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Enabling poor rural people
to overcome poverty

Resources available for commitment

Addendum

Executive Board — Ninety-fourth Session
Rome, 10–11 September 2008

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:

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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 2008/94/R.10, 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\$148.2 million. As a result of increases in the estimated net inflows of US\$90.4 million, the ACA now being requested at this session is US\$57.8 million. The increase in net inflows is due primarily to additional loan reflows of US\$55.6, additional contributions of US\$14.3 million and additional investment income of US\$33.0 million, offset by an additional outflow of US\$9.5 million for the After-Service Medical Coverage Scheme and by other minor variances.
2. Attachment II shows estimated total net resource inflows from 1 January to 31 August 2008 of US\$263.7 million. Loan and grant commitments proposed to the current session of the Board total US\$234.0 million. Taking into account these net flows and commitments, as well as loans and grants already approved of US\$87.5 million, additional ACA of US\$57.8 is required.

Recommendation

3. The Executive Board, having regard to article 7, section 2(b) of the Agreement Establishing IFAD and 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\$57.8 million due to estimated net inflows for the period January to August 2008 amounting to US\$263.7 million, the loans and grants presented for approval amounting to US\$234.0 million, and the loans and grants already approved of US\$87.5 million. As a result, additional ACA of US\$57.8 million is now being requested.

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

<i>Country/recipient</i>	<i>Programme/project title</i>	<i>United States dollars</i>	<i>SDR equivalent^a</i>
Proposed loans			
Albania	Mountain to Markets Programme	9 199 372	5 860 000
Cameroon	Rural Microfinance Development Support Project	13 029 827	8 300 000
Costa Rica	National Rural and Entrepreneurial Development Programme	9 183 673	5 850 000
Honduras	Project for Enhancing the Rural Economic Competitiveness of Yoro (loan no. 743-HN) in the Republic of Honduras	2 244 898	1 430 000
Indonesia	IFAD Support to the National Programme for Community Empowerment in Rural Areas	65 986 342	42 033 300
Madagascar	Support to Farmers' Professional Organizations and Agricultural Services Project	17 974 882	11 450 000
Moldova	Rural Financial Services and Marketing Programme	12 715 856	8 100 000
Mozambique	Rural Markets Promotion Programme	29 984 301	19 100 000
Nicaragua	Inclusion of Small-scale Producers in Value Chains and Market Access Project (loan no. 729-NI and grant no. DSF-8009-NI) in the Republic of Nicaragua	612 245	390 000
Senegal	Agricultural Value Chains Support Project	14 285 714	9 100 000
Total		175 217 110	111 613 300
Proposed Debt Sustainability Framework (DSF) grants			
Congo	Rural Development Project in Likouala, Pool and Sangha Departments	8 241 758	5 250 000
Kyrgyzstan	Agricultural Investments and Services Project	8 772 370	5 588 000
Nicaragua	Inclusion of Small-scale Producers in Value Chains and Market Access Project (loan no. 729-NI and grant no. DSF-8009-NI) in the Republic of Nicaragua	612 245	390 000
Rwanda	Kirehe Community-based Watershed Management Project	20 486 656	13 050 000
Sudan	Southern Sudan Livelihoods Development Project ^b	13 343 799	8 500 000
Total		51 456 828	32 778 000
Proposed grants			
Albania	Mountain to Markets Programme	408 163	260 000
Cameroon	Rural Microfinance Development Support Project	204 082	130 000
Indonesia	IFAD Support to the National Programme for Community Empowerment in Rural Areas	387 441	246 800
Kenya Gatsby Trust	Rural Finance Knowledge Management Partnership – Phase II	1 297 000	826 189
Madagascar	Support to Farmers' Professional Organizations and Agricultural Services Project	502 355	320 000
Common Market of the South (MERCOSUR)	Institutional Consolidation of the Commission on Family Farming of the Common Market of the South (MERCOSUR)	1 080 000	687 960
Moldova	Rural Financial Services and Marketing Programme	533 752	340 000
Senegal	Agricultural Value Chains Support Project	266 876	170 000
Uganda Women's Effort to Save Orphans	Institutional Capacity Strengthening, Resource Mobilization and Rural Financial Services Expansion	680 000	433 160
United Nations Economic Commission for Africa	Support for the Formulation and Implementation of Pan-African Land Policy Guidelines	750 000	477 750
World Agroforestry Centre	Programme for Promoting Rural Innovation through Participatory Tree Domestication in West and Central Africa	1 200 000	764 400
Total		7 309 669	4 656 259
Grand total		233 983 607	149 047 559

^a Using the 31 August 2008 US\$/SDR exchange rate of 1.56925871 based on the United States dollar loan amount for loans not negotiated to date and for associated grants.

^b Loan subject to negotiation.

Analysis of use of advance commitment authority

	Millions of United States dollars						
	2001	2002	2003	2004	2005	2006	2007
ACA carry-forward at start of year	-	153.7	277.8	331.1	136.8	296.0	453.3
Net ACA use/(cover)	153.7	124.1	53.3	(194.3)	159.2	157.3	132.0
ACA carry-forward at end of year	153.7	277.8	331.1	136.8	296.0	453.3	585.3

	Millions of United States dollars		
	January to June 2008	Estimated July to August 2008	Estimated January to August 2008
1. Resources available at start of period			-
Analysis of flows			
Members' contributions	83.7	14.3	98.0
Total loan reflows:	120.1	55.6	175.7
– of which, HIPC Debt Initiative loan payments ^a	16.6	10.9	27.5
– of which, net loan reflows	103.5	44.7	148.2
ASMCS transfer to Trust Fund		(9.5)	(9.5)
Loan and grant cancellations	19.0	9.0	28.0
Net investment income	39.5	33.0	72.5
Net exchange rate movements	(19.3)	0	(19.3)
Operating expenses, ASMCS, Action Plan, PDFF ^a	(63.0)	(18.7)	(81.7)
2. Total estimated net inflows from January to December	180.0	83.7	263.7
3. ACA approved by the Executive Board in the year			0
4. Loan and grant commitments^b			(321.5)
5. ACA to be approved at the EB 94^a			57.8
6. ACA unused balance (=1+2+3+4+5)			0
7. ACA brought forward (= prior period)			585.3
8. ACA carried forward (=3+5+6)			643.1

^a ASMCS = After-Service Medical Coverage Scheme
 EB 94 = Ninety-fourth session of the Executive Board (September 2008)
 HIPC = Heavily Indebted Poor Countries
 PDFF = Programme Development Financing Facility

^b Loan and grant commitments in the period January to August 2008 include loans and grants presented for approval at this Board session of US\$234.0 million and US\$87.5 million previously approved during the year.