



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 30 June 2002.
2. As shown in Attachment I, applying 30 June 2002 exchange rates, the net resources available for commitment as at 30 June 2002 stood at USD 0 million.
3. Details on Member States' contributions specifically excluded from committable resources as at 30 June 2002 are provided in Attachment II.
4. Attachment III provides details on loans and grants approved by the Executive Board at its Seventy-Fifth Session in April 2002.
5. Attachment IV provides details on loans and grants, amounting to approximately SDR 101.2 million, presented to the current session of the Executive Board. Based on exchange rates in force as at 30 June 2002, such loans and grants amount to some USD 134.7 million.
6. Attachment V shows commitments under and use of Advance Commitment Authority (ACA) during 2002. This attachment 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. It also shows the expected net inflows until 30 September 2002.
7. Given that the resources available for commitment as at 30 June 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 12 of the present document.



Advance Commitment Authority and its Ceiling

8. The use of ACA was authorized by the Governing Council 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.

9. When the ACA scheme was adopted for the Fourth Replenishment, the ceiling for 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.

10. 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.

11. 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 no formal decision has been taken by the Executive Board in this respect, management analyses provided to Members, particularly in the context of the resource projections, have maintained the underlying assumption for the ACA ceiling 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 30 June 2002 is USD 149.8 million; current projections for the level of ACA to be carried forward at the end of September this year total some USD 210.5 million.

Recommendation

12. Based on the resource position as at 30 June 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 134.7 million due to resources available for commitment of USD 0 million and of loans and grants presented for approval amounting to USD 134.7 million, approves the use of an additional USD 134.7 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
30 JUNE 2002**

(USD '000)

Assets in freely convertible currencies		
Cash	416 992	
Investments	1 597 956	
Promissory notes – Member States	430 028	
Other receivables	<u>123 984</u>	<u>2 568 960</u>
Less		
Payables and accrued liabilities		(199 637)
General Reserve		(95 000)
Undisbursed effective loans	(1 671 291)	
Approved loans signed but not yet effective	(433 796)	
Undisbursed grants	<u>(48 031)</u>	(2 153 118)
Drawdowns on promissory notes that have not been paid (see Attachment II)		<u>(105 783)</u>
		<u>(2 553 538)</u>
Resources available for commitment		15 422
Less		
Loans not yet signed		(151 140)
Grants not yet signed		(14 052)
Net resources available for commitment before ACA		<u>(149 770)</u>
ACA approved at the Seventy-Fourth Session of the Executive Board, brought forward at 31 March 2002	83 563	
ACA approved at the Seventy-Fifth Session	<u>106 200</u>	
		189 763
Less:		
ACA reversed in period April-June 2002		<u>(39 993)</u>
ACA carried forward		<u>149 770</u>
Net resources available for commitment		<u>0</u>



**RESOURCES AVAILABLE FOR COMMITMENT
UNDER REGULAR PROGRAMME
AS AT 30 JUNE 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**

LOANS		
Country	Project Title	SDR Equivalent
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
Subtotal		76 450 000
GRANTS		
Institution	Title	
FAO	Marine Resources Management Programme in the Red Sea	801 982
FAO	Rural Knowledge Network Pilot Project for East Africa	1 202 974
RIMISP	FIDAMERICA Network – Phase III	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	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
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
Subtotal		5 950 709
Total		82 400 709^a

^a 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

PROPOSED LOANS			
Country	Project Title	USD Equivalent^a	SDR Equivalent^a
China	Environment Conservation and Poverty-Reduction Programme in Ningxia and Shanxi	28 000 000	21 045 353
Ghana	Rural Enterprises Project – Phase II	11 308 910	8 500 000
Guinea	Sustainable Agriculture Development Project in the Forest Region	12 506 324	9 400 000
Mauritania	Maghama Improved Flood Recession Farming Project – Phase II	10 200 000	7 666 521
Mongolia	Rural Poverty-Reduction Programme	14 800 000	11 123 972
Tunisia	Agropastoral Development and Local Initiatives Promotion Programme for the South-East	18 759 486	14 100 000
Uganda	Rural Financial Services Programme	18 493 394	13 900 000
Yemen	Dhamar Participatory Rural Development Project	14 435 491	10 850 000
Subtotal		128 503 605	96 585 846
PROPOSED GRANTS			
Institution	Title		
CIAT	Programme for Integrated Upland Agriculture Development Using Participatory Approaches in China, Laos and Viet Nam	1 450 000	1 089 848
Gaza and the West Bank	Rehabilitation and Development Project in Gaza and the West Bank	3 000 000	2 254 859
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	826 782
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	450 972
Subtotal		6 150 000	4 622 461
Total		134 653 605	101 208 307

^a Using the 30 June 2002 USD/SDR exchange rate of 1.33046, based on the actual SDR amounts for loans where already negotiated and USD amounts for loans not negotiated to date and for grants.



COMMITMENTS UNDER AND USE OF ADVANCE COMMITMENT AUTHORITY

2001 ACTUAL, 2002 ACTUAL (FIRST SIX MONTHS) AND FORECAST FOR THIRD QUARTER 2002			
	(USD million)		
	2001 Actual April to December	2002 Actual January to June	2002 Forecast July to September
Resources available at start of period	15.0	0	0
Proposed loans and grants (EB 72/73/74)	420.1	-	-
Proposed loans and grants (EB 75/76)		106.2	134.7
ACA approved by EB 72/73/74/75/76	375.5	106.2	134.7
Analysis of flows			
Loan reflows	127.0	82.1	45.0
Loan cancellations	29.1	0.2	13.0
Members' contributions	124.4	62.9	22.0
Investment income/(loss)	17.6	(9.1)	14.0
	298.1	136.1	94.0
Operating expenses, ASMC, SCP	(38.5)	(23.3)	(13.0)
PDFF expenses	-	(2.6)	(7.0)
HIPC transfers	(4.0)	-	-
	(42.5)	(25.9)	(20.0)
Net exchange rate movements	(7.8)	(4.4)	-
Release of Contributions Excluded	9.8	4.5	-
	2.0	0.1	-
Total net flows	257.6	110.3	74.0
Loan and grant commitments ^a	(426.3)	(106.4)	(134.7)
ACA covered from flows in period	(221.8)	(110.1)	(74.0)
Resources available at end of period	0	0	0
ACA carried forward			
Relating to EB 73	-		
Relating to EB 74	153.7	43.6	-
Relating to EB 75	-	106.2	75.8
Relating to EB 76	-	-	134.7
Total	153.7	149.8	210.5

Note:

ASMC	=	After-Service Medical Coverage
EB	=	Executive Board
HIPC	=	Heavily Indebted Poor Country
PDFF	=	Programme Development Financing Facility
SCP	=	Strategic Change Programme

^a These commitments include also grants approved directly by the President.