



IFAD
INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT
Executive Board - Sixty-Third Session
Rome, 22-23 April 1998

**REQUIREMENTS FOR THE ELEVENTH DRAWDOWN FROM THE SPECIAL
RESOURCES FOR SUB-SAHARAN AFRICA (SRS)**

1. At its Fifty-Fifth Session in September 1995, the Executive Board decided that the First and Second Phases of the Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification (the Special Programme) shall be terminated on 31 December 1995 and integrated into IFAD's Article 4 Resources on 1 January 1996 in accordance with paragraph 25(b) of the Basic Framework on Special Resources for Sub-Saharan Africa (the Basic Framework), First and Second Phases. Notwithstanding paragraphs 23 to 27 of the said Basic Framework, it was decided that promissory notes provided as payment of contributions to the SRS shall be drawn down separately and as required from those paid under IFAD's Article 4 Resources, in accordance with paragraph 16 of the said Basic Framework. This document reflects the decision of the Fifty-Fifth Session of the Executive Board and, based on the estimates of loan and grant disbursements for 1998, proposes a level of drawdown of contributions in 1998.

2. Paragraph 16 of the Basic Framework provides for the drawdown of contributions. The provisions of the paragraph are as follows:

"Drawdown of Contributions

16. IFAD, on the authorisation of the President of IFAD, shall draw down on the cash, promissory notes and other similar obligations paid for making all disbursements and providing a reasonable working balance for the SRS in an orderly manner, so as to meet such commitments of the SRS as may have been made, as follows:

- (a) where a limited Instrument of Contribution to the SRS is made under the provisions of sub-paragraph 4(c)(ii) above, drawdowns on the cash, promissory notes and other similar obligations paid thereunder shall be as expeditious as possible;
- (b) except for those Instruments of Contribution to the SRS falling under the provisions of sub-paragraph (a) above, all other cash, promissory notes and other similar obligations paid to the SRS in freely convertible currencies shall be drawn down on an approximate *pro rata* basis in such a manner that such



drawdowns over a reasonable period of time shall be uniform in percentage as far as possible."

3. Under the authority given in paragraph 16 of the Basic Framework, the President made the first drawdown in June 1987 based on the donors' desire to be as expeditious as possible, to be equitable to all donors and to cover the projected cash needs to cover all requirements.

4. Subsequently, further drawdowns took place in June 1988, in June 1989, in December 1990 and in December 1991.

5. Following the decision taken at its Forty-Sixth Session, the Executive Board, at its Forty-Eighth Session in April 1993 approved a sixth drawdown in the amount of USD 18 million. At the Fiftieth Session of the Executive Board in December 1993, a seventh drawdown in the amount of USD 39.4 million was approved. The eighth drawdown was approved by the Executive Board at its Fifty-Fourth Session in April 1995. The amount of USD 16.7 million was approved to meet loan and grant disbursements of the First Phase and USD 5 million for the Second Phase. The Fifty-Seventh Session of the Executive Board approved the ninth drawdown of USD 29.2 million from the First Phase and USD 13.2 million from the Second Phase. At the Sixtieth Session of the Executive Board in April 1997, the tenth drawdown in the amount of USD 33.7 million for the First Phase and USD 8.8 million for the Second Phase was approved.

6. The ten drawdowns made against First Phase contributions, amounting to a cumulative drawdown of 91% of these contributions, have called USD 268.8 million and the total disbursements through 31 December 1997 amount to USD 257.8 million. Therefore, as at 1 January 1998, there is a positive carry-forward of USD 11 million against First Phase requirements.

7. The projected requirement for 1998 for loan and grant disbursements under the First Phase (loans and grants approved before 1993) amounts to USD 20 million. After taking into account the surplus of USD 11 million brought forward as at 1 January 1998, there is a need to draw down USD 9 million from the First Phase contributions.

8. As at 20 February 1998, the United States dollar equivalent of the contributions to the First Phase amounts to USD 289 million. Therefore, the amount of the drawdown being proposed would be approximately 3% of these contributions, which would bring the cumulative amount drawn down to 94%.

9. The cumulative drawdown against the Second Phase as at 31 December 1997 amounted to USD 27 million. Cumulative disbursements against the Second Phase amount to USD 27.1 million and therefore as at 1 January 1998 there is a negative carry-forward of USD 0.1 million.

10. The projected requirement for 1998 for disbursements under the Second Phase (loans and grants approved from 1993 onwards) amounts to USD 14 million. After taking into account the deficit of USD 0.1 million brought forward as at 1 January 1998, there is a need to drawdown USD 14.1 million from Second Phase contributions.

11. As at 20 February 1998, the United States dollar equivalent of the contributions to the Second Phase of the Special Programme amounts to USD 63 million. Therefore, the amount of the drawdown being proposed would be approximately 22% of these contributions, which would bring the cumulative amount drawn down to 63%.



12. For the information of Executive Board members, an estimate of future disbursements and anticipated drawdowns, based on exchange rates as at 20 February 1998, is shown in the annex. The estimates assume that the projected disbursement figure will be attained and that there will be no amount carried forward from 1998 into 1999 and from 1999 into 2000.

Recommendation

13. Upon concluding its consideration of this item, the Executive Board may wish to adopt the following decision:

"The Executive Board approves an eleventh drawdown from the Special Resources for Sub-Saharan Africa (SRS) of approximately USD 9 million to meet loan and grant disbursements of the First Phase of the Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification in 1998 and approximately USD 14.1 million to meet loan and grant disbursements of the Second Phase and authorizes the President to proceed accordingly."



ANNEX

ESTIMATES OF FUTURE DRAWDOWNS OF CONTRIBUTIONS ^{1/}

	1997	1998	1999
First Phase			
Cumulative Percentage Drawn Down to 31 December	91	94	100
Expected Drawdowns (%)		3 ^{2/}	6
Based on: (USD million)			
- Projected Disbursements		20	15
- Current Value of Contributions		289	289

	1997	1998	1999	2000
Second Phase				
Cumulative Percentage Drawn Down to 31 December	41	63	84	100
Expected Drawdowns (%)		22	21	16
Based on: (USD million)				
- Projected Disbursements		14	13	10
- Current Value of Contributions		63	63	63

^{1/} These estimates are based on exchange rates as at 20 February 1998. Future movements in the exchange rates would impact *inter alia* the projected disbursements, the value of contributions at the time of the drawdowns and the estimated percentage for drawdown. The estimates also assume that the projected disbursements figure will be attained and that there will be no amount carried forward from 1998 into 1999 and from 1999 into 2000.

^{2/} The disbursement requirements and therefore the expected drawdown percentage are reduced by the carry-forward of USD 11 million.