



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

Rome, 22-23 April 2002

**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 of 31 March 2002.
2. As shown in Attachment I, applying 31 March 2002 exchange rates, the net resources available for commitment as of 31 March 2002 stood at USD 0 million.
3. Details of Member States' contributions specifically excluded from committable resources as of 31 March 2002 are provided in Attachment II.
4. Attachment III provides details of loans and grants, amounting to approximately SDR 85.2 million, presented to the current Session of the Executive Board. Based on exchange rates in force as of 31 March 2002, such loans and grants amount to some USD 106.2 million.
5. Attachment IV shows commitments under and use of the Advance Commitment Authority (ACA) during 2002. It also shows the expected net inflows until 30 June 2002.
6. Given that the resources available for commitment as of 31 March 2002 are not sufficient to cover the loans and grants expected to be approved at the current Session of the Executive Board, recourse is being made to the ACA as provided for in paragraph III.17 of Resolution 119/XXIV of the Governing Council and as recommended in paragraph 13 of the present document.

**Advance Commitment Authority**

7. The use of the ACA was authorized by the Governing Council at its Twentieth Session in February 1997. 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 responsible for establishing the cumulative resource level available under the ACA.

9. Document EB 2001/72/R.14 presented to the Seventy-Second Session of the Executive Board showed that the resources available for commitment as of 31 March 2001 stood at USD 15.0 million compared with approximately USD 84.6 million in proposed loans and grants for approval. 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 – the first time in the history of IFAD that the use of the ACA was approved. The full amount of ACA used (USD 69.6 million) was covered by net inflows during the period April-June 2001.

10. Document EB 2001/73/R.7 presented to the Seventy-Third Session of the Executive Board showed that the resources available for commitment as of 31 August 2001 stood at USD 29.6 million compared with approximately USD 129.7 million in proposed loans and grants to be approved. In order to be able to approve all loan and grant proposals, the Board approved the use of up to USD 100.1 million under the ACA. The full amount of ACA used was covered by net inflows during the period September-December 2001.

11. Document EB 2001/74/R.5/Add.1 presented to the Seventy-Fourth Session of the Executive Board showed that the resources available for commitment as of 30 November 2001 stood at USD 0 million compared with approximately USD 205.8 million in proposed loans and grants to be approved. In order to be able to approve all loan and grant proposals, the Board approved the use of up to USD 205.8 million under the ACA.

12. The resources available for commitment as at 31 March 2002 are already sufficient to partially cover the present amount of the ACA (USD 122.2 million out of USD 205.8 million authorized), leaving a balance carried forward of USD 83.6 million, as shown in Attachment I.

### **Recommendation**

13. Based on the resource position as of 31 March 2002, 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 the present shortfall in resources of an estimated USD 106.2 million due to resources available for commitment of USD 0 million and of loans and grants presented for approval amounting to USD 106.2 million, approves the use of an additional USD 106.2 million under the ACA and accordingly authorizes the President to conclude agreements for loans and grants approved by the Executive Board at its Seventy-Fifth Session in April 2002. In addition, the Board 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.”



## ATTACHMENT I

**STATEMENT OF RESOURCES AVAILABLE FOR COMMITMENT**  
**31 March 2002**  
(USD '000)

<b>Assets in freely-convertible currencies</b>		
Cash	422 480	
Investments	1 527 400	
Promissory notes – Member States	376 752	
Other receivables	<u>103 215</u>	<b>2 429 847</b>
<b>Less</b>		
Payables and accrued liabilities		169 601
General Reserve		95 000
Undisbursed effective loans	1 569 802	
Approved loans signed but not yet effective	398 325	
Undisbursed grants	<u>49 408</u>	2 017 535
Drawdowns on promissory notes that have not been paid (see Attachment II)		<u>109 037</u>
		<b><u>2 391 173</u></b>
<b>Resources available for commitment</b>		<b>38 674</b>
<b>Less</b>		
Loans not yet signed		110 227
Grants not yet signed		<u>12 010</u>
<b>Net resources available for commitment prior to ACA</b>		<b><u>(83 563)</u></b>
<b>ACA approved at the Seventy-Fourth Session of the Executive Board brought forward at 1 January 2002</b>	<b><u>153 691</u></b>	
<b>Less:</b>		
ACA reversed in period January-March 2002	<b><u>70 128</u></b>	
<b>ACA carried forward</b>		<b><u>83 563</u></b>
<b>Net Resources Available for Commitment</b>		<b><u>0</u></b>



