

Document: EB 2007/92/R.57
Agenda: 4
Date: 6 December 2007
Distribution: Public
Original: English

E



Enabling poor rural people
to overcome poverty

Independent Chair of Replenishment: Paper tabled by List A

At the request of the Convenors of List A, the attention of the Executive Board is invited to the attached paper prepared and presented by that List.

Executive Board — Ninety-second Session
Rome, 11-13 December 2007

For: **Information**

Note to Executive Board Directors

This document is submitted by List A for the information of the Executive Board.

Directors are invited to contact the following focal points with any questions about this document before the session:

Theo van Banning

Executive Board Director of the Netherlands
Co-convenor of List A
telephone: +39 06 5740306
e-mail: theo-van.banning@minbuza.nl

Elizabeth Nasskau

Executive Board Director of the United Kingdom
Co-convenor of List A
telephone: +39 06 6840091
e-mail: e-nasskau@dfid.gov.uk

Queries regarding the dispatch of documentation for this session should be addressed to:

Deirdre McGrenra

Governing Bodies Officer
telephone: +39 06 5459 2374
e-mail: d.mcgrenra@ifad.org

Contents

Abbreviations and acronyms	ii
I. Introduction	1
II. History	1
III. Process	1
IV. Summary of Discussion	2
A. Rationale	2
B. The Position of the President	2
C. What does the IEE say?	2
D. Examples	3
E. Mandate	3
F. Criteria	3
G. Practical arrangements	3
V. Conclusions	3

Annexes

A. Statement made by President Lennart Båge at the Ninety-first Session of the IFAD Executive Board, Wednesday, 12 September 2007	5
B. Criteria: Role, Expertise and Attributes and Schedule of Process	7

Abbreviations and acronyms

IEE	Independent External Evaluation (of IFAD)
IFI	International Finance Institution

Independent Chair of Replenishment

I. Introduction

1. This paper, tabled by List A, describes the process that IFAD Members have followed to consider the possibility of introducing an independent chair for IFAD's Eighth Replenishment consultations.
2. It seeks to summarise the discussions that have taken place amongst IFAD members and bring together the information collated in response to issues raised.
3. The aim of the paper is to provide a record for the Executive Board of these informal discussions and a platform for any further dialogue prior to consideration by the Board in December 2007 of the draft resolution on establishing the Eighth Replenishment consultations, to be submitted to the Governing Council in February 2008.

II. History

4. The question of an independent chair for IFAD Replenishment consultations was raised formally during the Executive Board's consideration of the resolution to establish the Seventh Replenishment in December 2004, when the idea was supported by several members. However, the Board concluded that there was insufficient time to consider the introduction of an independent chair at that stage, and that the proposal could be considered for the Eighth Replenishment.
5. IFAD management provided a document: "Chairmanship of Replenishment Consultations: Comparison of Practices at Selected International Financial Institutions"¹ to the Executive Board in September 2006. It showed that all other similar organisations request an individual other than their presidents to fulfil the role and responsibilities of chair of the replenishment consultation sessions. This then allows their leaders to advocate freely for their organisations and mandates.
6. The President of IFAD has underlined throughout the discussions that this is a matter for member states, stating also that he personally supports the principle of having an independent chair, as long as the process is timely and an effective chair is decided upon who can add value to the IFAD Replenishment process.

III. Process

7. A certain amount of experience has been acquired in other international organisations, providing a good basis for IFAD's membership to consider the merits of this proposal. In August 2007, List A initiated a process to consult across the lists on the possibility of IFAD introducing an independent chair of replenishment on a trial basis in order to assess the benefits. This was timed to allow at least three months for discussion and deliberation prior to the December Board's consideration of the draft Resolution for the Eighth Replenishment.
8. The idea was communicated to all Executive Board Directors by List A in a letter of 31 August 2007, together with a draft set of suggested criteria for the role and expertise of an independent chair, based upon those used by the Asian Development Bank. An informal discussion took place on 12 September at the time of the Executive Board, and Members were requested to submit suggestions for possible candidates, in confidence, to the Secretary of IFAD. List A replied to issues raised on that occasion in a letter to all Executive Board Directors on 12 October, inviting them to a further exchange of views at an informal meeting on 6 November.

