



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

Rome, 10-11 December 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 October 2002.
2. As shown in Attachment I, based on 31 October 2002 exchange rates, the net resources available for commitment as at 31 October 2002 stood at USD 0.
3. Details on Member States' contributions specifically excluded from committable resources as at 31 October 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 and Seventy-Sixth Session in September 2002.
5. Attachment IV gives information on the loans and grants presented to the current session of the Executive Board, amounting to approximately 133.1 million Special Drawing Rights (SDR). Based on exchange rates in force as at 31 October 2002, such loans and grants amount to some USD 176.2 million.
6. To provide the Board with up-to-date information on the Fund's resource situation, Attachment V presents estimated data as of 30 November 2002. It is calculated that in November 2002, net inflows totalling USD 22.4 million were received. In accordance with the procedures governing the use of the advance commitment authority (ACA), these net inflows will be used to cover the ACA authorized to date.
7. Attachment V also shows commitments made under, and the use of, the ACA during 2002. It provides further analysis of net flows during the period in which the ACA has been used, as required by the Executive Board in its Seventy-Fifth Session. It also shows the expected net inflows until the end of 2002.



8. Given that the resources available for commitment as of 30 November 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 and its Ceiling

9. The Governing Council authorized the use of the ACA 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.

10. When the ACA scheme was adopted for the Fourth Replenishment, the maximum amount that could be made available through the 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, the 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 the ACA.

12. The procedures for the use of the 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 the 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 loan reflow estimates, this would indicate a ceiling of approximately USD 540.0 million. As may be seen in Attachment V, the level of ACA carried forward as at 30 November 2002 is USD 136.2 million. Taking into account the loans and grants, totalling USD 176.2 million, being presented for approval at this Executive Board session and the expected reflows until the end of 2002, this will mean a carry-forward ACA figure as at 31 December 2002 of USD 283.2 million, as compared to the USD 299.0 million projected in the Programme of Work and Administrative Budget of IFAD for 2002 (EB 2001/74/R.7/Rev.1). The final figure will, of course, depend on the net reflows received by the end of the year, in particular replenishment contributions.

Recommendation

13. Based on the resource position as at 30 November 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 176.2 million due to resources available for commitment of USD 0 and of loans and grants presented for approval amounting to USD 176.2 million, approves the use of an additional USD 176.2 million under the ACA, and accordingly authorizes the President to conclude agreements for loans and grants approved by the Executive Board at its Seventy-Seventh Session in December 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.”

**STATEMENT OF RESOURCES AVAILABLE FOR COMMITMENT
31 OCTOBER 2002**

(USD '000)

Assets in freely convertible currencies		
Cash	276 463	
Investments	1 985 210	
Promissory notes – Member States	284 882	
Other receivables	<u>219 233</u>	<u>2 765 788</u>
Less		
Payables and accrued liabilities		(450 335)
General Reserve		(95 000)
Undisbursed PDFF	(11 590)	
Undisbursed effective loans	(1 683 056)	
Approved loans signed but not yet effective	(375 607)	
Undisbursed grants	<u>(36 225)</u>	(2 106 478)
Drawdowns on promissory notes that have not been paid (see Attachment II)		(98 309)
		<u>(2 750 122)</u>
Resources available for commitment		15 666
Less		
Loans not yet signed		(160 842)
Grants not yet signed		<u>(13 428)</u>
Net resources available for commitment before ACA		<u>(158 604)</u>
ACA carried forward at 1 January 2002	83 563	
ACA approved at the Seventy-Fifth Session	106 200	
ACA approved at the Seventy-Sixth Session	<u>105 700</u>	295 463
Less:		
ACA reversed in 2002 to date		<u>(136 859)</u>
ACA carried forward		<u>158 604</u>
Net resources available for commitment		<u>0</u>



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

Amounts Specifically Excluded
(USD '000)

