



IFAD
INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT
Governing Council Twenty-Fifth Anniversary Session

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**ENABLING THE RURAL POOR TO OVERCOME THEIR POVERTY:
REPORT OF THE CONSULTATION ON THE SIXTH REPLENISHMENT
OF IFAD'S RESOURCES (2004-2006)**

1. The Governing Council, at its Twenty-Fifth Session in February 2002, adopted Resolution 127/XXV establishing the Consultation on the Sixth Replenishment of IFAD's Resources ("the Consultation"). The Consultation, consisting of all Member States from Lists A and B, and 12 Member States and 6 Observer States from List C, was requested to discuss all aspects of the Sixth Replenishment of IFAD's Resources and to negotiate the conclusion of that replenishment.
2. The Consultation met in five sessions between February and December 2002. At its Fifth Session, on 12 and 13 December 2002, the Consultation finalized its report *Enabling the Rural Poor to Overcome their Poverty: Report of the Consultation on the Sixth Replenishment of IFAD's Resources (2004-2006)* and decided to recommend to the Governing Council for adoption a draft resolution on the Sixth Replenishment of IFAD's Resources.
3. Accordingly, the Governing Council is invited to approve the report of the Consultation contained herein and to adopt the draft resolution on the Sixth Replenishment of IFAD's Resources, appended to the report as Annex I.
4. The Council is invited to note that Attachment A to the draft resolution annexed to the present document is currently incomplete as it includes only those specific pledges to the Sixth Replenishment announced by Member States during and subsequent to the Consultation's deliberations. Some Member States had asked for additional time to formulate their official pledges at the time of the Fifth Session of the Consultation. Accordingly, the Council is further invited to note that an updated version of Attachment A to the draft Resolution will be tabled for all delegates at the Governing Council Session. The attachment will then be further updated, after the Session, taking into account pledges made during the Governing Council and subsequently.
5. In this context, the membership of the Governing Council is also being invited to note that, in accordance with paragraph 4(b) of the draft Resolution, additional pledges or increased pledges may be made by all Member States for a period of up to six months from the date upon which the Governing Council adopts the draft Resolution contained herein.

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ABBREVIATIONS AND ACRONYMS

ACA	Advance Commitment Authority
COSOP	Country Strategic Opportunities Paper
FfD	Financing for Development
HIPC	Heavily Indebted Poor Country
IDA	International Development Association
IFI	International Financial Institution
IMF	International Monetary Fund
MDGs	Millennium Development Goals
M&E	Monitoring and Evaluation
NEPAD	New Partnership for Africa's Development
NGO	Non-Governmental Organization
ODA	Official Development Assistance
PBAS	Performance-Based Allocation System
PRSP	Poverty-Reduction Strategy Paper
SCP	Strategic Change Programme
UNAIDS	Joint United Nations Programme on HIV/AIDS



ENABLING THE RURAL POOR TO OVERCOME THEIR POVERTY: REPORT OF THE CONSULTATION ON THE SIXTH REPLENISHMENT OF IFAD'S RESOURCES (2004-2006)

I. INTRODUCTION

1. This document summarizes the conclusions of the Consultation on the Sixth Replenishment of IFAD's Resources concerning the Fund's strategic priorities and approaches and the focus of its programme of work from 2004 to 2006. It further articulates the level of resources needed to reach, in partnership with others, agreed objectives in rural poverty reduction during the Sixth Replenishment period (2004-2006). The resource level has been considered against a background of severe world poverty, IFAD's specific role in the global fight against poverty, and its strategic priorities. The document concludes with the recommendation to the Governing Council of a replenishment target of USD 560 million to support an annual programme of work of approximately USD 475 million during the Sixth Replenishment period .

II. THE STATE OF RURAL POVERTY

2. During the 1990s, the gross domestic product (GDP) per capita in developing countries grew by 1.6% per year. During the decade the actual number of people living on less than one dollar per day only declined from 1.28 billion in 1990 to 1.15 billion in 1999. Estimates by the World Bank and by IFAD in its *Rural Poverty Report 2001* highlight that of the world's approximately 1.2 billion extremely poor, three quarters, about 900 million people, live in rural areas, largely dependent upon agriculture and related activities for their livelihood.

3. While poverty rates declined in most regions, in sub-Saharan Africa and the transition countries of eastern Europe and central Asia, the incidence of poverty intensified. Much of the progress in Asia occurred in China, where sustained growth lifted nearly 150 million people out of poverty. Faster growth in parts of South Asia also led to some decline in the total number living in extreme poverty. In other regions, however, even as the proportion of those in extreme poverty has fallen, the actual number of poor has risen with population growth. The proportion of poor is highest in sub-Saharan Africa, where civil conflict, slow economic growth and the HIV/AIDS pandemic have pushed millions to the margin of survival.

4. Recognizing the urgency of responding to the challenge of mass poverty, at the Millennium Summit in September 2000 world leaders adopted the goal of halving the proportion of those living in extreme poverty by 2015. Unfortunately, the present rate of poverty reduction is well below the level required to achieve this goal; in sub-Saharan Africa it is one sixth the rate required. The Millennium Summit Declaration has, however, brought reinforced priority and attention to poverty. This new sense of urgency was reflected in the outcome of the Financing for Development (FfD) Conference held last March in Monterrey, Mexico, in which substantial additional development assistance for poverty reduction was pledged by the United States and the European Union. The challenge now is to translate these new commitments into ground-level action that makes a real difference in the lives of the poor.

5. The world's understanding of poverty has evolved greatly and has internalized the poor's own perception of their poverty. Poverty is experienced as lack of adequate income to meet basic needs; insecure access to productive assets (human, natural, physical, financial and social capital); lack of nutrition security; precarious health conditions; unequal access to education and social services; and



lack of self-esteem, dignity and empowerment. Poverty is also a condition of vulnerability, exclusion, powerlessness and inability to escape violence. The vulnerability of the rural poor is a “silent emergency” that is intimately linked to weak local governance. The poor experience poverty as an inability to control the conditions of their livelihoods, influence decisions affecting their lives, negotiate better terms of trade and barter, stop corruption and make governmental and non-governmental organizations (NGOs) accountable to them. Lack of strong social organization makes it difficult for them to exploit opportunities within their communities and to develop links with external partners. Powerlessness is clearly one of the most significant causes of poverty; it is also one of its most important effects. Among the highly diversified rural poor populations, one significant group stands out: women, who account for the bulk of the extreme poor. The majority of rural women still remain economically and politically marginalized, although their contributions to the resilience of rural households and their potential as agents of change have been demonstrated.

6. Progress in world poverty reduction is significant, but the number of poor people remains vast, especially in rural areas and among women. The adoption of a comprehensive definition of poverty is prompting the design and implementation of inclusive, efficient and gender-responsive strategies for rural poverty reduction and validates IFAD’s focus on reducing rural poverty by “enabling the rural poor to overcome their poverty”.

III. IFAD’S ROLE AND IDENTITY

7. IFAD is unusual among international financial institutions (IFIs) in that it has a specific mandate focused on the rural poor and on helping them overcome poverty and food insecurity. Over the last quarter century, the Fund has directed all of its resources to identifying the causes and developing innovative solutions to the poverty that entraps large numbers of smallholder farmers and other rural poor groups, especially women. A quarter of a century ago, other IFIs provided a significant proportion of their lending to agriculture and the rural sector. Over the last two decades, however, the World Bank and regional development banks have sharply reduced the share of their lending for agriculture, currently to levels well below 10% of the total. More generally, agriculture now receives a sharply lower proportion of global official development assistance (ODA). The character of this assistance has also shifted towards sectoral lending, especially for the social sectors, with less support to agriculture and other productive activities of the poor.

8. This has left IFAD as one of the few development agencies focusing on providing direct support for activities designed to increase productivity and growth and improve living standards among the rural poor. The Fund has sought over the last year with some success, especially at the FfD Conference, to work with other organizations to highlight the importance of agriculture and rural development for poverty reduction and the necessity of increasing investments in the rural sector.

9. In some developing countries, in consequence, IFAD has emerged as one of the principal external financing agencies for rural development and support to the smallholder farm sector. IFAD’s programmes are thus strongly complementary to the macro and sector policy programmes of other IFIs. One of the aims of its programmes is to ensure that smallholder farmers and other poor groups obtain equitable access to the benefits generated by the infrastructure and sector-wide programmes financed by other IFIs.

10. A distinguishing characteristic of IFAD is that developing Member States as a group are significant donors to the Fund. During the last two IFAD replenishments, 22% of total contributions were made by the developing countries of Lists B and C. This compares with an average of 2.1% for the International Development Association (IDA), 4.6% for the African Development Fund (AfDF) and the Asian Development Fund (AsDF), and 8.3% for the Fund for Special Operations of the Inter-American Development Bank. Because of its resource constraints, IFAD pursues an active campaign



to mobilize cofinancing for the programmes it helps fund. In the context of the supervision of its programmes, it works in partnership with cooperating institutions, thereby also influencing their approach to rural poverty reduction.

11. **Search for innovation.** The Fund has succeeded in promoting a number of innovative approaches that in some cases have been replicated and scaled up. In particular, IFAD has developed cross-cutting approaches such as: (a) innovation in soil and water conservation under the Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification; (b) support to innovations in rural finance based on group lending; (c) innovation in land-tenure policy for natural resource management; (d) revival of endogenous technologies in farming systems; (e) innovation in gender mainstreaming; and (f) extension systems, including market-based service provision.

IV. THE STRATEGIC CONTEXT FOR IFAD

12. The strategies to guide IFAD in fulfilling its mission during the Sixth Replenishment period consist of: the Millennium Development Goals (MDGs); the *Strategic Framework for IFAD 2002-2006*; the regional strategies; the IFAD V: Plan of Action (2000-2002) and the Strategic Change Programme (SCP) (formally called the Process Re-Engineering Programme).

A. Millennium Development Goals, Monterrey Consensus and IFAD's Contribution

13. The global conferences of the 1990s called for action on a range of development challenges in different sectors of human life; these commitments were synthesized in 2000 as the MDGs in the Millennium Declaration. Agreement on goals and targets for 2015 is spurring effective development cooperation through coordination and partnership. It focuses all actors' poverty-reduction strategies on an agreed set of complementary goals and their enabling conditions (see Appendix for a detailed discussion). The FfD Conference in Monterrey has reinvigorated this consensus through a global partnership for development, centred on the MDGs and the requisite enabling conditions such as policy and institutional reform, ODA, trade reforms and market access and debt sustainability.

14. IFAD is fully committed to helping achieve the MDGs and will report on the progress made. It is concerned in particular with eradication of extreme poverty and hunger; promotion of universal primary education, gender equality and empowerment of women; reduction of child mortality; improvement of maternal health; combating HIV/AIDS, malaria and other diseases; and environmental sustainability. IFAD will contribute to securing:

- (a) the rural dimension and gender responsiveness of the MDGs;
- (b) eradication of extreme poverty and hunger;
- (c) empowerment of women and other marginalized sections of rural societies;
- (d) environmental sustainability; and
- (e) a global partnership for development.

15. IFAD will also indirectly pursue some of the education-, sanitation- and health-related goals not specifically mentioned in the above list. It will do this through its partnerships with the Belgian Survival Fund Joint Programme, the United Nations Programme on HIV/AIDS (UNAIDS) and others, for whom these goals, together with their targets and indicators, are directly relevant.

B. IFAD's Strategic Framework Objectives: Operational Implications

16. To guide IFAD in delivering its mission and contributing to the MDGs, in 2001 the Fund developed the *Strategic Framework for IFAD 2002-2006: Enabling the Rural Poor to Overcome their Poverty*. The Executive Board and the Governing Council endorsed the framework in December 2001 and February 2002, respectively.



17. The strategic framework sets the mission and three strategic objectives for the Fund:
- (a) mission: enable the rural poor to overcome their poverty;
 - (b) objectives:
 - (i) strengthen the capacity of the rural poor and their organizations;
 - (ii) improve equitable access to productive natural resources and technology; and
 - (iii) increase access to financial services and markets.

18. In relation to these objectives, the Fund will reinforce its catalytic role both through its field operations and through policy dialogue and advocacy.

C. IFAD V: Plan of Action (2000-2002): Building on Achievements

19. The report of the Consultation for IFAD's Fifth Replenishment – Partnerships for Eradicating Rural Poverty: Report of the Consultation to Review the Adequacy of the Resources Available to IFAD – was accompanied by the IFAD V: Plan of Action (2000-2002), a crucial organizational development instrument. The plan of action guides IFAD in realizing the policy framework of the Fifth Replenishment. In implementing this plan, IFAD has formulated concrete measures to develop a basic conceptual, methodological and procedural framework and the organizational capacity to deliver greater impact in order to sharpen its catalytic profile and enhance the quality of its agricultural and rural development programmes. Details are provided in Appendix B of document REPL.VI/5/R.2.

D. Strategic Change Programme: Modernizing Policies, Processes and Systems

20. The objective of the SCP is to make IFAD a more efficient and effective organization in realizing its strategic objectives. It aims to develop the Fund's institutional capabilities through organizational development and through the modernization of its policies, processes and systems. This entails modernizing its human resource management policy, financial management system, strategic planning and resource-allocation process, knowledge-management and innovation processes, communication strategy and advocacy capabilities. It also entails modernizing information technology to support all of the above with a more strategy-oriented management information system. The specific objectives of the SCP are described in Appendix B of document REPL.VI/5/R.2.

E. Regional Strategies

21. In the context of preparations for IFAD's *Rural Poverty Report 2001* and the *Strategic Framework for IFAD 2002-2006*, the regional divisions undertook detailed rural poverty assessments that constituted the basis for subsequent regional strategies. These strategies describe IFAD's pursuit of its strategic framework mission and objectives at the regional level, and constitute the first level of operationalizing the framework. They identify the core rural poverty issues the Fund is confronting in each region, opportunities that exist to address them, constraints, and the strategic choices the Fund will pursue in the medium term with its partners. The regional strategies were reviewed in depth at round tables during the Twenty-Fifth Session of the Governing Council held in February 2002 and were also discussed at regional workshops. The regional strategies will evolve over time on the basis of experience acquired through country strategy development and the development and implementation of a performance-based allocation system (PBAS).

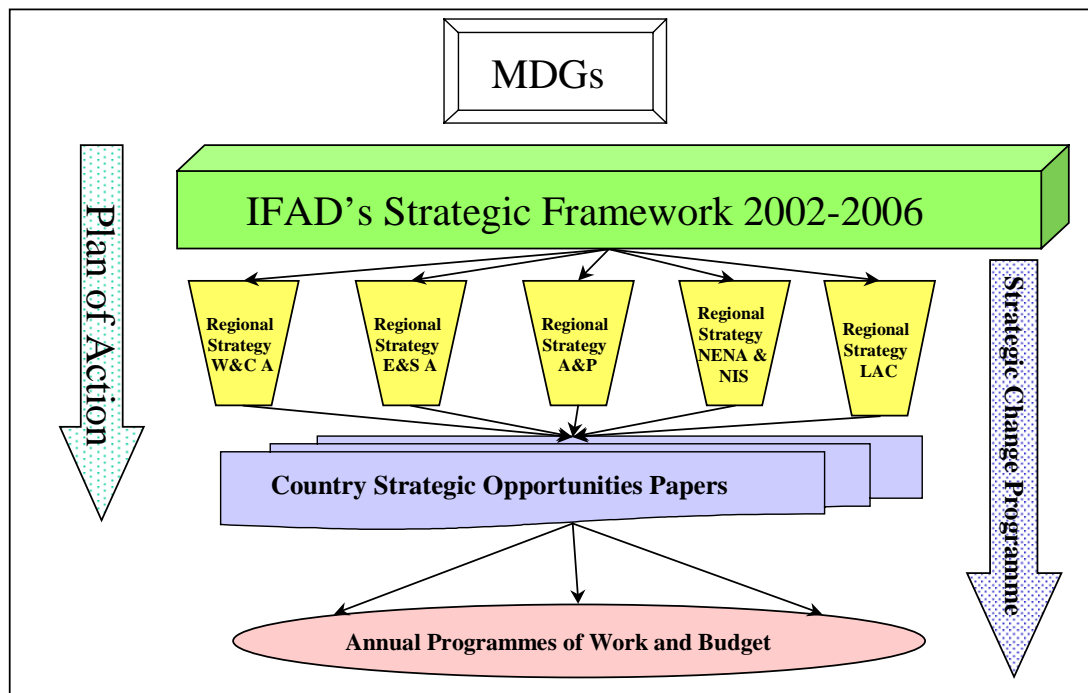
F. Linkages

22. The MDGs, strategic framework, regional strategies and SCP, together with the policies and guidelines agreed in the Consultation, provide a framework for IFAD during the Sixth Replenishment period. They jointly frame IFAD's priorities for the use of its institutional capacity into strong policy



coherence. The MDGs set the global poverty-reduction objectives, their enabling conditions and global partnership requirements. The strategic framework defines IFAD-specific objectives for rural poverty reduction and articulates the Fund's strategy for contributing to the global goals; the SCP develops the policies, processes and systems required for modernizing IFAD to fulfil its mission in the light of the strategic framework. Together they develop the institutional capabilities with which IFAD can play an operational and a broader catalytic role in rural poverty eradication. The regional strategies provide a framework for developing country strategies consistent with the strategic framework. These linkages and their logical sequence are illustrated in the following chart.

Enabling the Rural Poor to Overcome their Poverty



- Note: W&CA = Western and Central Africa
E&SA = Eastern and Southern Africa
A&P = Asia and the Pacific
NENA & NIS = Near East and North Africa and Newly Independent States
LAC = Latin America and the Caribbean



V. OPERATIONALIZING THE STRATEGIC FRAMEWORK AND THE REGIONAL STRATEGIES

23. The strategic framework and the supporting regional strategies provide the basis for all IFAD's activities and resource allocations. The process of operationalizing IFAD's broad mission has four building blocks: IFAD's programme of work; allocation of resources based on country performance; country-level programme planning through country strategic opportunities papers (COSOPs) to ensure programmatic selectivity and effectiveness; and the Fund's catalytic efforts in support of its programme priorities.

A. IFAD's Programme of Work

Level of the Programme

24. The strategic framework and the supporting regional strategies, being directional, are scale neutral – they can be implemented through programmes at different levels. During the Sixth Replenishment period, IFAD will maintain a programme of work designed to maximize its impact in reducing rural poverty through increased growth and productivity and higher living standards. This programme will be based on IFAD's available resources and sound financial practices in order to ensure that the Fund can continue to help the rural poor overcome their poverty.

25. IFAD's average annual programme of work for the last three years amounted to USD 417 million, and this supported an average annual total project/programme cost of USD 922 million, which implies a leverage factor of 122%. With these resources, IFAD sustained an average of 27 projects/programmes per year, which had an estimated annual 10 million direct beneficiaries. This allowed IFAD to operate in 60 different countries in a three-year period, with a total of 82 projects/programmes. This also means that IFAD, on average, reaches a large share of its operational countries every six years.

26. Implicit in this statistical sketch of IFAD's total lending-programme level relative to the number of poor people reached is that contributions to IFAD's replenishment, amounting annually to 0.3% of current ODA levels, will lead to an IFAD contribution to the targeted reduction in the number of poor people that significantly exceeds its share of ODA.

27. With a view to securing a critical mass of impact on people, policies and institutions, an average annual programme of work of USD 475 million is confirmed as the target level for the Sixth Replenishment period.

Programme Focus

28. During the Sixth Replenishment period, IFAD's programme of work will concentrate on the mission to enable the rural poor to overcome their poverty. Consistent with a performance and impact orientation, investments will be directed to helping poor producers increase their productivity and output by:

- (a) developing and strengthening organizations of the poor to confront the issues they define as critical;
- (b) securing equitable access for the rural poor to land, water and forests, and to context-specific technologies that enhance farm productivity, with gender-differentiated approaches;
- (c) developing sustainable and responsive rural finance institutions in market-oriented systems;



- (d) developing market linkages through diversification of the production base, improvements in processing, efficient marketing services, and market and transport infrastructure development;
- (e) increasing access to knowledge so that poor people can seize opportunities and overcome obstacles;
- (f) expanding the influence that the poor exert over public policy and institutions (including laws and regulations) of relevance to rural poverty reduction;
- (g) enhancing their bargaining power in the marketplace; and
- (h) ensuring that women are at the centre of the agenda of institutional transformation – as dynamic organizers and effective participants in grass-roots organizations and local self-help initiatives.

