



**IFAD**  
**INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT**

**GOVERNING COUNCIL REPORT**  
**TWENTY-FIFTH ANNIVERSARY SESSION**  
**ROME, 19-20 FEBRUARY 2003**

*ACHIEVING THE MILLENNIUM DEVELOPMENT GOALS  
BY ENABLING THE RURAL POOR TO OVERCOME THEIR POVERTY*



INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

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**TABLE OF CONTENTS**

<b>CHAPTER</b>	<b>PARAGRAPHS</b>	<b>PAGES</b>
1. INAUGURATION AND PROCEEDINGS	1 – 10	1
A. Opening of the Session	3	1
B. Agenda and Documentation	4	1
C. Inaugural Meeting of the Session	5 – 7	1
D. Statement of the President of IFAD	8	1
E. General Statements	9	1
F. Closure of the Session	10	1
2. DECISIONS OF THE GOVERNING COUNCIL	11 – 34	2 – 6
A. Application for Non-Original Membership	11 – 12	2
B. Report on the Fifth Replenishment of IFAD's Resources	13 – 14	2
C. Sixth Replenishment of IFAD's Resources	15 – 18	2 – 3
D. Audited Financial Statements of IFAD – 31 December 2001	19	3
E. Administrative Budget of IFAD for 2003/IFAD Trust Fund for the After-Service Medical Coverage Scheme	20 – 21	3
F. Election of Members and Alternate Members to the Executive Board	22 – 29	3 – 5
G. Report on the IFAD V: Plan of Action (2000-2002)	30	6
H. Progress Report on the Process Re-Engineering Programme (Strategic Change Programme)	31	6
I. Progress Report on the Popular Coalition to Eradicate Hunger and Poverty	32	6
J. Progress Report on the Global Mechanism of the United Nations Convention to Combat Desertification	33	6
K. Approval of Disclosure of Documents	34	6
3. A. SUMMARY RECORDS (Including a Summary of General Statements Delivered Orally or Webcast by Governors and Observers)	35 – 296	7 – 55
(i) First Meeting – 19 February 2003	35 – 91	7 – 15
(ii) Second Meeting – 19 February 2003	92 – 206	16 – 36
(iii) Third Meeting – 20 February 2003	207 – 226	37 – 41
(iv) Fourth Meeting – 20 February 2003	227 – 289	42 – 53
(v) Webcast General Statements	290 – 296	54 – 55



CHAPTER	PARAGRAPHS	PAGES
B. ROUND-TABLE DISCUSSIONS	297 – 321	56 – 62
Introduction	297 – 299	56 – 58
Summary of Round Table Discussions Presented by Mr Klemens van de Sand, Assistant President, Project Management Department	300 – 321	58 – 62
C. OTHER GENERAL STATEMENTS OF GOVERNORS		63 – 87
Albania		63 – 64
Bangladesh		65 – 66
Benin		67
Burkina Faso		68 – 70
Ethiopia		71 – 73
Guinea		74 – 75
Haiti		76 – 77
India		78 – 79
Jordan		80 – 81
Maldives		82 – 83
Morocco		84
United States		85
Arab Authority for Agricultural Investment and Development		86 – 87
4. STATEMENTS AND SPECIAL ADDRESSES		88 – 114
Welcoming Statement by the President of IFAD, Lennart Båge, on the Occasion of the Visit of His Excellency Carlo Azeglio Ciampi, President of the Italian Republic; His Excellency Kofi Annan, Secretary-General of the United Nations; and His Eminence Cardinal Angelo Sodano, Secretary of State of the Holy See		89 – 90
Inaugural Address by His Excellency Carlo Azeglio Ciampi, President of the Italian Republic		91 – 93
Inaugural Address by His Excellency Kofi Annan, Secretary-General of the United Nations		94 – 95
Message of His Holiness Pope John Paul II, delivered on his behalf by His Eminence Cardinal Angelo Sodano, Secretary of State of the Holy See		96 – 97
Statement of Appreciation by the Acting Governor for the Republic of Ecuador on behalf of the Member States of IFAD, for the Inaugural Addresses by His Excellency Carlo Azeglio Ciampi, President of the Italian Republic; His Excellency Kofi Annan, Secretary-General of the United Nations; and the message of His Holiness Pope John Paul II, delivered on his behalf by His Eminence Cardinal Angelo Sodano, Secretary of State of the Holy See		98
Statement by the Director-General of the Food and Agriculture Organization of the United Nations, Mr Jacques Diouf		99 – 100



