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Enabling poor rural people  
to overcome poverty

## **Resources available for commitment**

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

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For: **Approval**

## **Note to Executive Board Directors**

This document is submitted for approval by 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 before the session:

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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 7.



## 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 30 September 2007.
2. Details on Member States' contributions specifically excluded from committable resources as at 30 September 2007 are provided in attachment II.
3. Attachments III and IV provide details of loans and grants approved by the Board at its ninetieth session in April 2007 and ninety-first session in September 2007 respectively.
4. Attachment V provides information on the loans and grants proposed to the current session of the Board in a total amount of 190.0 million special drawing rights (SDR). Based on the exchange rate in force as at 31 October 2007, such loans and grants amount to some US\$298.8 million. This amount, combined with the amounts for the loans and grants approved by the Board at its April and September 2007 sessions, totals US\$633 million and exceeds the approved programme of work for 2007. Nonetheless, because of delays foreseen in the finalization of some proposals, it is expected that the total amount finally submitted for approval will be in line with the programme of work target level approved by the Board of US\$589.9 million. These figures will be updated in an addendum to this document to be tabled at the session.
5. Attachment VI shows commitments made using advance commitment authority (ACA) from 2001 to 2006. It also provides a further analysis of estimated net flows from 1 January to 31 December 2007; the estimated net inflows during this period are US\$446.6 million. Inasmuch as the loans and grants proposed for approval at the current session of the Board will be limited to approximately US\$255.7 million and loans and grants approved to date in 2007 total US\$334.2 million (with approved ACA use so far this year of US\$23.7 million), there will be a resource shortfall of US\$119.6 million in respect of which use of ACA will be needed.

### **Advance commitment authority and its ceiling**

6. The Governing Council authorized the use of ACA at its twentieth session in February 1997. The procedures for ACA use during the Seventh Replenishment period are set out in Resolution 141/XXIX/Rev.1. The ceiling for ACA use during the Seventh Replenishment period is based on five years' of reflows. Under the Seventh Replenishment, total net flows during the current year will be maintained as resources available for commitment. The ACA requested at each Board session, if any, will represent the amount of loan and grant commitments in excess of 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. 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.

### **Recommendation**

7. Based on the estimated resources position as at December 2007, 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 141/XXIX/Rev.1, noting the present shortfall in resources of an estimated US\$143.3 million due to estimated net inflows for the year to 31 December 2007 amounting to US\$446.6 million and the loans and grants presented for approval amounting to US\$255.7 million, as well as loans and grants already approved of US\$334.2 million and advance commitment authority (ACA) already approved of US\$23.7 million at its April 2007 session, approves the use of an additional US\$119.6 million under the ACA. These

figures will be updated in an addendum to this document to be tabled at the next Board session. Accordingly, the Executive Board authorizes the President to conclude agreements for loans and grants approved by the Executive Board at its ninety-second session in December 2007. 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 30 September 2007

(Thousands of United States dollars)

<b>Assets in freely convertible currencies</b>		
Cash and investments	2 605 379	
Promissory notes – Member States	348 243 <sup>a</sup>	
Other receivables	<u>180 831<sup>b</sup></u>	<u>3 134 453</u>
<b>Less:</b>		
Payables and liabilities		(359 398) <sup>c</sup>
Programme Development Financing Facility carry-forward		(632)
General Reserve		(95 000)
Undisbursed effective loans	(2 202 198)	
Approved loans signed but not yet effective	(335 147)	
Undisbursed grants	<u>(72 173)</u>	(2 609 518)
Drawdowns on promissory notes that have not been paid (see Attachment II)		<u>(80 898)</u>
<b>Resources available for commitment</b>		<b><u>(10 993)</u></b>
<b>Less:</b>		
Loans not yet signed		(330 735)
Grants not yet signed		<u>(106 772)</u>
<b>Net resources available for commitment before ACA carry-forward and 2007 net flows</b>		<b><u>(448 500)</u></b>

<sup>a</sup> Promissory notes of US\$348,243,000 are gross of provisions for those amounts drawn down and not paid of US\$80,898,000. The net amount of promissory notes included as resources available for commitment is US\$267,345,000.

<sup>b</sup> Other receivables include US\$65,941,000 relating to receivables for investments sold.

