

1980-81-82

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

THE HOUSE OF REPRESENTATIVES

INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

BILL 1982

EXPLANATORY MEMORANDUM

(CIRCULATED BY AUTHORITY OF THE MINISTER FOR
FOREIGN AFFAIRS THE HON A A STREET, MP)

OUTLINE

This Bill will authorise an appropriation of \$8,965,000 as Australia's contribution to the first replenishment of the International Fund for Agricultural Development (IFAD). Existing legislation is the International Fund for Agricultural Development Act 1977, which authorised Australian membership in the Fund and the payment of Australia's first contribution of \$8,000,000.

IFAD was established in 1977 with the primary objective of helping to increase agricultural production in developing countries. Its activities are focussed on the poorest nations and the poorest sections of the rural populations in the Third World.

The initial capital resources of the Fund totalled \$US1 billion with contributions provided from three categories of members, Category One (OECD), Category Two (OPEC) and Category Three (Developing Countries). These initial funds have now been exhausted and Australia, along with other contributors, agreed in January 1982 to provide a further replenishment of funds to enable IFAD to continue its operations.

Under the Bill, Australia will contribute to the replenishment in the same proportion as our share of Category I contributions in the initial mobilisation of resources (1.74%). As is Australia's normal practice with international financial institutions, payment will be made on the basis of lodging non-negotiable, non-interest bearing promissory notes. When lodged, the promissory notes will allow IFAD to commit funds to new developmental projects with actual drawdowns occurring over an extended period of years.

EXPLANATION OF CLAUSES

- Clause 1 Formal clause
- Clause 2 Commencement clause
- Clause 3 Interpretation clause
- Clause 4 This clause specifies the amount that
Australia will contribute to the Fund by
way of a further payment.
- Clause 5 (i) This sub-clause specifies the manner in
which Australia will make its contribution,
i.e. by lodging promissory notes.
- (ii) This sub-clause specifies the terms
under which a promissory note may be lodged.
- Clause 6 This clause appropriates the required funds
from the Consolidated Revenue Fund.