29. Gender responsiveness, participation and enhanced productivity, within a sustainable livelihoods approach, remain constant programme values for the Fund. In developing its programme of work, IFAD aims at innovation and at institutional transformation in favour of the poor. Its country programmes will pursue the specific sectoral policy objectives introduced below. Within these priorities, IFAD will deploy a range of region-specific programmatic emphases based on the evolving regional strategies.

30. In general, the Fund will cover essential rural development and longer-term rehabilitation needs in vulnerable regions such as Central America, the rainfed areas and uplands in Asia, and sub-Saharan Africa. The Fund will substantially address the investment and knowledge-development gap that has widened as other donors have reduced their commitments to the agricultural and rural production sectors.

31. More specifically, the Fund will consolidate advances in sectors and approaches known to have a lasting impact on poverty reduction (such as rural finance, commercialization and gender-responsive programmes). At the same time, it will seriously address other important structural issues such as land reform and sustainable natural resource management, for which community organization is a valuable basis.

32. **Africa.** The Fund will offer significant follow-through on rural finance and commercialization programmes – going beyond localized microfinance institutions to develop umbrella organizations and links with the commercial banking sector under enabling legislation. The New Partnership for Africa's Development (NEPAD) is providing the development community with an important opportunity for partnership-building around such development challenges. IFAD has actively participated in the NEPAD preparatory process and in regional meetings, and will seek to continue its participation in the partnership in concrete ways; when possible, IFAD investments in Africa that clearly support the NEPAD Partnership shall be made explicit. The Fund will sustain investments in natural resource management in the most vulnerable areas and will address the problem of land tenure confronted by poor people. The policy and institutional framework in many African countries has improved. There is now an opportunity to implement more enduring approaches to smallholder development. If governments are not assisted in implementing such approaches, the opportunity may vanish. Governments have increasingly turned to IFAD for support in transforming policies into reality. IFAD will finance programmes to establish institutional frameworks for change at all levels. It will also engage in partnership programmes that address the issue of HIV/AIDS as a rural poverty issue that heavily impacts the productive capacities of the poor. In West Africa, specifically, the Fund will seek to resume lending to countries that have not had recent loans, especially countries emerging from conflict.

33. **Latin America and the Caribbean.** The challenge of poverty reduction in Latin America and the Caribbean has been compounded by three catastrophes – *El Niño*, Hurricane Mitch and the effects of financial crises. The needs of the region are much greater than the resources available, given the



long-term effects of natural disasters: reversal of economic progress in many Central American and Andean countries and the ravaging of farm infrastructure and crops. The Fund will seek to deal with the long-term fallout from these disasters. It will be well placed to influence national and regional anti-poverty policies and programmes, and will be in a position to help address the neglected problems of indigenous populations. An effective programme will allow IFAD to build strong partnerships with other international donors based on a medium-term intervention strategy in each country – recognizing that other IFIs in the region put less emphasis on rural development.

34. **Asia and the Pacific.** Despite impressive economic growth in the past 20 years, the Asia and the Pacific region still has the overwhelming majority of the world's people living in poverty. Moreover, by any measure of the depth of poverty (social and health indicators), the picture is challenging.

35. One major lesson from past crises is the need to focus on agriculture for income generation in the hinterland, where rainfed agriculture is critical to survival – in Asia's developing countries roughly 266 million hectares of agricultural land are rainfed. Today, new opportunities also exist to promote community-based resource management systems in mountainous areas, where upland dwellers have been known to be effective stewards of biodiversity. In these areas, the concentration of the rural poor is high. IFAD will support poverty-reduction efforts – crucial to the social stability of Asian countries – for the protection of their natural resources and the global environment.

36. **Near East and North Africa.** In the Near East and North Africa, water is a critical factor for human and animal consumption and for agriculture. Soils in fragile, dryland ecosystems under relentless pressure are being depleted and degraded. IFAD has developed considerable experience in such marginal areas. More resources would mean a greater likelihood of helping the poor cope with harsh environmental constraints. The Fund will pursue its current goals of diffusing improved participatory resource-management techniques, creating self-reliance in poor communities, lessening dependence on the state and reducing migration.

37. In rural areas of **Eastern Europe and the Newly Independent States**, there is a risk of social strife and conflict. IFAD programmes can contribute to fostering peaceful, sustainable solutions to the economic hardship that rural people face. The Fund will support small-scale production systems based on a well-sequenced transition from central planning to a market economy. This will include support for second-generation institutional reforms, in particular with regard to sustainable rural finance organization.

Lending Programme Structure by Terms and Conditions and by Region

38. Countries with a per capita gross national product (GNP) of USD 805 or less (in 1992 prices) are eligible to receive highly concessional loans. Those with per capita GNP between USD 806 and 1 305 are eligible for intermediate terms, and those with per capita GNP above USD 1 306 are eligible for ordinary terms. Of IFAD's borrowing countries, about 14 borrow on intermediate terms and 30 on ordinary terms. These are mainly countries in Latin America and the Near East and North Africa, with some in Asia and only a few in Africa. The Fund's policy framework for resource allocation reserves two thirds of its lending programme for highly concessional borrowers, leaving approximately one third for those on intermediate and ordinary terms.

39. During the Fifth Replenishment period, at least 67% of IFADs loan resources are being allocated to countries that borrow on highly concessional terms and conditions. Historically, lending to Africa accounts for 52% of all highly concessional lending. During the Sixth Replenishment period the Fund will continue to provide a similar or higher proportion of lending on highly concessional terms to be determined by a PBAS.



40. The Consultation recalled that, according to Article 7, Section 2(b) of the Agreement Establishing IFAD, financing by the Fund shall take the form of loans and grants, to which the Fund's resources shall be committed with due regard to the long-term viability of the Fund and the need for continuity in its operations. The Article further states that the proportion of grants shall not normally exceed one eighth (12.5%) of the resources committed in any financial year, and the Consultation recalled that the Executive Board has currently set a lower ceiling for grant assistance of 7.5%. In this context, the Consultation agreed that the grant programme would be raised to 10% of the annual programme of work, beginning with the Sixth Replenishment in 2004. A grant policy paper, to be submitted to the Executive Board in September 2003, will propose guidelines for the use of grant funding, taking into account an examination of the potential consequences of this new level of grant assistance.

B. Linking Resource Allocations to Performance

41. In pursuing the objective of maximizing the impact of its resources on rural poverty, IFAD will further its practice of focusing resources on the best opportunities for accelerated and sustained rural poverty reduction through design and implementation of an explicit, transparent PBAS. In line with systems already in place in other IFIs, the objective of the system should be to ensure that countries that have created or are creating a conducive national, sectoral and local framework for sustainable rural poverty reduction receive *ex ante* allocations of IFAD resources in line with their demonstrated ability to use such resources effectively, with higher-performing countries receiving higher allocations than lower performers. The system should also provide that countries that have had less success in creating such a framework, but which show a clear commitment to reform, receive support of the appropriate level and nature to enable them to confront the challenge.

42. The IFAD PBAS should draw upon the experience and general approach of other IFIs (notably AfDF, AsDF and IDA) in developing their PBASs, but it should also clearly reflect the specificity of IFAD's mandate, its mechanisms of assistance, and its financial and governance structure. Resource allocations should be generated by an appropriate combination of performance and need assessments so as to ensure that IFAD's engagement in the poorest countries is properly reflected. The country performance assessments within the IFAD PBAS should include three measurements: general performance, sectoral performance and portfolio performance. Performance assessments should explicitly include and reflect assessment and appropriate weighing of relevant governance factors.

43. Assessments of performance will be produced independently by IFAD, after any national-level consultations that may be required to collect necessary data. In order to ensure full transparency, the PBAS and its results, when fully implemented, will be made public. The development and implementation of this system will involve IFAD's Member States. The objective is a fully transparent system agreed by IFAD's Members.

44. The functional details of the system will be developed in consultation with Members. An informal panel under the chairmanship of the Vice-President of IFAD and including four nominees from each List, will be formed to consider development of this proposal. In consultation with the panel, IFAD will present a more-detailed set of proposals to a seminar in conjunction with the Twenty-Fifth Anniversary Session of the Governing Council in February 2003. On the basis of discussion at the seminar and inputs from the panel, IFAD will prepare a revised and expanded proposal to be presented to an informal seminar of the Executive Board in April 2003. Subsequent to the seminar, and again in consultation with the informal panel, IFAD will further revise and expand its proposals, which will be submitted for the approval of the Executive Board at its Seventy-Ninth Session in September 2003. During the following year, country assessments will be undertaken to allow integration of the PBAS into the programme of work considered by the Executive Board in 2004. The programme of work to be approved in 2004 for activities in 2005 will involve the



application of the PBAS within the framework of regional allocations. The proposed programme of work for 2006 presented to the Executive Board in September 2005 will reflect the experience of applying the PBAS within the system of regional allocations and will extend the PBAS as a uniform system of comparison and allocation across the lending programme as a whole, taking into account the need both to reflect priorities with regard to the regional distribution of development assistance and to maintain at least the two-thirds share of highly concessional borrowers in the IFAD lending programme. In considering the programme of work for 2006, the Executive Board will review the proposal, determining whether the system and its resultant allocations effectively satisfy development goals with regard to regional priorities or whether the operation of the PBAS within the framework of regional allocations should be maintained.

C. Ensuring Selectivity and Effectiveness: Operating at the Country Level

45. Country programme planning and implementation is the core process for giving scale to the strategic framework, the regional strategies and the lending programme framework. In particular, it is the process through which the Fund harmonizes its role as a universal institution (in which all developing Member States are in principle eligible to borrow) with the need for strategic focus and selectivity in order to enhance effectiveness. It is ultimately the critical process through which the Fund applies its framework for linking resource allocations to performance in order to enhance aid effectiveness.

Country Strategic Opportunities Papers

46. The main instrument for country programme planning is the COSOP. Appendix C of document REPL.VI/5/R.2 provides a more detailed presentation on this instrument.

47. The COSOP is a country-specific document, prepared by IFAD in close collaboration with the country concerned – country ownership is vital. It is forward-looking, providing a medium-term planning framework, and encompasses all IFAD operations in a country (ongoing projects, new projects and programmes, policy dialogue, the Debt Initiative for Heavily Indebted Poor Countries (HIPC), arrears settlement, collaboration with NGOs, technical assistance grants, workshops, studies, etc.). It also constitutes the framework for planning and structuring the Fund's strategic mix of operations in a given country – the sequence and the balance of innovations, replications, scaled-up projects and longer-term programme approaches (see below). In order to realize these objectives COSOPs need to: prescribe the recommended investment approach/instrument for the country concerned on the basis of performance and lessons learned; develop the agenda for IFAD's institutional and policy dialogue; design a strategy for increasing agricultural and rural productivity and sustainability; define IFAD's participation in the poverty-reduction strategy paper (PRSP) process; specify IFAD's role in post-crisis rehabilitation where appropriate; and identify the opportunities for partnership development and the approach to be taken to be effective at the country level.

48. COSOPs also constitute the basis for linking regional strategy to specific country programme scenarios according to criteria that indicate the likelihood of effective use of the resources provided. In this context, the COSOP also describes, where necessary, the process and the support needed to reach the required performance standard. COSOPs assess the country's policy and institutional framework for effective rural poverty reduction. They define an agenda for the institutional transformation that will accompany programme development in order to ensure the long-term effectiveness of IFAD's support.

49. COSOPs constitute an appropriate instrument for strategically applying country resource allocations to ensure programme selectivity and effectiveness. For the Sixth Replenishment period,



the conclusions of the Executive Board review of the pilot experience of COSOPs (end-2002) will need to be internalized.

Programme Approach

50. As the organizing principle for investments in sustainable poverty eradication, the 'project' has demonstrated its merits; especially when new strategies or approaches need to be tested and where the policy and institutional environment needs further development to support rural poverty reduction. It is often location-specific, implemented by well-organized project management teams, with clearly defined planning processes and objectives to be achieved in a relatively short period (6-8 years) through an appraised set of activities. The Fund has broadened the scope for project investments by introducing a higher level of flexibility and participation in project development and by emphasizing the merits of a well-planned programme for developing the country portfolio through a strategic mix of country operations. Country portfolios consist of a balance and sequence of innovative pilot, replicated and scaled-up projects.

51. The Fund recently introduced the flexible lending mechanism (FLM)¹ – a new lending instrument to address the need for additional flexibility in programme design and implementation – and the pilot experience is under review. At the Seventy-Sixth Session of the Executive Board, it was agreed that new FLM loans would be limited to those already in the pipeline until an evaluation of the FLM is completed in 2004, with the subsequent level of FLM activity to be determined by the Executive Board.

52. Recently, a number of countries have made significant progress in establishing an effective policy and institutional environment and have developed effective strategies for rural poverty reduction (such as the PRSP). The effectiveness of aid would be greatly enhanced if all external development assistance rallied around such strategies. It would rationalize the demand on scarce domestic financial and human resources, harmonize donor approaches, enhance country ownership, facilitate partnerships, and result in more efficient programmes and sustainable impact on rural poverty and the policy framework.

53. IFAD will join national partnerships, participate in country processes of rural poverty-reduction strategy development, and design and implement its country programmes in that context, through the COSOP process.

Institutional Transformation for Effective Rural Poverty Reduction

54. The past decade has seen considerable progress in policy and institutional transformation for effective rural poverty reduction throughout the developing world. Domestic input and output markets have become more liberal in many countries; a framework for reducing interventions in international agricultural trade has been introduced; subsidized credit programmes, whose benefits tend to be pre-empted by the less-poor, have diminished; and the operation of land markets has improved. This has begun to create an incentive framework and an enabling environment for production by the rural poor. Despite the progress achieved, the policy reform agenda is still incomplete. The continuation of policy and institutional reforms to create an enabling policy environment that addresses the needs of the poor is thus one of the major thrusts of the strategic framework. There is a need both to complete the traditional policy reform agenda and to address, in a gender-responsive manner, new policy issues in rural poverty reduction. The COSOP constitutes an important opportunity to initiate this process

¹ FLM programmes are longer term, most often divided in three phases, with substantial levels of flexibility. The results of each phase trigger the subsequent phase. FLM programmes have stronger monitoring and evaluation efforts supported by higher levels of resources, and the quality of the policy environment, especially decentralization, is a prerequisite.



together with the country. Areas for specific attention are provided in more detail in Appendix D of document REPL.VI/5/R.2.

55. However, the policy and institutional reform agenda is complex, and progress may be slow. There is a tendency to overestimate ability to complete reforms. Selectivity in identifying the key policy transformation objectives, and their correct sequencing, together with partnerships with more policy-oriented organizations, are essential to success. National ownership in identifying and planning the implementation of the agenda for institutional change is crucial.

56. During the Sixth Replenishment period, IFAD will use the COSOP process to advocate an agenda of policy and institutional transformation for effective rural poverty reduction, in partnership with other organizations, ensuring country ownership of the agenda and paying due attention to sequencing.

Increasing Agricultural Productivity and Sustainability

57. Development experience has shown that agriculture is a major engine of growth in poor countries. Accelerated rural poverty reduction depends on direct measures for increasing productivity in the agricultural sector, with its backward and forward linkages to rural enterprises that provide goods and services to the farm sector. The building blocks of productivity-focused agricultural development – in the context of a sustainable natural resources management strategy – consist of several mutually reinforcing elements (described in Appendix E of document REPL.VI/5/R.2). The COSOP needs to identify these elements and develop them into a strategy for the country, IFAD and its partners.

58. Building on its experience in rural poverty–reduction, in the Sixth Replenishment period IFAD will support the enhancement of productivity and sustainability in the smallholder agricultural sector, especially among women farmers. It will do this by helping to identify and harness recognized engines for agricultural development, investing to increase agricultural productivity, and building productivity and economic viability criteria into its programme designs. COSOPs are IFAD’s core process for achieving this objective.

Working in the Framework of PRSPs (in HIPC and non-HIPC)

59. IFAD is fully participating in the Debt Initiative for HIPC, at a total projected nominal cost of USD 440 million, of which USD 107 million may fall due in the Sixth Replenishment period, the peak period for the Initiative. The Debt Initiative is expected to provide 37 low-income countries with a sustainable strategy to exit from unmanageable debt. So far, 26 countries have become eligible for debt relief. Many of the remaining countries are conflict-affected and/or have heavy debt arrears, which may delay their eligibility. One of the criteria for the Initiative is the development and implementation of an effective, country-owned poverty-reduction strategy. This approach was subsequently adopted by the International Monetary Fund (IMF) as an eligibility criterion for access to its poverty reduction and growth facility (PRGF). As a consequence, from 60 to 70 low-income countries are expected to develop a PRSP when the process is complete.

60. This constitutes an opportunity to ensure that rural poverty reduction and its enabling conditions are an integral part of the country’s own poverty-reduction strategy. IFAD’s participation in the PRSP process will aim at ensuring a number of measures in support of rural production and poverty reduction (identified in Appendix F of document REPL.VI/5/R.2). In particular, the Fund will foster agricultural diversification, as part of a strategy for broadening and diversifying the narrow production and export base of HIPC, heavily dependent upon a few primary commodities, which makes them particularly vulnerable to external and terms-of-trade shocks.



61. IFAD's participation in PRSP processes (planning and implementation) will also result in synergies between PRSPs and its COSOPs, and an integration of its operations into broader poverty-reduction programmes. IFAD's participation in these processes can take different forms: supporting participatory processes for the planning and updating of PRSPs; providing assistance in the actual implementation of PRSPs and their participatory monitoring; defining and pursuing the agricultural development agenda; helping the poor articulate and meet their policy and organizational requirements; and institutionalizing PRSP processes. Partnership with governments (central and local) and other actors in the sphere of rural development, especially IFIs, is of foremost concern. The COSOP process allows IFAD to influence PRSPs and also allows it to define its specific role concretely in the broader framework of poverty reduction provided by PRSPs.

62. During the Sixth Replenishment period, IFAD will participate in PRSP processes, giving priority to those countries in which the potential for effective rural poverty reduction is high and the potential for partnerships with other organizations in the context of the PRSP is most promising. The link between COSOPs and PRSPs must be ensured.

IFAD's Role in Post-Crisis Rehabilitation

63. Crises – natural disasters, civil strife, financial crises – and the resulting emergency situations have proliferated considerably in developing countries, with increased incidence and severity. Whatever the cause of the crisis, it is often the rural poor who are hardest hit, due to their greater vulnerability. Crises significantly disrupt agriculture and food production. A major challenge in post-crisis assistance is harmonizing the need for emergency relief with that of a return to sustainable development.

64. COSOPs are IFAD's main instrument in planning the implementation of its Framework for Bridging Post-Crisis Recovery and Long-Term Development (September 1998) in countries where this is appropriate. Appendix G of document REPL.VI/5/R.2 provided the elements of this framework.

65. During the Sixth Replenishment period, IFAD may selectively participate in post-crisis rehabilitation, basically on the basis of loan resources, but it may also do so with supplementary funds specifically mobilized for the purpose.

D. Acting as a Catalyst

66. Impact is of central concern to IFAD. In the sphere of its investment programmes, this translates into a focus on sustainable impact on rural poor people, enabling them to overcome their poverty. But impact on people benefiting directly from IFAD's lending programmes, substantial as it is, is not enough. IFAD needs to expand its catalytic role beyond its own programme funding, influencing that of others, and extending into impact on country policy and the institutional environment, and on the global policy agenda for rural poverty reduction. To do this IFAD needs to: enhance and apply its capacity to innovate; ensure country ownership; address the issue of field presence and in-country capacity; work in partnership with others and pursue cofinancing and supplementary funding; engage in global pro-poor policy advocacy; and realize its specificity in all these contexts.

Focus on Innovation

67. Despite challenges, the Fund has succeeded in promoting a number of innovative approaches, presented earlier, that in some cases were replicated and scaled up. Successful innovative approaches promoted by IFAD are based on a structured, conscious process of innovation, with sequential stages that build on the traditional knowledge of the poor in specific contexts, their culture, social norms and resource constraints, that are affordable by the poor and that produce fairly rapid results.



