



IFAD
INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT
Executive Board – Sixty-Eighth Session

Rome, 8-9 December 1999

**SPECIAL FINANCING ARRANGEMENTS WITH THE GOVERNMENT OF THE
ITALIAN REPUBLIC**

1. At its Sixty-Sixth Session, the Executive Board took note of and endorsed the Fund's intention to collaborate with the Government of the Italian Republic and the United Nations Office for Project Services (UNOPS) by acting as a channel for Italian funds. These funds would be used by UNOPS for a programme of assistance to Kosovan refugees in Albania. The Board noted that this undertaking would not involve the use of any IFAD resources or net cost to IFAD.
2. An agreement was signed whereby IFAD's only role would be to channel the Italian funds of approximately USD 20 000 000 to UNOPS. It was subsequently agreed with UNOPS that IFAD would charge a once-off payment of USD 5 000 to cover the administrative costs of the arrangement as well as a USD 50 payment for each movement of cash. It is expected that there will be no more than ten cash movements. To date IFAD has received an amount of 3 billion Italian lie (ITL) (equivalent to approximately USD 1 650 000) from Italy and has immediately transferred this amount to UNOPS. Thus, there has been no net cost to IFAD.
3. The Government of the Italian Republic has now decided to augment this programme of assistance by extending it to cover those Kosovan refugees particularly in the municipalities of Lukovo and Rostuce in The Former Yugoslav Republic of Macedonia, which border on the Republic of Albania and Kosovo. In so doing, it will increase its allocation to the programme by an amount of ITL 11 billion (equivalent to about USD 6 million). As this is an extension of the original programme of assistance, Italy and UNOPS wish to continue the existing arrangements for the enhanced programme. IFAD's role would therefore remain limited to channeling the funds, for which it would charge a further USD 5 000 administration fee and USD 50 for each movement of cash. Similarly, no more than ten cash movements are anticipated. No IFAD resources would be used, and there would again be no net cost to IFAD.