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IFAD
INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT
Executive Board – Eighty-Sixth Session
Rome, 12-13 December 2005

RESOURCES AVAILABLE FOR COMMITMENT

1. For the information of the Executive Board, Attachments I and II contain details of the resources available for commitment under IFAD's Regular Programme as at 30 September 2005.
2. Details on Member States' contributions specifically excluded from committable resources as at 30 September 2005 are provided in Attachment II.
3. Attachment III provides details of loans and grants approved by the Executive Board at its Eighty-Fourth Session in April 2005 and at its Eighty-Fifth Session in September 2005.
4. The loan and grant proposals being submitted for consideration at the December 2005 session of the Executive Board total approximately USD 222.9 million. The definitive figures will be provided in an updated paper to be tabled at the session.
5. Attachment IV shows commitments made using advance commitment authority (ACA) from 2001 to September 2005. It also provides a further analysis of net flows up to 30 September 2005.
6. Loan and grant commitments for the period from 1 January to 30 September 2005 totalled USD 297.5 million, and the loans and grants proposed for approval at the December session of the Executive Board are approximately USD 222.9 million, resulting in a cumulative for the year to date of USD 520.4 million. The net flows for the same period are about USD 240.8 million. In April 2005, the Board approved ACA amounting to USD 94.5 million. Taking into account the net flows from January to September 2005 and the proposed loans and grants being submitted to the December session, the ACA requested at this session would be USD 185.1 million. These figures will be updated in the addendum to be tabled at the Board. Based on the additional inflows received between 1 October and 31 December 2005, the estimated ACA carried forward at the end of December 2005 would be approximately USD 275.0 million.

Advance Commitment Authority and its Ceiling

7. The Governing Council authorized the use of advance commitment authority at its Twentieth Session in February 1997. The procedures for ACA use during the Sixth Replenishment period are set out in document GC 26/Resolutions/Rev.1. The ceiling for ACA use during the Sixth Replenishment period is based on the same principle as for the Fourth and Fifth Replenishment periods, namely a ceiling of three years' worth of reflows. On the basis of current estimates of loan reflows for the three-year period, this amounts to about USD 600 million.¹ According to the new practice for ACA, under the Sixth Replenishment resolution "total net flows" during the current year will be maintained as resources available for commitment. The advance commitment authority requested at each session of the Executive Board, if any, will represent the amount of loan and grant commitments in excess of the resources available for commitment. At year-end, taking into account net resources available for commitment and any additional ACA used during the year, the ACA carried forward will be adjusted accordingly. This procedure will make ACA use clearer and more transparent. The additional use of ACA in any given year will be the simple sum of the ACA approved by the Executive Board at its three sessions during the year.

8. An update of this document will be provided to the next session of the Executive Board.

Recommendation

9. Based on the resources position as at 30 September 2005, the Executive Board is requested to approve the use of the advance commitment authority as follows:

The Executive Board, in accordance with paragraph III.17 of Governing Council Resolution 130/XXVI, approved the use of USD 185.1 million under advance commitment authority (ACA). The Board has noted that loan and grant commitments for the period from 1 January 2005 to 30 September 2005 total USD 297.5 million and that the loans and grants proposed for approval at its Eighty-Sixth Session total USD 222.9 million equivalent, resulting in a cumulative total for the year to date of USD 520.4 million equivalent. Net inflows during the period from 1 January 2005 to 30 September 2005 were about USD 240.8 million. Taking into account these net inflows and the proposals for the Eighty-Sixth Session of the Executive Board, and considering that the Eighty-Fourth Session of the Board approved ACA amounting to USD 94.5 million equivalent, further ACA of USD 185.1 million equivalent is being requested at this session. These figures will be updated as the inflows for the rest of the year are realized. Accordingly, the Executive Board authorizes the President to conclude agreements for loans and grants approved by the Executive Board at its Eighty-Sixth Session in December 2005. 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.

¹ Loan reflows for the three-year period 2005-2007 are forecast to be USD 653 million.

STATEMENT OF RESOURCES AVAILABLE FOR COMMITMENT¹
AS AT 30 SEPTEMBER 2005
(USD '000)

Assets in freely convertible currencies		
Cash and investments	2 597 861	
Promissory notes – Member States	269 631 ²	
Other receivables	<u>135 913³</u>	<u>3 003 405</u>
Less:		
Payables and liabilities		(276 046) ⁴
Programme Development Financing Facility carry-forward		(4 505)
General Reserve		(95 000)
Undisbursed effective loans	(1 991 711)	
Approved loans signed but not yet effective	(305 445)	
Undisbursed grants	<u>(44 342)</u>	(2 341 498)
Drawdowns on promissory notes that have not been paid (see Attachment II)		<u>(80 898)</u>
		<u>(2 797 947)</u>
Resources available for commitment		205 458
Less:		
Loans not yet signed		(368 607)
Grants not yet signed		<u>(30 411)</u>
Net resources available for commitment before ACA carry-forward and 2005 net flows		<u>(193 560)</u>

Net flows for January to September 2005	240 827	
Add:		
Actual loan and grant commitments from January to September 2005	(297 534)	
Total net flows in the period		<u>56 707</u>
ACA carried forward as at 1 January 2005		<u>136 853</u>
Net resources available for commitment		<u>0</u>

¹ All calculations were performed on actual loan and grant transactions and contributions when those figures were available; otherwise, latest estimates available were used.