IFAD Regular Programme

Drawdowns on Initial Contribution

promissory notes that have not been paid

Iran 29 358

Iraq 13 717

43 075

Drawdowns on First Replenishment

promissory notes that have not been paid

Iraq 31 099

Qatar 7 017

38 116

Drawdowns on Second Replenishment

promissory notes that have not been paid

Mauritania 2

Qatar 5 000

5 002

Drawdowns on Third Replenishment

promissory notes that have not been paid

D.P.R. Korea 600

Libyan Arab Jamahiriya 11 481

Mauritania 25

12 106

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

Drawdowns on First Phase

promissory notes that have not been paid

Mauritania 10

Total specifically excluded

98 309



ATTACHMENT III

**LOANS AND GRANTS
APPROVED AT THE SEVENTY-FIFTH AND
SEVENTY-SIXTH SESSIONS OF THE EXECUTIVE BOARD IN 2002**

LOANS				
SEVENTY-FIFTH SESSION				
Country	Date of Approval by the Executive Board	Loan No.	Project Title	SDR
Cameroon	23 04 2002	583-CM	Community Development Support Project	9 500 000
Egypt	23 04 2002	582-EG	West Noubaria Rural Development Project	14 600 000
Eritrea	23 04 2002	584-ER	Gash Barka Livestock and Agricultural Development Project	8 100 000
Haiti	23 04 2002	587-HT	Productive Initiatives Support Programme in Rural Areas	17 400 000
India	23 04 2002	585-IN	Orissa Tribal Empowerment and Livelihoods Programme	16 050 000
Laos	23 04 2002	586-LA	Oudomxai Community Initiatives Support Project	10 800 000
Subtotal				76 450 000
SEVENTY-SIXTH SESSION				
Country	Date of Approval by the Executive Board	Loan No.	Project Title	SDR
Ghana	05 09 2002	588-GH	Rural Enterprises Project – Phase II	8 500 000
Guinea	05 09 2002	589-GN	Sustainable Agriculture Development Project in the Forest Region	9 400 000
Mauritania	05 09 2002	590-MR	Maghama Improved Flood Recession Farming Project – Phase II	7 600 000
Mongolia	05 09 2002	592-MN	Rural Poverty-Reduction Programme	11 200 000
Tunisia	05 09 2002	593-TN	Agropastoral Development and Local Initiatives Promotion Programme for the South-East	14 100 000
Uganda	05 09 2002	591-UG	Rural Financial Services Programme	13 900 000
Yemen	05 09 2002	594-YE	Dhamar Participatory Rural Development Project	10 900 000
Subtotal				75 600 000
Total loans approved by the Executive Board to date in 2002				152 050 000



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ATTACHMENT III

GRANTS			
SEVENTY-FIFTH SESSION			
Institution	Title	TA Grant No.	SDR Equivalent
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	581-GM	1 002 478
Food and Agriculture Organization of the United Nations (FAO)	Marine Resources Management Programme in the Red Sea	579-FAO	801 982
FAO	Rural Knowledge Network Pilot Project for East Africa	580-FAO	1 202 974
International Center for Agricultural Research in the Dry Areas (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	578-ICARDA	938 319
International Development Research Centre (IDRC)	Programme for Electronic Networking for Rural Asia/Pacific (ENRAP) Projects – Phase II	582-IDRC	801 982
Inter-American Institute for Cooperation on Agriculture (IICA)	Rural Microenterprise Support Programme in Latin America and the Caribbean (PROMER) – Phase II	584-IICA	470 764
International Farming Systems Research Methodology Network (RIMISP)	FIDAMERICA Network – Phase III	583-RIMISP	732 210
Subtotal			5 950 709
SEVENTY-SIXTH SESSION			
Institution/Country	Title	TA Grant No.	SDR Equivalent
International Centre for Tropical Agriculture (CIAT)	Programme for Integrated Upland Agriculture Development Using Participatory Approaches in China, Laos and Viet Nam	607-CIAT	1 100 887
Gaza and the West Bank	Rehabilitation and Development Project in Gaza and the West Bank	610-GAZA	2 277 697
International Livestock Research Institute (ILRI)	Programme for Small-Ruminant Health – Improved Livelihood and Market Opportunities for Poor Farmers in the Near East and North Africa Region	608-ILRI	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	609-PCEHP	455 539
Subtotal			4 669 278
Total grants approved by the Executive Board to date in 2002			10 619 987
Total loans and grants approved by the Executive Board to date in 2002			162 669 987*

* Equivalent to approximately USD 211.9 million based on the exchange rates ruling on 31 March and 26 August 2002 for the Seventy-Fifth and Seventy-Sixth Sessions respectively.



