

Document:	<u>EB 2006/89/R.15/Add.1</u>
Agenda:	<u>12</u>
Date:	<u>13 December 2006</u>
Distribution:	<u>Restricted</u>
Original:	<u>English</u>

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Enabling the rural poor
to overcome poverty

Resources available for commitment

Addendum

Executive Board — Eighty-ninth Session
Rome, 12-14 December 2006

For: **Approval**

Recommendation for approval

The Executive Board is invited to approve the recommendation on the use of advance commitment authority as contained in paragraph 3.

Resources available for commitment

Addendum

1. For the information of the Executive Board, and as stated in document EB 2006/89/R.15, Management has prepared an update of the estimated resources available for commitment under IFAD's Regular Programme. The aforementioned document had estimated an additional advance commitment authority (ACA) requirement of US\$113.9 million. As a result of additional net estimated inflows in the period October to December 2006 and postponement of one project the ACA being requested at this session now stands at US\$102.2 million.
2. According to the 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 II shows estimated total net resource inflows from 1 January to 31 December 2006 of US\$361.3 million. Loan and grant commitments for the year total US\$542.9 million (excluding US\$13.5 million of ex grants transferred to the Programme Development Financing Facility [PDFF]). This amount includes loans and grants presented for approval at this Board session, which amount to US\$303.5 million, as shown in attachment I using the exchange rate at 30 November 2006. Taking into account these net flows, commitments and the additional ACA of US\$79.4 million approved at the April and September sessions of the Board, the ACA being requested at this session of the Executive Board is US\$102.2 million.

Recommendation

3. Based on the estimated resources position as at 31 December 2006, 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 US\$102.2 million due to estimated net inflows for the year to 31 December 2006 amounting to US\$361.3 million and the loans and grants presented for approval amounting to US\$303.5 million, as well as loans and grants already approved of US\$239.4 million (excluding US\$13.5 million of ex grants transferred to the PDFF) and advance commitment authority (ACA) already approved of US\$79.4 million at the April and September sessions of the Executive Board, approves the use of an additional US\$102.2 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-ninth session in December 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.

Proposed loans and grants presented for approval at the eighty-ninth session of the Executive Board

<i>Country/Recipient</i>	<i>Programme/project title</i>	<i>U.S. dollars equivalent^a</i>	<i>SDR equivalent^a</i>
Proposed loans			
Argentina	Rural Areas Development Programme	19 810 999	13 100 000
Bolivia	Enhancement of the Peasant Camelid Economy Support Project	7 258 992	4 800 000
Burkina Faso	Agricultural Commodity Chain Support Project	14 139 911	9 350 000
China	Xinjiang Uygur Autonomous Region Modular Rural Development Programme	25 255 243	16 700 000
Egypt	Upper Egypt Rural Development Project	15 198 515	10 050 000
Eritrea	Post-crisis Rural Recovery and Development Programme	12 552 007	8 300 000
Haiti	Small-scale Irrigation Development Project (PPI-2)	13 308 152	8 800 000
India	Women's Empowerment and Livelihoods Programme in the Mid-Gangetic Plains	30 850 716	20 400 000
Lao People's Democratic Republic	Northern Region Sustainable Livelihoods through Livestock Development Project	3 024 580	2 000 000
Mali	Kidal Integrated Rural Development Programme	11 644 633	7 700 000
Niger	Agricultural and Rural Rehabilitation and Development Initiative Project	15 652 201	10 350 000
Sri Lanka	Smallholder Outgrowers Estate Development Programme	23 062 422	15 250 000
Sudan	Butana Integrated Rural Development Project	25 406 472	16 800 000
Turkey	Rural Poverty Reduction Programme	24 650 327	16 300 000
Uganda	District Livelihoods Support Programme	28 052 980	18 550 000
United Republic of Tanzania	Rural Micro, Small and Medium Enterprise Support Programme	19 584 156	12 950 000
Total		289 452 306	191 400 000
Proposed grants			
Bioversity International	Programme for Empowering the Rural Poor by Strengthening their Identity, Income Opportunities and Nutritional Security through the Improved Use and Marketing of Neglected and Underutilized Species	1 400 000	925 748
Centro Internacional para el Desarrollo Humano	Programme for Strengthening Rural Organizations for Policy Dialogue in the Context of the – Dominican Republic – Central America – United States Free Trade Agreement	800 000	528 999
Consultative Group to Assist the Poor	Regional Partnership Programme to Support the Development of a Pro-poor Rural Financial Sector in the Near East and North Africa	1 200 000	793 499
Egypt	Upper Egypt Rural Development Project	960 304	635 000
Eritrea	Post-crisis Rural Recovery and Development Programme	347 827	230 000
Food and Agriculture Organization of the United Nations	Programme for Enhancing the Agriculture Competitiveness of Rural Households in the Greater Mekong Subregion	609 000	402 700
International Maize and Wheat Improvement Center	Programme for Facilitating the Adoption of Conservation Agriculture by Resource-Poor Smallholder Farmers in Southern Africa	1 500 000	991 873
International Land Coalition	Strengthen the Performance of the International Land Coalition	1 700 000	1 124 123
Microfinance Centre for Central and Eastern Europe and the Newly Independent States	Programme for Facilitating Widespread Access to Microinsurance Services	952 000	629 509
Netherlands-based International Development Organization (SNV: a not-for-profit foundation)	Programme for Strengthening Support Capacity for Enhanced Market Access and Knowledge Management in Eastern and Southern Africa (operating from the SNV Market Access Office, Uganda, coordinating activities in 8 countries)	1 550 000	1 024 936
Niger	Agricultural and Rural Rehabilitation and Development Initiative Project	423 441	280 000
Uganda	District Livelihoods Support Programme	423 441	280 000
United Republic of Tanzania	Rural Micro, Small and Medium Enterprise Support Programme	453 687	300 000
Viet Nam	Department of Cooperatives of the Ministry of Agriculture and Rural Development of the Socialist Republic of Viet Nam for the Rural Development Strategy for 2010-2015 with a Vision to 2020	300 000	198 375
West Africa Rural Foundation	Programme to Support IFAD-funded Projects' Monitoring and Evaluation Systems in the Western and Central Africa Region	1 400 000	925 748
Total		14 019 700	9 270 510
Grand Total		303 472 006	200 670 510