¹ EB 2006/88/R.38, Chairmanship of Replenishment Consultations: Comparison of Practices at Selected International Financial Institutions.

Following discussion within a Convenors and Friends meeting, List A responded to a suggestion from List C and extended the invitation to representatives of all IFAD Member States. List A followed up on this meeting, writing to all participants on 30 November with an updated set of criteria reflecting comments made, and suggested once more that names be submitted to the Secretary by the deadline of 5 December. It was also proposed that Convenors then meet to draw up a shortlist, prior to the Board.

9. Below is a summary of the rationale and other information that List A has put forward in response to questions raised on this matter. A statement made by the President of IFAD is attached at Annex A. Criteria for the role and required expertise for the position are attached at Annex B, together with a timetable of the main communications and discussions that have taken place as part of this process.

IV. Summary of Discussion

A. Rationale

10. Based on other institutions' experiences, an independent chair of Replenishment Consultations clearly represents international best practice. The African Development Bank and the Asian Development Bank, for example, have found that having an independent chair for their Replenishments has led to such improved outcomes that they have continued the practice.
11. The chief rationale is that an independent chair would allow for more effective negotiations on policy and resources by freeing the President to promote the organisation that s/he leads more strongly. Whilst the organisation and its leadership must respond to all Members, it is clearly difficult for the President to broker agreements between Member States where there is not accord. An independent chair would be in a position to facilitate discussion between the organisation and the membership – as well as amongst Members. As a *facilitator*, the chair's role would be to build bridges and find agreements. The chair would work with all parties to set priorities, allowing the President of IFAD to focus on her/his advocacy role. Clearly the two figures would work closely together, as in the World Bank, Asian Development Bank, African Development Bank and elsewhere. Such a facilitator would also enable the membership to meet separately and form a consensus amongst the group, as happens in other IFIs.
12. This innovation should be considered as part of IFAD's adoption of a culture of continual improvement – one in which the membership also has a responsibility to implement measures that enhance effectiveness and incorporate emerging good practice. The Action Plan is a powerful example of a shift in this direction. The introduction of an independent chair would be a further step in IFAD's culture. By adopting an independent chair for replenishment, IFAD would replace a well functioning, but 25 year old practice with an emerging best practice, as tried and tested in other IFIs.

B. The Position of the President

13. The President of IFAD issued a statement to the Executive Board in September 2007, reiterating his full support for the idea of introducing an independent chair as long as the start of the Eighth Replenishment was not delayed in any way (see Annex A).

C. What does the IEE say?

14. The Independent External Evaluation shows that there is plenty of scope for improving the replenishment process. It notes, with regard to IFAD V, that: "the consultation process proved protracted and the resulting matrix of actions unwieldy

and lacking clear prioritisation,"² whilst both "IFAD V and VI posed wide-ranging change agendas for IFAD with only limited attention to prioritisation and costing."³ Many members feel that an independent chair for IFAD VIII could help to improve the process by working with participating Member States and the organisation to set clearer priorities.

D. Examples

15. During informal meetings of the membership, some Members asked for concrete examples from IFI replenishments of issues where an independent chair has proved to be advantageous. Several examples were mentioned, including: the management of the agenda; discussion of major new policies and the setting of replenishment targets.

E. Mandate

16. The independent chair should facilitate the replenishment sessions in order to reach consensus on the conditions and resources required for the replenishment.
17. It is proposed that the position commence as soon as the Governing Council makes a decision on the subject and end upon completion of the replenishment, unless otherwise decided.
18. There are normally five consultation sessions that take place between February and December and the duration of the position should therefore be less than a year. Although the chair function is not a full time position, it will require the incumbent to have sufficient time available to deal with any matters arising between meetings.

