



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

Rome, 12 – 13 September 2001

RESOURCES AVAILABLE FOR COMMITMENT

Resources Available for Commitment

1. For the information of the Executive Board, Attachments I and II contain details regarding the resources available for commitment under IFAD's Regular Programme as at 30 June 2001.
2. Attachment I shows that the net resources available for commitment as of 30 June 2001 stood at USD 3.6 million, applying 30 June 2001 exchange rates. Had the Fifth Replenishment been effective by 30 June 2001, this would have resulted in an increase in resources of some USD 23.3 million.
3. Attachment II provides details on Member States' contributions specifically excluded from committable resources as of 30 June 2001.
4. Attachment III provides details of loans and grants approved by the Executive Board at its Seventy-Second Session in April 2001.
5. Attachment IV provides details on loans and grants, amounting to approximately SDR 114.3 million, being presented to the current Session of the Executive Board. Based on exchange rates in force as of 30 June 2001, these loans and grants are worth some USD 142.4 million.
6. Given that the resources available for commitment as of 30 June 2001 are not sufficient to cover the expected level of loans and grants to be approved at the current Session of the Executive Board, recourse is being made to the Advance Commitment Authority (ACA), as provided for in paragraph III.17 of Resolution 119/XXIV of the Governing Council. This is recommended in paragraph 11 of this document.



The Advance Commitment Authority

7. At its Twentieth Session in February 1997, the Governing Council authorized the use of the ACA. The main purpose of the ACA is to cover shortfalls in the amount of committable resources available to approve loans and grants that may arise in a particular year due to delays in the receipt of contribution payments, volatility in the rate of return of investment income and/or delays in the receipt of payments and repayments under loans provided by the Fund.

8. With the adoption of Resolution 119/XXIV on the Fifth Replenishment on 31 July 2000, the ACA was extended until one year following the end of the Fifth Replenishment period, i.e. until 19 February 2005. The Executive Board is to establish the cumulative resource level available under the ACA. Further information regarding the ACA can be found in the document EB 2001/73/INF.3.

9. At the Seventy-Second Session of the Executive Board, the statement of Resources Available for Commitment, prepared as at 31 March 2001, stood at USD 15.0 million, compared to approximately USD 84.6 million in proposed loans and grants to be approved. In order to be able to approve all loans and grants submitted for approval, the Board approved the use of up to USD 70.0 million under the ACA. This was the first time in the history of IFAD that the use of the ACA was approved.

10. As can be seen in Attachment V, the inflows received during the period 1 April to 30 June 2001 are sufficient to reverse out the full amount of the ACA (USD 69.6 million) that was used in order to approve the loans and grants presented for approval at the Seventy-Second Session of the Executive Board. An update to this document will be provided to Member States at its Seventy-Third Session to indicate the estimated level of ACA required to approve the proposed programme of work, based on the resource situation calculated at a date shortly prior to the Executive Board. The figures included in the recommendation will be updated accordingly.

Recommendation

11. Based on the resource position as at 30 June 2001, the Executive Board is requested to approve the use of the ACA, as follows:

“The Executive Board, in accordance with paragraph III.17 of Governing Council Resolution 119/XXIV, and noting a present shortfall in resources of an estimated USD 138.8 million due to resources available for commitment of USD 3.6 million and loans and grants presented for approval of USD 142.4 million, approves the use of up to USD 138.8 million under the ACA and accordingly authorizes the President to conclude agreements for loans and grants approved by the Executive Board at its Seventy-Third Session in September 2001. In addition, it requests the President to report to the Executive Board at its next and subsequent sessions on the use of the ACA and the resources available for commitment.”



Projected Resources

12. As seen above, the Executive Board is hereby asked to approve use of the ACA at its Seventy-Third Session. Management expect that by the end of 2001 the level of inflows received will be sufficient to cover the ACA commitments made to date. These inflows may derive from one or more of the following sources:

- (i) loan repayments (in the past, this has represented a very stable resource base);
- (ii) contributions (principally on the basis that the Fifth Replenishment will become effective by year's end); and
- (iii) investment income (depending on prevailing market conditions).



