



IFAD
INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT
Executive Board – Seventy-Second Session

Rome, 25- 26 April 2001

**REQUIREMENTS FOR THE TWENTY-SECOND DRAWDOWN OF MEMBERS'
CONTRIBUTIONS IN 2001**

1. The present document outlines provisions in the Agreement Establishing IFAD regarding drawdowns and describes a provision for an accelerated encashment of promissory notes. Account has been taken of discussions at the Special Committee on IFAD's Resource Requirements and Related Governance Issues (the Special Committee) and related decisions of IFAD's governing bodies. Based on estimates of loan and grant disbursements for 2001, the document proposes a level of drawdown of Members' contributions for 2001.
2. Article 4 Section 5(c) of the Agreement Establishing IFAD provides that:
 - "(c) Contributions to the Fund shall be made in cash or, to the extent that any part of such contributions is not needed immediately by the Fund in its operations, such part may be paid in the form of non-negotiable, irrevocable, non-interest-bearing promissory notes or obligations payable on demand. In order to finance its operations, the Fund shall draw down all contributions (regardless of the form in which they are made) as follows:
 - (i) contributions shall be drawn down on a pro rata basis over reasonable periods of time as determined by the Executive Board;
 - (ii) where a contribution is paid partly in cash, the part so paid shall be drawn down, in accordance with paragraph (i), before the rest of the contribution. Except to the extent that the part paid in cash is thus drawn down, it may be deposited or invested by the Fund to produce income to help defray its administrative and other expenditures;
 - (iii) all initial contributions, as well as any increases in them, shall be drawn down before any additional contributions are drawn down. The same rule shall apply for further additional contributions."



3. At its Seventeenth Session in January 1994, the Governing Council established the Special Committee. Part of its mandate was to review the modalities of financing IFAD's operations, including the question of its liquidity levels. In light of the Special Committee's mandate, the Executive Board, at its Fifty-First Session in April 1994, agreed to withhold the notification of the second tranche of the 1994 drawdown. At its Fifty-Second Session in September 1994, the Executive Board agreed to the President's proposal that suspension of the call for the second tranche of the 1994 drawdown should be maintained in order for the Board to reconsider the issue in light of decisions to be taken by the Governing Council. The Special Committee reported to the Eighteenth Session of the Governing Council in January 1995 and recommended a policy of no further build-up in nominal terms of the level of IFAD's liquidity, including the Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification, over the three-year period of the Fourth Replenishment. A reduction over the longer term was also called for. This policy was to be implemented in the first year by drawing down in the ratio of 65% from internally generated resources to 35% from Members' contributions.

4. The President recommended to the Executive Board that implementation of the intentions of the Special Committee should commence with the sixteenth drawdown. Accordingly, the Executive Board approved the sixteenth drawdown in the amount of USD 73.5 million in one tranche in April 1995 to cover 35% of the 1995 loan and grant disbursement programme.

5. The Executive Board, at its Fifty-Seventh Session, approved a drawdown of up to USD 204.2 million for 1996. A tranche of 35% was called from contributions in April 1996. At the same session the Board also decided that a second tranche of 65% might be called in September 1996, based upon the Executive Board's review of the status of the Fourth Replenishment and the financial sustainability of the institution. The President, at the Fifty-Eighth Session of the Executive Board in September 1996, recommended the postponement of the discussion on the call for the second tranche until December 1996, so that the outcome of the review of the issues and options of IFAD's resource requirements could be taken into account when making policy recommendations.

6. The Executive Board, at its Fifty-Ninth Session in December 1996, approved the drawdown from Members' contributions for 1996 to be effected by means of the first tranche of 35% that was called in April 1996 and by Member States providing the balance 65% in the form of advance encashments and/or cash contributions, as appropriate. Advance encashments and/or cash contributions greater than the minimum of 35% were to be considered as voluntary. This flexible policy was continued in 1997.

7. Eleven Member States responded positively to the second voluntary tranche of the seventeenth drawdown called in December 1996. The total amount received by IFAD from those 11 Member States amounted to USD 16.4 million. For the voluntary second tranche of the eighteenth drawdown called in July 1997, only three Member States responded positively and the amounts encashed amounted to USD 1.9 million. In addition a number of Member States used the opportunity for more flexible drawdown arrangements by agreeing to individual drawdown schedules with the Fund. In view of the differing preferences of Member States, the President proposed a drawdown of 35% of estimated loan and grant disbursements for 1998, 1999 and 2000, while strongly urging Members to make use of the flexible policy to voluntarily accelerate encashment of their promissory notes.