^a Using the 30 November 2006 US\$/SDR exchange rate of 1.51229 based on the SDR amount for loans negotiated to date and shortly to be negotiated and related grants and on the United States dollar amount for other grants.

Analysis of use of advance commitment authority

	<i>Millions of United States dollars</i>					
	2001	2002	2003	2004	2005	2006
ACA carry-forward at start of year	-	153.7	277.8	331.1	136.8	296.0
Net ACA use/(cover)	153.7	124.1	53.3	(194.3)	159.2	181.6
ACA carry-forward at end of year	153.7	277.8	331.1	136.8	296.0	477.6^a

	<i>Millions of United States dollars</i>		
	<i>January to September 2006^b</i>	<i>Estimated net flows October to December 2006</i>	<i>Estimated January to December 2006</i>
1. Resources available at start of period	0	0	0
Analysis of flows			
Loan reflows	142.8	52.2	195.0
Loan and grant cancellations	55.8	34.2	90.0
Members' contributions	112.0	56.0	168.0
HIPC DI contributions ^c	7.0	-	7.0
Net investment income	42.2	15.9	58.1
Net exchange rate movements	(19.5)	-	(19.5)
Operating expenses, ASMCS, SCP, PDFF ^c	(71.3)	(29.0)	(100.3)
HIPC loan payments	(26.9)	(10.1)	(37.0)
2. Total estimated net inflows January to December 2006	242.1	119.2	361.3
3. ACA approved by the Executive Board at EB 87 and EB 88			79.4
4. ACA to be approved for EB 89			102.2
5. Loan and grant commitments^d			(542.9)
Resources available at end of period (=1+2+3+4+5)			0
6. ACA brought forward (= prior period)			296.0
7. Forecast ACA carried forward as at 31 December 2006 (=3+4+6)			477.6

a 2006 figures are estimated.

b Based on actual results for the year to 30 September 2006.

c ASMCS = After-Service Medical Coverage Scheme. The costs exclude the results of the 2006 actuarial valuation as these are not yet available.

HIPC DI = Debt Initiative for Heavily Indebted Poor Countries

PDFF = Programme Development Financing Facility

SCP = Strategic Change Programme

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

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

EB 89 = Eighty-ninth session of the Executive Board (December 2006)

d Loan and grant commitments include loans and grants presented for approval at this Board session of US\$303.5 million.