



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

Rome, 4-5 September 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 at 31 July 2002.
2. As shown in Attachment I, based on 31 July 2002 exchange rates, the net resources available for commitment as at 31 July 2002 stood at USD 0 million.
3. Details on Member States' contributions specifically excluded from committable resources as at 31 July 2002 are provided in Attachment II.
4. Attachment III gives details on loans and grants approved by the Executive Board at its Seventy-Fifth Session in April 2002.
5. To provide the Board with up-to-date information on the Fund's resource situation, Attachment V presents estimated data as at 26 August 2002. It is calculated that net inflows totalling USD 37.3 million will be received in August 2002. In accordance with the procedures governing the use of the advance commitment authority (ACA), these net inflows will be used to cover ACA authorized to date. The net resources available for commitment as at 26 August 2002 stood at USD 0 million.
6. Attachment V also shows commitments under and use of ACA during 2002. It provides further analysis of net flows during the period in which ACA has been used, as requested by the Executive Board at its Seventy-Fifth Session.
7. Attachment IV gives information on the loans and grants presented to the current session of the Executive Board, amounting to approximately 80.2 million Special Drawing Rights (SDR). Based on exchange rates in force as at 26 August 2002, such loans and grants amount to some USD 105.7 million.



8. Given that the resources available for commitment as at 26 August 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 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 and its Ceiling**

9. The Governing Council authorized the use of ACA at its Twentieth Session in February 1997. The main purpose of 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.

10. When the ACA scheme was adopted for the Fourth Replenishment, the maximum amount that could be made available through ACA during that replenishment period was set at USD 450 million. This was equivalent to three years of reflows at the time.

11. With the adoption of Resolution 119/XXIV on the Fifth Replenishment on 31 July 2000, ACA was extended until one year following the end of the Fifth Replenishment period, i.e. until 19 February 2005. Under the terms of the resolution, the Executive Board is responsible for establishing the cumulative resource level available under ACA.

12. The procedures for the use of ACA during the Fifth Replenishment period, which runs from 20 February 2001 to 19 February 2004, are set out in document GC 24/Res.119/XXIV/Rev.1. These procedures give the Executive Board the authority to decide the maximum amount available through ACA during the replenishment period. Although the Executive Board has not taken a formal decision in this respect, the underlying assumption for the ACA ceiling is that of the Fourth Replenishment, that is three years of reflows. Based on current loan reflow estimates, this would indicate a ceiling of approximately USD 533 million. As may be seen in Attachment V, the level of ACA carried forward as at 26 August 2002 is USD 117.1 million. Taking into account the loans and grants, totalling USD 105.7 million, being presented for approval at this Executive Board session, this will mean a carry-forward ACA figure of USD 222.8 million. The intention is to keep the net utilization of ACA at the end of 2002 in line with the level projected in the 2002 programme of work and administrative budget document. The final figure will, of course, depend on the net inflows received by the end of the year, in particular replenishment contributions.

### **Recommendation**

13. Based on the resource position as at 26 August 2002, the Executive Board is requested to approve the use of 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 105.7 million due to resources available for commitment of USD 0 million and of loans and grants presented for approval amounting to USD 105.7 million, approves the use of an additional USD 105.7 million under ACA, and accordingly authorizes the President to conclude agreements for loans and grants approved by the Executive Board at its Seventy-Sixth Session in September 2002. In addition, the Board requests the President to report to the Executive Board at its next and subsequent sessions on the use of ACA and the resources available for commitment.”

