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Enabling poor rural people
to overcome poverty

Resources available for commitment

Addendum

Executive Board — Ninety-second Session
Rome, 11-13 December 2007

For: **Approval**

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:

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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 2007/92/R.19, 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\$119.6 million. As a result of increases in the estimated net inflows of US\$10.0 million, offset by an increase of US\$9.5 million in the final amount of loans and grants presented for approval at this session of the Board, the ACA now being requested at this session is US\$119.1 million. It should be noted that, as expected, two loans originally proposed for approval at this session have been postponed until the April session (Costa Rica and the Philippines).
2. Attachment II shows estimated total net resource inflows from 1 January to 31 December 2007 of US\$456.6 million. Loan and grant commitments proposed to the current session of the Board total US\$265.2 million. Taking into account these net flows and commitments, as well as loans and grants already approved of US\$334.2 million and ACA already approved at the April session of US\$23.7 million, additional ACA of US\$119.1 million is required.

Recommendation

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 shortfall in resources in the period of an estimated US\$119.1 million due to estimated net inflows for the year to 31 December 2007 amounting to US\$456.6 million, the loans and grants presented for approval amounting to US\$265.8 million, the loans and grants already approved of US\$334.2 million, and ACA already approved at the April session of US\$23.7 million. As a result, additional ACA of US\$119.1 million is now being requested.

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

<i>Country/Recipient</i>	<i>Programme/Project title</i>	<i>U.S. dollars^a</i>	<i>SDR equivalent^b</i>
Proposed loans			
Angola	Market-oriented Smallholder Agriculture Project	8 323 403	5 250 000
Azerbaijan	Rural Development Project for the North-West	17 200 000	10 848 929
Bangladesh	National Agricultural Technology Project	19 450 000	12 268 120
Burkina Faso	Small-Scale Irrigation and Water Management Project	11 018 600	6 950 000
China	Inner Mongolia Autonomous Region Rural Advancement Programme	30 281 331	19 100 000
Ghana	Northern Rural Growth Programme	22 592 093	14 250 000
Guyana	Rural Enterprise and Agricultural Development Project	2 933 009	1 850 000
Honduras	Project for Enhancing the Rural Economic Competitiveness of Yoro	7 213 616	4 550 000
Madagascar	Support Programme for Rural Micro Enterprise Poles and Regional Economies	18 470 027	11 650 000
Malawi	Rural Livelihoods and Economic Enhancement Programme	8 481 944	5 350 000
Nigeria	Rural Microenterprise Development Programme	42 750 000	26 964 634
Peru	Project for Strengthening Assets, Markets and Rural Development Policies in the Northern Highlands (Sierra Norte)	14 400 000	9 082 824
Viet Nam	Developing Business with the Rural Poor Programme	35 354 643	22 300 000
Total		238 468 666	150 414 507
Proposed grants under the Debt Sustainability Framework (DSF)			
Djibouti	Programme for the Mobilization of Surface Water and Sustainable Land Management	3 091 550	1 950 000
Guyana	Rural Enterprise and Agricultural Development Project	2 933 009	1 850 000
Malawi	Rural Livelihoods and Economic Enhancement Programme	8 402 673	5 300 000
Nepal	Poverty Alleviation Fund II Project	4 000 000	2 523 007
Total		18 427 232	11 623 007
Proposed grants			
Burkina Faso	Small-Scale Irrigation and Water Management Project	412 207	260 000
Ghana	Northern Rural Growth Programme	412 207	260 000
Iraq	Programme for Improved Livelihoods of Small Producers in Iraq through Integrated Pest Management and Organic Fertilization	1 185 000	747 441
Madagascar	Support Programme for Rural Micro Enterprise Poles and Regional Economies	301 228	190 000
International Labour Organization (ILO) – Nepal	Skills Enhancement for Employment Projects in Nepal	870 000	548 754
Nigeria	Rural Microenterprise Development Programme	400 000	252 301
Viet Nam	Developing Business with the Rural Poor Programme	554 894	350 000
Unità e Cooperazione per lo Sviluppo dei Popoli (UCODEP)	Programme for Addressing Marginalization of Poor Farmers and Migrants from Morocco, Senegal and Ecuador through Market Linkages and Promotion of Diversity	1 780 000	1 122 738
United Nations Office for Project Services (UNOPS)	Asian Project Management Support Programme	1 400 000	883 052
United Nations Office for Project Services (UNOPS)	Regional Programme for Rural Development and Poverty Reduction – Regional Unit for Technical Assistance (RUTA)	1 000 000	630 752
Total		8 315 536	5 245 038
Grand total		265 211 434	167 282 552

^a Using the 30 November 2007 US\$/SDR exchange rate of 1.58541 based on the SDR amount for loans/DSF grants already negotiated and associated grants and on the United States dollar amount for loans not negotiated to date and 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 October 2007</i>	<i>Estimated November to December 2007</i>	<i>Estimated January to December 2007</i>
1. Resources available at start of period			0
Analysis of flows			
Members' contributions	202.6	36.3	238.9
Total loan reflows:	180.4	29.6	210.0
– of which, HIPC Debt Initiative loan payments ^a	36.2	5.4	41.6
– of which, net loan reflows	144.2	24.2	168.4
HIPC reclassification	(20.1)	-	(20.1)
Loan and grant cancellations	46.4	3.6	50.0
HIPC Debt Initiative transfer to Trust Fund	(20.0)	(5.0)	(25.0)
Net investment income	102.6	30.7	133.3
Net exchange rate movements	(25.9)	-	(25.9)
Operating expenses, ASMCS, Action Plan, PDFF ^a	(92.7)	(11.9)	(104.6)
2. Total estimated net inflows from January to December	373.3	93.3	456.6
3. ACA approved by the Executive Board at EB 90^a			23.7
4. ACA to be approved for EB92^a			119.1
5. Loan and grant commitments^b			(599.4)
Resources available at end of period (=1+2+3+4+5)			0
6. ACA brought forward (= 31 December 2006)			453.3
7. ACA carried forward (=3+4+6)			596.1

^a ASMCS = After-Service Medical Coverage Scheme
HIPC = Heavily Indebted Poor Countries
PDFF = Programme Development Financing Facility
EB 90 = Ninetieth session of the Executive Board (April 2007)
EB 92 = Ninety-second session of the Executive Board (December 2007)

^b Loan and grant commitments include loans and grants presented for approval at this Board session of US\$265.2 million.