Representation of List C in the Consultation on the Ninth Replenishment of IFAD’s Resources

Paper by sub-List C1, on behalf of List C

Note to Executive Board representatives

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For: Information
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I. Introduction and rationale

1. During the meeting of Convenors and Friends held on 1 September 2010 and the 100th session of the Executive Board on 15-17 September 2010, the question was raised whether the proposed representation of List C in the Consultation on the Ninth Replenishment of the Fund’s resources could be increased from 15 to 21. Furthermore, the Executive Board requested further information on the matter, specifically concerning the legal implications of such a move. As agreed, the background and practice with regard to the composition of the consultations have been reviewed and are presented here below for information.

2. List C based its proposal on the following considerations: (i) Since the creation of the Fund, List C membership has been increasing while the number for List A and B remains quasi stagnant; (ii) List C constituency is today about 2/3 of the entire IFAD membership, but still not proportionately and adequately represented in the governing bodies of IFAD; (iii) List C has substantially increased its resource level with regard to successive replenishments, thus reaffirming its commitment towards the institution; (iv) Through loan repayments, List C members, as the main borrowers, contribute a higher proportion of resources and capital formation of IFAD; (v) the enlarging gap between List C membership and its representation in the governing bodies, makes communication, coordination and reporting amongst its members very difficult.

3. List C proposal is intended to ensure higher participation, inclusiveness and better seat distribution amongst lists as well as closing the communication gap, enhancing coordination mechanisms and reducing the reporting channels. The proposal will also create a higher sense of ownership.

II. Background and practice with regard to the composition of the replenishment consultations

4. Technically speaking, the Consultation is a committee of the Governing Council established pursuant to rule 15 of the Rules of Procedure of the Governing Council. There is no provision in the said rule or elsewhere in the fund’s Basic Documents that prescribes how many Member States can be represented in any committee. According to rule 15.2 the Governing Council can permit its Chairperson to nominate members of a committee in consultation with the members of the Bureau.

5. Regarding the composition of the Replenishment Consultation, the practice has not always been the same. The first such consultation was established for the Second Replenishment by resolution 25/VI (1982). According to paragraph 1 of that resolution all Member States were invited to commence discussions on all aspects of the Second Replenishment. As such the Second Replenishment Consultation was conducted through what appears to have been an open-ended committee, i.e. a committee in which all Member States were allowed to participate if they so wished. However, according to the President’s Report on IFAD’s Future Financial Basis and Structure (GC 10/L.8, p. 98), the representation of List III consisted of six Member States.

6. The first non-plenary committee for the purposes of the Replenishment Consultation was established by the Governing Council by resolution 48/XI (1988) concerning the Third Replenishment. Under this resolution, the Consultation was
composed of all Member States of Categories I and II and 12 Member States of Category III. The records do not reveal the reason behind this composition.

7. The composition of the Consultation remained the same for the Fourth Replenishment (resolution 71/XV), the Fifth Replenishment (resolution 112/XXII), and the Sixth Replenishment (127/XXV).

8. Starting with the Consultation for the Seventh Replenishment, the Governing Council established the representation of List C at 15 Member States. Although there is no specific explanation for this change in the records, it is true that at the eighty-third session of the Executive Board, Ireland questioned how the number of representatives of List C was determined. While no reaction was given to this comment or any conclusion drawn by the Board in that respect, the draft resolution submitted to the Governing Council proposed 15 Member States from List C. The accompanying report to the Governing Council too was silent on this issue.

9. The Eighth Replenishment Consultation retained the composition established for the Seventh Replenishment.

III. Conclusion

10. As has been shown above, therefore, there are no legal impediments for the Governing Council to decide to establish the Consultation as either a plenary committee or as a non-plenary committee. Furthermore, should the Governing Council decide to establish the Consultation as a non-plenary committee, the Governing Council is free to decide the size of representation for any List. Our proposal, for the time being, is limited to decide on the size of representation of members for the Ninth Replenishment Consultation, which should be as follows: List A (all members); List B (all members) and List C (21 members, 7 from each sub-list). List C considers this proposal as genuine and appeals on all members to support it.