ATTACHMENT IV

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

PROPOSED LOANS			
Country	Project Title	USD (Equivalent)¹	SDR (Equivalent)¹
China	Environment Conservation and Poverty-Reduction Programme in Ningxia and Shanxi	29 063 556	21 950 000
Djibouti	Microfinance and Microenterprise Development Project	3 641 220	2 750 000
Dominican Republic	Social and Economic Development Programme for Vulnerable Populations in the Border Region	14 035 248	10 600 000
Egypt	Matruh Resource Management Project - Phase II	12 711 168	9 600 000
Indonesia	East Kalimantan Local Communities Empowerment Programme	19 993 608	15 100 000
Kenya	Mount Kenya East Pilot Project for Natural Resource Management	16 815 816	12 700 000
Niger	Aguiè Local Initiative Promotion Project	10 063 008	7 600 000
Nigeria	Community-Based Natural Resource Management Programme – Niger Delta	15 000 000	11 328 621
Peru	Market Strengthening and Livelihood Diversification in the Southern Highlands Project	16 021 368	12 100 000
Rwanda	Smallholder Cash and Export Crops Development Project	16 286 184	12 300 000
Syria	Idleb Agricultural Development Project	17 610 264	13 300 000
Subtotal		171 241 440	129 328 621
PROPOSED GRANTS			
Institution	Title	USD (Equivalent)¹	SDR (Equivalent)¹
International Rice Research Institute (IRRI)/ International Centre for Maize and Wheat Improvement (CIMMYT)/ International Crops Research Institute for the Semi-Arid Tropics (ICRISAT)	Accelerating Technology Adoption to Improve Rural Livelihoods on the Rainfed Eastern Gangetic Plains	1 500 000	1 132 862
United Nations Office for Project Services (UNOPS)	FIDAFRIQUE II Programme: Creating a Regional Information Network in Western and Central Africa	1 500 000	1 132 862
International Food Policy Research Institute (IFPRI)	Empowering the Rural Poor under Volatile Policy Environments in the Near East and North Africa Region	931 000	703 130
International Institute of Tropical Agriculture (IITA)	Programme for Development and Application of Sustainable Technologies for the Management of Cassava Pests and Diseases in Sub-Saharan Africa	1 000 000	755 241
Subtotal		4 931 000	3 724 095
Total		176 172 440	133 052 716

¹ Using the 30 November 2002 USD/SDR exchange rate of 1.32408, based on the actual SDR amounts for loans already negotiated and under negotiation to date and USD amounts for loans not negotiated to date and USD for grants.



INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

ATTACHMENT V

2001 ACTUAL, 2002 ACTUAL (FIRST TEN MONTHS) AND ESTIMATE UP TO YEAR END				
	(USD million)			
	2001 Actual April to December	2002 Actual January to October	2002 Estimated November	2002 Estimated December
1) Resources available at start of period	15.0	0	0	0
Proposed loans and grants (EB 72/73/74)	420.1	-	-	
Proposed loans and grants (EB 75/76/77)		211.9	-	176.2
2) ACA approved by EB	375.5	211.9	0	176.2
Analysis of flows				
Loan reflows	127.0	132.9	15.6	16.5
Loan cancellations	29.1	22.9	11.5	15.6
Members' contributions	124.4	93.4	0.1	16.4
Investment income/(loss)	17.6	(0.1)	2.6	6.0
	298.1	249.1	29.8	54.5
Operating expenses, ASMC, SCP	(38.5)	(40.1)	(3.7)	(7.4)
PDFF expenses	-	(8.0)	(2.0)	(17.8)
Debt Initiative for HIPC's transfers	(4.0)	(14.0)	-	-
	(42.5)	(62.1)	(5.7)	(25.2)
Net exchange rate movements	(7.8)	11.1	-	-
Release of contributions excluded	9.8	11.9	(1.7)	-
	2.0	23.0	(1.7)	0
3) Total net flows	257.6	210.0	22.4	29.3
4) Loan and grant commitments ²	(426.3)	(214.7)	(0.2)	(176.3)
5) ACA covered from flows in period	(221.8)	(207.2)	(22.2)	(29.2)
Resources available at end of period (=1)+2)+3)-4)-5))	0	0	0	0
ACA carried forward				
Relating to EB 73	-	-	-	-
Relating to EB 74	153.7	-	-	-
Relating to EB 75	-	52.7	30.5	1.3
Relating to EB 76		105.7	105.7	105.7
Subtotal	153.7	158.4	136.2	107.0
Relating to EB 77	-	-	-	176.2
6) Total (=2)-5)+6) prior period)	153.7	158.4	136.2	283.2

ASMC = After-Service Medical Coverage

HIPC = Heavily Indebted Poor Country

PDFF = Programme Development Financing Facility

SCP = Strategic Change Programme

² These commitments also include grants approved directly by the President.