<sup>c</sup> Payables and liabilities include US\$250,902,000 relating to payables for investments purchased.

### Summary of resource flows in the period

ACA carried forward at 1 January 2007		<b>453 316</b>
Net flows to 30 September 2007	<b>341 026</b>	
Loan and grant commitments to 30 September 2007	<b><u>(336 210)</u></b>	
	<b>4 816</b>	<b>(4 816)</b>
ACA carried forward at 30 September 2007		<b><u>448 500</u></b>

## Resources available for commitment under the Regular Programme as at 30 September 2007

Amounts specifically excluded

(Thousands of United States dollars)

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<b>IFAD Regular Programme</b>		
<b>Drawdowns on Initial Contribution promissory notes that have not been paid</b>		
Iran (Islamic Republic of)	29 358	
Iraq	<u>13 717</u>	43 075
<b>Drawdowns on First Replenishment promissory notes that have not been paid</b>		
Iraq	<u>31 099</u>	31 099
<b>Drawdowns on Second Replenishment promissory notes that have not been paid</b>		
Mauritania	<u>2</u>	2
<b>Drawdowns on Third Replenishment promissory notes that have not been paid</b>		
Democratic People's Republic of Korea	600	
Libyan Arab Jamahiriya	6 087	
Mauritania	<u>25</u>	6 712
<b>Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification</b>		
<b>Drawdowns on First Phase promissory notes that have not been paid</b>		
Mauritania		<u>10</u>
<b>Total specifically excluded</b>		<b><u>80 898</u></b>

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**Loans and grants approved at the ninetieth session of the Executive Board**

<i>Country/Recipient</i>	<i>Programme/project title</i>	<i>SDR</i>
<b>Proposed loans</b>		
Ethiopia	Participatory Small-scale Irrigation Development Programme	13 300 000
Kenya	Smallholder Horticulture Marketing Programme	15 600 000
Syrian Arabic Republic	North-eastern Region Rural Development Project	13 380 000
<b>Total</b>		<b>42 280 000</b>
<b>Proposed grants under the Debt Sustainability Framework (DSF)</b>		
Burundi	Livestock Sector Rehabilitation Support Project	9 300 000
Cambodia	Rural Livelihoods Improvement Project in Kratie, Preah Vihear and Ratanakiri	6 400 000
Comoros	National Programme for Sustainable Human Development	3 150 000
Ethiopia	Participatory Small-scale Irrigation Development Programme	13 300 000
Sierra Leone	Rural Finance and Community Improvement Programme	5 950 000
<b>Total</b>		<b>38 100 000</b>
<b>Proposed grants</b>		
FECOPROD	Grant under the country-specific grants window to the Federation of Production Cooperatives (FECOPROD): Networking for Rural Finance in Paraguay	445 472
Kenya	Smallholder Horticulture Marketing Programme	335 000
International Center for Agricultural Research in the Dry Areas (ICARDA)	Technology Transfer to enhance Rural Livelihoods and Natural Resource Management in the Arabian Peninsula	982 660
World Agroforestry Centre (ICRAF)	Pro-poor Rewards for Environmental Services in Africa	655 106
International Crops Research Institute for the Semi-Arid Tropics (ICRISAT)	Harnessing the True Potential of Legumes: Economic and Knowledge Empowerment of Poor Farmers in Rainfed Areas in Asia	917 150
International Development Research Centre (IDRC)	Knowledge Networking for Rural Development in Asia/Pacific Region (ENRAP)	710 790
International Rice Research Institute (IRRI)	Alleviating Rural Poverty by Improving Rice Production in Eastern and Southern Africa	982 659
World Soil Information (ISRIC)	Green Water Credits – Pilot Operation	982 659
Executive Secretariat of the Andrés Bello Agreement (SECAB)	Regional Programme in Support of Rural Populations of African Descent in Latin America	982 659
<b>Total</b>		<b>6 994 155</b>
<b>Grand total</b>		<b>87 374 155<sup>a</sup></b>

<sup>a</sup> Equivalent to US\$133.4 million based on the exchange rate at the date of approval.

