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Enabling poor rural people
to overcome poverty

Resources available for commitment

Executive Board — Ninety-eighth Session
Rome, 15-17 December 2009

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, attachment I contains a statement of resources available for commitment and attachment II lists amounts specifically excluded from resources available for commitment under IFAD's Regular Programme as at 30 September 2009.
2. Details of Member States' contributions specifically excluded from committable resources as at 30 September 2009 are also provided in attachment II.
3. Attachment III provides details of loans and grants approved by the Board at its ninety-sixth session in April 2009 and at its ninety-seventh session in September 2009.
4. Attachment IV provides details of loans and grants proposed to the current session of the Board in a total amount of US\$284.5 million. Based on the exchange rate in force as at 30 September 2009, such loans and grants amount to SDR 179.9 million. These figures will be updated in an addendum to this document to be tabled at the session.
5. Attachment V shows commitments made using advance commitment authority (ACA) from 2001 to 2008. It also provides a further analysis of estimated net flows from 1 January to 31 December 2009; the estimated net inflows during this period are US\$466.5 million. Inasmuch as the loans and grants proposed for approval at the current session of the Board total approximately US\$284.5 million (attachment IV), and loans and grants already approved to date in 2009 total US\$431.7 million, together with an ACA approved so far this year of US\$76.5 million, there is a resource shortfall of US\$173.2 million in respect of which use of ACA will be needed.

Advance commitment authority and its ceiling

6. Under article 7, section 2(b), of the Agreement Establishing IFAD, it is the responsibility of the Executive Board to determine the proportion of the Fund's resources to be committed to operations in any financial year. The Governing Council authorized the use of ACA at its twentieth session in February 1997 by amending the Agreement Establishing IFAD for that purpose. The procedures for ACA use during the Seventh Replenishment period are set out in resolution 141/XXIX/Rev.1. The ceiling for ACA used during the Seventh Replenishment period is based on five years of reflows. 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 resource position as at 31 December 2009, the Executive Board is requested to approve the use of advance commitment authority as follows:

The Executive Board, having regard to article 7 of the Agreement Establishing IFAD and noting the present shortfall in resources of an estimated US\$173.2 million due to estimated net inflows for the twelve months to 31 December 2009 amounting to US\$466.5 million and the loans and grants presented for approval amounting to US\$284.5 million, as well as loans and grants already approved of US\$431.7 million and ACA already approved of US\$76.5 million approves the use of an additional US\$173.2 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-eighth session in December 2009. In addition, the Board requests the President to report to the Executive Board at its next and subsequent sessions on the resources available for commitment, loans and grants approved, and the use of ACA.

Statement of resources available for commitment as at 30 September 2009
(Thousands of United States dollars)

Assets in freely convertible currencies		
Cash and investments	2 984 857	
Promissory notes – Member States ^a	241 737	
Other receivables	<u>111 604</u>	<u>3 338 198</u>
Less:		
Payables and liabilities		(511 442)
Programme Development Financing Facility (PDFF) carry forward		(622)
General Reserve		(95 000)
Undisbursed effective loans	(2 338 027)	
Approved loans signed but not yet effective	(313 495)	
Undisbursed grants	<u>(248 473)</u>	(2 899 995)
Drawdowns on promissory notes that have not been paid (see Attachment II) ^a		<u>(80 862)</u>
Resources available for commitment		<u>(249 743)</u>
Less:		
Loans not yet signed		(342 440)
Grants approved not yet effective		<u>(169 179)</u>
Net resources available for commitment before ACA carry-forward and 2009 net flows		<u>(761 342)</u>

^a Promissory notes of US\$241,737,000 are gross of provisions for those amounts drawn down and not paid of US\$80,862,000; and include US\$30,000,000 of complementary contributions. The net amount of promissory notes included as resources available for commitment is US\$160,875,000.