8. At its Seventy-First Session in December 2000, the Executive Board adopted a policy for a 100% drawdown of Members' contributions. Member states are allowed to enter into separate arrangements for individual payment schedules. Since the adoption of this policy, no countries have formally agreed to any new individual schedules.

9. The Executive Board will recall that the amount called each year is adjusted to reflect the difference between the total drawdown and the total disbursed in the previous year. Thus, as can be seen from Annex III, the excess actual encashment from the previous year, as shown in the last column, is USD 20.3 million. The projected requirement for 2001 for loan and grant disbursements amounts to



USD 312.3 million. This requirement is reduced by the over-drawn amount brought forward of USD 20.3 million, resulting in a net drawdown requirement for 2001 of USD 292.1 million.

10. As at 31 December 2000, the United States dollar equivalent of Third Replenishment and Fourth Replenishment instruments of contribution of all Member States was USD 554.3 million and USD 354.1 million, respectively. A number of Members have not, for some time, paid calls against previous drawdowns. The Fund will make every effort to secure encashment of promissory notes and/or cash payments, as appropriate. In accordance, however, with the revised procedure for the calculation of drawdowns of Members' contributions approved by the Executive Board at its Fifty-Fifth Session in September 1995, no increase will be made in the drawdown call to cover anticipated non-payment of drawdown calls. The amount of the drawdown to meet 100% of projected loans and grants disbursements for 2001 is therefore proposed at USD 292.1 million. This requires drawing down the remaining 17.4% of Third Replenishment contributions and, in addition, an estimated 55.9% of Fourth Replenishment contributions. The percentage for Fourth Replenishment contributions will be impacted by movements in the exchange rates used in this document, i.e., those prevailing at 31 December 2000 and those applicable at the time of the actual draw down call in May 2001.

11. For the information of the Executive Board, an estimate of future disbursements and expected drawdowns based on exchange rates as at 31 December 2000 is shown in Annex I.

12. Annex II provides a listing of drawdown calls unpaid by Members in provision status as at 31 December 2000.

13. Annex III shows the cumulative approved drawdowns, the amounts called and the actual drawdown and disbursements from 1978 to 2000.

14. Annex IV shows the source of funding for disbursements from 1978 to 2000.

Recommendation

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

The Executive Board, in accordance with Article 4 Section 5(c) of the Agreement Establishing IFAD and Regulation V of the Financial Regulations of IFAD, approves the drawdown of USD 292.1 million in May 2001 to meet loan and grant disbursements for 2001, which shall be effected by drawing down from the contributions to the Third and Fourth Replenishments, and authorizes the President to proceed accordingly.

ESTIMATES OF FUTURE DRAWDOWNS¹

(As at 31 December 2000)

TOTAL POSITION	1997	1998	1999	2000	2001	2002	2003
Cumulative percentages drawn down to 31 December							
- Initial Contributions	100.00						
- First Replenishment	100.00						
- Second Replenishment	100.00						
- Third Replenishment	20.07	37.27	58.30	82.6 ²	100.0		
- Fourth Replenishment					55.9	100.0	
- Fifth Replenishment ³						40.0	100.0
Estimate of future drawdown in year (percentage)							
- Third Replenishment			21.03	24.3 ²	17.4		
- Fourth Replenishment					55.9	44.1	
- Fifth Replenishment ³						40.0	60.0
Based on: (USD million)							
- Actual disbursements			301.0	296.8			
- Projected disbursements ⁴					312.3	340.2	335.5
Current value of Members' contributions							
- Third Replenishment			542.0 ²	560.1	554.3		
- Fourth Replenishment					354.1	354.1	354.1
- Fifth Replenishment ³					460.0	460.0	460.0

- These estimates are based on exchange rates prevailing at 31 December 2000. Future movements in the exchange rates will impact, *inter alia*, on the projected disbursements, the value of Members' 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 2001 into 2002, from 2002 into 2003 and from 2003 into 2004.
- Due to changes in exchange rates between the estimates and the rates prevailing at the time of the drawdown, these figures have been revised from those reported in document EB 2000/69/R.7, which had estimated a drawdown of 22.1% of the then value of contributions of USD 560.1 million and would have brought the cumulative percentage of contributions drawn down to 80.41%.
- The Fifth Replenishment is not yet effective as of the date of preparation of this document. The figure for the current value used above is per the historic rates. Movements in exchange rates since the replenishment negotiations and/or increases in amounts pledged may impact on the actual value of contributions.
- Projected disbursements are based on loan disbursements for the years 2002-2003 using a Programme of Work of USD 450 million.

