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Enabling poor rural people
to overcome poverty

Resources available for commitment

Addendum

Executive Board — Ninety-fifth Session
Rome, 15-17 December 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 2008/95/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\$280.1 million. It should be noted that two loans originally proposed for approval at this session have been postponed until the April session (Ecuador and Mexico). Taking also into account an increase in the estimated net inflows of US\$96.0 million, the ACA now being requested at this session is US\$110.5 million. The increase in net estimated inflows is due primarily to additional loan reflows of US\$26.1, additional contributions of US\$26.6 million and additional investment income of US\$48.9 million, offset by an additional outflow of US\$18.2 million for operating expenditures.
2. Attachment II shows estimated total net resource inflows from 1 January to 31 December 2008 of US\$439.3 million. Loan and grant commitments proposed to the current session of the Board total US\$281.4 million. Taking into account these net flows and commitments, as well as loans and grants already approved of US\$326.2 million and ACA already approved at the September session of US\$57.8 million, additional ACA of US\$110.5 million 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\$110.5 million due to estimated net inflows for the period January to December 2008 amounting to US\$439.3 million, the loans and grants presented for approval amounting to US\$281.4 million, the loans and grants already approved of US\$326.2 million and ACA already approved at the September session of US\$57.8 million. As a result, additional ACA of US\$110.5 million is now being requested.

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

<i>Country/recipient</i>	<i>Programme/project title</i>	<i>United States dollars^a</i>	<i>SDR</i>
Proposed loans			
Belize	Rural Finance Programme	3 042 218	2 050 000
Bosnia and Herzegovina	Rural Livelihoods Development Project	11 130 068	7 500 000
China	Dabieshan Area Poverty Reduction Programme	31 814 185	21 438 000
Ghana	Rural and Agricultural Finance Programme	6 010 236	4 050 000
Guatemala	Sustainable Rural Development Programme for the Northern Region	17 956 509	12 100 000
Kenya	Supplementary loan in support of the Southern Nyanza Community Development Project	5 936 036	4 000 000
Mauritania	Value Chains Development Programme for Poverty Reduction	5 722 339	3 856 000
Niger	Agricultural and Rural Rehabilitation Development Initiative Project – Institutional Strengthening Component (ARRDI-ISC)	8 013 649	5 400 000
Philippines	Rapid Food Production Enhancement Programme	18 784 586	12 655 000
Swaziland	Rural Finance and Enterprise Development Programme	6 010 236	4 050 000
United Republic of Tanzania	Agricultural Sector Development Programme	55 872 939	37 650 000
Venezuela (Bolivarian Republic of)	Orinoco Delta Warao Support Programme	13 059 279	8 800 000
Viet Nam	Pro-Poor Partnerships for Agroforestry Development	20 939 367	14 110 000
Total		204 291 647	137 662 000
Proposed Debt Sustainability Framework (DSF) grants			
Democratic Republic of the Congo	Integrated Agricultural Rehabilitation Programme in the Maniema Province	23 298 941	15 700 000
Lao People's Democratic Republic	Sustainable Natural Resource Management and Productivity Enhancement Project	14 988 490	10 100 000
Mauritania	Value Chains Development Programme for Poverty Reduction	5 722 339	3 856 000
Niger	Agricultural and Rural Rehabilitation and Development Initiative Project – Institutional Strengthening Component (ARRDI-ISC)	8 013 649	5 400 000
Tajikistan	Khatlon Livelihoods Support Project	11 723 671	7 900 000
Total		63 747 091	42 956 000
Proposed grants			
CGIAR: International Food Policy Research Institute	Grant under the global/regional grants window to a CGIAR-supported international centre, the International Food Policy Research Institute (IFPRI), for the IFAD-IFPRI Strategic Partnership to Develop Innovative Policies on Climate Change Mitigation and Market Access	3 000 000	2 021 551
CGIAR: International Water Management Institute	Grant under the global/regional grants window to a CGIAR-supported international centre, the International Water Management Institute, for Improving Sustainability of Impacts of Agricultural Water Management Interventions in Challenging Contexts	1 200 000	808 620
Food and Agriculture Organization of the United Nations	Development of Innovative Site-specific Integrated Animal Health Packages for the Rural Poor	1 600 000	1 078 161
Food and Agriculture Organization of the United Nations	Reducing Risks of Wheat Rusts Threatening the Livelihoods of Resource-poor Farmers through Monitoring and Early Warning	1 500 000	1 010 776
Guatemala	Sustainable Rural Development Programme for the Northern Region	445 203	300 000
International Federation of Agricultural Producers	Empowering Smallholder Farmers in Markets (ESFIM)	1 000 000	673 850

<i>Country/recipient</i>	<i>Programme/project title</i>	<i>United States dollars^a</i>	<i>SDR</i>
International Land Coalition	Grant under the global/regional grants window to the International Land Coalition: Putting a Pro-Poor Land Agenda into Practice – Implementing the International Land Coalition Strategic Framework at the Regional and Global Level	1 150 600	775 332
Indian Ocean Commission	Regional Initiative for Smallholder Agriculture Adaptation to Climate Change in the Indian Ocean Islands	750 000	505 388
Foundation of the Peoples of the South Pacific International	Grant under the country-specific grants window to the Foundation of the Peoples of the South Pacific International for the Mainstreaming of Rural Development Innovations Programme in the Pacific – Phase II	1 500 000	1 010 776
PhytoTrade Africa	Support to PhytoTrade Africa 2009-2010 – The Southern African Natural Products Trade Association	1 200 000	808 620
Total		13 345 803	8 993 074
Grand total		281 384 540	189 611 074

^a Using the 30 November 2008 US\$/SDR exchange rate of 1.484009 based on the United States dollar amount for loans and associated grants not negotiated to date.

Analysis of use of advance commitment authority

	<i>Millions of United States dollars</i>						
	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

	<i>Millions of United States dollars</i>		
	<i>January to October 2008</i>	<i>Estimated November-December 2008</i>	<i>Estimated January to December 2008</i>
1. Resources available at start of period	0	0	0
Analysis of flows			
Members' contributions	113.4	26.6	140.0
Total loan reflows:	201.9	26.1	228.0
– of which, HIPC Debt Initiative loan payments ^a	34.9	5.6	40.5
– of which, net loan reflows	167.0	20.5	187.5
ASMCS transfer to Trust Fund	(9.5)	0	(9.5)
Loan and grant cancellations	50.2	9.8	60.0
Net investment income ^b	66.1	48.9	115.0
Net exchange rate movements	27.4	2.8	30.2
Operating expenses, ASMCS, Action Plan, PDFF ^a	(106.2)	(18.2)	(124.4)
2. Total estimated net inflows from January to December	343.3	96.0	439.3
3. ACA approved by the Executive Board in the year			57.8
4. Loan and grant commitments^c			(607.6)
5. ACA to be approved at the EB 95^a			110.5
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)			753.6

^a ASMCS = After-Service Medical Coverage Scheme
EB 95 = Ninety-fifth session of the Executive Board (December 2008)
HIPC = Heavily Indebted Poor Countries
PDFF = Programme Development Financing Facility

^b Investment income based on the latest estimates available (5 December 2008).

^c Loan and grant commitments in the period January to December 2008 include loans and grants presented for approval at this Board session of US\$281.4 million.

