

Document:	<u>EB 2007/91/R.16/Add.1</u>
Agenda:	<u>9</u>
Date:	<u>12 September 2007</u>
Distribution:	<u>Public</u>
Original:	<u>English</u>

E



Enabling the rural poor
to overcome poverty

Resources available for commitment Addendum

Executive Board — Ninety-first Session
Rome, 11-12 September 2007

For: **Information**

Note to Executive Board Directors

This document is submitted for the information of the Executive Board.

To make the best use of time available at Executive Board sessions, Directors are invited to contact the following focal point with any technical questions about this document:

Carlo M. Borghini

Controller

telephone: +39 06 5459 2791

e-mail: c.borghini@ifad.org

Queries regarding the dispatch of documentation for this session should be addressed to:

Deirdre McGrenra

Governing Bodies Officer

telephone: +39 06 5459 2374

e-mail: d.mcgrenra@ifad.org

Resources available for commitment

Addendum

1. For the information of the Executive Board, and as stated in document EB 2007/91/R.16, 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\$60.7 million. As a result of the postponement of two projects for a value of approximately US\$22.4 million (Angola and Peru) originally scheduled to be approved at this Board session, as well as increases in the estimated net inflows, no additional ACA is now being requested at this session of the Executive Board. The increase in net inflows is due primarily to additional investment income of US\$29.0 million and additional loan cancellations of US\$17.2 million offset by other minor variances. IFAD's investment portfolio is allocated into very conservative securities with high credit quality. Therefore, within the recent credit market turmoil the performance of these low-risk assets was positively affected.
2. Attachment II shows estimated total net resource inflows from 1 January to 31 August 2007 of US\$316.5 million. Loan and grant commitments proposed to the current session of the Board total US\$199.0 million. Taking into account these net flows and commitments, as well as loans and grants already approved of US\$135.2 million and advance commitment authority already approved of US\$23.7 million at the April session, no additional ACA is required.
3. The Executive Board, in accordance with paragraph III.17 of Governing Council Resolution 141/XXIX/Rev.1, is therefore invited to note the present excess in resources in the period of an estimated US\$6.0 million due to estimated net inflows for the eight-month period to 31 August 2007 amounting to US\$316.5 million, the loans and grants presented for approval amounting to US\$199.0 million, the loans and grants already approved of US\$135.2 million, and the ACA already approved of US\$23.7 million at the April session. As a result, no additional ACA is now being requested.

Proposed loans and grants presented for approval at the ninety-first session of the Executive Board