F. Criteria

19. This is an important role that should be filled by a chair that is experienced in international discussions, preferably including IFI replenishment negotiations. S/he should possess an understanding of development issues, particularly in relation to IFAD's specific mandate.
20. The chair should be impartial and ideally able to communicate in at least two of IFAD's official languages. See Annex B for the full set of criteria.
21. Members have been requested to submit names of candidates, in confidence, to the Secretary with a note on how the individual meets the criteria so that selection is based on merit alone.

G. Practical arrangements

22. Experiences from other organisations have shown that the cost need not be excessive: in some organisations the figure was below USD 100,000 and mainly covered travel and per diem. A substantial fee is not foreseen. It is noted that management has requested USD 1.8 million for IFAD's Eighth Replenishment consultations in IFAD's 2008 budget. Any additional costs should be considered in the light of the overall merits.
23. It is envisaged that an independent chair be contracted by the Secretariat in a manner that maintains the chair's independence.

V. Conclusions

24. There is an emerging consensus, particularly amongst Member States participating in the Replenishment that IFAD would benefit from introducing an independent chair for replenishment, which has proved successful at other IFIs.

² Independent External Evaluation of the International Fund for Agricultural Development, September 2005, paragraph 3.18.

³ IEE, paragraph 3.19.

25. It is hoped that agreement can be reached on this issue. This could be on a trial basis for the Eighth Replenishment so that the results can be reviewed before deciding whether to continue the practice for the next replenishment.
26. A decision to introduce an independent chair for replenishment should be reached by consensus. In the absence of this, the current practice would be maintained, whereby the President would chair the sessions.
27. List A would like to record its appreciation and thanks to President Lennart Båge for his personal support in this matter. He has maintained throughout that this is a membership decision, whilst making his own position clear: favouring the introduction of a qualified, independent chair, as long as a timely decision is reached. List A is therefore seeking to conclude deliberations at the Executive Board of December 2007.
28. As part of his support, the President has also ensured the availability of IFAD's Secretariat to facilitate membership deliberations. List A would like to express its gratitude for the extremely helpful and professional assistance provided by the Secretariat. The process has led to greater participation and dialogue across the membership, which we believe is extremely valuable as IFAD moves forward to meet the challenges of the twenty-first century.

Statement made by President Lennart Båge at the Ninety-first Session of the IFAD Executive Board, Wednesday, 12 September 2007 Introduction of Independent Chair of Replenishment

CHAIRPERSON: I will make one statement to you, and let me just say that I have been asked in relation to the informal session this morning on the issue of an independent chairperson for the Eighth Replenishment consultation to state my position on this. I have done that consistently on many occasions but I am very happy to do it again so let me just take a minute to take this up so there is absolutely no lack of clarity in regard to where I stand.

The issue of establishing an independent chairperson for the Eighth Replenishment was raised in the context of the establishment of the Consultation of the Seventh Replenishment in December 2004. In considering the draft resolution of the Consultation, the Executive Board in December 2004 took note of this proposal but decided to defer its consideration until the Eighth Replenishment.

In order to facilitate such a consideration, management provided to the September 2006 session of the Board a document on the practice of other selected IFIs as regards the chair of their respective replenishments. This document, that you all received in September last year, showed that the African Development Fund and the Asian Development Fund have in recent replenishments introduced the practice of an independent chair. In spite of similar efforts in IDA, its replenishment negotiations so far have been retained with a chair from within the institution.

I said then, and I have consistently maintained since the initial discussions in December 2004, that this is an issue for member states to decide. For my own part, I would certainly favour having an independent chair who adds value to the IFAD Replenishment process. A key question is the timing of reaching an agreement – both the principle of having an independent chair and the selection of an appropriate high-level person to undertake this important role. We need to have a clear view of this by December this year, 2007, so that we can ensure that the consultation can start smoothly on schedule in February 2008.