**STATEMENT OF RESOURCES AVAILABLE FOR COMMITMENT  
31 JULY 2002<sup>a</sup>**

(USD '000)

<b>Assets in freely convertible currencies</b>		
Cash	456 344	
Investments	1 782 586	
Promissory notes – Member States	347 700	
Other receivables	<u>93 210</u>	<b><u>2 679 841</u></b>
<b>Less</b>		
Payables and accrued liabilities		(358 202)
General Reserve		(95 000)
Undisbursed effective loans	(1 671 979)	
Approved loans signed but not yet effective	(408 250)	
Undisbursed grants	<u>(46 979)</u>	(2 153 118)
Drawdowns on promissory notes that have not been paid (see Attachment II)		<u>(105 783)</u>
		<b><u>(2 712 103)</u></b>
<b>Resources available for commitment</b>		<b>(6 352)</b>
<b>Less</b>		
Loans not yet signed		(135 951)
Grants not yet signed		(12 099)
<b>Net resources available for commitment before ACA</b>		<b><u>(154 402)</u></b>
<b>ACA approved at the Seventy-Fourth Session of the Executive Board, brought forward at 31 March 2002</b>	<b>83 563</b>	
<b>ACA approved at the Seventy-Fifth Session</b>	<b><u>106 200</u></b>	
		<b>189 763</b>
<b>Less:</b>		
ACA reversed in period April to July 2002		<b><u>(35 361)</u></b>
<b>ACA carried forward</b>		<b><u>154 402</u></b>
<b>Net resources available for commitment</b>		<b><u>0</u></b>

<sup>a</sup> For updated information regarding resources available as at 26 August 2002, please refer to Attachment V.



**RESOURCES AVAILABLE FOR COMMITMENT  
UNDER THE REGULAR PROGRAMME  
AS AT 31 JULY 2002**

Amounts Specifically Excluded  
(USD '000)

**IFAD Regular Programme**

**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>7 017</u>	
		38 116

**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**

**105 783**



## ATTACHMENT III

**LOANS AND GRANTS APPROVED AT THE  
SEVENTY-FIFTH SESSION OF THE EXECUTIVE BOARD  
IN APRIL 2002**

<b>LOANS</b>		
<b>Country</b>	<b>Project Title</b>	<b>SDR Equivalent</b>
Cameroon	Community Development Support Project	9 500 000
Egypt	West Noubaria Rural Development Project	14 600 000
Eritrea	Gash Barka Livestock and Agricultural Development Project	8 100 000
Haiti	Productive Initiatives Support Programme in Rural Areas	17 400 000
India	Orissa Tribal Empowerment and Livelihoods Programme	16 050 000
Laos	Oudomxai Community Initiatives Support Project	10 800 000
<b>Subtotal</b>		<b>76 450 000</b>
<b>GRANTS</b>		
<b>Institution</b>	<b>Title</b>	
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	1 002 478
FAO	Marine Resources Management Programme in the Red Sea	801 982
FAO	Rural Knowledge Network Pilot Project for East Africa	1 202 974
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	938 319
IDRC	Programme for Electronic Networking for Rural Asia/Pacific (ENRAP) Projects – Phase II	801 982
IICA	Rural Microenterprise Support Programme in Latin America and the Caribbean (PROMER)	470 764
RIMISP	FIDAMERICA Network – Phase III	732 210
<b>Subtotal</b>		<b>5 950 709</b>
<b>Total</b>		<b>82 400 709<sup>a</sup></b>

## Notes:

FAO: Food and Agriculture Organization of the United Nations

ICARDA: International Center for Agricultural Research in the Dry Areas

IDRC: International Development Research Centre

IICA: Inter-American Institute for Cooperation on Agriculture

RIMISP: International Farming Systems Research Methodology Network

<sup>a</sup> Equivalent to approximately USD 106.2 million, based on the exchange rate at 31 March 2002.