**Loans and grants approved at the ninety-first session of the Executive Board**

<i>Country/Recipient</i>	<i>Programme/project title</i>	<i>SDR</i>
<b>Proposed loans</b>		
Armenia	Farmer Market Access Programme	7 900 000
Bangladesh	Finance for Enterprise Development and Employment Creation Project	23 150 000
El Salvador	Rural Development and Modernization Project for the Central and Paracentral Regions	9 500 000
Gabon	Agricultural and Rural Development Project	3 800 000
Lesotho	Rural Financial Intermediation Programme	2 850 000
Maldives	Fisheries and Agricultural Diversification Programme	2 350 000
Morocco	Rural Development Project in the Mountain Zones of Errachidia Province	11 950 000
Nicaragua	Value Chain and Market Access Project for Small-scale Producers	2 550 000
Pakistan	Programme for Increasing Sustainable Microfinance	22 850 000
Uganda	Community Agricultural Infrastructure Improvement Programme	9 950 000
Yemen	Rainfed Agriculture and Livestock Project	10 850 000
<b>Total</b>		<b>107 700 000</b>
<b>Proposed grants under the Debt Sustainability Framework (DSF)</b>		
Guinea-Bissau	Rural Rehabilitation and Community Development Project	3 100 000
Guinea	Village Communities Support Project – Phase II	6 600 000
Lesotho	Rural Financial Intermediation Programme	2 850 000
Nicaragua	Value Chain and Market Access Project for Small-scale Producers	2 550 000
<b>Total</b>		<b>15 100 000</b>
<b>Proposed grants</b>		
Armenia	Farmer Market Access Programme	330 000
Gabon	Agricultural and Rural Development Project	190 000
Morocco	Rural Development Project in the Mountain Zones of Errachidia Province	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	905 463
International Crops Research Institute for the Semi-Arid Tropics (ICRISAT)	Programme for Linking the Poor to Global Markets: Pro-poor Development of Biofuel Chains	970 139
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)	776 111
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	970 139
African Rural and Agricultural Credit Association (AFRACA)	AFRACA Development Programme 2008-2012	711 435
International Fertilizer Development Center (IFDC)	Programme for Extending Agro-Input Dealer Networks	646 759
Microfinance Information eXchange, Inc (MIX)	Programme for building Market Information to Improve Performance Monitoring in Rural Finance	613 128
Papua New Guinea	Project for Local Governance and Community Participation in Oil-Palm-Growing Provinces	323 380
<b>Total</b>		<b>6 761 555</b>
<b>Grand total</b>		<b>129 561 555<sup>a</sup></b>

<sup>a</sup> Equivalent to US\$200.8 million based on the exchange rate at the date of approval.

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

<i>Country/Recipient</i>	<i>Programme/project title</i>	<i>U.S. Dollars</i>	<i>SDR equivalent<sup>a</sup></i>
<b>Proposed loans</b>			
Angola	Market-oriented Smallholder Agriculture Project	8 200 000	5 214 790
Azerbaijan	Rural Development Project for the North-West	17 200 000	10 938 340
Bangladesh	National Agricultural Technology Project	19 450 000	12 369 228
Burkina Faso	Small-Scale Irrigation and Water Management Project	11 000 000	6 995 450
China	Inner Mongolia Autonomous Region Rural Advancement Programme	30 000 000	19 078 500
Costa Rica	National Rural and Entrepreneurial Development Programme	9 190 000	5 841 381
Ghana	Northern Rural Growth Programme	21 780 000	13 850 991
Guyana	Rural Enterprise and Agricultural Development Project	2 880 000	1 831 536
Honduras	Project for Enhancing the Rural Economic Competitiveness of Yoro	7 130 000	4 534 324
Madagascar	Support Programme for Rural Micro Enterprise Poles and Regional Economies	17 800 000	11 319 910
Malawi	Rural Livelihoods and Economic Enhancement Programme	8 370 000	5 322 902
Nigeria	Rural Microenterprise Development Programme	42 750 000	27 186 863
Peru	Project for Strengthening Assets, Markets and Rural Development Policies in the Northern Highlands (Sierra Norte)	14 400 000	9 157 680
Philippines	Second Cordillera Highland Agricultural Resource Management Project	26 560 000	16 890 832
Viet Nam	Developing Business with the Rural Poor Programme	35 000 000	22 258 250
<b>Total</b>		<b>271 710 000</b>	<b>172 793 977</b>
<b>Proposed grants under the Debt Sustainability Framework (DSF)</b>			
Djibouti	Programme for the Mobilization of Surface Water and Sustainable Land Management	3 000 000	1 907 850
Guyana	Rural Enterprise and Agricultural Development Project	2 880 000	1 831 536
Malawi	Rural Livelihoods and Economic Enhancement Programme	8 330 000	5 297 464
Nepal	Poverty Alleviation Fund Project – Phase II	4 000 000	2 543 800
<b>Total</b>		<b>18 210 000</b>	<b>11 580 650</b>
<b>Proposed grants</b>			
Burkina Faso	Small-Scale Irrigation and Water Management Project	400 000	254 380
Ghana	Northern Rural Growth Programme	400 000	254 380
Iraq	Programme for Improved Livelihoods of Small Producers in Iraq through Integrated Pest management and Organic Fertilization	1 190 000	756 781
Madagascar	Support Programme for Rural Micro Enterprise Poles and Regional Economies	290 000	184 426
International Labour Organization (ILO) - Nepal	Skills Enhancement for Employment Projects in Nepal	870 000	553 277
Nigeria	Rural Microenterprise Development Programme	400 000	254 380
Philippines	Second Cordillera Highland Agricultural Resource Management Project	560 000	356 132
Viet Nam	Developing Business with the Rural Poor Programme	550 000	349 773
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	1 131 991
United Nations Office for Project Services (UNOPS)	Asian Project Management Support Programme	1 400 000	890 330
United Nations Office for Project Services (UNOPS)	Regional Programme for Rural Development and Poverty Reduction - Regional Unit for Technical Assistance (RUTA)	1 000 000	635 950
<b>Total</b>		<b>8 840 000</b>	<b>5 621 800</b>
<b>Grand total</b>		<b>298 760 000</b>	<b>189 996 427</b>

