



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

Rome, 3-4 May 2000

**REQUIREMENTS FOR THE THIRTEENTH DRAWDOWN FROM THE SPECIAL
RESOURCES FOR SUB-SAHARAN AFRICA (SRS) IN 2000**

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) should 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 (SRS) (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 should 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. The present document reflects the decision of the Fifty-Fifth Session of the Executive Board and, based on the estimates of loan and grant disbursements for 2000, proposes a level of drawdown of contributions in 2000.

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 authorization 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 18.0 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 was approved 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. The eleventh drawdown in the amount of USD 9.0 million for the First Phase and USD 14.1 million for the Second Phase was approved at the Sixty-Third Session of the Executive Board in April 1998. The twelfth drawdown in the amount of USD 12.2 million for the First Phase and USD 2.7 million for the Second Phase was approved at the Sixty-Sixth Session of the Executive Board in April 1999.

6. Based on the current value of contributions as at 31 December 1999, the total drawdowns made to date against First Phase contributions amount to a cumulative drawdown of 99.0% (USD 286.1 million). Total disbursements through 31 December 1999 amount to USD 273.4 million. Hence, there is a positive carry-forward of USD 12.7 million against First Phase requirements as at 1 January 2000.

7. The projected requirement for 2000 for loan and grant disbursements under the First Phase (loans and grants approved before 1993) amounts to USD 3.9 million. After taking into account the positive carry-forward of USD 12.7 million brought forward as at 1 January 2000, there will be no need to draw down resources from First Phase contributions in 2000. Therefore, the cumulative amount drawn down remains at 99.0%.

8. Based on the current value of contributions as at 31 December 1999, the cumulative drawdown against Second Phase contributions amounts to USD 42.3 million. Cumulative disbursements against the Second Phase amounts to USD 46.5 million and therefore as at 1 January 2000 there is a negative carry-forward of USD 4.2 million.

9. The projected requirement for 2000 for disbursements under the Second Phase (loans and grants approved from 1993 onwards) amounts to USD 9.6 million. After taking into account the negative carry-forward of USD 4.2 million brought forward as at 1 January 2000, there is a need to draw down USD 13.8 million from Second Phase contributions.

10. As at 31 December 1999, the United States dollar equivalent of the contributions to the Second Phase of the Special Programme amounts to USD 63.0 million. Therefore, the amount of the drawdown being proposed will be approximately 22.0% of those contributions, which will bring the cumulative amount drawn down to 89.1%.



11. For the information of Executive Board members, an estimate of future disbursements and anticipated drawdowns, based on exchange rates as at 31 December 1999, 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 2000 into 2001.

Recommendation

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

"The Executive Board approves a thirteenth drawdown from the Special Resources for Sub-Saharan Africa (SRS) of approximately USD 13.8 million to meet loan and grant disbursements of the Second Phase of the Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification in 2000 and authorizes the President to proceed accordingly."

ESTIMATES OF FUTURE DRAWDOWNS OF CONTRIBUTIONS¹

	1999	2000	2001
First Phase			
Cumulative percentage drawn down to 31 December ²	99.0 ³	99.0	100.0
Expected drawdowns (%)	4.6 ³	0.0 ⁴	1.0
Based on: (USD million)			
- Projected disbursements	12.7	3.9	2.9
- Current value of contributions	264.4 ³	289.0	289.0

	1999	2000	2001
Second Phase			
Cumulative percentage drawn down to 31 December ²	67.1 ⁵	89.1	100.0
Expected drawdowns (%)	4.55 ⁵	22.0 ⁶	10.9 ⁷
Based on: (USD million)			
- Projected disbursements	15.5	9.6	7.7
- Current value of contributions	59.2 ⁵	63.0	63.0

¹ These estimates are based on exchange rates as at 31 December 1999. Future movements in the exchange rates will impact, *inter alia*, the projected disbursements, the value of contributions at the time of the drawdowns and the estimated percentage for the drawdown. The estimates also assume that the projected disbursements figure will be attained and that there will be no amount carried forward from 2000 into 2001.

² Based on the current value of contributions as at 31 December 1999.

³ Due to changes in exchange rates between the estimates and the rates prevailing at the time of the drawdowns, these figures have been revised from those reported in document EB 99/66/R.8, which had estimated a drawdown of 4.2% of the then value of contributions of USD 290 million and would have brought the cumulative percentage of contributions fully drawn down to 100%.

⁴ The projected drawdown, and therefore the expected drawdown percentage, are decreased by the positive carry-forward of USD 12.7 million which, in fact, means that there is no net projected requirement for a drawdown from the First Phase contributions in 2000.

⁵ Due to changes in exchange rates between the estimates and the rates prevailing at the time of the drawdowns, these figures have been revised from those reported in document EB 99/66/R.8, which had estimated a drawdown of 4.2% of the then value of contributions of USD 65.0 million and would have brought the cumulative percentages of contributions drawn down to 67.4%.

⁶ The projected drawdown, and therefore the expected drawdown percentage, are increased by the negative carry-forward of USD 4.2 million.

⁷ Based on maximum unused commitment for contributions.