	7	16	24
Total IFAD PoLG	3 354	821	535	374	1 730	1 624

5. By the end of September, IFAD expects to have approved US\$2.83 billion or 84 per cent of the IFAD12 PoLG. This includes five new projects and five additional financing proposals submitted for the Board's approval through the lapse-of-time (LOT) procedure, and 12 projects to be approved at the September session.
6. IFAD Management is monitoring the IFAD12 PoLG pipeline closely and is actively managing any risks of slippage. Currently there are seven projects, valued at US\$369 million, considered to be at risk. The volume of resources by lending terms is outlined in table 2.

Table 2

Volume of resources at risk by lending terms

(Millions of United States dollars)

<i>Lending terms</i>	
PBAS ordinary	158
BRAM	211
Total	369

7. To mitigate risks to the 2024 delivery, Management has put in place several contingency measures. The main measure has been to identify additional demand for IFAD resources that could be addressed in 2024. In practice, these are new projects or additional financings under design for IFAD13 that could be brought forward to be ready for approval in December 2024, should resources become

¹ Data provided in this update is as at 13 August 2024.

available. If no further slippages occur in the pipeline, these projects would instead be submitted for approval in April 2025, to be funded with IFAD13 resources.

8. There are currently nine such projects, valued at US\$249 million, in countries accessing IFAD resources on various lending terms (see table 3). However, all the at-risk projects are for financing on ordinary terms, including under BRAM, and most of the additional projects under design and their related resources are financed on blend terms. Management is therefore exploring ways to address this imbalance in lending terms in order to bring forward for approval as many additional projects as required.

Table 3
Additional demand identified by lending terms
(Millions of United States dollars)

<i>Lending terms</i>	
Ordinary	0
BRAM	25
Blend	181
Highly concessional	29
Super highly concessional / highly concessional	15
DSF	0
Total	249

9. Table 4 presents the 2024 planned amounts by approval method, including US\$103 million in additional demand already included in the planned approvals.

Table 4
Planned 2024 approvals, by approval method

<i>Approval method</i>	<i>Number of projects</i>	<i>US\$ millions</i>
Executive Board – September 2024	12	889
Executive Board – December 2024	4	206
LOT Q3	10	208
LOT Q4	19	393
Total	45	1 697

10. Management continues to monitor the pipeline carefully, and regular meetings are held with regional divisions. During these meetings, clear milestones and follow-up actions are agreed upon for projects at risk. Projects considered to be at high risk that do not meet the agreed upon milestones may need to be reprogrammed for approval in IFAD13. The IFAD12 resources associated with these projects would be redistributed to finance projects in countries where additional demand has been expressed.
11. As always, Management remains committed to keeping members informed of the status of PoLG programming and is confident that the IFAD12 PoLG target will be met.