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IFAD
INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT
Executive Board – Eighty-seventh Session
Rome, 19-20 April 2006

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 31 December 2005.
2. Details on Member States' contributions specifically excluded from committable resources as at 31 December 2005 are provided in Attachment II.
3. Attachment III provides information on the loans and grants presented to the current session of the Executive Board, amounting to approximately SDR 104.3 million. Based on the exchange rate prevailing on 31 December 2005, these loans and grants amount to approximately USD 148.7 million.
4. Attachment IV shows commitments made using advance commitment authority (ACA) from 2001 to December 2005. It also provides a further analysis of net flows up to 31 December 2005. The expected net inflows during the period from 1 January 2006 to 31 March 2006 are estimated to be USD 95.8 million. Inasmuch as the loans and grants proposed for approval at the April session of the Executive Board total approximately USD 148.7 million, there will be a shortfall of resources of USD 52.9 million in respect of which use of ACA will be needed.

Advance Commitment Authority and its Ceiling

5. 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

¹ Loan reflows for the three-year period 2006-2008 are forecast to be USD 653 million.

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.

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

Recommendation

7. Based on the resources position as at 31 December 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, noting the present shortfall in resources of an estimated USD 52.9 million due to expected net inflows for the three-month period to 31 March 2006 amounting to USD 95.8 million and the loans and grants presented for approval amounting to USD 148.7 million, approves the use of an additional USD 52.9 million under the advance commitment authority (ACA). 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-seventh session in April 2006. 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
AS AT 31 DECEMBER 2005
(USD '000)**

Assets in freely convertible currencies		
Cash and investments	2 504 460	
Promissory notes – Member States	297 215 ^a	
Other receivables	<u>189 920^b</u>	<u>2 991 595</u>
Less:		
Payables and liabilities		(325 957) ^c
Programme Development Financing Facility carry-forward		(5 676)
General Reserve		(95 000)
Undisbursed effective loans	(1 939 333)	
Approved loans signed but not yet effective	(308 958)	
Undisbursed grants	<u>(48 386)</u>	(2 296 677)
Drawdowns on promissory notes that have not been paid (see Attachment II)		<u>(80 898)</u>
		<u>(2 804 208)</u>
Resources available for commitment		187 387
Less:		
Loans not yet signed		(449 722)
Grants not yet signed		<u>(33 687)</u>
Net resources available for commitment before ACA carry-forward and 2005 net flows		<u>(296 022)</u>

ACA carried forward at 1 January 2005	136 853	
ACA approved in 2005	186 600	
Net flows in 2005	(27 431)	
ACA carried forward at 31 December 2005		<u>296 022</u>
Net resources available for commitment		<u>0</u>

^a Promissory notes of USD 297 215 000 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 216 317 000.

^b Other receivables include USD 87 983 000 relating to receivables for investments sold.

^c Payables and liabilities include USD 244 854 000 relating to payables for investments purchased.

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

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

PROPOSED LOANS			
Country	Programme/Project Title	USD (Equivalent)^a	SDR (Equivalent)^a
Bosnia and Herzegovina	Rural Enterprise Enhancement Project	12 620 000	8 847 882
Brazil (State of Bahia)	Rural Communities Development Project in the Poorest Areas of the State of Bahia	30 000 000	21 033 000
Congo	Rural Development Project in the Departments of Bouenza, Lekoumou and Niari	8 400 000	5 889 240
India	Post-tsunami Sustainable Livelihoods Programme for the Coastal Communities of Tamil Nadu	15 000 000	10 516 500
Madagascar	Project to Support Development in the Menabe and Melaky Regions	12 979 603	9 100 000
Maldives	Post-tsunami Agricultural and Fisheries Rehabilitation Programme	2 050 000	1 437 255
Mozambique	Agricultural Support Programme	19 754 671	13 850 000
Pakistan	Project for the Restoration of Earthquake-Affected Communities and Households	26 400 000	18 509 040
Sri Lanka	Post-tsunami Coastal Rehabilitation and Resource Management Programme	14 200 000	9 955 620
Sri Lanka	Post-tsunami Livelihoods Support and Partnership Programme	2 350 000	1 647 585
Total		143 754 274	100 786 122
PROPOSED GRANTS			
Recipient	Programme/Project Title	USD (Equivalent)^a	SDR (Equivalent)^a
Brazil (State of Bahia)	Rural Communities Development Project in the Poorest Areas of the State of Bahia	500 000	350 550
International Livestock Research Institute	Programme for Enhancing Livelihoods of Poor Livestock Keepers through Increased Use of Fodder	1 600 000	1 121 760
International Center for Agricultural Research in the Dry Areas	Programme for Rehabilitation of Agricultural Livelihoods of Women in Marginal Post-conflict Areas of Afghanistan and Pakistan	1 080 000	757 188
International Food Policy Research Institute	Support Programme to the Poverty Reduction Strategy Paper Process in Western and Central Africa	500 000	350 550
Madagascar	Project to Support Development in the Menabe and Melaky Regions	363 715	255 000
Regional Programme for Rural Development Training (PROCASUR)	Learning Routes Training Programme	900 000	630 990
Total		4 943 715	3 466 038
Grand Total		148 697 989	104 252 160

^a Using the 31 December 2005 USD/SDR exchange rate of 1.42633, based on the United States dollar amounts for loans not negotiated to date and for grants and on SDR amounts for loans already negotiated to date and associated grants.

ANALYSIS OF USE OF ADVANCE COMMITMENT AUTHORITY

	USD million				
	2001	2002	2003	2004	2005
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)	159.2
ACA carry-forward at end of year/ period	153.7	277.8	331.1	136.8	296.0

	2005 January to December (USD million)	2006 estimated January to March including EB87 (USD million) ^a
1. Resources available at start of period	0	0
Analysis of flows		
Loan reflows	183.2	51.3
Loan cancellations	58.4	12.5
Members' contributions	124.5	43.0
Cumulative HIPC contributions ^b	2.8	-
Net investment income	68.2	20.0
Release of contributions excluded	2.2	-
Net exchange rate movements	24.2	-
Operating expenses, ASMCS, SCP, PDFF ^b	(106.1)	(31.0)
2. Total net flows	357.2	95.8
3. ACA approved by the Executive Board in the year	186.6	52.9
4. Loan and grant commitments	(516.7)	(148.7)
5. ACA covered from flows in period^c	(27.3)	-
Resources available at end of period (=1+2+3+4+5)	0	0
6. ACA brought forward (= prior period)	136.8	296.0
7. ACA carried forward^d (=3+5+6)	296.0	348.9

^a Based on the three twelfths of the annual projection for IFAD and the Office of Evaluation in document GC 29/L.6 (Programme of Work and Administrative Budget of IFAD and of its Office of Evaluation for 2006).

^b ASMCS = After-Service Medical Coverage Scheme
HIPC = Debt Initiative for Heavily Indebted Poor Countries
PDFF = Programme Development Financing Facility
SCP = Strategic Change Programme

^c November and December flows (including exchange rate movements) exceeded the estimates presented at the December 2005 session of the Executive Board.

^d The carry-forward estimate is dependent on certain assumptions, in particular about investment income and that contribution payments will be received from major donors.