Summary of resource flows in the period

ACA carried forward at 1 January 2009		742 378
Net flows to 30 September 2009 (Attachment V)	412 752	
Loan and grant commitments as at 30 September 2009	<u>(431 716)</u>	
Additional ACA required	(18 964)	18 964
ACA carried forward at 30 September 2009		<u>761 342</u>

Resources available for commitment under the Regular Programme as at 30 September 2009

Amounts specifically excluded
(Thousands of United States dollars)

IFAD Regular Programme**Drawdowns on Initial Contribution****Promissory notes that have not been paid**

Iran (Islamic Republic of)	29 358	
Iraq	<u>13 717</u>	43 075

Drawdowns on First Replenishment**Promissory notes that have not been paid**

Iraq	<u>31 099</u>	31 099
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Drawdowns on Third Replenishment**Promissory notes that have not been paid**

Democratic People's Republic of Korea	600	
Libyan Arab Jamahiriya	6 088	6 688

Total specifically excluded**80 862**

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

<i>Country/recipient</i>	<i>Programme/project title</i>	<i>SDR</i>
Loans		
Benin	Rural Economic Growth Support Project	6 000 000
Burkina Faso	Rural Business Development Services Programme	5 400 000
China	Sichuan Post-Earthquake Agricultural Rehabilitation Project	19 400 000
Dominican Republic	Development Project for Rural Poor Economic Organizations of the Border Region	9 450 000
Ethiopia	Community-based Integrated Natural Resources Management Project	4 400 000
India	Convergence of Agricultural Interventions in Maharashtra's Distressed Districts Programme	26 820 000
Mali	Rural Finance Programme	17 100 000
Total		88 570 000
Debt Sustainability Framework (DSF) grants		
Afghanistan	Rural Microfinance and Livestock Support Programme	16 000 000
Benin	Rural Economic Growth Support Project	6 000 000
Burkina Faso	Rural Business Development Services Programme	5 400 000
Burundi	Agricultural Intensification and Value-Enhancing Support Project	9 300 000
Ethiopia	Community-based Integrated Natural Resources Management Project	4 400 000
Total		41 100 000
Grants		
China	Sichuan Post-Earthquake Agricultural Rehabilitation Project	1 000 000
India	Convergence of Agricultural Interventions in Maharashtra's Distressed Districts Programme	670 000
Confederation of Family Farmer Producer Organizations of MERCOSUR (COPROFAM)	Strengthening Rural Organizations for Policy Dialogue in South America	278 803
Economic Community of West African States (ECOWAS)	The Rural HUB: Supporting Rural Development and Food Security in Western and Central Africa	1 005 300
Food and Agriculture Organization of the United Nations (FAO)/ International Network for Family Poultry Development (INFPD)	Smallholder Poultry Development Programme	402 120
International Center for Agricultural Research in the Dry Areas (ICARDA)	Programme on Improving Livelihoods of Small Farmers and Rural Women through Value-added Processing and Export of Cashmere, Wool and Mohair	1 005 300
International Centre for Integrated Mountain Development (ICIMOD)	Programme on Livelihoods and Ecosystem Services in the Himalayas: Enhancing Adaptation Capacity and Resilience of the Poor to Climate and Socio-economic Changes	1 005 300
International Development Research Centre (IDRC)	Knowledge Access for Rural Interconnected People – Phase II (KariaNet II)	1 005 300
International Rice Research Institute (IRRI)	Programme on Enabling Poor Rice Farmers to Improve Livelihoods and Overcome Poverty in South and South-East Asia through the Consortium for Unfavorable Rice Environments (CURE)	1 005 300
International Rice Research Institute (IRRI), Bangladesh	Support to Agricultural Research for Climate Change Adaptation in Bangladesh	469 140
Total		7 846 563
Grand total		137 516 563

