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Investing in rural people

Accelerated Repayment and Voluntary Prepayment Framework

Corrigendum

Executive Board — 130th Session
Rome, 8-11 September 2020

For: **Review**

Accelerated Repayment and Voluntary Prepayment Framework

Corrigendum

The attention of the Executive Board is drawn to the following corrigendum to Accelerated Repayment and Voluntary Prepayment Framework (EB 2020/130/R.34). For ease of reference, the changes to the text are shown in underscore, while deleted text is shown in strikethrough.

Page 6, paragraph 31 should read:

"The borrower may also voluntarily choose to pay the full nominal amount of the outstanding loan. In such case, the balance equal to the full difference between the nominal (fully paid amount) and discounted amount ~~Any additional amount paid in cash above the discounted loan amount (the difference between the nominal and discounted amount of the loan) could will~~ be accounted for as an ~~additional~~ core contribution to the Fund, and will be subject to the conditions governing the replenishment contributions⁷ to IFAD for the replenishment cycle in which the payment is made, including voting rights.⁸ Management and the borrower may agree to credit this amount against commitments to a different replenishment cycle than the one in which the payment is made. ~~subject to fulfilment of the required conditions.⁷ In such cases, the borrower would determine, in consultation with Management, which replenishment the additional amount would be credited to, and the contribution would be treated in accordance with the related replenishment resolution, including with regard to voting rights.⁸ Members would be encouraged to provide such contributions in addition to their normal core replenishment contribution."~~

⁷ Conditions governing additional contributions are determined in the Agreement Establishing IFAD (article 4, section 5) and in the relevant replenishment resolutions approved by IFAD's Governing Council. Additional contributions are required to be made in cash or, under certain conditions, in the form of non-negotiable, irrevocable, non-interest-bearing promissory notes or obligations payable on demand, and without restriction as to their use. See for example the resolution on the Eleventh Replenishment of IFAD's Resources (GC 203/XLI).

⁸ Replenishment contributions can be made at any point during a replenishment cycle, including after effectiveness. For example, during 2020 IFAD has continued to mobilize new pledges and payments for IFAD11, while also receiving the first pledges for IFAD12. Additional amounts paid above the discounted loan amount can be accounted for as replenishment contributions at any point in the replenishment cycle, subject to the conditions established in the relevant replenishment resolution.