CHAPTER	PAGES
4. STATEMENTS AND SPECIAL ADDRESSES (continued)	
Statement by the Executive Director of the World Food Programme, Mr James T. Morris	101 – 102
Statement by the President of IFAD, Lennart Båge, to the Twenty-Fifth Anniversary Session of the Governing Council	103 – 109
Achieving the Millennium Development Goals by Enabling the Rural Poor to Overcome Their Poverty: Summary of the Panel Discussion	110 – 111
Statement by the Chairman, His Excellency Bungaran Saragih, Closing the Twenty-Fifth Anniversary Session of the Governing Council	112 – 114
ANNEXES	
I. List of Participants at the Twenty-Fifth Anniversary Session of the Governing Council	115 – 188
II. Agenda and Programme of Events	189 – 191
III. List of Documents Placed before the Twenty-Fifth Anniversary Session of the Governing Council 192	– 193
IV. Resolutions Adopted by the Governing Council at its Twenty-Sixth Session	194 – 226

## INAUGURAL CEREMONY



President Bâge with guest speakers



Mayor Walter Veltroni greets Secretary-General Kofi Annan



Inaugural Ceremony – H.E. Carlo Azeglio Ciampi, President of the Italian Republic



H.E. Kofi Annan, Secretary-General of the United Nations



H.E. Cardinal Angelo Sodano, Secretary of State of the Holy See

## CHAPTER 1

### INAUGURATION AND PROCEEDINGS

1. The Twenty-Fifth Anniversary Session of the Governing Council of IFAD was held in Rome on 19-20 February 2003. The list of participants is attached as Annex I.

2. The Council held a total of four meetings, the summary records of which are contained in Chapter 3, Part A.

#### **A. Opening of the Session**

3. The Session was opened by His Excellency Bungaran Saragih, Minister for Agriculture of the Republic of Indonesia and Chairman of the Governing Council.

#### **B. Agenda and Documentation**

4. The Governing Council adopted the Agenda, shown together with the Programme of Events for the Session in Annex II. The documents placed before the Council are listed in Annex III. The resolutions adopted by the Governing Council appear in Annex IV.

#### **C. Inaugural Meeting of the Session**

5. The Governing Council was addressed by His Excellency Carlo Azeglio Ciampi, President of the Italian Republic. An inaugural address was also delivered by His Excellency Kofi Annan, Secretary-General of the United Nations. The full text of the inaugural addresses is reproduced in Chapter 4.

6. A message was delivered on behalf of His Holiness Pope John Paul II by His Eminence Cardinal Angelo Sodano, the full text of which is reproduced in Chapter 4.

7. Mr Jacques Diouf, Director-General of the Food and Agriculture Organization of the United Nations, and Mr James T. Morris, Executive Director of the World Food Programme, also delivered statements. These statements are reproduced, in full, in Chapter 4.

#### **D. Statement of the President of IFAD**

8. The full text of President Bâge's statement appears in Chapter 4.

#### **E. General Statements**

9. The general statements delivered by Governors and Observers and those webcast by Member State representatives are summarized in the summary records contained in Chapter 3, Part A. A summary of the four round-table discussions is contained in Chapter 3, Part B. General statements submitted in writing by Member State representatives who did not make oral interventions are reproduced in full in Chapter 3, Part C.

#### **F. Closure of the Session**

10. The Chairman, His Excellency Bungaran Saragih, summarized both the panel discussion and the results of the Council's main deliberations and closed the Twenty-Fifth Anniversary Session of the Governing Council. The text of the statements are reproduced in full in Chapter 4.

## CHAPTER 2

### DECISIONS OF THE GOVERNING COUNCIL

#### **A. Application for Non-Original Membership**

11. The Governing Council considered document GC 26/L.2 and, on 19 February 2003, adopted Resolution 129/XXVI approving the membership of IFAD of the Democratic Republic of Timor-Leste.

12. The Council noted that Timor-Leste will be admitted as a non-original member in the Fund's List C (Sub-List C2) Member States, as agreed with the members of that List.