<i>Country/Recipient</i>	<i>Programme/Project title</i>	<i>U.S. dollars</i>	<i>SDR equivalent^a</i>
Proposed loans			
Armenia	Farmer Market Access Programme	12 100 789	7 900 000
Bangladesh	Finance for Enterprise Development and Employment Creation Project	35 459 907	23 150 000
El Salvador	Rural Development and Modernization Project for the Central and Paracentral Regions	15 011 105	9 800 000
Gabon	Agricultural and Rural Development Project	5 820 633	3 800 000
Lesotho	Rural Financial Intermediation Programme	4 365 474	2 850 000
Maldives	Fisheries and Agricultural Diversification Programme	3 599 602	2 350 000
Morocco	Rural Development Project in the Mountain Zones of Errachidia Province	18 304 358	11 950 000
Nicaragua	Inclusion of Small-scale Producers in Value Chains and Market Access Project	3 905 951	2 550 000
Pakistan	Programme for Increasing Sustainable Microfinance	35 000 383	22 850 000
Uganda	Community Agricultural Infrastructure Improvement Programme	15 240 867	9 950 000
Yemen	Rainfed Agriculture and Livestock Project	16 619 438	10 850 000
Total		165 428 507	108 000 000
Proposed grants under the Debt Sustainability Framework (DSF)			
Guinea-Bissau	Rural Rehabilitation and Community Development Project	4 748 411	3 100 000
Guinea	Village Communities Support Project – Phase II	10 109 520	6 600 000
Lesotho	Rural Financial Intermediation Programme	4 365 474	2 850 000
Nicaragua	Inclusion of Small-scale Producers in Value Chains and Market Access Project	3 905 951	2 550 000
Total		23 129 356	15 100 000
Proposed grants			
Armenia	Farmer Market Access Programme	505 476	330 000
Gabon	Agricultural and Rural Development Project	291 032	190 000
Morocco	Rural Development Project in the Mountain Zones of Errachidia Province	497 817	325 000
International Crops Research Institute for the Semi-Arid Tropics (ICRISAT)	Programme for Integrated Innovations for Improving Legume Productivity, Market Linkages and Risk Management in Eastern and Southern Africa	1 400 000	913 990
International Crops Research Institute for the Semi-Arid Tropics (ICRISAT)	Programme for Linking the Poor to Global Markets: Pro-poor Development of Biofuel Chains	1 500 000	979 275
International Institute of Tropical Agriculture (IITA)	Participatory Development, Diffusion and Adoption of Cowpea Technologies for Poverty Reduction and Sustainable Livelihoods in West Africa – Phase III (PRONAF)	1 200 000	783 420
Africa Rice Center (WARDA)	Programme for Enhancing Smallholder Access to New Rice for Africa (NERICA) Seeds to Alleviate Rural Poverty in Western and Central Africa	1 500 000	979 275
African Rural and Agricultural Credit Association (AFRACA)	AFRACA Development Programme 2008-2012	1 100 000	718 135
International Fertilizer Development Center (IFDC)	Programme for Extending Agro-Input Dealer Networks	1 000 000	652 850
Microfinance Information eXchange, Inc (MIX)	Programme for Building Market Information to Improve Performance Monitoring in Rural Finance	948 000	618 902
Papua New Guinea	Project for Local Governance and Community Participation in Oil-Palm-Growing Provinces	500 000	326 425
Total		10 442 325	6 817 272
Grand total		199 000 188	129 917 272

^a Using the 31 August 2007 US\$/SDR exchange rate of 1.531745 based on the SDR amount for loans/DSF grants already negotiated and associated 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	157.3
ACA carry-forward at end of year/ period	153.7	277.8	331.1	136.8	296.0	453.3

	<i>Millions of United States dollars</i>			
	<i>January to July 2007</i>	<i>Estimated August 2007</i>	<i>Estimated January to August 2007</i>	
1. Resources available at start of period			0	
Analysis of flows				
Gross loan reflows ^a		109.8	16.4	126.2
Loan and grant cancellations		34.1	9.2	43.3
Members' contributions		149.4	27.6	177.0
HIPC Debt Initiative transfer to Trust Fund		(20.0)	-	(20.0)
Net investment income		56.3	19.7	76.0
Net exchange rate movements		(13.5)	-	(13.5)
Operating expenses, ASMCS, Action Plan, PDFF ^b		(63.9)	(8.6)	(72.5)
2. Total estimated net inflows from January to August		252.2	64.3	316.5
3. Loan and grant commitments^c				(334.2)
4. ACA approved by the Executive Board at EB 90^b				23.7
ACA unused balance (=1+2+3+4)^d				6.0
5. ACA brought forward (= 31 December 2006)				453.3
6. ACA carried forward (=4+5)				477.0

^a Gross loan reflows include loan payments financed from the Heavily Indebted Poor Countries (HIPC) Trust Fund, net of reclassification for a total of US\$12.2 million.

^b ASMCS = After-Service Medical Coverage Scheme
PDFF = Programme Development Financing Facility
EB 90 = Ninetieth session of the Executive Board (April 2007)

^c Loan and grant commitments include loans and grants presented for approval at this Board session of US\$199.0 million.

^d ACA unused balance is due to net inflows in the eight-month period to 31 August 2007.