**ATTACHMENT IV**

**PROPOSED LOANS AND GRANTS PRESENTED FOR APPROVAL AT THE SEVENTY-SIXTH 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>
Ghana	Rural Enterprises Project – Phase II	11 195 520	8 500 000
Guinea	Sustainable Agriculture Development Project in the Forest Region	12 380 928	9 400 000
Mauritania	Maghama Improved Flood Recession Farming Project – Phase II	10 010 112	7 600 000
Mongolia	Rural Poverty-Reduction Programme	14 751 744	11 200 000
Tunisia	Agropastoral Development and Local Initiatives Promotion Programme for the South-East	18 571 392	14 100 000
Uganda	Rural Financial Services Programme	18 307 968	13 900 000
Yemen	Dhamar Participatory Rural Development Project	14 290 752	10 850 000
<b>Subtotal</b>		<b>99 508 416</b>	<b>75 550 000</b>
<b>PROPOSED GRANTS</b>			
<b>Institution</b>	<b>Title</b>		
CIAT	Programme for Integrated Upland Agriculture Development Using Participatory Approaches in China, Laos and Viet Nam	1 450 000	1 100 887
Gaza and the West Bank	Rehabilitation and Development Project in Gaza and the West Bank	3 000 000	2 277 697
ILRI	Programme for Small-Ruminant Health – Improved Livelihood and Market Opportunities for Poor Farmers in the Near East and North Africa Region	1 100 000	835 155
Popular Coalition to Eradicate Hunger and Poverty	Technical Assistance Grant to the Popular Coalition to Eradicate Hunger and Poverty in Support of its Global Programmes, Activities and Services	600 000	455 539
<b>Subtotal</b>		<b>6 150 000</b>	<b>4 669 278</b>
<b>Total</b>		<b>105 658 416</b>	<b>80 219 278</b>

Notes:

CIAT: International Centre for Tropical Agriculture

ILRI: International Livestock Research Institute

<sup>a</sup> Using the 26 August 2002 USD/SDR exchange rate of 1.31712, based on the actual SDR amounts for loans already negotiated, and USD amounts for grants.

### COMMITMENTS UNDER AND USE OF THE ADVANCE COMMITMENT AUTHORITY

<b>2001 ACTUAL, 2002 ACTUAL (FIRST SEVEN MONTHS) AND ESTIMATE UP TO THE SEPTEMBER EXECUTIVE BOARD</b>			
(USD million)			
	<b>2001 Actual April to December</b>	<b>2002 Actual January to July</b>	<b>2002 Estimated August</b>
<b>1) Resources available at start of period</b>	<b>15.0</b>	<b>0</b>	<b>0</b>
Proposed loans and grants (EB 72/73/74)	420.1	-	-
Proposed loans and grants (EB 75/76)		106.2	105.7
<b>2) ACA approved by EB</b>	<b>375.5</b>	<b>106.2</b>	<b>105.7</b>
<b>Analysis of flows</b>			
Loan reflows	127.0	90.6	18.0
Loan cancellations	29.1	0.4	-
Members' contributions	124.4	64.5	4.5
Investment income/(loss)	17.6	(25.3)	20.8
	298.1	130.2	43.3
Operating expenses, ASMC, SCP	(38.5)	(26.3)	(4.0)
PDFF expenses	-	(5.3)	(2.0)
Debt Initiative for HIPC transfers	(4.0)	-	-
	(42.5)	(31.6)	(6.0)
Net exchange rate movements	(7.8)	3.1	-
Release of contributions excluded	9.8	4.5	-
	2.0	7.6	-
<b>3) Total net flows</b>	<b>257.6</b>	<b>106.2</b>	<b>37.3</b>
<b>4) Loan and grant commitments <sup>a</sup></b>	<b>(426.3)</b>	<b>(106.9)</b>	<b>(105.7)</b>
<b>5) ACA covered from flows in period</b>	<b>(221.8)</b>	<b>(105.5)</b>	<b>(37.3)</b>
<b>Resources available at end of period (=1)+2)+3)-4)-5))</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>ACA carried forward</b>			
Relating to EB 73	-		
Relating to EB 74	153.7	48.2	10.9
Relating to EB 75	-	106.2	106.2
Subtotal	153.7	154.4	117.1
Relating to EB 76	-	-	105.7
<b>6) Total (=2)-5)+6) prior period)</b>	<b>153.7</b>	<b>154.4</b>	<b>222.8</b>

Notes:

ASMC: After-Service Medical Coverage

EB: Executive Board

HIPCs: Heavily Indebted Poor Countries

PDFF: Programme Development Financing Facility

SCP: Strategic Change Programme

<sup>a</sup> These commitments also include grants approved directly by the President.