#### **B. Report on the Fifth Replenishment of IFAD's Resources**

13. The Governing Council took note of the Progress Report on the Fifth Replenishment of IFAD's Resources as contained in documents GC 26/L.3 and GC 26/L.3/Add.1. It noted that the total value of the instruments of contribution deposited and payments in cash or promissory notes against pledges not supported by instruments of contribution amounted to USD 348.3 million, or 79% of total pledges. It also noted that total payments in cash and promissory notes amounted to USD 251.5 million, or 57% of total pledges.

14. Note was also taken that under complementary contributions to the Fifth Replenishment, Belgium had pledged and paid the equivalent of approximately USD 15.5 million for the specific objectives of the Belgian Survival Fund for the Third World. A pledge equivalent to approximately USD 3.9 million recorded for Italy under complementary contributions was provided in support of IFAD's Debt Initiative Trust Fund for Heavily-Indebted Poor Countries.

#### **C. Sixth Replenishment of IFAD's Resources**

15. The Governing Council reviewed and endorsed document GC 26/L.4 entitled "Enabling the Rural Poor to Overcome their Poverty: Report of the Consultation on the Sixth Replenishment of IFAD's Resources (2004–2006)". The Council noted the specific policy issues identified by the Consultation that needed to be addressed during the replenishment period, and expressed its appreciation for the direction that the Consultation had provided with regard to these issues.

16. The Council also reviewed document GC 26/L.4/Add.1 and, on 19 February 2003, adopted Resolution 130/XXVI on the Sixth Replenishment of IFAD's Resources. It noted with pleasure that the negotiations for the Sixth Replenishment of IFAD's Resources had been completed in less than one year. These negotiations had resulted in an agreed replenishment target of USD 560 million for the period 2004–2006, the highest negotiated target since the Fund's first replenishment exercise, thus underlining the strong support the Fund was receiving from its membership.

17. With respect to the Fund's lending programme, it was recalled that the Executive Board, at its Sixty-Seventh Session in September 1999, had approved the regional allocation for IFAD lending on the recommendation of the Ad Hoc Committee on Regional Allocations. The Council noted that these regional allocations would continue to apply to IFAD's lending programme until such time as the Executive Board took further decisions thereon.

18. With respect to complementary contributions to the Sixth Replenishment period, the Council paid tribute to Belgium's important and sustained support for the Belgian Survival Fund for the Third





World, and to India and the United Kingdom for having pledged substantial complementary contributions in support of IFAD's capacity for innovation.

**D. Audited Financial Statements of IFAD – 31 December 2001**

19. The Governing Council considered and approved the Financial Statements showing the financial position of IFAD as at 31 December 2001 and the results of its operations for the year ended on that date, as contained in Appendixes A to H, inclusive, of document GC 26/L.5 and the report of the External Auditor thereon.

**E. Administrative Budget of IFAD for 2003/IFAD Trust Fund for the After-Service Medical Coverage Scheme**

20. After considering the proposed administrative budget of IFAD for 2003, as presented in documents GC 26/L.6 and GC 26/L.6/Add.1, the Governing Council adopted Resolution 131/XXVI relating thereto on 19 February 2003. In approving the administrative budget for 2003, the Governing Council also authorized the Executive Board to approve any funding that might still be required after the receipt of voluntary contributions for the external independent evaluation of IFAD that had been recommended by the Consultation on the Sixth Replenishment of IFAD's Resources. That funding would be recorded as a one-time below-the-line cost included in the 2003 administrative budget.

21. The Governing Council also considered document GC 26/L.7 and adopted Resolution 132/XXVI relating to the Establishment of an IFAD Trust Fund for the After-Service Medical Coverage Scheme.

**F. Election of Members and Alternate Members to the Executive Board**

22. In accordance with Rule 40.2 of the Rules of Procedure of the Governing Council, and after considering documents GC 26/L.8, GC 26/L.8/Add.1 and GC 26/L.8/Add.2, the Council elected, on 20 February 2003, new Members and Alternate Members to the Executive Board for terms of office of three years.