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

<i>Country/recipient</i>	<i>Programme/project title</i>	<i>SDR</i>
Loans		
Bangladesh	Participatory Small-scale Water Resources Sector Project	14 160 000
Brazil	Semi-arid Sustainable Development Project in the State of Piauí (Viva o Semi-Árido)	12 800 000
Ecuador	Ibarra-San Lorenzo Development Project	5 550 000
Ethiopia	Pastoral Community Development Project II	12 575 000
Lebanon	Hilly Areas Sustainable Agricultural Development Project	2 600 000
Mauritania	Value Chains Development Programme for Poverty Reduction	3 856 000
Mexico	Community-based Forestry Development Project in Southern States (Campeche, Chiapas and Oaxaca)	3 200 000
Pakistan	Crop Maximization Support Project	11 700 000
Paraguay	Proposed supplementary financing for the Empowerment of Rural Poor Organizations and Harmonization of Investments (<i>Paraguay Rural</i>) Project	2 000 000
Uganda	District Livelihoods Support Programme – supplementary loan	11 600 000
Uganda	Community Agricultural Infrastructure Improvement Programme – supplementary loan	10 900 000
Zambia	Smallholder Agribusiness Promotion Programme	12 900 000
Total		103 841 000
Debt Sustainability Framework (DSF) grants		
Chad	Pastoral Water and Resource Management Project in Sahelian Areas	12 595 000
Ethiopia	Pastoral Community Development Project II	12 575 000
Haiti	Small-scale Irrigation Development Project (PPI-2) – supplementary grant	3 650 000
Mauritania	Value Chains Development Programme for Poverty Reduction	3 856 000
Sudan	Revitalizing The Sudan Gum Arabic Production and Marketing Project	1 932 000
Total		34 608 000
Grants		
Asian Institute of Technology (AIT)	Asian Project Management Support Programme	894 110
Bioversity International	Grant under the global/regional grants window to a Consultative Group on International Agricultural Research (CGIAR)-supported international centre – Bioversity International for the Programme for Impact Evaluation Approaches for Agricultural Research for Development	638 650
International Bank for Reconstruction and Development (IBRD)	Development Marketplace 2009: Climate Adaptation (DM2009)	702 515
Lebanon	Hilly Areas Sustainable Agricultural Development Project	400 000
Uganda	District Livelihoods Support Programme – supplementary grant	1 290 000
Global Mechanism of the UNCCD ^a	Programme for Designing Integrated Financing Strategies for UNCCD Implementation in Selected Countries of Asia and the Pacific, and Latin America and the Caribbean – Second instalment	798 312
Total		4 723 587
Grand total		143 172 587

^a UNCCD: United Nations Convention to Combat Desertification.

Proposal of loans and grants to be approved at the ninety-eighth session of the Executive Board

<i>Country/recipient</i>	<i>Programme/project title</i>	<i>US\$</i>	<i>SDR^a</i>
Proposed loans			
Bolivia (Plurinational State of)	Plan VIDA-PEEP to eradicate extreme poverty – Phase I: Pilot Project to Strengthen the Capacity of Communities and Families Living in Extreme Poverty in Cochabamba and Potosí	8 000 000	5 059 600
Brazil	Cariri and Seridó Sustainable Development Project (PROCASE)	25 000 000	15 811 250
Cambodia	Tonle Sap Poverty Reduction and Smallholder Development Project	6 690 000	4 231 091
Ecuador	Ibarra-San Lorenzo Development Project	4 200 000	2 656 290
Egypt	On-farm Irrigation Development Project in the Oldlands	47 000 000	29 725 150
Georgia	Agricultural Support Project	8 500 000	5 375 825
India	North Eastern Region Livelihoods Project – supplementary loan	20 000 000	12 649 000
Kyrgyzstan	Forestry and Carbon Trading Project	4 000 000	2 529 800
Madagascar	Project to Support Development in the Menabe and Melaky Regions – supplementary loan	5 170 000	3 269 766
Nepal	High-Value Agriculture Project in Hill and Mountain Areas	7 600 000	4 806 620
Peru	Market Strengthening and Livelihood Diversification in the Southern Highlands Project – supplementary loan	8 270 000	5 230 361
Sri Lanka	National Agribusiness Development Programme	25 000 000	15 811 250
Turkey	Ardahan-Kars-Artvin Development Project	19 200 000	12 143 040
Total		188 630 000	119 299 043
Proposed Debt Sustainability Framework (DSF) grants			
Cambodia	Tonle Sap Poverty Reduction and Smallholder Development Project	6 690 000	4 231 091
Côte d'Ivoire	Agricultural Rehabilitation and Poverty Reduction Project	10 000 000	6 324 500
Eritrea	Post-Crisis Rural Recovery and Development Programme – supplementary grant	8 000 000	5 059 600
Gambia (The)	Livestock and Horticulture Development Project	8 000 000	5 059 600
Kyrgyzstan	Forestry and Carbon Trading Project	4 000 000	2 529 800
Liberia	Agriculture Sector Rehabilitation Project	5 000 000	3 162 250
Nepal	High-Value Agriculture Project in Hill and Mountain Areas	7 600 000	4 806 620
Rwanda	Kirehe Community-Based Watershed Management Project – supplementary grant	6 320 000	1 897 350
Rwanda	Support Project for the Strategic Plan for the Transformation of Agriculture – supplementary grant	3 000 000	3 997 084
Sudan	Rural Access Project	12 950 000	8 190 228
Yemen	Dhamar Participatory Rural Development Project	7 500 000	4 743 375
Total		79 060 000	50 001 498
Proposed grants			
Egypt	On-farm Irrigation Development Project in the Oldlands	1 000 000	632 450
Georgia	Agricultural Support Project	200 000	126 490
Peru	Market Strengthening and Livelihood Diversification in the Southern Highlands Project – supplementary grant	330 000	208 708
CGIAR IMAWESA Phase II	International Water Management Institute, for the Improved Management of Agricultural Water in East and South Africa Phase	1 500 000	948 675
East African Farmers Federation (EAFF)	East African Farmers Federation (EAFF); Plateforme Sous-Régionale des Organisations Paysannes d'Afrique Centrale (PROPAC); Réseau des Organisations Paysannes et de Producteurs agricoles de l'Afrique de l'Ouest (ROPPA); and Southern African Confederation of Agricultural Unions (SACAU): Support to Farmers' Organizations in Africa (SFOAP)	1 500 000	948 675
Food and Agriculture Organization of the United Nations (FAO)	Programme for the Development of Knowledge Sharing Skills	950 000	600 827
Food and Agriculture Organization of the United Nations (FAO)	Food Security and Sustainable Livelihoods Programme in Pacific Island Countries (FSSLP)	1 500 000	948 675