68. The Fund has a potentially stronger role in promoting replicable innovation for rural poverty reduction. Evaluations have concluded that IFAD's main innovative role should be as a 'facilitator' in scouting for, identifying and promoting innovative approaches in cooperation with its partners. The Fund and its partners should continue to facilitate, more proactively, the promotion and dissemination of innovations in rural poverty reduction that are identified by various sources, including the poor themselves, and enable them to be replicated and/or scaled up by other IFAD projects and larger partners. Partial testing of innovative approaches for performance improvement and validation should be supported by IFAD through its grant programme.

Field Presence and In-Country Capacity

69. IFAD's overall strategic goal is to sustainably reduce rural poverty. To enhance its development impact, IFAD continues to search for new, innovative and cost-effective means to attain this goal, either directly through its investment activities, or indirectly, by playing a catalytic role. Often more regular contacts with the field and enhanced in-country capacity are essential to enhance development impact. IFAD needs to assess, on a country-by-country basis, the main constraints to, and opportunities for, successful project implementation and catalytic action (policy dialogue, knowledge management, partnership-building), and identify the most suitable and cost-effective approaches.

70. The experience of other donors and the lessons that IFAD has drawn from its own experiences in recipient countries have shown that:

- support mechanisms to strengthen in-country capacity and performance have to be matched to specific needs and purposes;
- the particular situation of each country has to be taken into account;
- maximum reliance on a country's internal resources and capabilities can enhance sustainability; and
- IFAD's role as pathfinder in rural development calls for new and innovative approaches to enhancing in-country capacity and presence.

71. Both conceptually and organizationally, IFAD will not act in a vacuum but in relation to its partners. It will contribute to processes such as the PRSP process by providing links between the preoccupations of the rural poor and national policies. By the same token, the Fund will benefit from enhanced in-country capacity and closer involvement in policy dialogue when preparing its country strategies and its loan and grant projects. IFAD will identify synergies with other United Nations agencies in the light of the ongoing United Nations reform process and the related reflections on United Nations field presence.

72. The Consultation noted the discussions on the subject of field presence and in-country capacity by the Seventy-Seventh Session of the Executive Board. The Consultation further noted the decision to establish an ad hoc working group of the Executive Board to accompany the process of analysis of experiences and modalities of enhancing IFAD's field presence by strengthening in-country capacity; to proceed with a rapid analysis of 15 countries with pertinent activities in the different regions, and preparation of recommendations based on this analysis, for Executive Board consideration in September 2003. The Consultation further noted that these analyses would be undertaken with existing budget resources and any supplementary funding that could be mobilized.

Working in Partnership

73. Working in partnership with others is a strategy that enables IFAD to be more effective in delivering its strategic framework, ensuring programme impact and fulfilling its catalytic role.



74. **Multi-stakeholder coordination processes.** In recent years, three coordination instruments have been introduced: the United Nations Development Assistance Framework (UNDAF), the Comprehensive Development Framework (CDF) and the PRSP. UNDAF is an internal United Nations instrument for planning and coordinating United Nations-system support to Member States for follow-up to global conferences in which international development goals have been defined. The CDF was conceptualized by the World Bank as a government process to articulate a comprehensive framework for the development of a country. A third process, the PRSP, which was discussed earlier, was developed in recent years as a country-owned, government-managed process to develop and implement a strategy for poverty reduction. In addition to these global multi-stakeholder partnership frameworks, other forms of more-specific partnership are in the making. One important example, referred to earlier, is NEPAD, the significant initiative taken in October 2001 by African countries, with a steering committee consisting of the presidents of Algeria, Egypt, Nigeria, Senegal and South Africa. IFAD will actively support NEPAD and its programmes.

75. The key challenge is to broaden continuously the scope of strategic partnership-building initiatives with bilateral and multilateral agencies. Effective approaches include periodic planning meetings with external partners at field and headquarters levels. Efforts are being made to expand existing multi-year partnership frameworks through programmatic supplementary funds in support of knowledge management, policy advocacy, and innovation and impact-enhancement activities in selected strategic-framework programme areas. Partnerships with IFIs should also pursue common objectives in knowledge management and in policy dialogue with governments and potential replicators of proven innovations, as well as benefiting from their capacity as cofinanciers and cooperating institutions.

76. IFAD's Rome-based headquarters provides other opportunities for close partnerships. Cooperation with the World Food Programme and the Food and Agriculture Organization of the United Nations has been greatly strengthened in recent years. The Fund's housing of the International Land Coalition (formerly the Popular Coalition to Eradicate Hunger and Poverty) and of the Global Mechanism of the United Nations Convention to Combat Desertification has broadened the potential for collaborating with other stakeholders in rural development.

77. **Partnerships with civil-society institutions and the private sector.** IFAD takes advantage of many opportunities for developing strategic partnerships beyond those with governments and intergovernmental organizations. Country strategy work, driven by the borrowing Member State, provides a framework for sharing experiences, and for developing platforms for cooperation and a vision of the road forward. Participatory project planning and monitoring puts the ultimate clients – the rural poor and their organizations – at the centre of the partnership. Involvement of community-based organizations and NGOs in investment projects expands the partnership to civil society and ensures a broader exchange of knowledge and stronger participation. Researchers and research centres, supported by technical assistance grants, develop and disseminate technical knowledge and management expertise to the rural poor. And where the alliance succeeds in encompassing the private sector, market-based service delivery can become viable and sustainable.

78. The success of IFAD's mission also depends on the creation of sustainable, productive private-sector investment, both agricultural and non-agricultural, in rural areas. IFAD programmes are already focused on helping rural people obtain the financing, technology, market access and training to develop income-generating activities. The Fund works primarily with smallholder farmers who are the principal private-sector actors in the rural economy. The catalytic effects of IFAD's activities may be enhanced by greater direct engagement of private enterprise in the financing and implementation of its projects. A strategy for achieving greater involvement of private-sector participants in IFAD programmes, through cofinancing and other forms of partnership consistent with IFAD's mission, will be presented to the Eightieth Session of the Executive Board in December 2003.



79. The Consultation reviewed a proposal for a formal relationship with the NGO community and the invitation of NGO representatives to Executive Board meetings. No consensus was reached on the proposal. Nonetheless, the Consultation took note of IFAD's current practice of granting observer status to NGOs that have applied to participate in the Governing Council. On average, over 50 NGOs are invited and from five to ten observers are in attendance at each session. The NGO community also designates an NGO representative, who is invited to address the Governing Council. IFAD works in partnership with NGOs through periodic IFAD/NGO consultations (ten since 1990) and collaboration at the project level through a tripartite partnership between IFAD, NGOs and the government. By December 2001 some 800 NGOs had participated in IFAD projects, of whom 80% were southern. The Consultation was also informed that the African, Asian and Inter-American Development Banks, the IMF and the World Bank do not have NGO representatives attending executive board meetings, although a number involve NGOs in their annual meetings and related events through seminars and side events. Moreover, the African Development Bank will invite two to three NGO representatives to attend future replenishment meetings, and the Global Environment Facility permits five NGOs selected by the NGO community and accredited to the organization each year to be represented at its Council sessions. IFAD will continue to monitor and adjust to evolving IFI practice regarding NGO consultation and participation.

80. **Cofinancing.** For IFAD, strategic partnership-building has much broader objectives than cofinancing and consists of knowledge-sharing and adopting complementary strategies, as already described. But cofinancing *is* strategically important to IFAD in leveraging its resources, and it is therefore considered a tangible outcome of a successful partnership. IFAD is critically aware of the scarcity of its resources, especially when compared to the extent and depth of rural poverty. It has developed an elaborate and diversified approach to mobilizing cofinancing, as indicated in the following box. Success in mobilizing cofinancing tends to vary over time with partners. Cofinancing is not yet a systematically strong point in its strategic partnership-building efforts, and the Fund needs to continue learning and working to improve its strategy in this area. Opportunities for partnerships with private-sector enterprises in the financing of projects should also be pursued more systematically as part of IFAD's cofinancing and partnership strategy objectives.

IFAD's Cofinancing Strategy Objectives

The common concerns of the different approaches to and procedures for cofinancing are enhancement of project coverage; leveraging of other institutions' resources and thus implicitly their strategies and policies; and project sustainability.

The strategic objectives specific to these different approaches and procedures are:

- (a) cofinancing of IFAD-initiated projects: mobilizing of additional resources behind innovative approaches developed by IFAD;
- (b) cofinancing of projects initiated by other IFIs: collaborating with other IFIs in projects initiated by them, and in the process influencing their project design and reducing IFAD's programme processing costs;
- (c) joint cofinancing: simultaneous and pro rata financing of all project activities, in order to develop a fully joint project;
- (d) parallel cofinancing by activity or by area: selection by each financier of specific activities or areas to be supported by its resources, thus permitting each financier to pursue its own comparative advantage in a common project; and
- (e) sequential cofinancing: funding by another external financier of the continuation of a project after IFAD financing is completed, thereby ensuring the continuation of project activities.

Obtaining cofinancing from different actors also has its strategic importance:

- (a) cofinancing from external partners ensures leverage on their resources and influence on their programming strategy and policy framework; and
- (b) cofinancing from governments, beneficiaries, commercial banks and other local actors contributes to establishing a project's sustainability.



81. During the Sixth Replenishment period, IFAD will continue to engage actively in multi-stakeholder coordination processes, develop programme-based partnerships and pursue cofinancing to leverage its own programme of work.

Playing a Catalytic Role beyond the Country Level

82. “Enabling the poor to overcome their poverty” will be achieved more rapidly in a supportive regional and global environment. Local and community-based responses to poverty will work better in a more supportive global context, but at present, the rural poor do not exercise a direct or decisive influence at this level. IFAD’s policy dialogue efforts will take two forms: (a) developing and sharing knowledge generated from country programme experience; and (b) seeking to influence regional and international policies that shape rural development options.

83. The plan of action and the SCP are tools to deal more effectively with challenges that go beyond country programme development, but that constitute an integral part of IFAD’s catalytic role: knowledge management, policy advocacy and global partnership-building. It will be important to allocate adequate programme resources to these activities to ensure that IFAD plays an innovative role in these areas as well. They complement country programme development in a comprehensive programme of work.

84. Policy dialogue efforts should be an integral part of IFAD’s programme of work during the Sixth Replenishment period.

VI. MEASURING RESULTS AND IMPACT

85. The need to assess and measure the results and impact of IFAD-supported operations has long been a concern in the Fund. This became more pressing with the adoption of the IFAD V: Plan of Action (2000-2002), which emphasized various interrelated areas in need of improvement, inter alia those concerned with impact assessment and learning through project implementation. The Consultation was informed about IFAD’s current practice of measuring results and impact, new developments in unifying and strengthening this system, and plans and expectations for future action.

86. The process that IFAD has been pursuing to measure and monitor results of project implementation has evolved over time to respond to new priorities and become increasingly efficient and comprehensive. It starts at the design stage, when a logical framework (logframe), including results-oriented and sex-disaggregated indicators that can be referred to when measuring and monitoring results, is defined for each project. Baseline surveys are undertaken, usually during the project’s first year, to define the socio-economic situation of the target group, including indicators related to natural and human resources, productivity levels and living standards in general. Throughout project implementation, periodic progress reporting by ongoing projects, regular supervision and follow-up missions and mid-term reviews provide IFAD with quantitative and qualitative information on interim results achieved. In particular, the progress reports submitted directly by project management refer to measurable results achieved during the period under review (3, 6 or 12 months) and relate them to the expected outcomes as stated in the programme of work. Depending on the type of project, they provide data related, among others, to production factors (e.g. land area rehabilitated or put under irrigation, loans approved or repaid), output (e.g. tonnes of agricultural produce, number of cattle), and institutional and capacity improvements (e.g. number of groups established or of participants in training activities). They also include up-to-date information on the use of funds supplied by IFAD and other financiers.

87. An IFAD internal review process, based on individual project status reports (PSRs), serves to monitor these results on a regular basis. The PSRs are prepared by headquarters staff, using the information received from projects and cooperating institutions, the internal tracking system (project



portfolio management system) and their own country and project visits. Moreover, for each completed project, the borrower, with IFAD support, prepares a project completion report, which provides a description and assessment of the project's final results and outcome. The data and information deriving from all these sources are compiled annually in the progress report on the project portfolio. This report, shared with the Executive Board during its first session each year, is progressively reflecting the increased emphasis placed by IFAD on results and impact orientation. About ten projects undergo, moreover, interim and/or completion evaluations by the Office of Evaluation and Studies (OE), which permit an in-depth assessment of the project's social and economic impact and the formulation of detailed lessons and recommendations.

88. While, in principle, the above-described process is comprehensive and ensures regular periodic reporting of project achievements, it has not been fully effective in serving as a basis for aggregation and coherent tracking of results. This is due mainly to diversity in defining baseline situations and indicators, lack of a unified methodology and shortcomings in the monitoring and evaluation (M&E) capacity of ongoing projects. IFAD has taken several steps in recent years to address these constraints, including (a) the introduction of the logframe methodology on an obligatory basis for the design and monitoring of all projects; (b) the development of a comprehensive guide for project M&E; and (c) the launching of an effort to establish a consistent and system-wide approach to assessing results and impact, based on seven domains of livelihood drawn from the *Rural Poverty Report 2001* and the *Strategic Framework for IFAD 2002-2006*.

89. The seven domains of impact are (a) impact on physical and financial assets; (b) impact on human assets; (c) impact on social capital and empowerment; (d) impact on gender equality; (e) impact on food security; (f) environmental impact; and (g) impact on institutions and policies. Quantitative and qualitative indicators were developed for each of these domains and were field-tested during the year 2002. Once confirmed, they will be applied to project logframes, regular monitoring activities and final impact assessments. While the list of indicators will vary according to type of project, objectives and target group, it can be anticipated that the following examples illustrate standard types that relate to positive or negative changes in each of the seven domains:

- *Physical and financial assets*: farmland, irrigation water, trees, livestock, etc.; housing, radios, bicycles, etc.; roads, storage facilities; savings and credit.
- *Human assets*: potable water, health services, primary education, adult literacy, professional skills;
- *Social capital and people empowerment*: availability and strength of grass-roots organizations and institutions; access to information and knowledge; bargaining power in the market place; rural emigration;
- *Gender equality*: primary education for girls; rural women's organizations; access to financial services for women;
- *Food security (production, income and consumption)*: farm technology and practices; cropping area, yield and production mix; non-farm employment and income; frequency and magnitude of seasonal food shortage; household consumption;
- *Environment and common-resource base*: status of land, water, forest, pasture, fish stock, etc.; compliance with national environmental guidelines; measures to arrest environmental degradation; and
- *Institutions, policies and regulatory framework*: for rural finance; decentralization; farmer organization; public institutions and service providers.

90. The use of common indicators throughout the project cycle and for all new projects will help enhance the consistency of portfolio monitoring and provide the basis for introducing a unified performance measurement system that will quantify results on an appropriate basis by major project categories. The common indicators will be introduced for new projects as from 2004 onwards and become fully effective for the replenishment period 2004-2006. At the same time, the monitoring



system for ongoing projects will be strengthened. This will be accomplished in the short term by exploiting more systematically the information provided in project progress and supervision reports, and in the medium term by introducing the use of a minimum set of common indicators in the monitoring and reporting systems of projects approved before 2004. As mentioned earlier (paragraph 86), the type of information provided by the projects differs according to the nature (category) of each project, and refers, for instance, to tonnes of cereal produced, hectares of agricultural land rehabilitated or numbers of rural women trained in a specific period. To provide a consolidated view of measureable implementation results, the project portfolio will therefore have to be analysed on the basis of the main project categories, and quantifiable indicators identified that can be monitored throughout a given category. For institution-building projects, for instance, such indicators may be the number of groups established and effectively working, and the number of microprojects launched and managed by each group, while for irrigation projects, and the areas irrigated and the increase in production would be more illustrative. Management will present for Executive Board approval a detailed framework for this results management system – both for new and existing projects – by December 2003. The proposal will include common indicators, baselines, categories for consolidation, etc., with timelines and milestones for implementation.

91. Enhancing the portfolio monitoring and reporting system along these lines will require some modifications in related internal review processes and tracking systems (paragraph 87), which will be identified and introduced for new projects from 2004 onwards. An information note on progress made and difficulties encountered in developing, establishing and implementing the system will be submitted to the Executive Board in September 2004. The first progress report on the project portfolio to comprise consolidated information on the annual results achieved by major categories of projects will be available for review by the Executive Board in April 2005. As from this date onwards, the progress report on the project portfolio will also contain a brief account of the progress made and difficulties encountered in implementing the system.

92. With respect to improving the processes related to measuring results and impact also at the field level, IFAD has launched an initiative to further enhance the capacity of ongoing IFAD-supported projects for systematic M&E. To this effect, it has prepared, in consultation with its project partners, a comprehensive guide for M&E at the project level. Targeted primarily at managers, M&E officers and implementation partners of IFAD-supported projects, the guide is expected to become an important milestone in enhancing the effectiveness of M&E systems at the project level, including their capacity to measure impact and results. It is now being tested in the field in different regions and customized to reflect regional diversity. This involves workshops, training and the establishment of networks of consultants and technical advisors with expertise in the fields of M&E and impact-oriented management. Measurement of progress in gender equality and regular disaggregation of M&E data by gender will be cross-cutting concerns. Translation of the guide into local languages will be part of its customization.

93. In order to further enhance its capability to measure results and assess impact, IFAD has also developed a new methodological framework for evaluation. The objectives of the framework are to: (a) better measure and evaluate impact at project completion; (b) produce a consolidated picture of the results, impact and performance of about ten completed projects evaluated during a given year; and (c) synthesize learning from evaluations. The methodology consists of a set of common evaluation criteria, including the above-mentioned seven categories of impact indicators for rural poverty reduction (paragraph 89) and three overarching factors – sustainability, innovation and scaling-up. IFAD has started applying this methodology in all project evaluations conducted by OE. The use of common criteria will ensure that impact is systematically assessed and results are comparable across projects, and it will also permit an overview to be provided of the impact and performance of a group of completed projects evaluated during the course of a given year. This consolidated overview will be presented in annual reports on IFAD's impact and development effectiveness. This new type of report – to be issued first in 2003 by OE – will complement the annual progress report on the project



portfolio (see paragraph 87) and provide IFAD management and the Executive Board with an independent, consolidated picture of results, impact achievement and effectiveness, together with a summary of lessons learned on the basis of the project evaluations undertaken during the reporting year.

94. **Gender mainstreaming.** IFAD is currently developing an action plan for gender mainstreaming for 2003-2005. It will identify actions to operationalize the principles of the strategic framework as they relate to gender mainstreaming and the empowerment of rural women. The plan will specify institutional responsibility for each action and indicators for measuring progress. IFAD will report on the implementation of the action plan and on the main results achieved in gender equality and the empowerment of rural poor women in the annual portfolio report to the Executive Board. IFAD's reporting formats at different stages of the project cycle, and in particular the gender section of the portfolio report, will be revised to provide systematic and substantive information on gender issues.

95. **Independence of the evaluation function.** The Consultation discussed a paper presented by the Fund on strengthening the effectiveness of the evaluation function at IFAD in the light of international experience. The paper was in response to a proposal made by a Member State that OE report directly to the Executive Board, independently of IFAD management. The paper covered international principles for evaluation of development assistance, and a survey of how selected multilateral development organizations handle the issue of independence of their evaluation functions. The paper also explained IFAD's current approach to evaluation, the pros and cons of independence from management, and ways to enhance further the independence of the evaluation function at IFAD.

96. The Consultation expressed broad support for many of the concepts developed in the paper. The paper contains a proposal that aims both to enhance independence and improve the evaluation learning loop. The Consultation confirmed the need to formulate an evaluation policy for IFAD and provided guidance on elements to be considered in such policy formulation. These include:

- (a) the need to nurture and protect the independence of mind of OE evaluators;
- (b) the role of OE in the evaluation learning loop and that of IFAD management in ensuring that evaluation recommendations are followed up and that evaluation findings contribute to learning within IFAD;
- (c) the implication of the potentially increased burden and cost for the Evaluation Committee and IFAD; and
- (d) the definition of OE's role in promoting evaluation capacity-building in developing countries.

