



**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 December 2001.
2. As shown in Attachment I, applying 31 December 2001 exchange rates, the net resources available for commitment as of 31 December 2001 stood at USD 0 million.
3. Details of Member States' contributions specifically excluded from committable resources as of 31 December 2001 are provided in Attachment II.
4. Attachment III provides details of loans and grants, amounting to approximately SDR 96.2 million, presented to the current Session of the Executive Board. Based on exchange rates in force as of 31 December 2001, such loans and grants amount to some USD 121.0 million.
5. Attachment IV shows commitments under and use of, the Advance Commitment Authority (ACA) during 2001. It also shows the expected net inflows until 31 March 2002.
6. Given that the resources available for commitment as of 31 March 2002 may be insufficient 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. As shown in Attachment IV, the resources available for commitment as at 31 December 2001 are already sufficient to partially cover the present amount of the ACA (USD 52.1 million out of USD 205.8 million authorized). An update to this document will be provided to the Seventy-Fifth Session of the Board, indicating the estimated level of ACA required to approve the proposed programme of work based on the resource situation calculated shortly prior to the Board session. The figures included in the recommendation will be updated accordingly.

### **Recommendation**

13. Based on the resource position as of 31 December 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 the present shortfall in resources of an estimated USD 121.0 million due to resources available for commitment of USD 0 million and of loans and grants presented for approval amounting to USD 121.0 million, approves the use of an additional USD 121.0 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 December 2001**

(USD '000)

<b>Assets in freely-convertible currencies</b>		
Cash	71 702	
Investments	1 884 305	
Promissory notes – Member States	374 099	
Other receivables	<u>49 818</u>	<b><u>2 379 924</u></b>
<b>Less</b>		
Payables and accrued liabilities		115 227
General Reserve		95 000
Undisbursed effective loans	1 607 782	
Approved loans signed but not yet effective	225 772	
Undisbursed grants	<u>49 919</u>	1 883 473
Drawdowns on Initial Contribution promissory notes that have not been paid	43 075	
Drawdowns on First Replenishment promissory notes that have not been paid	41 370	
Drawdowns on Second Replenishment promissory notes that have not been paid	5 002	
Drawdowns on Third Replenishment promissory notes that have not been paid	20 795	
Drawdowns on SPA First Phase promissory notes that have not been paid	<u>10</u>	<u>110 252</u>
		<b><u>2 203 952</u></b>
<b>Resources available for commitment</b>		<b>175 972</b>
<b>Less</b>		
Loans not yet signed		314 811
Grants not yet signed		<u>14 852</u>
<b>Net resources available for commitment prior to ACA</b>		<b><u>(153 691)</u></b>
<b>ACA approved at 72<sup>nd</sup> Executive Board</b>		<b>69 600</b>
<b>ACA approved at 73<sup>rd</sup> Executive Board</b>		<b>100 133</b>
<b>ACA approved at 74<sup>th</sup> Executive Board</b>		<b><u>205 800</u></b>
		<b>375 533</b>
<b>Less:</b>		
ACA reversed in year		<b><u>(221 842)</u></b>
<b>ACA carried forward</b>		<b><u>153 691</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 DECEMBER 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>4 170</u>	20 795

**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****110 252**

**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</b>	<b>SDR Equivalent <sup>a</sup></b>
Cameroon	Community Development Support Project	11 590 000	9 222 347
Egypt	West Noubaria Rural Development Project	18 450 000	14 680 958
Eritrea	Gash Barka Livestock and Agricultural Development Project	10 000 000	7 957 159
Haiti	Productive Initiatives Support Programme in Rural Areas	21 700 000	17 267 034
India	Orissa Tribal Empowerment and Livelihoods Programme	20 000 000	15 914 317
Laos	Oudomxai Community Initiatives Support Project	13 410 000	10 670 550
Mongolia	Rural Poverty Alleviation Programme	15 100 000	12 015 310
<b>Subtotal</b>		<b>110 250 000</b>	<b>87 727 674</b>
<b>PROPOSED GRANTS</b>			
<b>Institution</b>	<b>Title</b>		
CIAT	Integrated Upland Agricultural Development	1 450 000	1 153 788
FAO	Marine Resources and Environment Surveys Programme in the Red Sea	1 000 000	795 716
FAO	Rural Knowledge Networking for Eastern and Southern Africa	1 000 000	795 716
FIDAMERICA	Knowledge and Information Network	900 000	716 144
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	1 200 000	954 859
IDRC	Electronic Networking for Rural Asia/Pacific Projects (ENRAP) Phase II – Knowledge Networking for Rural Development in Asia	1 500 000	1 193 574
IFDC	Development and Implementation of an Information and Decision Support System for Cereal Production in the West Asia and North Africa (WANA) Region: Improving Agricultural Input Efficiency and Reducing Production Risks	1 500 000	1 193 574
PROMER	Technical Regional Programme	900 000	716 144
UNCCD	Grant to the Global Mechanism of the United Nations Convention to Combat Desertification	1 250 000	994 645
<b>Subtotal</b>		<b>11 700 000</b>	<b>8 514 160</b>
<b>Total</b>		<b>120 950 000</b>	<b>96 241 834</b>

<sup>a</sup> Using the 31 December 2001 USD/SDR exchange rate of 1.25673

## ATTACHMENT IV

## COMMITMENTS UNDER AND USE OF THE ADVANCE COMMITMENT AUTHORITY

<b>Table 1</b>	
<b>USD million</b>	
<b>Resources</b>	
Net resources available at 31 December 2001	0
Net inflows expected Jan-Mar 2002 (see Table 3 below)	89.0
Inflows used to cover ACA	(89.0)
<b>Total as at 31 March</b>	<b>0</b>
Loans and grants proposed (Seventy-Fifth Session of the Executive Board)	(121.0)
Subtotal	
Shortfall in resources	(121.0)
Expected use of additional ACA <sup>a</sup>	121.0
<b>Balance</b>	<b>0</b>

<b>Table 2</b>				
<b>USD million</b>				
<b>ACA</b>	<b>EB 72</b>	<b>EB 73</b>	<b>EB 74</b>	<b>EB 75</b>
<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	121.0 <sup>a</sup>
<b>Total ACA</b>	<b>69.6</b>	<b>100.1</b>	<b>222.7</b>	<b>274.7</b>
ACA covered	(69.6)	(83.2)	(69.0)	(89.0)
<b>ACA to carry forward</b>	<b>0</b>	<b>16.9</b>	<b>153.7</b>	<b>185.7</b>

<b>Table 3</b>	
<b>Flows and expected flows January-March 2002</b>	
<b>USD million</b>	
<b>Resources at 31 December 2001</b>	<b>0</b>
Loan reflows	45.0
Members' contributions	29.0
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 Jan-Mar 2002	89.0
Net reflows used to cover ACA	(89.0)
Subtotal	0
Loan and grant commitments (EB75)	(121.0)
Expected additional ACA to be requested	121.0
<b>Expected resources available at 31 March 2002</b>	<b>0</b>

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

<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.