² Promissory notes of USD 269 631 000 are gross of provisions for those amounts drawn down and not paid of USD 80 898 000. The net amount of promissory notes included as resources available for commitment is USD 188 733 000.

³ Other receivables include USD 42 494 299 relating to receivables for investments sold.

⁴ Payables and liabilities include USD 230 333 958 relating to payables for investments purchased.

**RESOURCES AVAILABLE FOR COMMITMENT
UNDER THE REGULAR PROGRAMME
AS AT 30 SEPTEMBER 2005**

Amounts Specifically Excluded
(USD '000)

IFAD Regular Programme

Drawdowns on Initial Contribution

promissory notes that have not been paid

Iran (Islamic Republic of)	29 358	
Iraq	<u>13 717</u>	

43 075

Drawdowns on First Replenishment

promissory notes that have not been paid

Iraq	<u>31 099</u>	
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31 099

Drawdowns on Second Replenishment

promissory notes that have not been paid

Mauritania	<u>2</u>	
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Drawdowns on Third Replenishment

promissory notes that have not been paid

Democratic People's Republic of Korea	600	
Libyan Arab Jamahiriya	6 087	
Mauritania	<u>25</u>	

6 712

**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

80 898

ATTACHMENT III

**LOANS AND GRANTS APPROVED AT THE
EIGHTY-FOURTH SESSION OF THE EXECUTIVE BOARD**

LOANS		
Country	Programme/Project Title	SDR
Bhutan	Agriculture, Marketing and Enterprise Promotion Programme	9 250 000
Chad	Batha Rural Development Project	8 400 000
El Salvador	Rural Development and Modernization Project for the Eastern Region	9 950 000
Georgia	Rural Development Project	6 050 000
Lao People's Democratic Republic	Rural Livelihoods Improvement Programme in Attapeu and Sayabouri	11 300 000
Mali	Northern Regions Investment and Rural Development Programme	9 550 000
Paraguay	Empowerment of Rural Poor Organizations and Harmonization of Investments (<i>Paraguay Rural</i>) Project	7 850 000
Philippines	Rural Microenterprise Promotion Programme	14 050 000
Senegal	Promotion of Rural Entrepreneurship Project – Phase II	8 700 000
Yemen	Pilot Community-Based Rural Infrastructure Project for Highland Areas	5 900 000
Total		91 000 000
GRANTS		
Recipient	Programme/Project Title	SDR (Equivalent)
Bhutan	Agriculture, Marketing and Enterprise Promotion Programme	70 000
International Water Management Institute	Programme for Enhancing Mekong Region Water Governance	594 856
Chad	Batha Rural Development Project	270 000
El Salvador	Rural Development and Modernization Project for the Eastern Region	670 000
Georgia	Rural Development Project	550 000
International Centre for Integrated Mountain Development	Programme for Securing Livelihoods in the Uplands and Mountains of the Hindu Kush-Himalayas – Phase II	793 142
International Land Coalition	Phase II of the Programme to Strengthen the Secure Access of the Rural Poor to Land and Related Support Services	637 818
International Network for Bamboo and Rattan	Programme for Enhanced Bamboo- and Rattan-Based Smallholder Livelihood Opportunities	991 427
Lao People's Democratic Republic	Rural Livelihoods Improvement Programme in Attapeu and Sayabouri	450 000
Mali	Northern Regions Investment and Rural Development Programme	530 000
Philippines	Rural Microenterprise Promotion Programme	340 000
TechnoServe	Programme for Building a Pro-Poor, Competitive Cashew Industry in East Africa	991 427
West Africa Rural Foundation	Management-Capacity-Strengthening Programme for IFAD-Funded Projects in Western and Central Africa	991 427
Yemen	Pilot Community-Based Rural Infrastructure Project for Highland Areas	270 000
Total		8 150 099
Total approved under the 2005 programme of work		99 150 099
TSUNAMI-RELATED OPERATIONS		
Loans		
India	Post-Tsunami Sustainable Livelihoods Programme for the Coastal Communities of Tamil Nadu	9 950 000
Maldives	Post-Tsunami Agricultural and Fisheries Rehabilitation Programme	1 400 000
Sri Lanka	Post-Tsunami Coastal Rehabilitation and Resource Management Programme	9 400 000
Sri Lanka	Post-Tsunami Livelihoods Support and Partnership Programme	1 560 000
Grant		
Maldives	Post-Tsunami Agricultural and Fisheries Rehabilitation Programme	140 000
Total: Tsunami-related projects		22 450 000
Grand Total: Eighty-Fourth Session of the Executive Board		121 600 099¹

¹ Equivalent to approximately USD 184.0 million based on the exchange rate at 31 March 2005.