As you know, it is the normal practice that replenishment consultations have their first session for identifying issues and agreeing on the schedule of work immediately after the Governing Council in February. I believe an independent chairperson would add value if you can identify by December a qualified chair with experience in high-level international discussions, in particular experience in IFI replenishment negotiations. Secondly, he or she should be in a position to devote the necessary time to the consultation process, including necessary work during the intersession periods.

My position is thus accurately captured in the letter by the Convenor of List A, Theo Van Banning, of 31 August 2007 to the Executive Board Directors, in which it states "The President of IFAD has also let it be known that he fully supports the principle of having an independent chair as long as the process for establishing this is timely and an effective chair is decided upon who can add real value." That is a quote from the letter and that accurately captures what I have consistently said.

In closing, I would repeat that this is an issue for member states. At the same time, I would strongly urge that the discussions on the independent chair are undertaken expeditiously so that they can be brought to a successful conclusion by December. If not, there has to be the default of the previous practice. That is just actually repeating what

has been said before but so we are absolutely clear that this is what I have consistently said in various meetings and individually to you.

Finally, just to say that the Secretary of IFAD is at your disposal to facilitate your discussions on the further process. Thank you very much on that.

Criteria: Role, Expertise and Attributes and Schedule of Process

CRITERIA FOR AN INDEPENDENT CHAIR OF IFAD REPLENISHMENT NEGOTIATIONS

Role of the Chair:

- Chair the formal meetings of the IFAD replenishment and any ad hoc meetings that may be called.
- Facilitate discussion and build consensus to achieve successful outcomes for the replenishment.
- With the support of the IFAD Secretariat, synthesise discussion and prepare a Chair's summary for each meeting that concisely and accurately reflects the status of the negotiations.
- Work with Staff and Management to assist in the preparations for meetings to ensure issues are presented effectively.

Expertise and Attributes:

- Strong knowledge of the international development architecture, particularly International Financial Institutions and the UN system including:
 - Knowledge of the replenishment process.
 - Ability to understand the technical and development issues discussed during the meeting, particularly in relation to IFAD's comparative advantage.
- Experience in chairing international meetings effectively, including the ability to:
 - Help reconcile varying points of view on complex issues.
 - Assist with ensuring clarity in the discussion.
 - Be impartial.
- Effective liaison skills and availability to devote the time required, including to resolve any issues that arise between formal meetings and to visit, to lobby and to consult with governments during intersessional periods.
- Effective representation of IFAD to member states, with a network of contacts among decision-makers in key ministries.
- Language skills: preferably working knowledge of at least two of the UN languages.

SELECTION PROCESS: Schedule of Activities

- 31 August 2007: Letter sent to all members of the Executive Board with proposed criteria for Independent Chair of Replenishment
- 7 September 2007: Discussion in Convenors and Friends
- September - 5 December 2007: Suggested names to be forwarded, in confidence, to the Secretary of IFAD (p.ciocca@ifad.org) with an outline of how individuals meet the expertise and attributes required.
- 12 September 2007: Informal meeting of Executive Board to discuss issues arising from the proposal
- 12 October 2007: Letter sent to all members of the Executive Board responding to issues raised in informal meeting with invitation to a further informal meeting on 6 November. Request for final comments on criteria. All member states invited once more to submit any suggestions for possible candidates in full confidence to the Secretary of IFAD (p.ciocca@ifad.org)
- 29 October 2007: Discussion in Convenors and Friends
- 1 November 2007: Invitation sent to representatives of all IFAD member states
- 6 November 2007: Informal meeting of IFAD member states.
- 28 November 2007: Convenors and Friends review of continuing discussion and way forward.
- 30 November 2007: Letter sent to all Executive Board Directors and participants of 6 November meeting with follow-up.
- 5 December 2007: Deadline for suggested names to Secretary of IFAD.
- 7 December 2007: Convenors meet with Secretary of IFAD to review names and possibly agree on a shortlist.
- 10 December 2007: Convenors meet to update
- 12 December 2007: Executive Board considers the draft resolution to establish a Consultation on the Eighth Replenishment of IFAD's resources to be submitted to the Governing Council in February 2008.