<i>Country/recipient</i>	<i>Programme/project title</i>	<i>US\$</i>	<i>SDR^a</i>
Food and Agriculture Organization of the United Nations (FAO)	Land Tenure and Management Unit (NRLA): Support for formulating FAO Voluntary Guidelines for responsible governance of tenure of land and other natural resources	1 360 000	860 132
International Center for Biosaline Agriculture (ICBA)	Adaptation to climate change in WANA marginal environments through sustainable crop and livestock diversification	1 400 000	885 430
International Fertilizer Development Center (IFDC)	Mainstreaming pro-poor fertilizer access and innovative practices in West Africa	1 500 000	948 675
International Network for Bamboo and Rattan (INBAR)	Mainstreaming pro-poor livelihoods and addressing environmental degradation with bamboo in Eastern & Southern Africa	1 500 000	948 675
International Union for Conservation of Nature (IUCN)	Enabling sustainable land management, resilient pastoral livelihoods and poverty reduction in Africa	950 000	600 828
Regional Programme for Rural Development Training (PROCASUR)	Learning Routes Training Programme II - LAC	1 500 000	948 675
International Land Coalition	Advancing the International Land Coalition's Strategic Framework: Putting a Pro-poor Land Agenda into Practice at the national, regional and global levels	1 070 000	676 721
Africare	Zimbabwe Smallholder Agriculture Support Project	500 000	316 225
Total		16 760 000	10 559 861
Grand total		284 450 000	179 900 402

^a Using the 30 September 2009 US\$/SDR exchange rate of 1.58115 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	2008
ACA carry-forward at start of year	-	153.7	277.8	331.1	136.8	296.0	453.3	585.3
Net ACA use/(cover)	153.7	124.1	53.3	(194.3)	159.2	157.3	132.0	157.0
ACA carry-forward at end of year	153.7	277.8	331.1	136.8	296.0	453.3	585.3	742.3

	<i>Millions of United States dollars</i>		
	<i>Actual</i>	<i>Estimated</i>	<i>Estimated</i>
	<i>January to September 2009</i>	<i>October to December 2009</i>	<i>January to December 2009</i>
1. Resources available at start of period	0	0	0
Analysis of flows			
Members' contributions	216.6	8.4	225.0
Total loan reflows:	186.8	47.2	234.0
Loan and grant cancellations	10.6	49.4	60.0
Net investment income	93.6	0	93.6
Net exchange rate movements	(11.2)	0	(11.2)
Operating expenses	(83.7)	(51.2)	(134.9)
2. Total estimated net inflows for the period	412.7	53.8	466.5
3. ACA approved by the Executive Board in the year			76.5
4. Loan and grant commitments^b			(716.2)
5. ACA to be approved at EB 98^a			173.2
6. ACA covered from flows in the period			0
7. ACA unused balance (=1+2+3+4+5+6)			
8. ACA brought forward (= prior period)			742.3
9. ACA carried forward (= 3+5+6+8)^c			992.0

^a EB 98 = Ninety-eighth session of the Executive Board (December 2009)

^b Loan and grant commitments include loans and grants presented for approval at this Board session of US\$284.5 million.

^c The ACA ceiling of five years of loan reflows amounts to approximately to US\$1.38 billion, as per the Seventh Replenishment definition. The current estimated carried forward balance corresponds to about 3.8 years of loans reflows.