23. Within List A countries: Canada, France, Germany, Italy, Japan, The Netherlands, Sweden and the United States were elected as Members; and as Alternate Members, respectively, Ireland, Belgium, Switzerland, Austria, Denmark, United Kingdom, Norway and Australia. The Governing Council further decided that The Netherlands and the United Kingdom would alternate seats, i.e. the United Kingdom would be Member and The Netherlands Alternate Member, for the last year of the term of office, i.e. 2005.

24. Within List B countries: Kuwait, Nigeria, Saudi Arabia and Venezuela were elected as Members and the following as Alternate Members: the United Arab Emirates as Alternate to Kuwait; Indonesia as Alternate to Saudi Arabia; and Algeria as Alternate to Venezuela. As Rule 40.1 of the Rules of Procedure of the Governing Council specifies that any Member against whom an accounting provision existed at the time of election to the Executive Board is ineligible for election or appointment to the Executive Board, there remained a vacant Alternate Member seat associated with Nigeria. It was decided, however, that, during the three-year term of office of the Executive Board, the List B countries could adjust their membership to include any ineligible List B country that might acquire eligibility to the Executive Board.

25. Within Sub-List C1 countries in the Africa region: Cameroon and Egypt were elected as Members; and as Alternate Members, respectively, The Sudan and Mozambique.



26. Within Sub-List C2 countries in the Europe, Asia and Pacific region, the following countries were elected as Members: China for the years 2003 and 2004, to be replaced by Pakistan in 2005; and India, for the full term of office. The following countries were elected as Alternate Members: Pakistan as Alternate to China for the first year, to be replaced by Sri Lanka in 2004; Romania as Alternate to India for the first year, to be replaced by the Republic of Korea for the years 2004 and 2005; and, finally, China as Alternate to Pakistan in 2005.
27. Within Sub-List C3 Countries in the Latin America and the Caribbean region: Brazil and Mexico were elected as Members and the following as Alternate Members: Panama as Alternate to Brazil for the first year, to be replaced by Guatemala for the years of 2004 and 2005; and Argentina as Alternate to Mexico.
28. With respect to the exchange of seats within the Sub-List C2 and Sub-List C3 membership, the Governing Council approved these changes to be effective as of the last day of February of each year in question. It was decided that no further Governing Council endorsement would be required in this regard.
29. Accordingly, the composition of the Executive Board for the three-year term of office is as follows:



**EXECUTIVE BOARD COMPOSITION  
FOR THE THREE-YEAR TERM OF OFFICE OF 2003–2005**

**Member**

**Alternate Member**

**LIST A**

Canada	Ireland
France	Belgium
Germany	Switzerland
Italy	Austria
Japan	Denmark
The Netherlands (2003–2004)	United Kingdom (2003–2004)
Sweden	Norway
United Kingdom (2005)	The Netherlands (2005)
United States	Australia

(The Netherlands and the United Kingdom will alternate seats for the year 2005.)

**LIST B**

Kuwait	United Arab Emirates
Nigeria	–
Saudi Arabia	Indonesia
Venezuela	Algeria

(The Council decided that, during the three-year term of office, the List B membership could be modified to include any member ineligible at the time of election that might subsequently acquire eligibility to the Board.)

**LIST C**

**SUB-LIST C1**

**Africa**

Cameroon	Sudan
Egypt	Mozambique

**SUB-LIST C2**

**Europe, Asia and the Pacific**

China (2003–2004)	Pakistan (2003)
	Sri Lanka (2004)
India (2003–2005)	Romania (2003)
	Republic of Korea (2004–2005)
Pakistan (2005)	China (2005)

**SUB-LIST C3**

**Latin America and the Caribbean**

Brazil	Panama (2003)
	Guatemala (2004–2005)
Mexico	Argentina



**G. Report on the IFAD V: Plan of Action (2000–2002)**

30. The Governing Council took note of both the written report, document GC 26/L.9/Rev.1, and the oral report given by Mr Klemens van de Sand, Assistant President of the Programme Management Department, on implementation of the Plan of Action recommendations set out in the document entitled “Partnerships for Eradicating Rural Poverty: Report of the Consultation to Review the Adequacy of the Resources Available to IFAD, 2000–2002”.

