



8th Replenishment

# Financial scenarios

**Jessie Rose Mabutas**

Assistant President, Finance and Administration Department

8-9 July 2008

# Introduction

## Topics addressed:

- IFAD resource structure
- Programme of work levels
- Resource requirements
- Existing financing sources
- Proposed financing for the 8th Replenishment

# IFAD resource structure

## Sources of financing

Investment income

Loan reflows and  
recommittable resources

Contributions (cash, p/n  
payments)

ACA (5 years future loan  
reflows)

**Resource  
balance**

## Resource requirements

Programme of work

HIPC payments

Admin. budget and PDFF

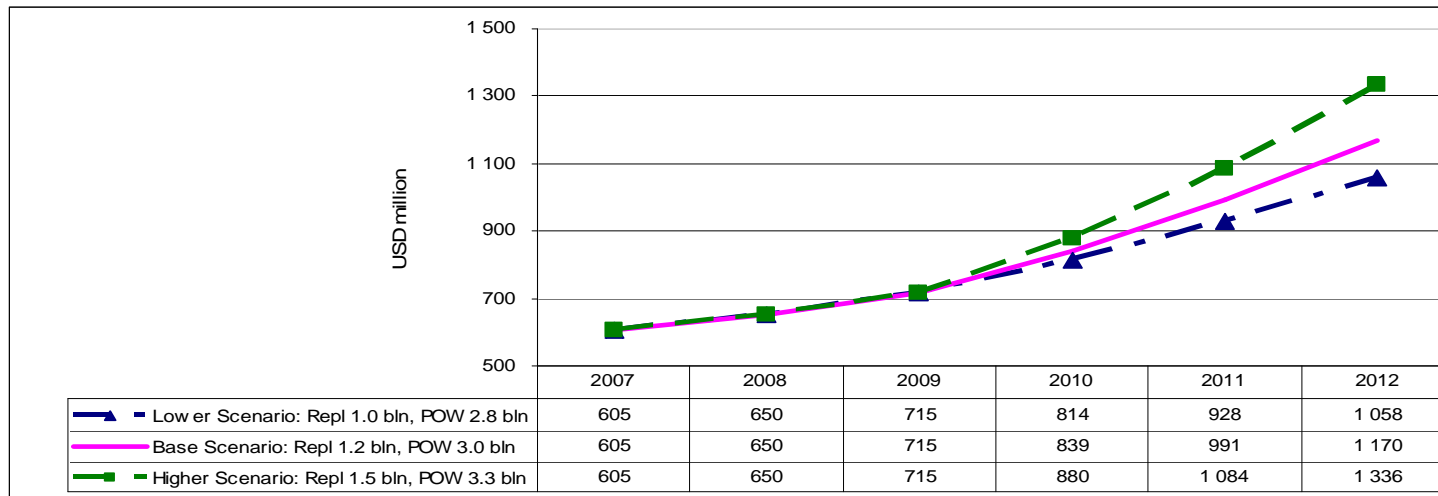
# Programme of work levels

- **Three programme of work levels presented for IFAD VIII period:**

- Higher scenario ➡ POW of US\$3.3 billion
- Base scenario\* ➡ POW of US\$3.0 billion
- Lower scenario ➡ POW of US\$2.8 billion

\* Presented at the April Session

**Annual growth of POW under three scenarios**



a. POW is shown net of PDFF transfer.

# Resource requirements

**Programme of work:**

Ranging from US\$2.8 billion to US\$3.3 billion in three scenarios

**HIPC payments:**

Total impact US\$537.9 million over 35 years  
Impact on IFAD VIII: US\$157 million

**Admin. budget and PDFF:**

PDFF growth in line with POW  
Admin budget growth at 2% p.a. in real terms

**Total resource requirements:**

**Lower:**  
US\$ 3.4 b

**Base:**  
US\$3.6 b

**Higher:**  
US\$3.9 b

# Existing financing sources

**Investment income:**

**From US\$0.19 billion to US\$0.21 billion in three scenarios**

**Loan reflows (including DSF impact and other recommittable resources)**

**Approx. US\$1.1 billion in all three scenarios**

**Unused ACA (5 years):**

**From US\$0.47 billion to US\$0.49 billion in three scenarios**

**Total internal sources of financing:**

**Lower:  
US\$ 1.73 b**

**Base:  
US\$ 1.75 b**

**Higher:  
US\$ 1.76 b**

# Summary of resources

## Resource requirements and financing sources (US\$ m)

	Lower Scenario	Base Scenario	Higher Scenario
<b>Resource requirements</b>			
Programme of Work (Loans and Grants)	2 800	3 000	3 300
HIPC DI payments	157	157	157
Administrative Budget & Programme			
Development Financing Facility (PDFF)	457	469	488
<b>Total Resource Requirements</b>	<b>3 414</b>	<b>3 626</b>	<b>3 945</b>
<b>Internal sources of financing under existing arrangement</b>			
Loan Reflows *	809	809	809
Others**	252	252	252
Investment Income	197	202	211
Unused balance of 5-yrs-ACA	475	482	492
<b>Total internal financing sources</b>	<b>1 733</b>	<b>1 745</b>	<b>1 764</b>
<b>8th Replenishment Financing Gap</b>	<b>(1 681)</b>	<b>(1 881)</b>	<b>(2 181)</b>

\* Including minimal DSF impact on 8th replenishment (US\$ 2.5 mln)

\*\* Recommittable reflows from loan cancellations and reductions

# Proposed financing for 8<sup>th</sup> Replenishment

Financing needs could be met through both Members' contributions and extended ACA ceiling (7 years of future loan reflows)

	Lower Scenario	Base Scenario	Higher Scenario
<b>Contributions from Member States</b>	1 000	1 200	1 500
<b>Extension of Advance Commitment Authority from 5 to 7 years</b>	681	681	681
<b>Total Additional Resources</b>	<b>1 681</b>	<b>1881</b>	<b>2 181</b>

ACA extended ceiling still more prudent than practice adopted by other IFIs



Thank you for your attention.