SUMMARY OF CALLS UNPAID BY MEMBERS IN PROVISION STATUS

As at 31 December 2000
(Expressed in USD)

Source	Drawdown Number	Country	Date	Unpaid Call	Total per Drawdown	Total per Replenishment
Initial Contributions	2 nd	Iran	1/81	6 102 000	6 102 000	
	3 rd	Iran	1/82	14 624 430	14 624 430	
	4 th	Iran	1/83	19 443 070		
	5 th	Iraq	1/83	2 116 800	21 559 870	
			9/83	5 177 125		
	6 th	Iraq	9/83	830 000	6 007 125	
			1/84	15 431 575		
	7 th	Iraq	7/84	13 972 000		
			1/84	2 474 000		
			7/84	2 240 000	34 117 575	
	7 th	Iran	1/85	21 369 675		
			7/85	16 404 625		
			1/85	3 426 000		
7/85			2 630 000			
		Comoros		7 000	43 855 300	
Total Initial Contributions						126 248 300
First Replenishment contributions	8 th	Iraq	1/86	4 695 950		
			7/86	3 762 978		
	9 th	Qatar	7/86	93 460	8 552 388	
			1/87	3 980 672		
			7/87	2 239 128		
	10 th	Qatar	1/87	1 789 440		
			7/87	1 006 560	9 015 800	
	10 th	Iraq	1/88	2 969 955		
			7/88	2 789 580		
			1/88	1 335 090		
	11 th	Qatar	7/88	1 254 006	8 348 631	
			1/89	3 192 312		
	11 th	Iraq	7/89	2 865 773		
			1/89	1 435 047		
			7/89	1 288 257	8 781 389	
1/90			3 078 801			
12 th	Iraq	7/90	1 523 851			
		1/90	1 384 020			
		7/90	685 020	6 671 692		
		Qatar	1/90	1 384 020		
Total First Replenishment contributions						41 369 900
Second Replenishment contributions	12 th	Iraq	7/90	155 200		
	13 th	Qatar	7/90	388 000	543 200	
			1/91	331 000		
	13 th	Iraq	7/91	185 200		
			1/91	827 500		
			7/91	463 000	1 806 700	
	14 th	Iraq	1/92	323 600		
			7/92	156 400		
			1/92	809 000		
	15 th	Qatar	7/92	391 000	1 680 000	
			1/94	424 400		
	15 th	Qatar	1/94	1 061 000		
			1/94	53 190	1 538 590	
	16 th	Iraq	5/95	250 400		
			5/95	626 000		
16 th	Qatar	5/95	187 800	1 064 200		
		5/96	173 800			
		5/96	434 500			
		5/96	130 350			
17 th	Qatar	5/96	2 172	740 822		
		5/96				
		Mauritania	5/96			
Total Second Replenishment contributions						7 373 512



INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

ANNEX II

Source	Drawdown Number	Country	Date	Unpaid Call	Total per Drawdown	Total per Replenishment		
Third Replenishment contributions	17 th	D.P.R. Korea	5/96	23 100	678 948			
		Libyan Arab Jamahiriya	5/96	616 000				
		Mauritania	5/96	963				
		Qatar	5/96	38 500				
	18 th	Sao Tome and Principe	5/96	<u>385</u>			2 860 397	
		D.P.R. Korea	5/97	97 320				
		Libyan Arab Jamahiriya	5/97	2 595 200				
		Mauritania	5/97	4 055				
		Qatar	5/97	162 200				
		Sao Tome and Principe	5/97	<u>1 622</u>				
		D.P.R. Korea	5/98	103 200				
	19 th	Iran	5/98	490 800			3 524 020	
		Libyan Arab Jamahiriya	5/98	2 752 000				
		Mauritania	5/98	4 300				
		Qatar	5/98	172 000				
		Sao Tome and Principe	5/98	<u>1 720</u>				
	20 th	D.P.R. Korea	5/99	126 180			9 276 962	
		Iran	5/99	841 200				
		Libyan Arab Jamahiriya	5/99	3 364 800				
		Mauritania	5/99	5 258				
		Nigeria	5/99	2 103 000				
		Qatar	5/99	210 300				
		Sao Tome and Principe	5/99	2 103				
		Venezuela	5/99	<u>2 624 121</u>				
		D.P.R. Korea	5/00	145 800				
		Iran	5/00	972 000				
		Libyan Arab Jamahiriya	5/00	3 888 000				
	21 st	Mauritania	5/00	6 075			14 491 305	
		Nigeria	5/00	2 430 000				
		Qatar	5/00	243 000				
		Sao Tome and Principe	5/00	2 430				
		Venezuela	5/00	6 804 000				
		Total Third Replenishment contributions						30 831 632
Grand total calls unpaid by Members in provision status						205 823 344		