<sup>a</sup> Using the 31 October 2007 US\$/SDR exchange rate of 1.57245066 based on the United States dollar loan amount for loans not negotiated to date and for associated grants.

## Analysis of use of advance commitment authority

	Millions of United States dollars					
	2001	2002	2003	2004	2005	2006
<b>ACA carry-forward at start of year</b>	-	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
<b>ACA carry-forward at end of year/ period</b>	<b>153.7</b>	<b>277.8</b>	<b>331.1</b>	<b>136.8</b>	<b>296.0</b>	<b>453.3</b>

	Millions of United States dollars			
	January to September 2007	Estimated October to December 2007	Estimated January to December 2007	
<b>1. Resources available at start of period</b>			<b>0</b>	
<b>Analysis of flows</b>				
Members' contributions		186.2	60.4	246.6
Total loan reflows:		164.1	45.9	210.0
- of which, HIPC Debt Initiative loan payments <sup>a</sup>		35.8	5.2	41.0
- of which, net loan reflows		128.3	40.7	169.0
HIPC reclassification		(20.1)	-	(20.1)
HIPC Debt Initiative transfer to Trust Fund		(20.0)	(5.0)	(25.0)
Loan and grant cancellations		45.1	14.9	60.0
Net investment income		89.6	10.4	100.0
Net exchange rate movements		(20.3)	-	(20.3)
Operating expenses, ASMCS, Action Plan, PDFF <sup>a</sup>		(83.6)	(21.0)	(104.6)
<b>2. Total estimated net inflows from January to December</b>		<b>341.0</b>	<b>105.6</b>	<b>446.6</b>
<b>3. ACA approved by the Executive Board at EB 90<sup>a</sup></b>				<b>23.7</b>
<b>4. ACA to be approved for EB 92<sup>a</sup></b>				<b>119.6</b>
<b>5. Loan and grant commitments<sup>b</sup></b>				<b>(589.9)</b>
<b>Resources available at end of period (=1+2+3+4+5)</b>				<b>0</b>
<b>6. ACA brought forward (= prior period)</b>				<b>453.3</b>
<b>7. ACA carried forward (=3+4+6)</b>				<b>596.6</b>

<sup>a</sup> 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)

<sup>b</sup> Loan and grant commitments include loans and grants presented for approval at this Board session of US\$298.8million. However, this amount exceeds the approved programme of work for 2007, and it is foreseen that finalization of some proposals may be delayed. Therefore the total amount finally submitted for approval will be in line with the target level approved by the Board of US\$589.9 million