ATTACHMENT I

STATEMENT OF RESOURCES AVAILABLE FOR COMMITMENT
30 June 2001
(USD '000)

Assets in freely convertible currencies		
Cash	33 378	
Investments	1 938 169	
Promissory notes – Member States	369 615	
Norway – advance contribution to the Fifth Replenishment	5 204	
Other receivables	<u>77 537</u>	<u>2 423 903</u>
Less		
Payables and accrued liabilities		145 691
General reserve		95 000
Undisbursed effective loans	1 511 289	
Approved loans signed but not yet effective	315 523	
Undisbursed grants	<u>55 372</u>	1 882 184
Promissory notes specifically excluded from resources available (see Attachment II)		<u>112 355</u>
		<u>2 235 230</u>
Resources available for commitment		188 673
Less		
Loans not yet signed		176 571
Grants not yet signed		<u>8 467</u>
Net resources available for commitment before ACA		<u>3 635</u>
Loan and grant commitments approved under ACA at the Executive Board in April 2001	69 600	
Less: ACA commitments covered from inflows in the period 31 March 2001-30 June 2001)	<u>69 600</u>	
Net ACA carried forward at 30 June 2001		<u>0</u>
Net resources available for commitment		<u>3 635</u>

ATTACHMENT II

**RESOURCES AVAILABLE FOR COMMITMENT
 TO IFAD'S REGULAR PROGRAMME
 AS AT 30 JUNE 2001**

**Amounts Specifically Excluded
 (USD '000)**

IFAD

Drawdowns on Initial Contribution

promissory notes that have not been paid

Iran	29 358	
Iraq	<u>13 717</u>	
		43 075

Drawdowns on First Replenishment

promissory notes that have not been paid

Iraq	31 099	
Qatar	<u>10 271</u>	
		41 370

Drawdowns on Second Replenishment

promissory notes that have not been paid

Qatar	5 000	
Mauritania	<u>2</u>	
		5 002

Drawdowns on Third Replenishment

promissory notes that have not been paid

D.P.R. Korea	600	
Libyan Arab Jamahiriya	16 000	
Mauritania	25	
Nigeria	<u>6 273</u>	
		22 898

**Special Programme for Sub-Saharan
 African Countries Affected by Drought
 and Desertification**

Drawdowns on First Phase

Promissory notes that have not been paid

Mauritania		<u>10</u>
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Total specifically excluded

112 355

ATTACHMENT III

**LOANS AND GRANTS APPROVED BY THE SEVENTY-SECOND
SESSION OF THE EXECUTIVE BOARD IN APRIL 2001**

LOANS				
Country	Date of approval by the Executive Board	Loan No.	Title	SDR Equivalent
Armenia	26 04 2001	561-AM	Agricultural Services Project	12 350 000
Bosnia and Herzegovina	26 04 2001	562-BA	Livestock and Rural Finance Development Project	9 550 000
Grenada	26 04 2001	559-GD	Rural Enterprise Project	3 250 000
Honduras	26 04 2001	560-HN	National Programme for Local Development (PRONADEL)	15 500 000
Pakistan	26 04 2001	558-PK	North-West Frontier Province Barani Area Development Project	11 150 000
Sao Tome and Principe	26 04 2001	557-ST	Participatory Smallholder Agriculture and Artisanal Fisheries Development Programme	7 950 000
Subtotal				59 750 000
GRANTS				
Institution/Country	Title	TA Grant No.	SDR Equivalent	
CARUTA	Caribbean Regional Unit for Technical Assistance	537-CARUTA	597 311	
International Centre for Advanced Mediterranean Agronomic Studies (CIHEAM)	Action-Research Programme on the Identification and Testing of Methodologies and Approaches for Effective Introduction of Participatory Irrigation Management (PIM)	536-CIHEAM	1 269 187	
International Center for Living Aquatic Resources Management (ICLARM)	Community-Based Fisheries Management (CBFM) Programme in South and Southeast Asia	531-ICLARM	515 607	
International Centre for Research in Agroforestry (ICRAF)	Developing Mechanisms to Reward the Upland Poor of Asia for the Environment Services They Provide	534-ICRAF	1 110 538	
International Crops Research Institute for the Semi-Arid Tropics (ICRISAT)	Farmer-Participatory Improvement of Grain Legumes in Rainfed Asia	532-ICRISAT	1 031 214	
International Fertilizer Development Centre (IFDC)	Development of Sustainable Integrated Soil Fertility Management Strategies for Smallholder Farms in Sub-Saharan Africa	535-IFDC	1 138 302	
International Plant Genetic Resources Institute (IPGRI)	Enhancing the Contribution of Neglected and Underutilized Crops to Food Security and to the Incomes of the Rural Poor	533-IPGRI	1 118 471	
Regional Unit for Technical Assistance (RUTA)	Rural Financial Services Support Programme (SERFIRURAL) in Belize, Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua and Panama	538-RUTA	594 931	
Subtotal			7 375 561	
Total			67 125 561	

