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IFAD
INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT
Executive Board – Eighty-eighth Session
Rome, 13-14 September 2006

RESOURCES AVAILABLE FOR COMMITMENT

ADDENDUM

For: Approval

1. For the information of the Executive Board, and as stated in document EB 2006/88/R.14, management has prepared an update of the estimated resources available for commitment under IFAD's Regular Programme as at 31 August 2006. The aforementioned document had estimated an additional advance commitment authority (ACA) requirement of US\$88.4 million. As a result of additional net inflows in July and August 2006 – especially relating to investment income and the postponement of one project (Sri Lanka) to December – the ACA being requested at this session now stands at US\$30.3 million.

2. 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. In this regard, Attachment I shows estimated total net resource inflows from 1 January to 31 August 2006 of US\$172.8 million. Loan and grant commitments for the period total US\$252.2 million (including those presented for approval at this Board session, which amount to US\$96.6 million, as shown in Attachment II) using the exchange rate as at 31 August 2006. Taking into account these net flows, commitments and the additional ACA of US\$49.1 million approved at the April session of the Board, the ACA being requested at this session of the Executive Board is US\$30.3 million.

Recommendation

3. Based on the resources position as at 31 August 2006, the Executive Board is requested to approve the use of advance commitment authority as follows:

The Executive Board, in accordance with paragraph III.17 of Governing Council Resolution 130/XXVI, notes the estimated total net resource inflows from 1 January to 31 August 2006 of US\$172.8 million. The Board also notes that loan and grant commitments for the period total US\$252.2 million (including those presented for approval at this Board session, which amount to US\$96.6 million). Taking into account these net flows, commitments and additional advance commitment authority (ACA) of US\$49.1 million approved at its April session, the Executive Board approves the use of an additional US\$30.3 million under the ACA. Accordingly, the Executive Board authorizes the President to conclude agreements for loans and grants approved by the Executive Board at its eighty-eighth session in September 2006. In addition, the Board requests the President to report to the Executive Board at the next and subsequent sessions on the use of ACA and the resources available for commitment.

ATTACHMENT I

ANALYSIS OF USE OF ADVANCE COMMITMENT AUTHORITY

	Millions of United States dollars				
	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

	Estimated January to August 2006, including EB 88 (Millions of United States dollars) ^a
1. Resources available at start of period	0
Loan reflows net of HIPC repayments	102.0
Loan and grant cancellations	43.1
Members' contributions	68.1
HIPC contributions	7.0
Net investment gain	34.6
Operating expenses, including ASMCS, PDFF, SCP	(67.7)
Net exchange rate movements	(14.3)
2. Total net inflows	172.8
3. ACA approved by the Executive Board at EB 87	49.1
4. ACA to be approved for the period	30.3
5. Loan and grant commitments	(252.2)
6. Estimated resources available at period end (=1+2+3+4+5)	0
7. ACA brought forward	296.0
8. ACA carried forward (= 3+4+7)	375.4

^a Based on the latest results and projections for operating expenses, investments, loan reflows and contributions.

Notes:

ASMCS = After-Service Medical Coverage Scheme

EB 87 = Eighty-seventh session of the Executive Board (April 2006)

EB 88 = Eighty-eighth session of the Executive Board (September 2006)

HIPC = Debt Initiative for Heavily Indebted Poor Countries

PDFF = Programme Development Financing Facility

SCP = Strategic Change Programme

ATTACHMENT II

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

PROPOSED LOANS			
Country	Programme/Project Title	US\$ (Equivalent)^a	SDR (Equivalent)^a
Colombia	Rural Microenterprise Assets Programme: Asset Enhancement, Technical Assistance and Investment Support (Activos)	19 980 688	13 450 000
Gambia	Rural Finance Project	6 165 045	4 150 000
Nigeria	Rural Finance Institution-building Programme	27 482 731	18 500 000
Senegal	Agricultural Services and Producer Organizations Project – Phase II	6 090 767	4 100 000
Viet Nam	Programme for Improving Market Participation of the Poor	26 071 455	17 550 000
Total		85 790 686	57 750 000
PROPOSED GRANTS			
Recipient	Programme/Project Title	US\$ (Equivalent)^a	SDR (Equivalent)^a
Anuradhapura Participatory Development Foundation	Microfinance and Institutional Capacity Development Project in Sri Lanka	552 000	371 579
Asia-Pacific Rural and Agricultural Credit Association	Programme for Accelerating the Financial Empowerment of Poor Rural Communities in Asia and the Pacific through Rural Finance Innovations	1 200 000	807 780
Gambia	Rural Finance Project	415 955	280 000
Global Mechanism of the United Nations Convention to Combat Desertification	Support to Resource Mobilization for and Implementation of Action Programmes and Related Initiatives – Phase II	1 250 000	841 438
International Institute of Tropical Agriculture	Programme for the Integrated Protection of Cassava from Emerging Pests and Diseases that Threaten Rural Livelihoods	1 300 000	875 095
International Rice Research Institute	Programme for Accelerating Agricultural Technology Adoption to Enhance Rural Livelihoods in Disadvantaged Districts of India	435 000	292 820
Nigeria	Rural Finance Institutions-building Programme	401 099	270 000
Participatory Microfinance Group for Africa	Programme for the Promotion of Participatory Microfinance in Africa	800 000	531 520
Sasakawa-Global 2000	Market-driven Initiative for Millet and Sorghum Development in West and Central Africa – Phase II	1 300 000	875 095
Senegal	Agricultural Services and Producer Organizations Project – Phase II	311 966	210 000
United Nations Capital Development Fund	Programme for Building Inclusive Financial Sectors in Western and Central Africa	990 000	666 419
Viet Nam	Programme for Improving Market Participation of the Poor	401 099	270 000
World Agroforestry Centre	Programme to Support Smallholder Conservation Agriculture Promotion in Western and Central Africa	1 500 000	1 009 725
Total		10 857 119	7 308 471
Grand total		96 647 805	65 058 471

^a Using the 31 August 2006 US\$/SDR exchange rate of 1/1.48555, based on the special drawing right amounts for loans negotiated and associated grants and the United States dollar amounts for other grants.