
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. IFAD Management recently provided an oral update on the 2024 delivery of the programme of loans and grants (PoLG) to the Executive Board at its 142nd session and the Audit Committee at its 174th session. As requested by the Executive Board, this information note provides a further update as at 28 October 2024.
2. IFAD plans to deliver US\$3.483 billion in total during the Twelfth Replenishment of IFAD's Resources (IFAD12) period (2022–2024), including reprogrammed resources from past replenishment cycles.¹ To date, US\$2.832 billion has been approved, of which IFAD12 resources accounted for 96 per cent.
3. In 2024, the total planned delivery stands at US\$2.064 billion. This includes US\$1.413 billion in approvals to date and US\$651 million remaining in the pipeline, consisting of 13 new projects, 14 additional financing operations and 13 grants. In terms of IFAD12 resources alone, the expected approvals total US\$1.983 billion, which is well within the resources available for commitment set for 2024 of US\$1.998 billion, at 99 per cent.

Table 1

IFAD approved and planned financing

(In millions of United States dollars as at 28 October 2024)

	2022 approved	2023 approved	2024 approved	Total approved	2024 planned
Loans under the performance-based allocation system (PBAS)	696	236	772	1 704	286
Borrowed Resource Access Mechanism (BRAM)	67	110	538	714	313
Debt Sustainability Framework (DSF)	119	183	93	394	39
Grants	3	6	11	20	12
Total IFAD PoLG	884	535	1 413	2 832	651

Source: Grants and Investment Projects System.

4. Since the Executive Board session held in September, two projects have dropped from the planned pipeline. The majority of the resources freed up were immediately reprogrammed to fund plan B projects that had been prepared in advance. However, US\$14 million of released BRAM resources could not be reprogrammed to the remaining plan B projects on blend terms, in order to preserve IFAD's financial sustainability by not softening the lending terms of allocated resources. Therefore, IFAD expects to programme US\$3.340 billion of IFAD12 resources, which is 99.6 per cent of the US\$3.354 billion PoLG target for IFAD12.
5. In the fourth quarter of 2024, the remaining projects and additional financing operations will be submitted to the Executive Board for approval at the December session and via the lapse-of-time procedure. Projects that are pending negotiations still may be at risk of slipping into the IFAD13 period. Five projects totalling US\$233 million are at very high risk of slippage, due to recent changes in government priorities, fiscal policies, strikes and the need for decentralized negotiations at the provincial or state level. This represents a decrease from US\$369 million in the last update. One medium-risk project has entered the high-risk category due to reprioritization at the last minute by the government.
6. The risks facing these projects are external to IFAD and as such IFAD has little control over managing them. Nevertheless, Management continues to monitor the

¹ In IFAD12, the restructuring policy resulted in the reprogramming of significant resources totalling US\$144 million, which required additional design efforts. Therefore, these resources are included in the 2024 PoLG commitments and delivery, although they are not currently included in the resources available for commitment.

pipeline closely with regional divisions, actively engaging governments with projects at risk – where possible – to try to ensure approval of the planned US\$651 million by the end of 2024. Management remains committed to keeping Members informed of the status of PoLG programming and will provide an oral update to the Executive Board at its December session.