

1987

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

INTERNATIONAL DEVELOPMENT ASSOCIATION BILL 1987

EXPLANATORY MEMORANDUM

(Circulated by authority of the Honourable Bill Hayden. M.P.  
Minister for Foreign Affairs and Trade)

# INTERNATIONAL DEVELOPMENT ASSOCIATION BILL 1987

## OUTLINE

The purpose of this Bill is to:

- authorize a contribution by Australia of \$A335,000,000 towards the eighth replenishment of the International Development Association.

The International Development Association (IDA) is the concessional lending arm of the World Bank. Its resources are directed toward the world's poorest countries.

Australia has been a member of the Association since it was established in 1960 and has contributed to the previous seven IDA replenishments. The International Development Association Act 1960 authorised the first Australian contribution to the Association. Further contributions were authorised under further payments Acts in subsequent years. The most recent contribution to the Association was authorised under the International Development Association (Special Contribution) Act of 1985.

IDA-8 consists of a basic replenishment of \$US11.5 billion plus special additional contributions of \$US896.7 million, which brings the total level of resources available to cover IDA's lending operations over the period 1987/88 to 1989/90 to \$US12.4 billion. The Australian contribution of \$A335 million amounts to 1.98 per cent of the basic replenishment. This figure represents a maintenance of Australia's share of the Association's previous (seventh) replenishment.

### Financial Impact

In accordance with Australian practice, payment will be made in the form of non-negotiable, non-interest bearing promissory notes which will be encashed over a period of eight years beginning with 1987/88. Funds required for 1987/88 are provided within the global aid allocation and no additional allocation is required. Funds for the future years will be found within the global aid allocation.

#### ESTIMATES OF DRAWDOWNS FOR IDA-8 (Amount in \$A million)

Fiscal Year	87/88	88/89	89/90	90/91	91/92	92/93	93/94	94/95
	10.0	27.8	50.9	59.9	60.3	53.6	40.2	32.3

These estimates are liable to change depending on exchange rate variations and the actual rate of disbursements by the Association.

## Notes on Clauses

### Clause 1      Short title

This clause provides that the short title of the Act is "International Development Association Act 1987".

### Clause 2      Commencement clause

This clause provides that the Act will come into operation on the day on which it receives the Royal Assent.

### Clause 3      Interpretation clause

This clause provides that expressions have the same meanings as they have in the "International Development Association Act 1960".

### Clause 4      Contribution to Association

This clause specifies that Australia will contribute \$A335 million to the International Development Association by way of a further payment.

### Clause 5      Issue of Promissory Notes

- (1) This sub-clause specifies the manner in which Australia will make its contribution, i.e. by lodging promissory notes.
- (2) This sub-clause specifies the terms under which a promissory note may be lodged. That is:
  - (a) it shall be payable to the Association;
  - (b) it shall be non-negotiable and non-interest bearing; and
  - (c) it shall be payable at its par value on demand.

### Clause 6      Appropriation

This clause appropriates the required funds from Consolidated Revenue.