ATTACHMENT III

**LOANS AND GRANTS APPROVED AT THE
EIGHTY-FIFTH SESSION OF THE EXECUTIVE BOARD**

LOANS		
Country	Programme/Project Title	SDR
China	South Gansu Poverty-Reduction Programme	20 150 000
Ghana	Root and Tuber Improvement and Marketing Programme	13 050 000
Mexico	Sustainable Development Project for Rural and Indigenous Communities of the Semi-Arid North-west	17 250 000
Rwanda	Support Project for the Strategic Plan for the Transformation of Agriculture	5 650 000
United Republic of Tanzania	Agricultural Sector Development Programme – Livestock: Support for Pastoral and Agro-Pastoral Development	14 250 000
Total		70 350 000
GRANTS		
Recipient	Programme/Project Title	SDR (equivalent)
Association for Strengthening Agricultural Research in Eastern and Central Africa	Programme for Improved Management of Agricultural Water in Eastern and Southern Africa	1 015 579
Capacity Building International	Programme for Capacity-Building in Managing for Results and Impact	1 286 400
Commission on Family Farming of the Southern Cone Market (MERCOSUR)	Strengthening of the Participation of Small Farmers' Organizations in Policy Dialogue within the Commission on Family Farming of MERCOSUR	737 987
Kenya Gatsby Trust	Programme to Support Rural Finance Knowledge Management Partnership for Eastern and Southern Africa	446 855
Southern African Natural Products Trade Association	Programme for Strengthening the Southern African Natural Products Trade Association	1 015 579
Rwanda	Support Project for the Strategic Plan for the Transformation of Agriculture	140 000
World Agroforestry Centre	Programme for Strengthening Livelihood Strategies in the West African Sahel through Improved Management and Utilization of Parkland Agroforests	981 726
Total		5 484 127
Grand Total: Eighty-Fifth Session of the Executive Board		75 834 126¹
Grand Total: Eighty-Fourth and Eighty-Fifth Sessions of the Executive Board		197 434 225

¹ Equivalent to approximately USD 111.5 million based on the exchange rate at 30 September 2005.

ANALYSIS OF USE OF ADVANCE COMMITMENT AUTHORITY

	USD million				
	2001	2002	2003	2004	30 September 2005 ¹
ACA carry-forward at start of year	-	153.7	277.8	331.1	136.8
Net ACA use/(cover)	153.7	124.1	53.3	(194.3)	56.7
ACA carry-forward at end of year/ period	153.7	277.8	331.1	136.8	193.6

	2005 Estimated January to September, including EB 86 ^{2,3} (USD million)
1. Resources available at start of period	0
Analysis of flows	
Loan reflows	148.8
Loan cancellations	12.7
Members' contributions	70.5
Cumulative HIPC contributions ³	2.8
Net investment income	57.2
Release of contributions excluded	2.2
Net exchange rate movements	13.2
Operating expenses, ASMCS, SCP, PDFF ³	(66.6)
2. Total net flows	240.8
3. ACA approved by the Executive Board to date	94.5
4. ACA to be approved in the period	185.1
5. Loan and grant commitments	
Approved at EB 84 and EB 85 ³	(297.5)
Proposed at EB 86	(222.9)
Resources available at end of period (=1+2+3+4+5)	0
6. ACA brought forward (= prior period)	136.8
7. ACA carried forward⁴ (=3+4+6)	416.4

¹ The estimated ACA carry-forward figure at the end of September 2005 corresponds to the situation presented in the resources statement contained in Attachment I. The second table on this page includes also the EB 86 loan and grant commitments.

² Based on latest estimates for operating expenses, loan reflows and cancellations.

³ ASMCS = After-Service Medical Coverage Scheme
EB 84 = Eighty-Fourth Session of the Executive Board (April 2005)
EB 85 = Eighty-Fifth Session of the Executive Board (September 2005)
EB 86 = Eighty-Sixth Session of the Executive Board (December 2005)
HIPC = Debt Initiative for Heavily Indebted Poor Countries
PDFF = Programme Development Financing Facility
SCP = Strategic Change Programme

⁴ The carry-forward estimate is dependent on certain assumptions, in particular about investment income and that contribution payments will be received from major donors. Further inflows will be realized in the period from October to December 2005, therefore the estimated ACA carried forward at the end of December 2005 would be approximately USD 275.0 million.