97. In addition, the Consultation specified that the policy will include the following provisions related to the independence of the OE function:

- (a) The President will nominate a candidate to the Board for endorsement, as recorded in the Executive Board minutes, whereupon the President will appoint the OE Director for a fixed term, which may be renewed. Similarly, the President will remove the OE Director upon and only upon the endorsement of the Board, as recorded in the Executive Board minutes.
- (b) The OE Director will not be re-employed by IFAD upon completion of his or her term(s).
- (c) The OE Director will have the authority to issue final evaluation reports directly and simultaneously to the Executive Board and the President without prior clearance from anyone outside OE. IFAD management may receive, comment on and respond to the draft and final evaluation reports, but the President and other members of IFAD



management will not have the right to approve, hold back, request changes to or otherwise modify such draft or final evaluation reports.

- (d) The OE Director will formulate independently from management the annual OE programme of work and budget and transmit it to the President, who will submit it unchanged to the Board and Governing Council for approval. Any change requested by the Board to the programme of work and budget will be conveyed by the President to the OE Director without further changes by the President, and resubmitted by the OE Director to the Board via the President, as described above. The Board will also have the authority to amend or supplement OE's programme of work by separate decision during the year. The levels of the OE component and the remainder of the budget of IFAD will be determined independently of each other.
- (e) The President will delegate his authority to make all personnel and operational decisions concerning OE staff to the OE Director, in accordance with IFAD policies and procedures.

98. Based on the discussions and guidance provided by the Consultation, and incorporating the foregoing, the Fund will prepare a detailed proposal on IFAD's future evaluation policy. This proposal will be submitted to the Seventy-Eighth Session of the Executive Board in April 2003. In its deliberations on this proposal, the Executive Board will consider a transition period for the implementation of paragraphs 97(a) and (b), taking into account the current contractual arrangement between IFAD and the incumbent.

99. **External evaluation of IFAD.** The Consultation discussed the proposal for an external and independent evaluation of IFAD during 2003 and 2004. The discussion was based on a paper presented by Denmark and co-sponsored by The Netherlands, Norway and Switzerland. The membership endorsed the proposal to have such an evaluation and noted that there has been no independent evaluation of IFAD, apart from the rapid external assessment conducted in 1994. It has been stressed that the whole membership should have ownership of this evaluation. While emphasizing that the planning and undertaking of such an important task should be done carefully and judiciously, the Consultation stressed the need to ensure that the evaluation is completed in 2004, ahead of the Seventh Replenishment of IFAD, to eliminate any risk of delay in this replenishment. In related discussions that took place during the Seventy-Seventh Session of the Executive Board, concern was expressed over financing of the external independent evaluation of IFAD. This concern centred on whether the voluntary contributions earmarked for the evaluation would suffice. The Board thus recommended to the Governing Council, within the administrative budget proposal that will be submitted, that it authorize the Executive Board to approve any further funding required for the evaluation after receipt of voluntary contributions. This will be indicated as one-time, below-the-line costs in the 2003 budget. The Executive Board will decide and authorize the modalities for structuring and managing the evaluation process.

VII. MANAGING IFAD'S FINANCIAL RESOURCES

100. The Consultation recognized the strong interlinkages between replenishment level, reflows, investment income and the use of the advance commitment authority (ACA), on the one hand, and the programme of work and Debt Initiative obligations, on the other. IFAD needs to have a credible and increased lending level in the coming years. It was noted that IFAD is currently in a transition phase, with a new investment policy that provides more stability, and is moving towards a situation in which Member State contributions will be the main basis of IFAD lending. The Consultation recommended that management carry out a review in 2003 of the investment policy as it pertains, in particular, to security of investments, asset liability management and reporting to the Executive Board, with a view to bringing it in line with standards and principles used by other development lending institutions.



101. Use of ACA during the Sixth Replenishment period will follow the procedures specified in the Resolution on the Sixth Replenishment. While there was a range of views on the extent to which ACA should be used, it was emphasized that it should be used prudently. Taking note of the Fund's present financial situation, and recognizing the need to maintain its lending levels, there was support for the view that the ceiling for the use of ACA during the Sixth Replenishment period should be based on the same principles as that of the Fourth and Fifth Replenishment periods, namely a ceiling of three years of reflows. It was emphasized that efforts should be made to keep actual ACA use below the ceiling. Moreover, as IFAD completes a transition towards its new investment policy and resource base, there should be a tapering off of use of ACA.

102. With regard to the encashment of contributions, a number of countries expressed their willingness to accept a three-year encashment period, while others expressed their preference for a longer one. In this context, there was support for efforts to develop incentives to encourage early encashment with respect to the accepted norm.

103. In the light of these considerations, the Consultation agreed to a Sixth Replenishment significantly higher than the Fifth Replenishment and further agreed to a Sixth Replenishment target of USD 560 million. The details of the contributions pledged are set out in the table attached to the Replenishment resolution.

104. **Financing Debt Initiative commitments.** The financial implications of IFAD's participation in the enhanced Debt Initiative will be substantial, during the Sixth and Seventh Replenishment periods. In the light of IFAD's constrained resource position, debt relief provided by the Fund implies a reduction in resources available for commitment to new loans and grants.

105. At its Twenty-Third Session in February 2000, the Governing Council approved Resolution 117/XXIII, regarding IFAD's involvement in the Debt Initiative and its enhancement. With this resolution, the Governing Council took the following decisions:

- (a) IFAD will fully participate in the enhanced Debt Initiative;
- (b) the Executive Board will define the financial modalities and procedures for the above-mentioned participation, including through:
 - IFAD's resources;
 - the HIPC Trust Fund administered by the World Bank; and
 - the IFAD Trust Fund for the Debt Initiative;
- (c) in doing so, the Executive Board will exercise due care to minimize the impact of this participation on the annual lending programme of IFAD.

106. The resolution also invited Member States able to do so to contribute to IFAD's requirements for the enhanced Debt Initiative either through the World Bank HIPC Trust Fund, explicitly earmarking those contributions for debt owed to IFAD, or through the IFAD Trust Fund for the Debt Initiative.

107. In this regard, the Consultation noted that significant progress has been made in mobilizing additional external resources both through direct contributions and through access to resources from the World Bank HIPC Trust Fund. The document prepared for the Development Committee meeting in September 2002 showed that IFAD ranks seventh among multilateral creditors participating in the Initiative but has had limited access to the resources of the World Bank HIPC Trust Fund. IFAD attended the October 2002 technical meeting for the World Bank Fund. The meeting noted IFAD's



total Debt Initiative costs of USD 308 million in net-present-value terms (for all eligible HIPC) and requested that IFAD submit detailed information on the Initiative's financing consequences for the institution, so that donors can re-examine the case for IFAD's access to the fund. The next meeting to review the resource position of the World Bank HIPC Trust Fund is planned for late 2003, but some donors may be seeking an earlier opportunity. Announcements by Member States of support for IFAD access to the fund are welcomed. IFAD will continue its efforts to mobilize additional financing for its Debt Initiative requirements.

VIII. RECOMMENDATION

108. The Consultation on the Sixth Replenishment of IFAD's Resources (2004-2006) recommends to the Governing Council the adoption of the draft resolution enclosed as Annex I to this report.

**DRAFT RESOLUTION ON
THE SIXTH REPLENISHMENT OF IFAD'S RESOURCES**

Resolution ____/XXVI

The Sixth Replenishment of IFAD's Resources

The Governing Council of IFAD,

Recalling Article 4.3 of the Agreement Establishing the Fund, which provides that, in order to assure continuity in the Fund's operations, the Governing Council shall periodically review the adequacy of the resources available to the Fund and, if necessary, invite Members to make additional contributions to the resources of the Fund;

Further recalling Governing Council Resolution 127/XXV, adopted on 20 February 2002, establishing a Consultation on the Sixth Replenishment of IFAD's Resources;

Urging those Members which have not yet paid the full share of their previous contributions to the resources of the Fund and those which have not yet deposited their Instruments of Contribution for the Fifth Replenishment to adopt effective measures to complete such payments and deposit such Instruments of Contribution as soon as possible;

Reaffirming its unanimous support for the Fund and its mandate to combat poverty and hunger and noting with great satisfaction the Fund's continued progress in discharging effectively that mandate;

Noting the desire of its Members to maintain an adequate level of annual loan and grant commitments in order to enable the Fund to fulfil its mandate;

Further recalling its Resolution 100/XX on the Provision of Advance Commitment Authority during the Fourth Replenishment Period, adopted on 21 February 1997;

Having considered "Enabling the Rural Poor to Overcome their Poverty: Report of the Consultation on the Sixth Replenishment of IFAD's Resources (2004-2006)", contained in document GC 26/L.4 and the Draft Resolution on the Sixth Replenishment of IFAD's Resources attached thereto;

Taking into account the statements made in the Consultation on the Sixth Replenishment of IFAD's Resources indicating that a number of Members intend to contribute to the resources of the Fund through pledges of contributions under the Sixth Replenishment, in accordance with the arrangements set forth in this Resolution, it being understood that no commitment in that regard will arise for any Member until the Member concerned has deposited an Instrument of Contribution and that such instrument takes effect in accordance with its terms and conditions consistent with this Resolution and the Agreement Establishing the Fund;

Further taking into account the statements made by a number of Members during the Consultation on the Sixth Replenishment of IFAD's Resources that Advance Commitment Authority (ACA) be used in a moderate and prudent manner and that there is a need to mobilize external resources to complement those from IFAD in order to finance the Debt Initiative for Heavily Indebted Poor Countries (HIPC);

Acting upon the conclusions of the Consultation on the Sixth Replenishment of IFAD's Resources, which has recommended that, in view of the needs of the developing Member Countries of the Fund in regard to their continued development in the agricultural and rural sectors, the resources of the Fund are in vital need of replenishment so as to enable the Fund to carry out its programme of work for the Replenishment Period, the Members should be invited to make additional contributions to the resources of the Fund.

Decides:

I. "Enabling the Rural Poor to Overcome their Poverty: Report of the Consultation on the Sixth Replenishment of IFAD's Resources (2004-2006)"

1. Document GC 26/L.4, containing "Enabling the Rural Poor to Overcome their Poverty: Report of the Consultation on the Sixth Replenishment of IFAD's Resources (2004-2006)", is hereby approved and shall form the basis of the Fund's operations. Accordingly, the Governing Council has decided to authorize the replenishment of the resources of the Fund.

2. **Definitions**

The terms used in this Resolution have the meanings herein set forth:

- (a) "ACA": advance commitment authority conferred by paragraph III.17 of this Resolution;
- (b) "additional contribution": a Member's contribution under the Sixth Replenishment of the resources of the Fund as defined in Section 3 of Article 4 of the Agreement;
- (c) "Agreement": the Agreement Establishing the Fund, as it stands amended on 20 February 2003;
- (d) "complementary contribution": the amount made available by a Member to the Fund during the Replenishment Period on a voluntary basis and referred to in paragraphs II.4(d) and II.5(b) of this Resolution;
- (e) "Consultation": the committee of senior representatives of the Members established pursuant to Resolution 127/XXV of the Governing Council to review the adequacy of the resources available to the Fund;
- (f) "contribution": the amount that a Member is legally committed to pay into the resources of the Fund under its Instrument of Contribution;
- (g) "Contribution Votes": those votes from the Original, Fourth Replenishment, Fifth Replenishment and Sixth Replenishment Votes allocated to each Member in accordance with Article 6, Sections 3(a)(i)(B) and 3(a)(ii)(B), of the Agreement, paragraphs II.16(b) and II.17(b) of Resolution 87/XVIII of the Governing Council, paragraph IV.19(b) of Resolution 119/XXIV of the Governing Council and



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paragraph IV.19(b) of this Resolution, respectively, on the basis of each Member's contribution to the resources of the Fund;

- (h) "dollar" or "USD": United States Dollar;
- (i) "Fourth Replenishment Votes": the votes defined generally as Replenishment Votes by Sections 3(a)(ii) and (iii) of Article 6 of the Agreement and distributed under the Fourth Replenishment of the Fund's Resources in the form of Membership and Contribution Votes in accordance with paragraphs II.17 and II.18 of Resolution 87/XVIII of the Governing Council;
- (j) "Fifth Replenishment Votes": the votes defined generally as Replenishment Votes by Sections 3(a)(ii) and (iii) of Article 6 of the Agreement and distributed under the Fifth Replenishment of IFAD's Resources in the form of Membership and Contribution Votes in accordance with paragraph IV.19 of Resolution 119/XXIV of the Governing Council;
- (k) "Sixth Replenishment Votes": the votes defined generally as Replenishment Votes by Sections 3(a)(ii) and (iii) of Article 6 of the Agreement and distributed under the Replenishment in the form of Membership and Contribution Votes in accordance with paragraph IV.19 of this Resolution;
- (l) "Fund": the International Fund for Agricultural Development;
- (m) "increase in contribution": an increase by a Member, pursuant to Section 4 of Article 4 of the Agreement, of the amount of its additional contribution;
- (n) "instalment": one of the instalments in which a contribution is to be paid;
- (o) "Instrument of Contribution": a written commitment whereby a Member confirms its intention to make additional contribution to the resources of the Fund under the Replenishment;
- (p) "Member": a Member of the Fund;
- (q) "Membership Votes": those votes from the Original, Fourth Replenishment, Fifth Replenishment and Sixth Replenishment Votes allocated to each Member in accordance with Article 6, Sections 3(a)(i)(A) and 3(a)(ii)(A), of the Agreement, paragraphs II.16(a) and II.17(a) of Resolution 87/XVIII of the Governing Council, paragraph IV.19(a) of Resolution 119/XXIV of the Governing Council and paragraph IV.19(a) of this Resolution, respectively, on the basis of membership of the Fund;
- (r) "Original Votes": the votes defined by Sections 3(a)(i) and (iii) of Article 6 of the Agreement and distributed in the form of Membership and Contribution Votes in accordance with paragraphs II.16 and II.18 of Resolution 87/XVIII of the Governing Council;
- (s) "payment of" or "to pay" a contribution: payment of, or to pay, a contribution in cash or by deposit of promissory notes or similar obligations;
- (t) "qualified contribution": the contribution covered by a qualified Instrument of Contribution as defined in paragraph II.6(c) of this Resolution;



- (u) “Replenishment”: the Sixth Replenishment of the resources of the Fund through contributions in accordance with this Resolution;
- (v) “Replenishment Period”: the three-year period commencing 1 January 2004 and ending on 31 December 2006;
- (w) “special contribution”: a contribution from a non-Member State or other sources to the resources of the Fund as defined in Section 6 of Article 4 of the Agreement;
- (x) “unit of obligation”: a freely convertible currency or Special Drawing Right (SDR) of the International Monetary Fund (IMF), as selected by each Member and in which its contribution is denominated in accordance with its pledge as specified in Columns B-1 and B-2 of Attachment A to this Resolution; and
- (y) “unqualified contribution”: the contribution covered by an unqualified Instrument of Contribution as defined in paragraph II.6(b) of this Resolution.

II. Contributions

3. General Clause

- (a) The Governing Council accepts the Report of the Consultation on the Sixth Replenishment of IFAD’s Resources (document GC 26/L.4) and invites Members to make additional contributions to the resources of the Fund under the Replenishment.
- (b) The target level of the Replenishment is established at five hundred and sixty million United States dollars (USD 560 000 000), which amount shall be contributed in freely convertible currencies. In seeking that objective, the Replenishment has been accomplished through the good will of all Members in making an effort to ensure the availability of a sufficient level of resources to the Fund. In this respect, the Member Countries shall endeavour to ensure that the target level of the Replenishment is achieved, if necessary, by an increase in their additional contributions.

4. Additional, Increase in and Complementary Contributions

The Fund is authorized, in accordance with the Agreement and the provisions of this Resolution, to accept from Members for the resources of the Fund:

- (a) additional contributions in freely convertible currencies from all Members totalling _____^A million United States dollars (USD _____^A), contributed in sums as indicated for the respective Members, in terms of the applicable unit of obligation, as set out in Columns B-1 and B-2 of Attachment A to this Resolution;
- (b) with the objective of attaining and supplementing the target level of the Replenishment referred to in paragraph II.3(b) of this Resolution, additional contributions in freely convertible currencies from all Members that increase the additional contributions of Members shown in Columns B-1 and B-2 of Attachment A to this Resolution and pledged in accordance with paragraph II.4(a) above, if the said increase in additional contributions is notified in writing to the

^A To be inserted by the Governing Council upon adoption of this Resolution.



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Fund no later than a date six months after the date upon which the Governing Council adopted this Resolution. Upon receipt of formal pledges of further additional contributions, the President of the Fund shall communicate a revised Attachment A to all Members of the Fund no later than fifteen days after the above-mentioned date. In order to assist this process, the President of IFAD is requested to take such steps as may be necessary to ensure that the target level of the Replenishment specified in paragraph II.3(b) of this Resolution is attained;

- (c) an increase in contribution to the resources of the Fund for the Replenishment; and
- (d) complementary contributions, not forming part of the pledged contributions included in Columns B-1 and B-2 of Attachment A to this Resolution.

5. **Special Contributions and Complementary Contributions**

- (a) **Special Contributions.** During the Replenishment Period, the Fund may accept special contributions from non-Member States or other sources. The President shall periodically notify the Executive Board of all such contributions.
- (b) **Complementary Contributions.** During the Replenishment Period, the Fund may accept complementary contributions from Member States. Complementary contributions shall not form part of the pledged contributions included in columns B-1 and B-2 of Attachment A to this Resolution and, accordingly, shall not entitle the said contributing Member State to receive Contribution Votes under paragraph IV.19(b) of this Resolution. After the adoption of this Resolution, the Executive Board may, from time to time, decide upon the use to be made of the complementary contributions so received.

6. **Instrument of Contribution**

(a) **General Clause**

- (i) Members making contributions under this Resolution shall deposit with the Fund, not later than a date six months after the date of the adoption of this Resolution, an Instrument of Contribution¹ specifying therein the amount of its contribution in the applicable unit of obligation as set forth in Columns B-1 and B-2 of Attachment A to this Resolution.
- (ii) Any Member which has not been able to make a pledge of its contribution under this Resolution may deposit its Instrument of Contribution in accordance with the requirements of provision (i) of this paragraph. The President of the Fund shall take such steps as may be necessary for the implementation of this provision and shall keep the Executive Board informed, in accordance with paragraph II.16 of this Resolution.

- (b) **Unqualified Contribution.** Except as provided in paragraph II.6(c) below, the Instrument of Contribution shall constitute an unqualified commitment by the Member to make payment of the contribution in the manner and on the terms set forth in or contemplated by this Resolution.

¹ An illustrative format of an Instrument of Contribution is given in Attachment D to this Resolution, which a Member may follow in preparing its Instrument of Contribution.



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- (c) **Qualified Contribution.** As an exceptional case, where an unqualified contribution commitment cannot be given by a Member due to its legislative procedures, the Fund may accept from that Member an Instrument of Contribution that contains a formal notification by that Member that it will pay the first instalment of its contribution without qualification but that payment of the remaining instalments is subject to the enactment of the necessary appropriation legislation and compliance with other legislative requirements. Such a qualified Instrument, however, shall include an express undertaking on the part of the Member to seek the necessary appropriations at a rate so as to complete payment of its total contribution not later than a date three years after the date of adoption of this Resolution, except as the President shall otherwise determine. The Fund shall be notified as soon as possible after such appropriation has been obtained and such other legislative requirements have been fulfilled. For the purposes of this Resolution, a qualified contribution shall be deemed to be unqualified to the extent that appropriations have been obtained, other legislative requirements have been met and the Fund has been notified.

7. **Effectiveness**

- (a) **Effectiveness of the Replenishment.** The Replenishment shall come into effect on the date upon which the Instruments of Contribution relating to contributions from all the Members have been deposited with the Fund in the aggregate total amount equivalent to at least fifty per cent (50%) of the total contribution to the Replenishment of all such Members as set forth in Column B-3 of Attachment A to this Resolution.
- (b) **Effectiveness of Individual Instruments of Contribution.** Instruments of Contribution deposited on or before the effective date of the Replenishment shall take effect on the date the Replenishment becomes effective and Instruments of Contribution deposited after that date shall take effect on their respective dates of deposit.

