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Enabling poor rural people
to overcome poverty

Appointment of members to the Working Group on the Performance- based Allocation System

Executive Board — Ninety-seventh Session
Rome, 14-15 September 2009

For: **Approval**

Note to Executive Board Directors

This document is submitted for approval by the Executive Board.

Directors are invited to contact the following focal point with any technical questions about this document:

Paolo Ciocca

Secretary of IFAD

telephone: +39 06 5459 2254

e-mail: p.ciocca@ifad.org

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

Recommendation for approval

The Executive Board is invited to approve the proposal included in paragraph 6 of this document.

Appointment of members to the Working Group on the Performance-based Allocation System

I. Background

1. The Working Group on the Performance-based Allocation System (PBAS) is currently the only working group of the Executive Board.
2. At its eighty-seventh session in April 2006, the Executive Board agreed to the suggestion to convene a working group, as referred to in the Report of the Consultation on the Seventh Replenishment of IFAD's Resources approved by the Governing Council, to develop a broader understanding of evolving issues in PBAS implementation. An informal seminar was convened on 6 July 2006 to develop the work programme of the group.
3. In December 2006, the Board was informed of the terms of reference, the composition of the working group and the election of the member from India as its chairperson. The outgoing composition of the working group is as follows:
 - List A:** France, Italy, Sweden, United States
 - List B:** Nigeria, Venezuela (Bolivarian Republic of)
 - List C:** Sub-List C1: Mali
Sub-List C2: India
Sub-List C3: Mexico
4. In the Report of the Consultation on the Eighth Replenishment of IFAD's Resources approved by the Governing Council in February 2009, the Board was requested to mandate the PBAS Working Group to continue its functions and, as well, review the practices of other international financial institutions (IFIs) and identify improvements to the system. Possible areas for examination include: the relative weight of different elements of the PBAS formula, the current level of minimum and maximum allocations and the possible need for exceptional allocations for particularly vulnerable countries, in addition to the current support for post-conflict countries. The reallocation approaches of other IFIs would also be examined. The PBAS Working Group would review and assess all such proposals, which would subsequently be presented to the Executive Board and Governing Council for their consideration and approval.
5. Following the appointment of members to the standing committees of the Executive Board, namely the Audit Committee and the Evaluation Committee, the Board is requested to consider the composition of the PBAS Working Group with a view to aligning its composition with that of the Executive Board, as appropriate.

II. Recommendation

6. Following consultation with the three Lists of IFAD Member States and in accordance with rule 11.1 of the Rules of Procedure of the Executive Board, the Board is hereby invited to approve the appointment of the following members to the Working Group on the Performance-based Allocation System:
 - List A:** France, Italy, Sweden, United States
 - List B:** Nigeria, Venezuela (Bolivarian Republic of)

List C: Sub-List C1: Burkina Faso (April 2009 – December 2010)
Cameroon (January 2011 – April 2012)

Sub-List C2: Turkey (2009)¹

Sub-List C3: Mexico

7. Pursuant to rule 11.1 of the Rules of Procedure of the Executive Board, the working group will elect a chairperson from among its members and the Board will be informed accordingly.

¹ In accordance with the rotation of membership of the Executive Board agreed to within sub-List C2 (Turkey for 2009, Pakistan for 2010 and Bangladesh for 2011), said rotation will also apply to Sub-list C2 membership's of the PBAS working group.

Terms of reference of the Working Group on the Performance-based Allocation System

An informal seminar was held on 6 July to review the terms of reference of the working group and it was agreed that the working group would subsequently nominate a chairperson. The terms of reference were agreed with the aim of:

“Developing a broader understanding of evolving issues in PBAS implementation including:

- modifications of elements of the formula, including performance assessments, and the weights of population and income, while maintaining the overall weight of performance;
- the experience and lessons learned from other agencies implementing PBAS initiatives;
- the data to be used for rural population;
- the implementation of the PBAS for concessional and non-concessional borrowers; and
- other potential indicators of poverty such as nutrition and per capita rural income levels.”

Executive Board composition for the three-year term 2009-2011

Member

Alternate member

LIST A

Canada
France
Germany

Ireland
Belgium
Switzerland (2009-2010)
Luxembourg (2011)
Austria
Denmark
Norway
Netherlands (2009-2010)
Spain

Italy
Japan
Sweden
United Kingdom
United States

(The Netherlands and the United Kingdom will alternate seats for the year 2011.)

LIST B

Kuwait
Nigeria
Saudi Arabia
Venezuela (Bolivarian Republic of)

United Arab Emirates
Qatar
Indonesia
Algeria

LIST C

SUB-LIST C1

Africa

Burkina Faso
Cameroon

Angola
Egypt

SUB-LIST C2

Europe, Asia and the Pacific

China

Turkey (2009)*
Pakistan (2010)*
Bangladesh (2011)*
Republic of Korea (2009)
Afghanistan (2010)
Cyprus (2011)

India

SUB-LIST C3

Latin America and the Caribbean

Brazil
Mexico

Argentina
Guatemala

* Pursuant to bilateral agreements between Pakistan and Turkey, and Pakistan and Bangladesh, whereby Pakistan has resigned in favour of Turkey for 2009, and Bangladesh for 2011, in order to foster consensus in sub-List C2.

