



IFAD
INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT
Governing Council – Twenty-Third Session

Rome, 16-17 February 2000

IFAD'S INVOLVEMENT IN THE
HEAVILY-INDEBTED POOR COUNTRIES DEBT INITIATIVE (HIPC DI)
AND ITS ENHANCEMENT

CORRIGENDUM

During the deliberations of the Sixth Session of the Consultation to Review the Adequacy of the Resources Available to IFAD, held on 15 February 2000, a revised draft resolution on IFAD's Involvement in the Heavily-Indebted Poor Countries Debt Initiative (HIPC DI) and Its Enhancement was agreed. That revised draft resolution is attached hereto for the consideration and adoption of the Governing Council in place of the draft resolution contained in document GC 23/L.7.



**DRAFT RESOLUTION ON IFAD'S INVOLVEMENT IN THE
HEAVILY-INDEBTED POOR COUNTRIES DEBT INITIATIVE (HIPC DI)
AND ITS ENHANCEMENT**

Resolution __/XXIII

IFAD's Involvement in the Heavily-Indebted Poor Countries Debt Initiative (HIPC DI) and its Enhancement

The Governing Council of IFAD,

Recalling its Resolution 101/XX on IFAD's Participation in the Debt Initiative for Heavily-Indebted Poor Countries (HIPC DI), adopted on 21 February 1997, and its Resolution 105/XXI on the Establishment of an IFAD Trust Fund for the Heavily-Indebted Poor Countries Debt Initiative, adopted on 11 February 1998;

Concerned by the effect that a high level of indebtedness may have upon the rural poor of the countries in such a position and on the sustainability of a country's poverty-eradication efforts;

Noting the successful establishment and implementation so far of the HIPC DI and the HIPC DI Trust Fund by the World Bank, and noting the full support of all other international financial institutions therefore;

Further noting the policy guidelines for the blueprint of an Enhanced HIPC DI framework agreed at the G-8 Summit in Cologne, Germany, during June 1999 and subsequent work by the World Bank and the International Monetary Fund (IMF) to finalize the design of the enhanced HIPC DI;

Having considered document GC 23/L.7 on IFAD's Involvement in the Heavily-Indebted Poor Countries Debt Initiative (HIPC DI) and its Enhancement, and the draft resolution contained therein;

Decides that:

1. IFAD shall fully participate in the enhanced HIPC DI.
2. The Executive Board shall define the financial modalities and procedures for the above-mentioned participation, including through: IFAD's resources; the HIPC DI Trust Fund administered by the World Bank; and the IFAD Trust Fund for the HIPC DI.
3. In doing so, due care shall be taken to minimize the impact thereof on the annual lending programme of IFAD. IFAD shall participate fully in the process of establishing poverty reduction strategies by eligible countries, given its special expertise in combatting rural poverty.
4. Member Countries able to do so are invited to contribute to the enhanced HIPC DI either through the HIPC DI Trust Fund of the World Bank, explicitly earmarking those contributions for debt owed to IFAD, or through the IFAD Trust Fund for the HIPC DI.