8. **Advance Contribution**

Notwithstanding the provisions of paragraph II.7(a) above, all contributions or parts thereof paid to the resources of the Fund may be used by the Fund for its operations, if necessary, in accordance with the requirements of the Agreement and other relevant policies of the Fund, unless a Member specifies otherwise in writing. Any loan and grant commitments made by the Fund on such advance contributions shall for all purposes be treated as part of the Fund's operational programme.



9. **Instalment Payments²**

(a) **Payment of an Unqualified Contribution**

- (i) Each contributing Member shall, at its option, pay its unqualified contribution in a single sum, in two or in no more than three instalments, as specified in the Instrument of Contribution. The single sum or the first instalment shall be due on the thirtieth day after the Member's Instrument of Contribution enters into effect, and any other instalment shall be due on the first anniversary of the entry into effect of the Replenishment but the balance, if any, of the payment shall be made no later than a date three years after the adoption of this Resolution, except as the President of the Fund shall otherwise determine.
 - (ii) Instalment payments in respect of each unqualified contribution shall be, at the option of the Member, either (A) in equal amounts or (B) in progressively graduated amounts with the first instalment amounting to at least thirty per cent (30%) of the contribution, the second instalment amounting to at least thirty five per cent (35%) and the third instalment, if any, covering the remaining balance. In special circumstances, the President of the Fund may, upon the request of a Member, agree to vary the prescribed percentages or number of instalments of a Member subject to the requirement that such a variation shall not affect adversely the operational needs of the Fund.
- (b) **Payment of a Qualified Contribution.** Payment in respect of a qualified contribution shall be made within ninety (90) days as and to the extent each instalment has become unqualified and becomes due in accordance with provision (a)(i) of this paragraph.
- (c) **Payment of an Advance Contribution and Amount of Instalments.** A Member who shall make advance contribution of no less than forty per cent (40%) of its total contribution may, in consultation with the President of the Fund, vary the amounts of the second and third instalments free of any restriction on the size of such instalments prescribed in provision (a)(ii) above, subject to the total amount of its contribution.
- (d) **Special Schedule of Payments.** To the extent that the payments are to depart from the requirements of provision (a)(i) and percentages of instalments specified in provision (a)(ii) of this paragraph, at the time of depositing its Instrument of Contribution, each Member shall indicate to the Fund its proposed schedule of instalment payments.
- (e) **Optional Arrangements.** A Member may at its option pay its contribution in fewer instalments or in larger percentage portions or at earlier dates than those specified in this paragraph, provided that such payment arrangements are no less favourable to the Fund.

² Payments from all Members shall be consistent with the provisions of Section 5(c) of Article 4 of the Agreement.



10. **Mode of Payment**

- (a) **Form of Payment.** All payments in respect of each contribution shall be made in cash or, at the option of the Member, by the deposit of non-negotiable, irrevocable, non-interest-bearing promissory notes or other similar obligations of the Member, encashable by the Fund at par on demand in accordance with paragraph 11 of this Resolution and time schedules agreed with the Fund.
- (b) **Freedom from Restriction of Use.** In accordance with the requirements of Section 5(a) of Article 4 of the Agreement, all freely convertible currency contributions shall be made free of any restriction as to their use by the Fund.
- (c) **Increase in Cash Payment.** To the extent possible, the Members may favourably consider payment of larger portions of their contributions in cash.

11. **Encashment of Promissory Notes or Similar Obligations**

The Fund shall encash promissory notes or other similar obligations made as payment of contributions under this Resolution within the Replenishment period or as shall be agreed between the President and the Member making such contribution.

12. **Currency of Payment**

All contributions referred to in Columns B-1 and B-2 of Attachment A to this Resolution shall be paid in freely convertible currencies or in SDRs as specified in the respective Instruments of Contribution.

13. **Delay in Deposit of an Instrument of Contribution and/or Reduction in Payment**

- (a) **Option of Commensurate Modification.** In the case of an undue delay in the deposit of an Instrument of Contribution or in payment or of substantial reduction in its contribution by a Member, any other Member may, notwithstanding any provision to the contrary in this Resolution, at its option, after consultation with the Executive Board, make a commensurate modification, *ad interim*, in its schedule of payment or amount of contribution. In exercising this option, a Member shall act solely with a view to safeguarding the objectives of the Replenishment and avoiding any significant disparity between the relative proportion of Members' total contributions until such time that the Member whose delay in the deposit of an Instrument of Contribution and/or payment or reduction in its share causing such a move by another Member has acted to remedy the situation on its part or the Member exercising the option revokes its decision taken under this provision.
- (b) **Member not Modifying Commitment.** Members that do not wish to exercise their option referred to in paragraph II.13(a) above may indicate so in their respective Instruments of Contribution.



14. Meeting of the Consultation

If, during the Replenishment Period, delays in the making of any contributions cause or threaten to cause a suspension in the Fund's lending operations or otherwise prevent the substantial attainment of the goals of the Replenishment, the Fund may convene a meeting of the Consultation to review the situation and consider ways of fulfilling the conditions necessary for the continuation of the Fund's lending operations or for the substantial attainment of those goals.

15. Fixed Reference Exchange Rates

For the purposes of freely convertible currency contributions and pledges under this Resolution, the rate of exchange to be applied to convert the unit of obligation into the dollar shall be the average month-end exchange rate of the IMF over a six-month period preceding the adoption of this Resolution between the currencies to be converted (1 April 2002-30 September 2002), rounded to the fourth decimal point. The said exchange rates are set out in Attachment E to this Resolution.

16. Review by the Executive Board

The Executive Board shall periodically review the status of contributions under the Replenishment and shall take such actions, as may be appropriate, for the implementation of the provisions of this Resolution.

III. Advance Commitment Authority

17. The Executive Board may, from time to time and having regard to the resources of the Fund available for commitment to loans and grants, including investment income and payments and repayments under loans provided by the Fund net of administrative costs, employ an ACA in a prudent and cautious manner. The procedures for the use of ACA during the Replenishment Period are set out in Attachment B to this Resolution and form an integral part thereof. ACA shall come into effect upon the adoption of this Resolution and shall terminate upon a date one year after the end of the Replenishment Period.

IV. Voting Rights

18. Distribution of Original Votes, Fourth Replenishment Votes and Fifth Replenishment Votes

- (a) **Original Votes.** The one thousand eight hundred (1 800) Original Votes shall continue to be distributed in accordance with Sections 3(a)(i) and (iii) of Article 6 of the Agreement and paragraphs II.16 and II.18 of Resolution 87/XVIII of the Governing Council on the Fourth Replenishment of IFAD's Resources. Column A-1 of Attachment C to this Resolution, as it may be amended from time to time, specifies the current distribution of the seven hundred and ninety (790) Original Membership Votes. Column A-2 of Attachment C to this Resolution, as it may be amended from time to time, specifies the current distribution of the one thousand and ten (1 010) Original Contribution Votes.
- (b) **Fourth Replenishment and Fifth Replenishment Votes.** The two hundred and sixty-five point fifty five (265.55) Fourth Replenishment Votes and the two hundred and seventy three point nine five five (273.955) Fifth Replenishment Votes shall continue to be distributed in accordance with Sections 3(a)(ii) and (iii) of Article 6 of



the Agreement, paragraphs II.17 and II.18 of Resolution 87/XVIII of the Governing Council on the Fourth Replenishment of IFAD's Resources and paragraph IV.19 of Resolution 119/XXIV of the Governing Council on the Fifth Replenishment of IFAD's Resources, respectively. Column B-1 of Attachment C to this Resolution, as it may be amended from time to time, specifies the current distribution of the Fourth Replenishment Membership Votes and the Fifth Replenishment Membership Votes. Column B-2 of Attachment C to this Resolution, as it may be amended from time to time, specifies the current distribution of the Fourth Replenishment Contribution Votes and the Fifth Replenishment Contribution Votes.

- (c) **Effectiveness.** The allocation and distribution of the Original, Fourth Replenishment and Fifth Replenishment Votes referred to in provisions (a) and (b) above shall continue irrespective of the entry into force of this Resolution.

19. Allocation of New Votes for the Replenishment

In accordance with Section 3(a)(ii) of Article 6 of the Agreement, _____^B (_____^B) new votes are hereby created for the Replenishment ("Sixth Replenishment Votes"). Those votes shall be distributed as follows:

- (a) **Membership Votes.** _____^B (_____^B) votes shall be allocated as membership votes, with each Member receiving an equal number of the said votes. Upon any change in the number of Members of the Fund, the _____^B (_____^B) votes shall be redistributed upon the same basis. Column D-1 of Attachment C to this Resolution, as it may be amended from time to time, specifies the current distribution of Sixth Replenishment Membership Votes.
- (b) **Contribution Votes.** The remaining _____^B (_____^B) votes shall be allocated as contribution votes to each Member in the proportion that each Member's paid contribution, valued in USD at the effective rate for the Replenishment, to the additional contributions made under the Replenishment, as specified in paragraph II.4(a) of this Resolution and as amended by paragraph II.4(b) of this Resolution, bears to the aggregate of the total contributions made by all Members to the Replenishment. For that purpose, a paid contribution shall be deemed to be only the part of a contribution of a Member actually paid to the Fund, in accordance with paragraph IV.20 of this Resolution. Column D-2 of Attachment C to this Resolution, as it may be amended from time to time, specifies the potential Sixth Replenishment Contribution Votes for each Member if all Members pay the pledges specified in Column B-2 of Attachment A to this Resolution. Column D-3 of Attachment C to this Resolution, as it may be amended from time to time, specifies the actual Sixth Replenishment Contribution Votes of each Member.
- (c) **Effectiveness.** The allocation of the _____^B (_____^B) votes, as specified in provisions (a) and (b) above, shall enter into effect upon the date on which the period specified in paragraph II.4(b) of this Resolution shall come to an end.

^B To be inserted by the Secretariat six months after the date of the adoption of this Resolution (see paragraph II.4(b) above).



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20. For the purpose of the allocation of the contribution votes in paragraphs 18(b) and 19(b) of this Resolution, a paid contribution shall mean a contribution paid, in a freely convertible currency, in cash or by deposit of promissory notes or similar obligations, with the exception of those promissory notes or other obligations against which an accounting provision is made.

V. Reporting to the Governing Council

21. The President of the Fund shall be requested to submit to the Twenty-Seventh Session and subsequent sessions of the Governing Council reports on the status of commitments, payments and other relevant matters concerning the Replenishment. The reports shall be submitted to the Governing Council together with the Executive Board's comments, if any, and its recommendations thereon.
22. The President of the Fund shall be requested to provide the Governing Council, at each of its annual sessions, with revised and updated versions of Attachments A and C to this Resolution.

Sixth Replenishment
Contributions of Member Countries as at 4 February 2003

State	A. Previous Contributions (USD)				B. Contributions Pledged to Sixth Replenishment			
	Cumulative Contributions in Convertible Currencies to IFAD's Replenishments (Initial to Fourth)		Fifth Replenishment ^{2/}		Unit of Obligation ^{3/}	Amount of Contribution in Unit of Obligation	Amount in USD ^{4/}	Equivalent in SDR ^{5/}
	Pledges A-1	Payments ^{1/} A-2	Pledges A-3	Payments ^{1/} A-4				
Afghanistan					USD			
Albania	10 000	10 000	10 000	10 000	USD			
Algeria	49 830 000	49 830 000	500 000	500 000	USD	1 000 000	1 000 000	763 500
Angola	60 000	60 000	100 000	100 000	USD	100 000	100 000	76 350
Antigua and Barbuda	7 000				USD			
Argentina	6 350 000	6 889 780	1 500 000		USD			
Armenia					USD			
Australia	39 290 030	39 289 880	5 080 000	5 080 000	AUD			
Austria	27 236 732	27 236 593	5 900 000	5 900 000	EUR	7 831 044	7 540 000	5 756 790
Azerbaijan	5 000				USD			
Bangladesh	1 850 000	1 850 000	600 000	600 000	USD	600 000	600 000	458 100
Barbados	8 000	10 000			USD			
Belgium	54 556 476	54 556 476	9 293 883	6 196 336	EUR	9 810 000	9 445 407	7 211 568
Belize	105 000	105 000	100 000	100 000	USD			
Benin	75 000	75 000	25 000	25 000	USD			
Bhutan	51 000	51 000	27 000	27 000	USD			
Bolivia	650 000	600 000	300 000	50 000	USD			
Bosnia and Herzegovina					USD			
Botswana	150 000	160 000	75 000	75 000	USD			
Brazil	26 916 263	26 916 263	7 916 263	7 916 263	USD	7 916 263	7 916 263	6 044 067
Burkina Faso	60 000	60 000	40 000	46 043	USD	60 000	60 000	45 810
Burundi	69 861	69 861			USD			
Cambodia			210 000	69 985	USD			
Cameroon	468 756	439 397			USD			
Canada	126 936 602	126 936 302	21 000 000	21 000 000	CAD	43 601 600	28 000 000	21 378 000
Cape Verde	26 000	26 000	20 000		USD			
Central African Republic	75 642	19 930			USD			
Chad	30 000				USD			
Chile	555 000	185 000			USD			
China	20 200 000	20 200 000	10 000 000		USD	10 500 000	10 500 000	8 016 750

Sixth Replenishment
Contributions of Member Countries as at 4 February 2003

State	A. Previous Contributions (USD)				B. Contributions Pledged to Sixth Replenishment			
	Cumulative Contributions in Convertible Currencies to IFAD's Replenishments (Initial to Fourth)		Fifth Replenishment ^{2/}		Unit of Obligation ^{3/}	Amount of Contribution in Unit of Obligation ^{2/}	Amount in USD ^{4/}	Equivalent in SDR ^{5/}
	Pledges A-1	Payments ^{1/} A-2	Pledges A-3	Payments ^{1/} A-4				
Colombia	30 000	270 000	100 000	100 000	USD			
Comoros	59 130	20 582			USD			
Congo	103 000	235 549			USD			
Cook Islands	5 000	5 000			USD			
Costa Rica	90 000				USD			
Côte d'Ivoire	1 503 707	1 503 707	1 500 000	55 115	USD			
Croatia					USD			
Cuba	500 000				USD			
Cyprus	112 000	112 000	25 000	25 000	EUR			
D.P.R. Korea	700 000	100 000	100 000		EUR	30 000	28 885	22 054
D.R. Congo	1 030 000	30 000			USD			
Denmark	60 213 024	60 209 775	27 084 209	18 032 787	DKK	170 000 000	22 031 855	16 821 322
Djibouti	31 000	6 000			USD			
Dominica	54 987	54 987			USD			
Dominican Republic	145 000	25 000	125 000		USD			
Ecuador	690 993	640 993	100 000		USD			
Egypt	10 000 000	8 000 000	3 000 000	3 000 000	USD	3 000 000	3 000 000	2 290 500
El Salvador	100 000	100 000			USD			
Equatorial Guinea	10 000				USD			
Eritrea	5 000	5 000	5 000	5 000	USD			
Ethiopia	130 869	130 869	30 000	30 000	USD			
Fiji	230 000	194 229			USD			
Finland	25 446 794	25 446 434	3 600 000	1 751 593	EUR	4 736 016	4 560 000	3 481 560
France	155 419 404	155 419 404	25 000 000	16 250 000	EUR	24 000 000	23 108 030	17 642 981
Gabon	5 301 000	2 169 200			USD			
Gambia, The	30 086	30 086			USD			
Georgia	10 000				USD			
Germany	212 463 310	212 463 310	30 000 000	19 500 000	EUR	41 544 000	40 000 000	30 540 000
Ghana	650 000	666 487	300 000		USD			
Greece	1 820 000	1 750 000	600 000		EUR	623 160	600 000	458 100

**Sixth Replenishment
Contributions of Member Countries as at 4 February 2003**

State	A. Previous Contributions (USD)				B. Contributions Pledged to Sixth Replenishment			
	Cumulative Contributions in Convertible Currencies to IFAD's Replenishments (Initial to Fourth)		Fifth Replenishment ^{2/}		Unit of Obligation ^{3/}	Amount of Contribution in Unit of Obligation	Amount in USD ^{4/}	Equivalent in SDR ^{5/}
	Pledges A-1	Payments ^{1/} A-2	Pledges A-3	Payments ^{1/} A-4				
Grenada	25 000	25 000	25 000	25 000	USD			
Guatemala	250 000	443 022	250 000	250 000	USD	64 592 ^{6/}	64 592	49 316
Guinea	135 000	135 000	35 000	35 000	USD	57 750	57 750	44 092
Guinea-Bissau	55 000	30 000			USD			
Guyana	479 921	479 921			USD			
Haiti	130 000	107 118			USD			
Honduras	470 938	554 246	195 714	195 714	USD			
Iceland			5 000	5 000	USD			
India	26 000 000	28 300 000	12 000 000	8 000 000	USD	15 000 000	15 000 000	11 452 500
Indonesia	26 959 000	26 959 000	10 000 000	7 000 000	USD			
Iran	147 995 000	13 825 500	20 000 000		USD			
Iraq	53 099 000	6 283 200			USD			
Ireland	4 320 944	4 321 074	1 026 869	1 026 869	EUR	1 173 618	1 130 000	862 755
Israel	150 000	150 000			USD			
Italy	135 865 917	135 866 500	30 000 000		EUR	41 544 000	40 000 000	30 540 000
Jamaica	325 263	325 901			USD			
Japan	219 746 629	219 746 539	30 000 000	15 000 000	JPY	3 656 010 000	30 000 000	22 905 000
Jordan	580 000	580 000	75 000		USD			
Kazakhstan					USD			
Kenya	3 000 000	2 974 988	50 000		USD			
Kuwait	146 041 000	146 041 000	2 000 000	2 000 000	USD			
Kyrgyzstan					USD			
Laos	102 000	52 000	51 000	51 000	USD			
Lebanon	115 000	115 000			USD			
Lesotho	183 000	182 908	50 000	50 000	USD			
Liberia	80 000	39 000			USD			
Libyan Arab Jamahiriya	83 099 000	44 143 006	5 000 000		USD			
Luxembourg	1 592 875	1 592 563	400 000	400 000	EUR	510 000	491 046	374 913
Madagascar	100 000	108 357	83 433	83 433	USD			
Malawi	92 000	73 345			USD			

Sixth Replenishment
Contributions of Member Countries as at 4 February 2003

State	A. Previous Contributions (USD)				B. Contributions Pledged to Sixth Replenishment			
	Cumulative Contributions in Convertible Currencies to IFAD's Replenishments (Initial to Fourth)		Fifth Replenishment ^{2/}		Unit of Obligation ^{3/}	Amount of Contribution in Unit of Obligation	Amount in USD ^{4/}	Equivalent in SDR ^{5/}
	Pledges A-1	Payments ^{1/} A-2	Pledges A-3	Payments ^{1/} A-4				
Malaysia	500 000	500 000	250 000	250 000	USD			
Maldives	51 000	51 000			USD			
Mali	41 000	39 253	10 000		USD			
Malta	34 985	34 985	20 000	20 000	USD			
Mauritania	75 000	3 280	30 000		USD	30 000	30 000	22 905
Mauritius	115 000	165 000	85 000	85 000	USD			
Mexico	23 753 165	23 753 166	3 000 000	1 500 000	USD			
Mongolia	2 000				USD			
Morocco	5 000 000	3 599 643	500 000		USD			
Mozambique	160 000	160 000	80 000	24 000	USD			
Myanmar	250 000	250 000			USD			
Namibia	320 000	320 000			USD			
Nepal	110 000	110 000			USD			
Netherlands	126 215 443	131 203 960	28 000 000	28 000 000	EUR	39 944 556	38 460 000	29 364 210
New Zealand	7 655 757	8 457 463	1 118 997	1 118 997	NZD			
Nicaragua	88 571	71 571			USD			
Niger	183 134	182 974			USD			
Nigeria	91 459 000	87 959 000	5 000 000		USD			
Norway	94 497 918	104 580 316	18 350 000	18 350 001	NOK	194 691 467	25 208 000	19 246 308
Oman	150 000	150 000			USD			
Pakistan	5 600 000	5 600 000	2 000 000	2 000 000	USD			
Panama	99 965	99 965	33 200	33 200	USD	33 200	33 200	25 348
Papua New Guinea	170 000	170 000			USD			
Paraguay	604 842	604 842	100 000		USD			
Peru	360 000	360 000	200 000	200 000	USD			
Philippines	1 300 000	1 300 000	300 000	87 197	USD			
Portugal	1 750 000	1 750 000	750 000	750 000	EUR	778 950	750 000	572 625
Qatar	28 980 000	15 962 600			USD			
Republic of Korea	5 090 000	5 090 000	2 500 000	1 625 000	USD			
Republic of Moldova					USD			