## ATTACHMENT II

**RESOURCES AVAILABLE FOR COMMITMENT  
UNDER REGULAR PROGRAMME  
AS OF 31 MARCH 2002**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>2 955</u>	19 580

**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****109 037**

ATTACHMENT III

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

<b>PROPOSED LOANS</b>			
<b>Country</b>	<b>Project Title</b>	<b>USD/(Equivalent)<sup>a</sup></b>	<b>SDR/(Equivalent)<sup>a</sup></b>
Cameroon	Community Development Support Project	11 845 645	9 500 000
Egypt	West Noubaria Rural Development Project	18 204 886	14 600 000
Eritrea	Gash Barka Livestock and Agricultural Development Project	13 528 974	10 850 000
Haiti	Productive Initiatives Support Programme in Rural Areas	21 696 234	17 400 000
India	Orissa Tribal Empowerment and Livelihoods Programme	20 012 905	16 050 000
Laos	Oudomxai Community Initiatives Support Project	13 466 628	10 800 000
<b>Subtotal</b>		<b>98 755 272</b>	<b>79 200 000</b>
<b>PROPOSED GRANTS</b>			
<b>Institution</b>	<b>Title</b>		
FAO	Marine Resources Management Programme in the Red Sea	1 000 000	801 982
FAO	Rural Knowledge Network Pilot Project for East Africa	1 500 000	1 202 974
RIMISP	FIDAMERICA Network – Phase III	913 000	732 210
ICARDA	Enhancing Food Security in the Nile Valley and Red Sea Region: Technology Generation and Dissemination for Sustainable Production of Cereals and Cool-Season Food Legumes	1 169 999	938 319
IDRC	Programme for Electronic Networking for Rural Asia/Pacific (ENRAP) Projects – Phase II	1 000 000	801 982
IICA	Rural Microenterprise Support Programme in Latin America and the Caribbean (PROMER)	587 000	470 764
CCD	Grant to the Global Mechanism of the United Nations Convention to Combat Desertification in Those Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa (CCD) to Support the Development and Implementation of Action Programmes and Related Initiatives – Second Instalment	1 250 000	1 002 478
<b>Subtotal</b>		<b>7 419 999</b>	<b>5 950 709</b>
<b>Total</b>		<b>106 175 271</b>	<b>85 150 709</b>

<sup>a</sup> Using the 31 March 2002 USD/SDR exchange rate of 1.24691 based on the actual negotiated SDR amounts for loans and USD amounts for grants.



## ATTACHMENT IV

## COMMITMENTS UNDER AND USE OF THE ADVANCE COMMITMENT AUTHORITY

Table 1	
USD million	
Resources	
Net resources available at 31 March 2002	0
Loans and grants proposed (Seventy-Fifth Session of the Executive Board)	(106.2)
Subtotal	(106.2)
Shortfall in resources	(106.2)
Expected use of additional ACA <sup>a</sup>	106.2
<b>Balance</b>	<b>0</b>

Table 2				
USD million				
ACA	EB 72	EB 73	EB 74	EB 75
<b>Beginning balance</b>	<b>0</b>	<b>0</b>	<b>16.9</b>	<b>153.7</b>
Approved ACA/ Requested	69.6	100.1	205.8	106.2 <sup>a</sup>
<b>Total ACA</b>	<b>69.6</b>	<b>100.1</b>	<b>222.7</b>	<b>259.9</b>
ACA covered	(69.6)	(83.2)	(69.0)	(70.1)
<b>ACA to carry forward</b>	<b>0</b>	<b>16.9</b>	<b>153.7</b>	<b>189.8</b>

Table 3	
Flows April-June 2002	
USD million	
<b>Resources at 31 March 2002</b>	<b>0</b>
Loan reflows	45.0
Members' contributions	14.0
Investment income <sup>b</sup>	22.0
Loan and grant cancellations	13.0
Administrative expenses, Strategic Change Programme and After-Service Medical	(13.0)
PDFF	(7.0)
Net expected reflows in April-June 2002	74.0
Net reflows used to cover ACA	(74.0)
Subtotal	0
Loan and grant commitments (EB75)	(106.2)
Expected additional ACA to be requested	106.2
<b>Expected resources available at 30 June 2002</b>	<b>0</b>

<sup>a</sup> ACA to be requested based on the 31 March 2002 position.

<sup>b</sup> The investment portfolio is subject to fluctuations in income due to economic and market conditions. The amount of USD 22 million is based on a conservative potential annual rate of return of 4.5%, with a 72% probability of being attained or exceeded on the basis of the current composition of the investment portfolio.