The above total of loans and grants approved approximates some USD 84.6 million, based on the exchange rates ruling at 31 March 2001.

ATTACHMENT IV

PROPOSED LOANS AND GRANTS PRESENTED FOR APPROVAL AT THE SEVENTY-THIRD SESSION OF THE EXECUTIVE BOARD

PROPOSED LOANS			
Country	Title	USD	SDR Equivalent ¹
Bangladesh	Sunamganj Community-Based Resource Management Project	21 861 157	17 550 000
India	Livelihood Security Project for Earthquake-Affected Rural Households in Gujarat	15 000 000	12 041 906
Lebanon	Cooperative Rural Finance Programme	12 767 912	10 250 000
Malawi	Rural Livelihoods Support Programme	13 500 000	10 837 715
Mauritania	Poverty Reduction Project in Aftout South and Karakoro	11 300 000	9 071 569
Mozambique	Sofala Bank Artisanal Fisheries Project	18 000 000	14 450 287
Nigeria	Community-Based Agricultural and Rural Development Programme	29 900 000	24 003 532
Swaziland	Lower Usuthu Smallholder Irrigation Project – Phase I	15 000 000	12 041 906
Subtotal		137 329 069	110 246 915
PROPOSED GRANTS			
Institution	Title	USD	SDR Equivalent ¹
International Centre for Agricultural Research in the Dry Areas (ICARDA)	Programme to Foster Wider Adoption of Low-Cost Durum Technologies	1 100 000	883 073
International Livestock Research Institute (ILRI) and International Centre of Insects Physiology and Ecology (ICIPE)	Programme for Enhancing the Diffusion of New Tsetse Control Technologies for Improved Livestock Health and Productivity in Smallholder Indigenous Communities of Sub-saharan Africa	1 300 000	1 043 632
Popular Coalition to Eradicate Hunger and Poverty	Strengthening the Capacity of the Rural Poor to Gain and Sustain Access to Productive Assets	500 000	401 397
Southern Alliance for Indigenous Resources (SAFIRE)	Programme to Promote the Sustainable Use of and Trade in Natural Products through the Southern African Natural Products Trade Association (SANProTA)	1 000 000	802 794
United Nations Office for Project Services (UNOPS)	Western and Central African Rural Development Hub – A Tool for Improved Food Security and Rural Poverty Alleviation	1 200 000	963 352
Subtotal		5 100 000	4 094 248
Total		142 429 069	114 341 163

¹ Using the USD/SDR rate of exchange of 30 June 2001 of 1.24565.



ATTACHMENT V

COMMITMENTS AND USE OF THE ADVANCE COMMITMENT AUTHORITY

	Amount (USD million)
Current amount approved and used under the ACA*	70
Amount of ACA covered in period 1 April to 30 June 2001 from inflows	(70)
Amount of ACA required at 30 June 2001	139

	USD '000	
	31 March 2001	30 June 2001
Net resources available	15 000	3 635
Inflows used to cover ACA	0	0
Total	15 000	3 635
Loans and grants proposed	(84 600)	(142 429)
Excess/shortfall in resources	(69 600)	(138 794)
Use of ACA	69 600	138 794
Balance	0	0

* Approved in document EB 2001/72/R.14/Add.1/Rev.1.