Sixth Replenishment
Contributions of Member Countries as at 4 February 2003

State	A. Previous Contributions (USD)				B. Contributions Pledged to Sixth Replenishment			
	Cumulative Contributions in Convertible Currencies to IFAD's Replenishments (Initial to Fourth)		Fifth Replenishment ^{2/}		Unit of Obligation ^{3/}	Amount of Contribution in Unit of Obligation ^{2/}	Amount in USD ^{4/}	Equivalent in SDR ^{5/}
	Pledges A-1	Payments ^{1/} A-2	Pledges A-3	Payments ^{1/} A-4				
Romania	50 000	25 000			USD	100 000	100 000	76 350
Rwanda	159 499	159 499			USD			
Saint Christopher and Nevis	20 000	20 000			USD			
Saint Lucia	22 000	22 000			USD			
Saint Vincent and the Grenadines					USD			
Samoa	50 000	50 000			USD			
Sao Tome and Principe	10 000				USD			
Saudi Arabia	366 718 000	366 778 000	3 000 000	1 500 000	USD	10 000 000	10 000 000	7 635 000
Senegal	138 594	151 356	64 105	64 105	USD			
Seychelles	19 667	19 667			USD			
Sierra Leone	18 296	36 726			USD			
Solomon Islands	35 000	10 000			USD			
Somalia	20 000	10 000			USD			
South Africa	500 000	500 000			USD			
Spain	7 861 105	7 861 159	1 980 000	1 980 000	EUR	2 407 086	2 500 000	1 908 750
Sri Lanka	4 601 001	4 600 001	1 000 000	1 000 000	USD	1 001 000	1 001 000	764 264
Sudan	420 000	418 650	200 000		USD			
Suriname	150 000				USD			
Swaziland	101 434	112 329	66 000	30 000	USD			
Sweden	120 144 560	120 144 820	24 360 000	15 834 000	SEK	296 706 440	31 100 000	23 744 850
Switzerland	54 544 557	54 544 538	11 510 000	11 510 000	CHF	21 323 400	14 000 000	10 689 000
Syria	150 000	150 000	250 000	250 000	USD			
Tajikistan			200	200	USD			
Tanzania, United Republic of	153 882	113 941	300 000	74 641	USD			
Thailand	450 000	450 000	150 000	150 000	USD			
The Former Yugoslav Republic of Macedonia					USD			
Timor-Leste ^{7/}					USD			
Togo	82 659	31 169			USD			
Tonga	56 000	55 000			USD			
Trinidad and Tobago	100 000				USD			

Sixth Replenishment
Contributions of Member Countries as at 4 February 2003

State	A. Previous Contributions (USD)				B. Contributions Pledged to Sixth Replenishment			
	Cumulative Contributions in Convertible Currencies to IFAD's Replenishments (Initial to Fourth)		Fifth Replenishment ^{2/}		Unit of Obligation ^{3/}	Amount of Contribution in Unit of Obligation	Amount in USD ^{4/}	Equivalent in SDR ^{5/}
	Pledges A-1	Payments ^{1/} A-2	Pledges A-3	Payments ^{1/} A-4				
Tunisia	1 363 000	1 300 000	600 000	618 395	USD	600 000	600 000	458 100
Turkey	10 005 109	10 010 434	5 000 000	1 639 272	USD			
Uganda	255 000	355 000	45 000	45 000	USD			
United Arab Emirates	49 180 000	49 180 000	1 000 000	1 000 000	USD			
United Kingdom	117 471 185	117 471 230	30 000 000		GBP	19 707 000	30 000 000	22 905 000
United States	572 673 925	572 663 400	30 000 000	15 000 000	USD	45 000 000	45 000 000	34 357 500
Uruguay	225 000	225 000	100 000		USD			
Venezuela	164 489 000	164 489 000	4 600 000	4 600 000	USD	5 600 000	5 600 000	4 275 600
Viet Nam	103 000	103 000	500 000	300 000	USD			
Yemen	900 000	788 914	500 000	498 191	USD			
Yugoslavia	120 000	100 000			USD			
Zambia	231 163	207 262	100 000	100 000	USD			
Zimbabwe	4 100 000	2 103 074			USD			
Total*	3 555 758 569	3 326 408 468	443 165 873	250 804 337			449 616 029*	343 281 838*

Complementary Contributions to Replenishments

State	A. Previous Contributions (USD)**				B. Complementary Contributions Pledged to Sixth Replenishment			
	Fourth Replenishment		Fifth Replenishment ^{2/}		Unit of Obligation ^{3/}	Amount of Contribution in Unit of Obligation	Amount in USD ^{4/}	Equivalent in SDR ^{5/}
	Pledges	Payments ^{1/}	Pledges	Payments ^{1/}				
Belgium	25 205 404	25 205 404	15 490 587	15 490 587	EUR	16 240 000 ^{8/}	16 866 864	12 877 851
India					USD	1 000 000 ^{9/}	1 000 000	763 500
Italy			3 874 193	808 275	EUR			
Netherlands	15 400 000	11 568 715			EUR			
United Kingdom					GBP	6 569 000 ^{10/}	10 000 000	7 635 000
Total *	40 605 404	36 774 119	19 364 780	16 298 862			27 866 864*	21 276 351*
Total Replenishment*	3 596 363 973	3 363 182 587	462 530 653	267 103 199			477 482 893*	364 558 188*

-
- 1/ Payments in cash and promissory notes excluding accounting provisions against the encashment of promissory notes at time of drawdown.
- 2/ In accordance with Resolution 119/XXIV on the Fifth Replenishment of IFAD's Resources.
- 3/ The following abbreviations are used for currencies:
- | | | |
|------------------------|----------------------|----------------------------|
| AUD: Australian Dollar | EUR: Euro | NZD: New Zealand Dollar |
| CAD: Canadian Dollar | GBP: Pound Sterling | SDR: Special Drawing Right |
| CHF: Swiss Franc | JPY: Japanese Yen | SEK: Swedish Krona |
| DKK: Danish Krone | NOK: Norwegian Krone | USD: United States Dollar |
- 4/ Converted into USD amount applying the average exchange rate as described in paragraph II.15 of this Resolution.
- 5/ Converted from USD amount applying the average IMF USD/SDR exchange rate for the period 1 April 2002 - 30 September 2002.
- 6/ This amount has been paid as an advance contribution but no pledge has yet been received.
- 7/ This State has applied for membership to IFAD. The Governing Council will take its decision on the application at its Twenty-Sixth Session.
- 8/ This amount has been pledged by Belgium as a complementary contribution in accordance with paragraphs II.4(d) and II.5(b) of this Resolution. The Governing Council has decided that this complementary contribution shall be used for the objectives of the Belgium Survival Fund for the Third World, and in conformity with its procedures.
- 9/ This amount has been pledged by India as a complementary contribution in accordance with paragraphs II.4(d) and II.5(b) of this Resolution. The Governing Council has decided that this complementary contribution shall be used to support initiatives for innovation.
- 10/ This amount has been pledged by the United Kingdom as a complementary contribution in accordance with paragraphs II.4(d) and II.5(b) of this Resolution. The Governing Council has decided that this complementary contribution shall be used to support innovation.
- * The totals for the Sixth Replenishment reflect the pledges made up to the present date. However, a number of countries have yet to announce their pledges and this table will be updated periodically to take account of the additional pledges.
- ** There were no Complementary Contributions previous to the Fourth Replenishment.





PROCEDURES FOR THE USE OF ADVANCE COMMITMENT AUTHORITY

1. The main purpose of Advance Commitment Authority (ACA) is to fill shortfalls in the amount of committable resources available for loans and grants that may arise in a particular year.
2. The Executive Board shall ensure that the amount available for commitment under ACA and related disbursement requirements remain within the limits of financial prudence, using conservative assumptions and including a margin for expected loan repayment arrears. The Executive Board shall receive projections in relation to commitments to be made under ACA (expected loan reflows and disbursements) that include safety margins to ensure that the cash-in-hand at any point in time is sufficient to cover the disbursement needs of the Fund.
3. ACA may only be used if the resources available for commitment (i.e. net additional resources received or accrued during the previous year, in addition to unused resources brought forward) are insufficient to complete the approved lending programme in any given year.
4. ACA may only be used to make commitments for loans and grants.
5. The President of the Fund shall ensure that accounting mechanisms are established to show the level of ACA used on each occasion and the loan reflows that are set aside for disbursements arising from such commitments.
6. The President of the Fund shall ensure that accounting procedures are established so that once a commitment for a loan or a grant is made under ACA, the disbursements associated with such commitment are removed from the loan reflows subsequently received in order to avoid double counting.
7. The Executive Board shall: (i) decide the maximum amount that may be made available through ACA during the Replenishment Period; and (ii) approve the total resource commitment to be made through ACA at each session of the Executive Board. In no event shall the maximum amount that may be made available through ACA during the Replenishment Period exceed three times the annual loan reflows expected for the Replenishment Period.
8. The President of the Fund shall report regularly to the Executive Board on the status of Resources Available for Commitment, including the management of ACA. This report shall include details on resources available for commitment from assets held in freely convertible currencies (Members' contributions, investment holdings, etc.) less liabilities, commitments already made, exclusions from committable resources due to accounting provisions, the current and cumulative amount committed under ACA, the amount of ACA transferred to Regular Resources, and the amount that may be available under ACA for future use, with detailed calculations and assumptions.
9. The use of ACA shall be reviewed by the External Auditor and his findings shall form part of the regular audit of the Financial Statements of the Fund. The External Auditor's report shall be discussed with the Audit Committee of the Executive Board in the same manner as for his report on the Financial Statements of the Fund.

Sixth Replenishment

Votes of Member Countries as at 4 February 2003

State	A. Original Votes			B. Fourth and Fifth Replenishment Votes			C. Total Original, Fourth and Fifth Replenishment Votes	D. Sixth Replenishment Votes				E. Total Votes	
	A-1	A-2	A-3	B-1	B-2	B-3		D-1	Contribution Votes ^{1/}		D-4	E-1	E-2
	Member- shipVotes	Contribution Votes ^{1/}	Total Votes	Member- shipVotes	Contribution Votes ^{1/}	Total Votes		Member- shipVotes	Potential ^{2/}	Actual	Actual Total Votes	Potential Total Votes ^{2/}	Actual Total Votes
Afghanistan	4.877	0.000	4.877	1.416	0.000	1.416	6.293						
Albania	4.877	0.000	4.877	1.416	0.010	1.426	6.303						
Algeria	4.877	17.159	22.036	1.416	0.407	1.823	23.859						
Angola	4.877	0.007	4.883	1.416	0.078	1.494	6.377						
Antigua and Barbuda	4.877	0.000	4.877	1.416	0.000	1.416	6.293						
Argentina	4.877	1.865	6.742	1.416	0.561	1.977	8.719						
Armenia	4.877	0.000	4.877	1.416	0.000	1.416	6.293						
Australia	4.877	11.840	16.716	1.416	5.089	6.506	23.222						
Austria	4.877	7.042	11.918	1.416	6.281	7.697	19.616						
Azerbaijan	4.877	0.000	4.877	1.416	0.000	1.416	6.293						
Bangladesh	4.877	0.433	5.309	1.416	0.601	2.017	7.326						
Barbados	4.877	0.001	4.878	1.416	0.003	1.419	6.296						
Belgium	4.877	15.708	20.585	1.416	7.320	8.736	29.321						
Belize	4.877	0.036	4.913	1.416	0.063	1.479	6.392						
Benin	4.877	0.017	4.894	1.416	0.025	1.441	6.335						
Bhutan	4.877	0.009	4.886	1.416	0.026	1.442	6.328						
Bolivia	4.877	0.104	4.980	1.416	0.144	1.560	6.540						
Bosnia and Herzegovina	4.877	0.000	4.877	1.416	0.000	1.416	6.293						
Botswana	4.877	0.029	4.906	1.416	0.075	1.491	6.397						
Brazil	4.877	6.576	11.452	1.416	7.931	9.347	20.799						
Burkina Faso	4.877	0.010	4.887	1.416	0.040	1.456	6.343						
Burundi	4.877	0.024	4.901	1.416	0.000	1.416	6.317						
Cambodia	4.877	0.000	4.877	1.416	0.044	1.460	6.337						
Cameroon	4.877	0.117	4.994	1.416	0.037	1.453	6.447						
Canada	4.877	36.968	41.845	1.416	20.710	22.126	63.971						
Cape Verde	4.877	0.004	4.880	1.416	0.006	1.422	6.302						
Central African Republic	4.877	0.007	4.883	1.416	0.000	1.416	6.299						
Chad	4.877	0.000	4.877	1.416	0.000	1.416	6.293						
Chile	4.877	0.036	4.913	1.416	0.030	1.446	6.359						
China	4.877	4.049	8.926	1.416	3.179	4.595	13.521						

Sixth Replenishment

Votes of Member Countries as at 4 February 2003

State	A. Original Votes			B. Fourth and Fifth Replenishment Votes			C. Total Original, Fourth and Fifth Replenishment Votes	D. Sixth Replenishment Votes				E. Total Votes	
	A-1	A-2	A-3	B-1	B-2	B-3		D-1	Contribution Votes ^{1/}		D-4	E-1	E-2
	Member- shipVotes	Contribution Votes ^{1/}	Total Votes	Member- shipVotes	Contribution Votes ^{1/}	Total Votes		Member- shipVotes	Potential ^{2/}	Actual	Actual Total Votes	Potential Total Votes ^{2/}	Actual Total Votes
Colombia	4.877	0.024	4.901	1.416	0.138	1.554	6.454						
Comoros	4.877	0.007	4.884	1.416	0.000	1.416	6.300						
Congo	4.877	0.080	4.957	1.416	0.001	1.417	6.374						
Cook Islands	4.877	0.000	4.877	1.416	0.002	1.418	6.294						
Costa Rica	4.877	0.000	4.877	1.416	0.000	1.416	6.293						
Côte d'Ivoire	4.877	0.173	5.050	1.416	0.410	1.826	6.876						
Croatia	4.877	0.000	4.877	1.416	0.000	1.416	6.293						
Cuba	4.877	0.000	4.877	1.416	0.000	1.416	6.293						
Cyprus	4.877	0.030	4.907	1.416	0.025	1.441	6.348						
D.P.R. Korea	4.877	0.000	4.877	1.416	0.037	1.453	6.330						
D.R. Congo	4.877	0.010	4.887	1.416	0.000	1.416	6.303						
Denmark	4.877	11.467	16.344	1.416	21.449	22.865	39.209						
Djibouti	4.877	0.002	4.879	1.416	0.000	1.416	6.295						
Dominica	4.877	0.016	4.892	1.416	0.004	1.420	6.312						
Dominican Republic	4.877	0.009	4.885	1.416	0.000	1.416	6.301						
Ecuador	4.877	0.135	5.012	1.416	0.094	1.510	6.521						
Egypt	4.877	1.730	6.607	1.416	3.006	4.422	11.029						
El Salvador	4.877	0.035	4.911	1.416	0.000	1.416	6.327						
Equatorial Guinea	4.877	0.000	4.877	1.416	0.000	1.416	6.293						
Eritrea	4.877	0.000	4.877	1.416	0.005	1.421	6.298						
Ethiopia	4.877	0.035	4.911	1.416	0.030	1.446	6.358						
Fiji	4.877	0.045	4.922	1.416	0.024	1.440	6.362						
Finland	4.877	7.561	12.437	1.416	2.446	3.862	16.300						
France	4.877	45.137	50.014	1.416	19.553	20.969	70.983						
Gabon	4.877	0.751	5.627	1.416	0.000	1.416	7.043						
Gambia, The	4.877	0.007	4.883	1.416	0.004	1.420	6.303						
Georgia	4.877	0.000	4.877	1.416	0.000	1.416	6.293						
Germany	4.877	61.073	65.949	1.416	25.708	27.124	93.073						
Ghana	4.877	0.127	5.003	1.416	0.112	1.528	6.532						
Greece	4.877	0.398	5.275	1.416	0.224	1.640	6.915						

Sixth Replenishment

Votes of Member Countries as at 4 February 2003

State	A. Original Votes			B. Fourth and Fifth Replenishment Votes			C. Total Original, Fourth and Fifth Replenishment Votes	D. Sixth Replenishment Votes				E. Total Votes	
	A-1	A-2	A-3	B-1	B-2	B-3		D-1	Contribution Votes ^{1/}		D-4	E-1	E-2
	Member- shipVotes	Contribution Votes ^{1/}	Total Votes	Member- shipVotes	Contribution Votes ^{1/}	Total Votes		Member- shipVotes	Potential ^{2/}	Actual	Actual Total Votes	Potential Total Votes ^{2/}	Actual Total Votes
Grenada	4.877	0.009	4.885	1.416	0.016	1.432	6.317						
Guatemala	4.877	0.087	4.963	1.416	0.229	1.645	6.608						
Guinea	4.877	0.042	4.918	1.416	0.028	1.444	6.362						
Guinea-Bissau	4.877	0.010	4.887	1.416	0.000	1.416	6.303						
Guyana	4.877	0.073	4.949	1.416	0.101	1.517	6.466						
Haiti	4.877	0.037	4.914	1.416	0.000	1.416	6.330						
Honduras	4.877	0.118	4.995	1.416	0.202	1.618	6.613						
Iceland	4.877	0.000	4.877	1.416	0.003	1.419	6.296						
India	4.877	6.680	11.556	1.416	8.389	9.805	21.361						
Indonesia	4.877	5.869	10.746	1.416	8.135	9.551	20.297						
Iran	4.877	4.785	9.661	1.416	0.000	1.416	11.077						
Iraq	4.877	2.175	7.051	1.416	0.000	1.416	8.467						
Ireland	4.877	1.205	6.081	1.416	0.959	2.375	8.456						
Israel	4.877	0.000	4.877	1.416	0.056	1.472	6.349						
Italy	4.877	36.847	41.724	1.416	10.996	12.412	54.136						
Jamaica	4.877	0.061	4.937	1.416	0.056	1.472	6.410						
Japan	4.877	62.905	67.781	1.416	23.626	25.042	92.824						
Jordan	4.877	0.088	4.965	1.416	0.122	1.538	6.502						
Kazakhstan	4.877	0.000	4.877	1.416	0.000	1.416	6.293						
Kenya	4.877	1.004	5.881	1.416	0.027	1.443	7.324						
Kuwait	4.877	45.352	50.229	1.416	6.866	8.282	58.511						
Kyrgyzstan	4.877	0.000	4.877	1.416	0.000	1.416	6.293						
Laos	4.877	0.001	4.877	1.416	0.051	1.467	6.344						
Lebanon	4.877	0.009	4.885	1.416	0.034	1.450	6.335						
Lesotho	4.877	0.046	4.923	1.416	0.050	1.466	6.389						
Liberia	4.877	0.013	4.890	1.416	0.000	1.416	6.306						
Libyan Arab Jamahiriya	4.877	15.278	20.154	1.416	0.000	1.416	21.570						
Luxembourg	4.877	0.413	5.289	1.416	0.401	1.817	7.106						
Madagascar	4.877	0.035	4.911	1.416	0.056	1.472	6.383						
Malawi	4.877	0.025	4.902	1.416	0.000	1.416	6.318						