SUMMARY OF DRAWDOWNS

1978-2000
(USD million)

	Approved Drawdown	Amount Called		Actual Drawdown		Disbursements From Drawdowns For Year	Over(Under) Drawdown/ Disbursement Adjusted in Following Year
		For Year	Cumulative	For Year	Cumulative		
1978 first	100	100	100	100	100.0		
1979	-	-	100	-	100.0	5.4	
1980	-	-	100	-	100.0	53.7	
1981 second	50	50	150	44	144.0	78.6	6.3
1982 third	125	125	275	111	255.0	110.2	7.1
1983 fourth and fifth	190	190	465	161	416.0	156.5	11.6
1984 sixth	238	226	691	192	608.0	211.0	(7.4)
1985 seventh	286	286	977	242	850.0	216.0	18.6
1986 eighth	290	265	1 242	249	1 099.0	231.2	36.4
1987 ninth	260	205	1 447	192	1 291.0	218.3	10.1
1988 tenth	205	200	1 647	188	1 479.0	200.4	(2.3)
1989 eleventh	215	205	1 852	191	1 670.0	191.0	(2.3)
1990 twelfth	207	200	2 052	193	1 863.0	165.6	25.1
1991 thirteenth	189	145	2 197	142	2 005.0	158.6	8.5
1992 fourteenth	186	138	2 335	121 ¹	2 125.5	142.1	(13.1)
1994 fifteenth ²	233	115	2 450	134 ³	2 259.5	120.9 ⁴	
1995 sixteenth	73.5	73.5	2 523.5	69.1 ⁵	2 328.6	58.2 ⁶	10.9
1996 seventeenth	71.4 ⁷	71.4	2 594.9	74.3 ⁸	2 402.9	83.1 ⁹	2.1
1997 eighteenth	90.8 ¹⁰	90.8	2 685.7	107.6 ¹¹	2 510.5	87.3	22.4
1998 nineteenth	95.8	95.8	2 781.5	85.7 ¹²	2 596.2	95.9	12.2
1999 twentieth	114.0	114.0	2 895.5	105.9	2 702.1	105.3 ¹³	12.7
2000 twenty-first	123.8	123.8	3 019.3 ¹⁴	111.4	2 813.5	103.9	20.3

1. This amount includes USD 3 303 496 received as encashment of part of the remaining balance of the First Replenishment promissory note of the United Arab Emirates. The figure assumed that amounts outstanding totalling USD 1 255 798 and relating to Mauritania and Venezuela in respect of 1992 drawdowns would be paid by the end of 1993. The amount from Venezuela has been received. The amount from Mauritania was received in 1998.
2. The Forty-Seventh Session of the Executive Board in December 1992 decided to forego any drawdown of Members' contributions in 1993. IFAD's disbursement needs in 1993 were met from the Fund's existing assets, i.e. loan repayments. The second tranche of the 1994 drawdown was suspended by the Executive Board at its Fifty-Second Session in September 1994.
3. This amount includes USD 17 438 400 received from Saudi Arabia in payment of the fourteenth drawdown and USD 4 002 464 received from the United Arab Emirates in payment of the eleventh drawdown.
4. Total disbursements for 1994 amount to USD 170.7 million. Disbursements amounting to USD 120.9 million for 1994 and the closing under-encashment of 1992 of USD 13.1 million were met from the 1994 encashment of USD 134 million. The remaining 1994 disbursements of USD 49.8 million were met from the Fund's existing resources i.e., loan repayments.
5. This amount includes USD 2 542 320 received from the United Arab Emirates in payment of the first tranche of the twelfth drawdown and is reduced by USD 5 398 400 relating to the fifteenth and sixteenth drawdown calls of the Libyan Arab Jamahiriya which had not been paid at that time and were in provision status from 27 January 1996 until the payment was made in 1997.



INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

ANNEX III

6. Total disbursements for 1995 amount to USD 166.2 million. Disbursements of USD 58.2 million were met from the 1995 encashment and the remaining USD 108 million was met from the Fund's existing resources i.e. loan repayments.
7. The Fifty-Seventh Session of the Executive Board in April 1996 approved a drawdown of up to USD 204.1 million and the first tranche of 35% amounting to USD 71.4 million was called in May 1996. The Fifty-Ninth Session in December 1996 called on Member States to provide the balance of 65% in the form of advance encashments and/or cash contributions.
8. This amount includes USD 6 479 261 received from the United Arab Emirates in payment of the twelfth drawdown and the first tranche of the thirteenth drawdown.
9. Total disbursements for 1996 amount to USD 237.4 million. Thirty-five per cent of disbursements, amounting to USD 83.1 million, were met from the 1996 encashment and USD 8.8 million from the closing over-encashment of 1995. The remaining USD 154.3 million was met from the Fund's existing resources i.e. loan repayments.
10. The Sixtieth Session of the Executive Board in April 1997 approved a drawdown of USD 259.5 million and the first tranche of 35% amounting to USD 90.8 million was called in May 1997. The second tranche of 65% was regarded as voluntary advance encashments and/or cash contributions and was called in July 1997.
11. This amount includes USD 6 788 800 received from the Libyan Arab Jamahiriya in payment of all outstanding Second Replenishment drawdowns. It also includes payment by Nigeria of its outstanding amounts against the First Replenishment. In addition, it includes USD 3 709 100 from Qatar against the eighth drawdown. It also includes USD 3 512 200 paid in 1997 by the United Arab Emirates in settlement of the thirteenth to sixteenth drawdowns and partial payment of the seventeenth drawdown.
12. This amount includes USD 22 828 received from Mauritania in settlement of the fourteenth to sixteenth drawdowns.
13. Total disbursements for 2000 amount to USD 296.8 million. Thirty-five per cent of disbursements, amounting to USD 103.9 million, were met from the 2000 encashments. The remaining USD 192.9 million were met from the Fund's existing internally generated resources.
14. The difference between the "cumulative amounts called" and the "cumulative actual encashments" represents unpaid calls that have remained outstanding as detailed in Annex II. This includes USD 2 007 000 received from Nigeria following the 1999 year-end, in payment of its outstanding amounts relating to the seventeenth and eighteenth drawdowns. It excludes USD 600 000 received from Iran following the 2000 year-end, in partial payment of its Third Replenishment contributions.

SOURCE OF FUNDING FOR DISBURSEMENTS

1978-2000
(USD million)

Year	Drawdown	Disbursements from Drawdowns for Year (A)	Disbursements from Loan Repayments for Year (B)	Disbursements from Other Internally Generated Funds (C)	Total Disbursements from Internally Generated Funds (D) = (B)+(C)	Total (A)+(D)
1978	First	0	0	0	0	0
1979		5.4	0	0	0	5.4
1980		53.7	0	0	0	53.7
1981	Second	78.6	0	0	0	78.6
1982	Third	110.2	0	0	0	110.2
1983	Fourth and Fifth	156.5	0	0	0	156.5
1984	Sixth	211.0	0	0	0	211.0
1985	Seventh	216.0	0	0	0	216.0
1986	Eighth	231.2	0	0	0	231.2
1987	Ninth	218.3	0	0	0	218.3
1988	Tenth	200.4	0	0	0	200.4
1989	Eleventh	191.0	0	0	0	191.0
1990	Twelfth	165.6	0	0	0	165.6
1991	Thirteenth	158.6	0	0	0	158.6
1992	Fourteenth	142.1	0	0	0	142.1
1993		0	170.3	0	170.3	170.3
1994	Fifteenth	120.9	49.8	0	49.8	170.7
1995	Sixteenth	58.2	108.0	0	108.0	166.2
1996	Seventeenth	83.1	154.3	0	154.3	237.4
1997	Eighteenth	87.3	161.3	0.9	162.2	249.5
1998	Nineteenth	95.9	92.8	85.2	178.0	273.9
1999	Twentieth	105.3	28.9	166.8	195.7	301.0
2000	Twenty-first	103.9	0	192.9	192.9	296.8
Total		2 793.2	765.4	445.8	1 211.2	4 004.4

Loan Repayments Available

Total loan repayments to 31.12.2000	1 115.0
Less: utilized for disbursements as above ((D) above)	(1 115.0)
Loan repayments available	<u>0</u>