Sixth Replenishment

Votes of Member Countries as at 4 February 2003

State	A. Original Votes			B. Fourth and Fifth Replenishment Votes			C. Total Original, Fourth and Fifth Replenishment Votes	D. Sixth Replenishment Votes				E. Total Votes	
	A-1	A-2	A-3	B-1	B-2	B-3		D-1	Contribution Votes ^{1/}		D-4	E-1	E-2
	Member- shipVotes	Contribution Votes ^{1/}	Total Votes	Member- shipVotes	Contribution Votes ^{1/}	Total Votes		Member- shipVotes	Potential ^{2/}	Actual	Actual Total Votes	Potential Total Votes ^{2/}	Actual Total Votes
Malaysia	4.877	0.000	4.877	1.416	0.344	1.760	6.637						
Maldives	4.877	0.009	4.886	1.416	0.009	1.425	6.311						
Mali	4.877	0.010	4.886	1.416	0.004	1.420	6.306						
Malta	4.877	0.005	4.882	1.416	0.020	1.436	6.318						
Mauritania	4.877	0.001	4.878	1.416	0.000	1.416	6.294						
Mauritius	4.877	0.029	4.906	1.416	0.083	1.499	6.405						
Mexico	4.877	7.183	12.059	1.416	2.064	3.480	15.539						
Mongolia	4.877	0.000	4.877	1.416	0.000	1.416	6.293						
Morocco	4.877	1.038	5.915	1.416	0.224	1.640	7.555						
Mozambique	4.877	0.028	4.904	1.416	0.045	1.461	6.365						
Myanmar	4.877	0.087	4.963	1.416	0.000	1.416	6.379						
Namibia	4.877	0.007	4.883	1.416	0.112	1.528	6.412						
Nepal	4.877	0.021	4.897	1.416	0.019	1.435	6.332						
Netherlands	4.877	42.789	47.665	1.416	20.411	21.827	69.493						
New Zealand	4.877	2.418	7.295	1.416	1.252	2.668	9.963						
Nicaragua	4.877	0.013	4.890	1.416	0.012	1.428	6.318						
Niger	4.877	0.063	4.940	1.416	0.000	1.416	6.356						
Nigeria	4.877	29.923	34.799	1.416	0.561	1.977	36.776						
Norway	4.877	29.844	34.720	1.416	18.384	19.800	54.521						
Oman	4.877	0.052	4.928	1.416	0.000	1.416	6.344						
Pakistan	4.877	1.246	6.122	1.416	2.004	3.420	9.542						
Panama	4.877	0.023	4.900	1.416	0.033	1.449	6.349						
Papua New Guinea	4.877	0.059	4.935	1.416	0.000	1.416	6.351						
Paraguay	4.877	0.069	4.946	1.416	0.151	1.567	6.513						
Peru	4.877	0.055	4.932	1.416	0.200	1.616	6.548						
Philippines	4.877	0.277	5.153	1.416	0.242	1.658	6.811						
Portugal	4.877	0.346	5.223	1.416	0.751	2.167	7.390						
Qatar	4.877	5.525	10.401	1.416	0.000	1.416	11.817						
Republic of Korea	4.877	0.896	5.773	1.416	1.955	3.371	9.144						
Republic of Moldova	4.877	0.000	4.877	1.416	0.000	1.416	6.293						

Sixth Replenishment

Votes of Member Countries as at 4 February 2003

State	A. Original Votes			B. Fourth and Fifth Replenishment Votes			C. Total Original, Fourth and Fifth Replenishment Votes	D. Sixth Replenishment Votes				E. Total Votes	
	A-1	A-2	A-3	B-1	B-2	B-3		D-1	Contribution Votes ^{1/}		D-4	E-1	E-2
	Member- shipVotes	Contribution Votes ^{1/}	Total Votes	Member- shipVotes	Contribution Votes ^{1/}	Total Votes		Member- shipVotes	Potential ^{2/}	Actual	Actual Total Votes	Potential Total Votes ^{2/}	Actual Total Votes
Romania	4.877	0.000	4.877	1.416	0.009	1.425	6.302						
Rwanda	4.877	0.043	4.920	1.416	0.013	1.429	6.349						
Saint Christopher and Nevis	4.877	0.003	4.880	1.416	0.004	1.420	6.300						
Saint Lucia	4.877	0.004	4.881	1.416	0.004	1.420	6.300						
Saint Vincent and the Grenadines	4.877	0.000	4.877	1.416	0.000	1.416	6.293						
Samoa	4.877	0.012	4.889	1.416	0.006	1.422	6.310						
Sao Tome and Principe	4.877	0.000	4.877	1.416	0.000	1.416	6.293						
Saudi Arabia	4.877	125.901	130.778	1.416	2.064	3.480	134.257						
Senegal	4.877	0.032	4.908	1.416	0.063	1.479	6.387						
Seychelles	4.877	0.005	4.882	1.416	0.002	1.418	6.300						
Sierra Leone	4.877	0.013	4.889	1.416	0.000	1.416	6.305						
Solomon Islands	4.877	0.003	4.880	1.416	0.000	1.416	6.296						
Somalia	4.877	0.003	4.880	1.416	0.000	1.416	6.296						
South Africa	4.877	0.000	4.877	1.416	0.187	1.603	6.480						
Spain	4.877	2.215	7.092	1.416	1.789	3.205	10.297						
Sri Lanka	4.877	1.211	6.088	1.416	1.039	2.455	8.543						
Sudan	4.877	0.076	4.953	1.416	0.074	1.490	6.443						
Suriname	4.877	0.000	4.877	1.416	0.000	1.416	6.293						
Swaziland	4.877	0.018	4.895	1.416	0.041	1.457	6.352						
Sweden	4.877	33.150	38.027	1.416	19.052	20.468	58.495						
Switzerland	4.877	14.894	19.771	1.416	11.532	12.948	32.718						
Syria	4.877	0.000	4.877	1.416	0.213	1.629	6.506						
Tajikistan	4.877	0.000	4.877	1.416	0.000	1.416	6.293						
Tanzania, United Republic of	4.877	0.031	4.907	1.416	0.056	1.472	6.380						
Thailand	4.877	0.156	5.032	1.416	0.094	1.510	6.542						
The Former Yugoslav Republic of Macedonia	4.877	0.000	4.877	1.416	0.000	1.416	6.293						
Timor-Leste ^{3/}													
Togo	4.877	0.011	4.887	1.416	0.000	1.416	6.303						
Tonga	4.877	0.009	4.885	1.416	0.011	1.427	6.312						
Trinidad and Tobago	4.877	0.000	4.877	1.416	0.000	1.416	6.293						

Sixth Replenishment

Votes of Member Countries as at 4 February 2003

State	A. Original Votes			B. Fourth and Fifth Replenishment Votes			C. Total Original, Fourth and Fifth Replenishment Votes	D. Sixth Replenishment Votes			E. Total Votes		
	A-1 Member- ship Votes	A-2 Contribution Votes ^{1/}	A-3 Total Votes	B-1 Member- ship Votes	B-2 Contribution Votes ^{1/}	B-3 Total Votes		D-1 Member- ship Votes	Contribution Votes ^{1/}		D-4 Actual Total Votes	E-1 Potential Total Votes ^{2/}	E-2 Actual Total Votes
									D-2 Potential ^{2/}	D-3 Actual			
Tunisia	4.877	0.277	5.153	1.416	0.575	1.991	7.145						
Turkey	4.877	1.734	6.611	1.416	2.899	4.315	10.926						
Uganda	4.877	0.107	4.984	1.416	0.045	1.461	6.445						
United Arab Emirates	4.877	16.675	21.551	1.416	1.002	2.418	23.969						
United Kingdom	4.877	33.038	37.915	1.416	8.232	9.648	47.563						
United States	4.877	187.816	192.692	1.416	20.634	22.050	214.742						
Uruguay	4.877	0.069	4.946	1.416	0.009	1.425	6.371						
Venezuela	4.877	55.544	60.421	1.416	4.384	5.800	66.221						
Viet Nam	4.877	0.001	4.878	1.416	0.226	1.642	6.519						
Yemen	4.877	0.208	5.084	1.416	0.383	1.799	6.884						
Yugoslavia	4.877	0.035	4.911	1.416	0.000	1.416	6.327						
Zambia	4.877	0.072	4.948	1.416	0.063	1.479	6.427						
Zimbabwe	4.877	0.555	5.431	1.416	0.187	1.603	7.034						
Total	790.000	1010.000	1800.000	229.396	310.110	539.506	2339.506						

^{1/} Only freely convertible currency contributions will be taken into account in calculating Contribution Votes, in accordance with paragraph IV.20 of this Resolution.

^{2/} This column indicates the potential Contribution Votes that will be earned by each Member once all Members have paid their pledged contributions as shown in Column B-2 of Attachment A to this Resolution.

^{3/} This State has applied for membership to IFAD. The Governing Council will take its decision on the application at its Twenty-Sixth Session. If successful and upon deposit of its Instrument of Accession, the Membership Votes in Columns A-1, B-1 and D-1 will be redivided equally between all Member States, including Timor-Leste.



INSTRUMENT OF CONTRIBUTION TO THE RESOURCES OF IFAD

The President
The International Fund for
Agricultural Development
107 Via del Serafico
00142 Rome
Italy

1. I have the honour to inform you that (name of donor country) will contribute an amount equivalent to (amount in letters)* (state applicable unit of obligation) (amount in figures in applicable unit of obligation)* as its additional contribution to the resources of the International Fund for Agricultural Development (IFAD). This contribution will be made in accordance with the terms and conditions set forth in Resolution _____/XXVI of the Governing Council.

2. Payment of the contribution will be made in (unit of obligation)*/(in a single sum/two instalments/three instalments) (in cash) (partly in cash and partly in the form of promissory notes or other similar obligation) (in the form of promissory notes or other similar obligation). The amount of (amount in figures in applicable unit of obligation) */ which constitutes the (total contribution) (first instalment) of (country) will be paid by _____ 20_ in (cash) (by promissory note or other similar obligation) (cash equivalent of SDR..... and the balance in the form of promissory note or other similar obligation).

3. The balance of the contribution will be paid in ____ instalments by _____ 20_ in (cash) (cash and promissory notes or other similar obligation) (promissory notes or other similar obligation).¹

4. The balance of the contribution will be payable after the enactment of necessary appropriation legislation and we will seek the necessary appropriation to complete our payments within the Replenishment period.²

* If the currency of payment is different from the unit of obligation then please state here the currency of payment.

¹ This paragraph is to be used only in conjunction with paragraph II.9(d) of the Resolution and the timings of the payment of instalments should be indicated. The paragraph is to be deleted when not applicable.

² This paragraph should be deleted when not applicable.



5. (country) will not exercise its option under paragraph II.13 of the Resolution of modifying its commitment provided in this Instrument.³

6. I confirm that all other requirements that are necessary for the deposit of this Instrument of Contribution with IFAD have been duly completed.

(Name of donor country)

(signature of authorized
representative)
(Title of the Signatory)

³ This paragraph should be deleted when not applicable.

**FIXED REFERENCE EXCHANGE RATES (PARAGRAPH II.15)
1 APRIL 2002 - 30 SEPTEMBER 2002**

Currency	Apr-02	May-02	Jun-02	Jul-02	Aug-02	Sep-02	Avg. 6 months
AUD	1.8529	1.7624	1.7705	1.8255	1.8077	1.8399	1.8098
CAD	1.5678	1.5275	1.5187	1.5843	1.5589	1.5858	1.5572
CHF	1.6220	1.5601	1.4957	1.4870	1.4907	1.4832	1.5231
DKK	8.2527	7.9177	7.4478	7.5939	7.5513	7.5329	7.7161
EUR	1.1101	1.0653	1.0025	1.0222	1.0170	1.0142	1.0386
GBP	0.6864	0.6818	0.6506	0.6388	0.6440	0.6395	0.6569
JPY	128.0001	124.3999	119.4504	119.8506	117.9501	121.5508	121.8670
NOK	8.3807	7.9663	7.4492	7.5917	7.5069	7.4457	7.7234
NZD	2.2331	2.0886	2.0450	2.1299	2.1268	2.1295	2.1255
SDR	0.7888	0.7748	0.7516	0.7562	0.7533	0.7560	0.7635
SEK	10.2200	9.8525	9.1625	9.4275	9.2976	9.2825	9.5404

IFAD VI OBJECTIVES, ACTIONS AND OUTPUTS

Objectives	Actions	Outputs/Results	Target Date
Operationalizing the Strategic Framework and the Regional Strategies	Performance-Based Allocation System <ol style="list-style-type: none"> 1. The PBAS in IFAD will be developed through a consultative process with Members and presented to the Executive Board for approval. 2. Country performance assessments under the PBAS will be initiated in 2004. 3. Allocation decisions will be governed by the PBAS within regional allocations in 2005. 4. The proposed programme of work for 2006 will reflect the experience of applying the PBAs within the system of regional allocations and will extend the PBAs as a uniform system of comparison and allocation across the lending programme as a whole, taking into account the need both to reflect priorities with regard to the regional distribution of development assistance and to maintain at least the two-thirds share of highly concessional borrowers in the IFAD lending programme. In considering the programme of work for 2006, the Executive Board will determine whether the system and its resultant allocations effectively satisfy development goals with regard to regional priorities or whether the operations of the PBAs within the framework of regional allocations should be maintained. 	<ol style="list-style-type: none"> 1. (a) Revised document REPL.VI/4/R.5 (b) Informal seminars and technical discussions with a special informal panel (c) Executive Board approval 2. PBAS trial implementation 3. Ongoing process 4. Executive Board Approval 	<ol style="list-style-type: none"> 1. (a) December 2002 (b) 25th Anniv. Session of the Governing Council 2003 and April Session of the Executive Board 2003 (c) September 2003 2. 2004 for 2005 programme of work 3. 2005 4. September 2005 for 2006 work programme
	COSOPs <ol style="list-style-type: none"> 1. The conclusions of the Executive Board review of the pilot experience of COSOPs (end-2002) will be internalized. 2. IFAD will use the COSOP process to advocate a policy and institutional transformation agenda for effective rural poverty reduction, in partnership with other organizations and ensuring country ownership of the agenda where applicable, in line with the PRSP. 3. IFAD will participate in PRSP processes, giving priority to those countries in which the potential for effective rural poverty reduction is high and the potential for partnerships with other organizations in the context of the PRSP is most promising. 	<ol style="list-style-type: none"> 1. Executive Board review 2. Country strategies 3. Country strategies 	<ol style="list-style-type: none"> 1. December 2002 2. Ongoing process 3. Ongoing process
	Field Presence and In-Country Capacity <ol style="list-style-type: none"> 1. The Executive Board will establish an ad hoc working group to accompany the process of analysis of experiences and modalities of enhancing IFAD's field presence by strengthening in-country capacity; 2. A rapid analysis of 15 countries with pertinent activities in the different regions will be conducted; 3. Recommendations based on this analysis will be prepared for Executive Board consideration in September 2003. 	<ol style="list-style-type: none"> 1. Working group established 2. Analysis conducted 3. Report and recommendation for the Executive Board. 	<ol style="list-style-type: none"> 1. April 2003 2. April-August 2003 3. September 2003

Objectives	Actions	Outputs/Results	Target Date
	<p>Working in Partnership</p> <ol style="list-style-type: none"> 1. A strategy for achieving greater involvement of private-sector participants in IFAD programmes, through cofinancing and other forms of partnership consistent with IFAD's mission, will be provided to the Eightieth Session of the Executive Board in December 2003. 2. Opportunities for partnerships with private-sector enterprises in the financing of projects should also be pursued more systematically as part of IFAD's cofinancing and partnership strategy objectives. 3. IFAD will continue to engage actively in multi-stakeholder coordination processes, develop programme-based partnerships and pursue cofinancing to leverage its programme of work. 	<ol style="list-style-type: none"> 1. Executive Board paper 2. COSOPs 3. Regional and country strategies 	<ol style="list-style-type: none"> 1. December 2003 2. Ongoing process 3. Ongoing process
	<p>Gender Mainstreaming</p> <ol style="list-style-type: none"> 1. An action plan for gender mainstreaming for 2003-2005 will identify actions to operationalize strategic-framework principles as they relate to gender mainstreaming and the empowerment of rural women. Annual progress reports will be provided to the Executive Board, as part of the Progress Report on the Project Portfolio. 	<ol style="list-style-type: none"> 1. Annual portfolio report 	<ol style="list-style-type: none"> 1. April 2004 and annually thereafter
Measuring Results and Impact	<p>Results and Impact</p> <ol style="list-style-type: none"> 1. The internal processes and systems for monitoring results will be strengthened. 2. The annual progress report on the project portfolio will provide an overview of the results achieved by all ongoing projects, including the attainment of relevant quantitative indicators by major categories of projects. 3. A consolidated overview of impact and lessons learned from a group of completed projects evaluated during the course of a given year will be presented in annual reports on development effectiveness. 	<ol style="list-style-type: none"> 1. Framework for results management system 2. Expanded annual progress report on the project portfolio 3. Annual report on IFAD's results and development effectiveness 	<ol style="list-style-type: none"> 1. December 2003 2. April 2005 and annually thereafter 3. December 2003 and annually thereafter
Independent Evaluation Function	<p>Evaluation Function</p> <ol style="list-style-type: none"> 1. Management will prepare a detailed proposal on IFAD's future evaluation policy. 	<ol style="list-style-type: none"> 1. Executive Board paper 	<ol style="list-style-type: none"> 1. April 2003



Objectives	Actions	Outputs/Results	Target Date
External Evaluation of IFAD	External Evaluation of IFAD 1. An external and independent evaluation of IFAD will be planned and undertaken in 2003 and completed in 2004 before the Seventh Replenishment of IFAD. The Executive Board will be authorized to approve any further funding required for the evaluation after receipt of voluntary contributions. The Executive Board will decide modalities for structuring and managing the evaluation process.	1. Evaluation report	1. 2004
Managing IFAD's Financial Resources	Financial Resources 1. Management will carry out a review in 2003 of the investment policy as it pertains, in particular, to security of investments, asset liability management and reporting to the Executive Board, with a view to bringing it in line with standards and principles used by other development lending institutions. 2. The October 2002 technical meeting for the World Bank HIPC Trust Fund requested that IFAD submit in 2003 detailed information on the Initiative's financing consequences for the institution, so that donors can re-examine the case for IFAD's access to the Fund. IFAD will continue its efforts to mobilize additional financing for its Debt Initiative requirements.	1. Executive Board paper 2. Report to and consultation with HIPC Debt Initiative donors	1. December 2003 2. 2003



LIST OF DOCUMENTS PROVIDED TO THE CONSULTATION AND OTHER REFERENCE DOCUMENTS AVAILABLE

DOCUMENTS PROVIDED TO THE CONSULTATION¹

Document No.	Title
REPL.VI/1/R.3	Progress Report on the IFAD V: Plan of Action (2000-2002)
REPL.VI/1/R.4	External Review of the Results and Impact of IFAD Operations
REPL.VI/1/R.6	Resource Scenarios for the Sixth Replenishment Framework
REPL.VI/1/R.7	External Review of the Results and Impact of IFAD Operations: Terms of Reference
REPL.VI/1/R.8/Rev.1	Summary of Discussions
REPL.VI/2/R.2	Operationalizing IFAD's Strategic Framework during the Sixth Replenishment Period (2004-2006)
REPL.VI/2/R.3	Resource Scenarios for the Sixth Replenishment Framework
REPL.VI/2/INF.2	Information Note – Use of Advance Commitment Authority in IDA and AsDF
REPL.VI/2/INF.4	International Development Association (IDA 13) – HIPC Debt Relief Trust Fund Support for Regional and Sub-Regional Multilateral Creditors
REPL.VI/2/INF.6/Rev.1	Concluding Statement by the Chairman
REPL.VI/3/R.2 + Country Notes	External Review of the Results and Impact of IFAD Operations
REPL.VI/3/R.3	Resource and Burden-Sharing Scenarios
REPL.VI/3/R.4/Rev.1	Advance Commitment Authority (ACA) in the International Development Association (IDA) and the Asian Development Fund (AsDF)
REPL.VI/3/R.6	Enhancing IFAD's Field Presence
REPL.VI/3/R.7	IFAD and Performance-Based Lending
REPL.VI/3/R.9	Comments from IFAD's Management on the External Review of the Results and Impact of IFAD Operations
REPL.VI/3/INF.3	Financing IFAD's Participation in the Debt Initiative for Heavily Indebted Poor Countries
REPL.VI/3/INF.4	IFAD's Programme of Work
REPL.VI/3/INF.5	Chairman's Summary of the Deliberations on the External

¹ Documentation presented to the Fifth Session of the Consultation will be included in the final report.

Review of the Results and Impact of IFAD Operations

REPL.VI/3/INF.6	Concluding Statement by the Chairman
REPL.VI/4/R.2	Options for Enhancing IFAD's Field Presence
REPL.VI/4/R.3	Criteria and Principles for the Development and Operation of a Performance-Based Allocation System in IFAD
REPL.VI/4/R.4	Strengthening the Effectiveness of the Evaluation Function at IFAD – A Discussion Paper on IFAD in the Light of International Experience
REPL.VI/4/R.6	Exchange Rates for the Sixth Replenishment of IFAD's Resources
REPL.VI/4/INF.3	Attendance of Non-Governmental Organizations at Executive Board Sessions of IFAD and Other International Financial Institutions
REPL.VI/4/INF.4	Heavily Indebted Poor Countries (HIPC) Initiative: Status of Implementation
REPL.VI/4/INF.5	Concluding Statement by the Chairman
REPL.VI/5/R.2 + C.R.P.1/Rev.1 + C.R.P.2 + C.R.P.3 + C.R.P.4 + C.R.P.5 + C.R.P.7 + C.R.P.8 + C.R.P.9	Enabling the Rural Poor to Overcome their Poverty: Report of the Consultation on the Sixth Replenishment of IFAD's Resources (2004-2006) – Draft
REPL.VI/5/R.2/Add.1	Draft Resolution on the Sixth Replenishment of IFAD's Resources
REPL.VI/5/R.3	Criteria and Principles for the Development and Operation of a Performance-Based Allocation System in IFAD

OTHER REFERENCE DOCUMENTS²

IFAD V: Plan of Action (2000-2002): Annex I of GC 24/L.3, Partnerships for Eradicating Rural Poverty: Report of the Consultation to Review the Adequacy of the Resources Available to IFAD: 2000-2002

Regional Strategies:

- Asia and the Pacific
- Central and Eastern Europe and the Newly Independent States
- Eastern and Southern Africa
- Latin America and the Caribbean
- Near East and North Africa
- Western and Central Africa

Rural Poverty Report 2001

Strategic Framework for IFAD 2002-2006

² Available on the IFAD website



Appendices to Interim Draft Consultation Report, document REPL.VI/5/R.2

Appendix A	Millennium Development Goals (also attached herewith as an appendix)
Appendix B	IFAD V: Plan of Action (2000-2002) and the Strategic Change Programme
Appendix C	Country Strategic Opportunities Papers
Appendix D	Institutional Transformation for Effective Rural Poverty Reduction
Appendix E	Increasing Agricultural Productivity and Sustainability
Appendix F	Working in the Framework of PRSPs (in HIPC and non-HIPC)
Appendix G	IFAD's Role in Post-Crisis Rehabilitation

**MILLENNIUM DEVELOPMENT GOALS**

1. In the course of the 1990s, a series of global conferences and summits defined programmes of action on a number of development challenges (including sustainable development, food security, gender, poverty and housing). To plan for and monitor progress in meeting these development commitments, the Organisation for Economic Co-operation and Development (OECD) developed an integrated set of International Development Goals, enacted in 2000 as the MDGs.

2. MDGs entail: (a) a global consensus that development equals poverty reduction; and (b) a broad agreement on a set of goals and targets for poverty reduction, which actually largely meets the goals of the poor themselves, as identified by a vast number of participatory poverty assessments. Agreement on goals and targets constitutes a necessary (but insufficient) condition for enhanced effectiveness of development cooperation through coordination and partnership. The goals represent a partnership between the developed and the developing countries determined, as the United Nations Millennium Declaration states, “to create an environment – at the national and global levels alike – which is conducive to development and to the elimination of poverty”.

3. The enunciation of the MDGs is now focusing all actors’ poverty-reduction strategies on the agreed set of ‘7 plus 1’ development goals (see Table 1), in addition to the fundamental need for high-quality growth. The main reference document for developing the MDGs has been Section III of the Millennium Declaration, on Development and Poverty Eradication. For the purpose of monitoring progress, the normal baseline year for the targets will be 1990, which is the baseline used by the global conferences of the 1990s.

Table 1: Millennium Development Goals, Targets and Indicators¹

Goals	Targets	Indicators
Goal 1: Eradicate extreme poverty and hunger	Target 1: Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day Target 2: Halve, between 1990 and 2015, the proportion of people who suffer from hunger	1.1. Proportion of population below USD 1 per day 1.2. Poverty gap ratio [incidence x depth of poverty] 1.3. Share of poorest quintile in national consumption 2.4. Prevalence of underweight children (under five years of age) 2.5. Proportion of population below minimum level of dietary energy consumption
Goal 2: Achieve universal primary education	Target 3: Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling	3.6. Net enrolment ratio in primary education 3.7. Proportion of pupils starting grade 1 who reach grade 5 3.8. Literacy rate of 15-24-year-olds
Goal 3: Promote gender equality and empower women	Target 4: Eliminate gender disparity in primary and secondary education preferably by 2005 and to all levels of education no later than 2015	4.9. Ratio of girls to boys in primary, secondary and tertiary education 4.10. Ratio of literate 15-24-year-olds by gender 4.11. Share of women in wage employment in the non-agricultural sector 4.12. Proportion of seats held by women in national parliament
Goal 4: Reduce child mortality	Target 5: Reduce by two thirds, between 1990 and 2015, the under-five mortality rate	5.13. Under-five mortality rate 5.14. Infant mortality rate 5.15. Proportion of one-year-old children immunized against measles
Goal 5: Improve maternal health	Target 6: Reduce by three quarters, between 1990 and 2015, the maternal mortality ratio	6.16. Maternal mortality ratio 6.17. Proportion of births attended by skilled health personnel

¹ Where relevant, the indicators should be calculated for subnational levels — urban and rural areas, regions, socio-economic groups, and by age and gender. Some of the indicators listed below will be monitored separately for least developed countries (LDCs), Africa, land-locked countries and small-island developing states.



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<p>Goal 6: Combat HIV/AIDS, malaria and other diseases</p>	<p>Target 7: Have halted by 2015, and begun to reverse, the spread of HIV/AIDS Target 8: Have halted by 2015, and begun to reverse, the incidence of malaria and other major diseases</p>	<p>7.18. HIV prevalence among 15-24-year-old pregnant women 7.19. Contraceptive prevalence rate 7.20. Number of children orphaned by HIV/AIDS 8.21. Prevalence and death rates associated with malaria 8.22. Proportion of population in malaria risk areas using effective malaria prevention and treatment measures 8.23. Prevalence and death rates associated with tuberculosis (TB) 8.24. Proportion of TB cases detected and cured under DOTS (directly observed treatment short course)</p>
<p>Goal 7: Ensure environmental sustainability</p>	<p>Target 9: Integrate the principles of sustainable development into country policies and programmes, and reverse the loss of environmental resources Target 10: Halve, by 2015, the proportion of people without sustainable access to safe drinking water Target 11: By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers</p>	<p>9.25. Proportion of land area covered by forest 9.26. Land area protected to maintain biological diversity 9.27. GDP per unit of energy use (as proxy for energy efficiency) 9.28. Carbon dioxide emissions (per capita) [Plus two figures of global atmospheric pollution: ozone depletion and the accumulation of global warming gases] 10.29. Proportion of population with sustainable access to an improved water source 11.30. Proportion of people with access to improved sanitation 11.31. Proportion of people with access to secure tenure [Urban/rural disaggregation of several of the above indicators may be relevant for monitoring improvement in the lives of slum dwellers]</p>
<p>Goal 8: Develop a global partnership for development <i>(Some of the indicators will be monitored separately for least developed countries (LDCs), Africa, land-locked countries and small-island developing states.)</i></p>	<p>Target 12: Develop further an open, rule-based, predictable, non-discriminatory trading and financial system. Includes a commitment to good governance, development, and poverty reduction – both nationally and internationally Target 13: Address the special needs of LDCs. Includes: tariff and quota-free access for LDC exports; enhanced Debt Initiative and cancellation of official bilateral debt; and more generous ODA for countries committed to poverty reduction Target 14: Address the special needs of land-locked countries and small-island developing states Target 15: Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term Target 16: In cooperation with developing countries, develop and implement strategies for decent and productive work for youth Target 17: In cooperation with pharmaceutical companies, provide access to affordable, essential drugs in developing countries Target 18: In cooperation with the private sector, make available the benefits of new technologies, especially information and communications</p>	<p>12-14. Official Development Assistance 32. Net ODA as percentage of Development Assistance Committee (DAC) donors' gross national income (GNI) [targets of 0.7% in total and 0.15% for LDCs] 33. Proportion of ODA to basic social services (basic education, primary health care, nutrition, safe water and sanitation) 34. Proportion of ODA that is untied 35. Proportion of ODA for environment in small-island developing states 36. Proportion of ODA for transport sector in land-locked countries</p> <p>12-14. Market Access 37. Proportion of exports (by value and excluding arms) admitted free of duties and quotas 38. Average tariffs and quotas on agricultural products and textiles and clothing 39. Domestic and export agricultural subsidies in OECD countries 40. Proportion of ODA provided to help build trade capacity</p> <p>15. Debt Sustainability 15. 41. Proportion of official bilateral HIPC debt cancelled 15. 42. Debt service as a percentage of exports of goods and services 15. 43. Proportion of ODA provided as debt relief 15. 44. Number of countries reaching Debt Initiative decision and completion points</p> <p>16. 45. Unemployment rate of 15-24-year-olds 17. 46. Proportion of population with access to affordable essential drugs on a sustainable basis 18.47. Telephone lines per 1 000 people 18.48. Personal computers per 1 000 people</p>

4. **Governance of the MDGs and reporting on the MDGs.** The United Nations will report on progress towards the MDGs at global and country levels, coordinated by the United Nations Department of Economic and Social Affairs and the United Nations Development Programme, respectively. Reporting will be based on two processes: (a) close consultation and collaboration with all relevant institutions, comprising the United Nations Development Group (including the World Health Organization and the United Nations Conference on Trade and Development), other United Nations departments, funds, programmes and specialized agencies, the World Bank, IMF and OECD and regional groupings and experts; and (b) the use of progress reports on and updates of the nationally owned poverty-reduction strategies such as the PRSPs, United Nations common country assessments and national human development reports, which emphasize a consultative process among

the development partners. The main purpose of such collaboration and consultation will be to ensure a common assessment and understanding of the status of the MDGs at both global and national levels. The United Nations Secretariat will invite all relevant institutions to participate in and contribute to global- and country-level reporting with a view to issuing an annual United Nations report that has the wide support of the international community and that can be used by other institutions in their regular reporting on the goals.

5. IFAD, as well, is contributing to achieving the MDGs and will report on the progress made. The eradication of extreme poverty and hunger, universal primary education, gender equality and empowerment of women, the reduction of child mortality, the improvement of maternal health, the fight against HIV/AIDS, malaria and other diseases, and environmental sustainability are of concern to IFAD, as mutually reinforcing causes and consequences of poverty. However the selected goals (targets and indicators) are not all directly relevant for IFAD's programme priorities and instruments. While the methodological problem of attribution of achieved impact to specific investment programme activities remains to be resolved, IFAD will help in securing:

- (a) the rural dimension and the gender responsiveness of directly relevant goals;
- (b) the eradication of extreme poverty and hunger, using as indicators country-specific poverty lines and anthropometric measures for child malnutrition – stunting;
- (c) the empowerment of women, by enabling rural women and their organizations to participate on a sustainable basis in the development and implementation of pro-poor policies and poverty-reduction programmes;
- (d) environmental sustainability, by supporting the integration of the principles of sustainable development into country policies and programmes and by contributing to biodiversity; and
- (e) a global partnership for development, by contributing to ODA for agricultural development, through advocacy for market access and by contributing to debt sustainability.

6. IFAD will also indirectly contribute to some of the education, sanitation and health-related goals, targets and indicators not specifically retained in the above list, through its partnerships with the Belgian Survival Fund, UNAIDS and others, for whom these goals, targets and indicators are directly relevant.

Table 2: MDGs Most Relevant to IFAD

Goals	Targets	Indicators
Eradicate extreme poverty and hunger	<ul style="list-style-type: none"> • Halve, between 1990 and 2015, the proportion of people whose income is less than USD 1 a day • Halve, between 1990 and 2015, the proportion of people who suffer from hunger 	<ul style="list-style-type: none"> • Proportion of population below USD 1 per day • Poverty gap ratio [incidence x depth of poverty] • Prevalence of underweight children (under five years of age)
Promote gender equality and empower women		<ul style="list-style-type: none"> • Ratio of literate among 15-24-year-olds, by sex.
Combat HIV/AIDS, malaria and other diseases	<ul style="list-style-type: none"> • Have halted by 2015, and begun to reverse, the spread of HIV/AIDS 	<ul style="list-style-type: none"> • HIV prevalence among 15-24-year-old pregnant women
Ensure environmental sustainability	<ul style="list-style-type: none"> • Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources • Halve, by 2015, the proportion of people without sustainable access to safe drinking water 	<ul style="list-style-type: none"> • Proportion of land area covered by forest • Land area protected to maintain biological diversity • Proportion of population with sustainable access to an improved water source

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<p>Develop a Global Partnership for Development</p>	<ul style="list-style-type: none"> • Develop further an open, rule-based, predictable, non-discriminatory trading and financial system. Includes a commitment to good governance, development and poverty reduction – both nationally and internationally • Address the special needs of the LDCs. Includes: tariff and quota-free access for LDC exports; the enhanced Debt Initiative and cancellation of official bilateral debt; and more generous ODA for countries committed to poverty reduction • Address the special needs of land-locked countries and small-island developing states • Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term • In cooperation with developing countries, develop and implement strategies for decent and productive work for youth 	<p>Official Development Assistance</p> <ul style="list-style-type: none"> • Net ODA as percentage of OECD DAC donors' GNI [targets of 0.7% in total and 0.15% for LDCs] • Proportion of ODA to basic social services (basic education, primary health care, nutrition, safe water and sanitation) • Proportion of ODA for environment in small-island developing states • Proportion of ODA for transport sector in land-locked countries <p>Market Access</p> <ul style="list-style-type: none"> • Proportion of exports (by value and excluding arms) admitted free of duties and quotas • Average tariffs and quotas on agricultural products and textiles and clothing • Domestic and export agricultural subsidies in OECD countries • Proportion of ODA provided to help build trade capacity <p>Debt Sustainability</p> <ul style="list-style-type: none"> • Unemployment rate of 15-24-year-olds
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7. **The cost of reaching the MDGs.** Using two parallel methods², a recent World Bank study provides two broadly consistent estimates for the additional annual foreign aid required to reach the MDGs by 2015:

- (a) USD 39-54 billion a year for reducing income poverty by half between 1990 and 2015³; or
- (b) USD 40-60 billion a year for the health, education and environmental goals, noting that the achievement of these goals contribute substantially to reducing income poverty.

8. The question asked was: if the necessary changes in policies and institutions are forthcoming, what additional financial resources will be needed to achieve the 2015 goals? The results of the two methods are broadly consistent and call for a doubling of annual ODA.

9. The basic World Bank assessment distinguishes between 33 'on-track' countries⁴ that do not need additional aid to reach the income poverty-reduction goal; and 65 'uphill countries' that are the potential recipients of this additional aid. Using a composite performance indicator, these uphill countries are further subdivided: (a) 43 countries with adequate policies and institutions that can make effective use of additional funds immediately; and (b) 22 countries that would need to improve their policies and institutions before they could effectively benefit from additional aid. The 43 uphill countries with adequate policies require USD 39 million in additional aid to reach the income poverty-reduction goal. For the other 22 uphill countries, it is assumed that additional aid would be

² The first approach considers economic growth as the main driver, and estimates the additional costs by calculating the additional savings required to finance the investment that will lead to the desired income growth. The second approach looks at the specific interventions required to achieve the goals of education, health and the environment. To the extent that improvements in education, health and the environment lead to faster economic growth – and there is substantial evidence that they will – the second approach can also be associated with a growth-driven strategy to achieve the goals. Similarly, the additional growth in the first approach increases public resources that could, and will, be spent on education, health and environmental interventions such as those in the second approach. Thus the ultimate differences between the two approaches may not be so great, but the fact that they start from different premises should not be overlooked.

³ It should be noted that, with income poverty linked to the other targets, such as infant mortality and primary enrolment, achieving this goal will go some way towards achieving the others. The more the actions to promote growth are associated with those to promote human development, the stronger is the link.

⁴ Countries that are either on track to reach the goal of poverty reduction using currently available resources, or countries where additional aid will not make a big difference, since foreign aid is so small compared to the size of their economy.



forthcoming only if they improved their policies and institutions up to the average of the better-performing countries, and if they improved service delivery to make the additional spending effective. In that case, an additional USD 15 billion per year would be needed to assist these countries in reaching the poverty goal.

10. Greater improvements in the policy framework than those assumed, together with improvements in policies by rich countries, such as those for trade, would work to reduce the required resources.

11. The assessment does not distinguish between private and public investment. If these countries are successful in improving their investment climate, the amount of additional foreign aid needed will decrease. First, such an improvement would work to increase private investment, which, in terms of growth, can substitute for aid. Second, the overall productivity of capital in the economy will increase, reducing the amount of additional investment (and hence foreign aid) needed to generate the same growth rate.

12. The assessment also assumes that the world trading system will remain essentially unchanged – becoming neither more protectionist nor more open. If the Fourth World Trade Organization Ministerial Meeting in Doha, Qatar, held in November 2001, produces tangible results, they should include providing greater market access for developing countries. For developing countries as a group, the benefits of this increased market access will be much larger than financial transfers through ODA over the period up to 2015. Unfortunately, these gains would not substitute for development assistance in helping all countries reach the MDGs for two reasons: first, Africa plays such a small part in world trade (and already has preferential access in certain areas) that the geographic distribution of trade-related benefits favours the high-trading, lower- and middle-income countries. Second, these low-income countries are too poor to benefit fully from multilateral trade liberalization without aid. To take advantage of market access, they require hefty investments in trade-creating infrastructure, transportation and telecommunications, together with investments in trade-related government institutions (such as better customs and tax administration), and overall management of public investment. These in turn require development assistance – ‘aid for trade’. In short, even though reducing trade barriers will undoubtedly benefit developing countries by stimulating growth and reducing global poverty, it is not sufficient to eliminate the need for aid in those countries with the largest income-poverty gap.

13. For most uphill countries with adequate policies, absorptive capacity is unlikely to be a problem in the absence of diminishing returns to aid. Possible diminishing returns to aid would be the result of congestion effects – too many projects absorbing the limited technical and managerial talent in developing countries. A shift by donors towards simplified and harmonized aid modalities could therefore be an important element in reaching the goals.

14. However, additional financing is one of many inputs required to reach the MDGs. Money alone will not guarantee that the goals will be reached. Policies and institutions are fundamental to progress on poverty reduction in all its dimensions. When countries have the appropriate policies and institutional arrangements that will make additional aid effective, then money can play an important if not critical role in accelerating progress towards the goals. To realize this international commitment requires that all members of the global community accelerate their efforts: that the 22 or so uphill countries improve their policies and institutions; that the developed countries relax trade barriers and coordinate aid better; and that donors increase financial aid by about USD 40-60 billion annually.

15. **In conclusion.** The MDGs constitute a rallying point for all development actors. However, while the importance of poverty is overwhelmingly acknowledged, inadequate attention is given to rural poverty in general, but also in the MDGs. To deliver on its mission in the context of the MDGs, IFAD needs to continue advocating the rural dimension of poverty in international and national



forums; highlighting the resource, institutional and policy implications of the MDGs in rural areas; mobilizing partnerships around these rural challenges; and contributing to the reporting on progress made in reaching the MDGs.

16. Recent estimates set the additional, annual ODA required to reach the MDGs by 2015 at approximately USD 54 billion. This would raise total annual ODA to the level of USD 100 billion, broadly a doubling of its current levels. This important challenge is being pursued, most prominently in the recent FfD Conference in Monterrey, Mexico; the European Union (EU) Summit in Barcelona, Spain; and declarations by the Governments of the United States and others. In Monterrey, an estimated additional USD 30 billion was pledged by the United States and the EU for the period 2002-2006.