**H. Progress Report on the Process Re-Engineering Programme (Strategic Change Programme)**

31. The Governing Council took note of the third annual Progress Report on the Process Re-Engineering Programme contained in document GC 26/L.10, and the oral update given by Mr Cyril Enweze, Vice-President of IFAD, on the new and stronger direction the programme had taken.

**I. Progress Report on the Popular Coalition to Eradicate Hunger and Poverty**

32. The Governing Council took note of both the written report, document GC 26/L.11, and the oral report given by Mr Bruce Moore, Coordinator of the Popular Coalition to Eradicate Hunger and Poverty, on the results achieved since the Twenty-Fifth Session of the Governing Council in improving the access of the poor to productive resources in the countries and regions covered by current activities of the Coalition. The Council also noted that the Coalition had been renamed the International Land Coalition.

**J. Progress Report on the Global Mechanism of the United Nations Convention to Combat Desertification**

33. The Governing Council took note of both the written report, document GC 26/L.12, and the oral report given by Mr Per Ryden, Managing Director of the Global Mechanism, on the evolving operational strategy and activities during 2002 of the Global Mechanism of the United Nations Convention to Combat Desertification in those Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa.

**K. Approval of Disclosure of Documents**

34. The Governing Council approved the disclosure of all the documents submitted to the Session and noted that they would be subsequently posted on IFAD’s public website.

## CHAPTER 3

### A. SUMMARY RECORDS

(Including a Summary of General Statements Delivered  
Orally or Webcast by Governors and Observers)

- (i) Summary Record of the First Meeting of the  
Twenty-Fifth Anniversary Session held on Wednesday,  
19 February 2003, at 10.00 hours

CHAIRMEN:	BUNGAN SARAGIH (INDONESIA) ROY FANOURAKIS (SWAZILAND)	PARAGRAPHS
Opening of the Session (Agenda Item 1)		36
Adoption of the Agenda (Agenda Item 2)		37
Application for Non-Original Membership (Agenda Item 3)		38 – 40
Inaugural Ceremony		41 – 57
- Inaugural Address by the President of the Italian Republic		42 – 43
- Inaugural Address by the Secretary-General of the United Nations		44 – 45
- Message of His Holiness Pope John Paul II		46 – 48
Statement of the Director-General of the Food and Agriculture Organization of the United Nations		50 – 51
Statement of the Executive Director of the World Food Programme		53 – 54
Statement of the President of IFAD (Agenda Item 4)		56 – 57
General Statements (Agenda Item 5)		58 – 90
- Timor-Leste		58 – 60
- Spain		61 – 64
- Japan		65 – 67
- The Sudan		68 – 70
- Republic of Korea		71 – 72
- Kenya		74 – 76
- Egypt		77 – 78
- China		79 – 80
- Algeria		81 – 82
- Thailand		83 – 84
- Qatar		85 – 86
- France		87 – 90



35. **The meeting was called to order at 10.00 hours.**

OPENING OF THE SESSION (Agenda Item 1)

36. **The CHAIRMAN** declared open the Twenty-Fifth Anniversary Session of the Governing Council and welcomed participants. The successful panel discussion format introduced at the Council's previous Session would again be followed at the current Session, under the theme "Achieving the Millennium Development Goals by Enabling the Rural Poor to Overcome their Poverty", which held out promise for a dynamic and interesting policy dialogue. It was of paramount importance that IFAD should continue its commendable work to reduce rural poverty and maintain its rightful place in the development community.

ADOPTION OF THE AGENDA (Agenda Item 2) (GC 26/L.1 and Add.1)

37. **The Agenda (GC 26/L.1) was adopted.**

APPLICATION FOR NON-ORIGINAL MEMBERSHIP (Agenda Item 3) (GC 26/L.2)

38. **The CHAIRMAN** invited the Governing Council to adopt the draft resolution in document GC 26/L.2.

39. **Resolution 129/XXVI was adopted.**

40. **The CHAIRMAN** welcomed the Democratic Republic of Timor-Leste as the 163<sup>rd</sup> Member State of IFAD and asked the Council to note that Timor-Leste would be admitted as a non-original member in the Fund's List C Member States, as agreed with the members of that List.

INAUGURAL CEREMONY

41. **Mr BÅGE** (President of IFAD) said it was an honour to welcome His Excellency Carlo Azeglio Ciampi, President of the Italian Republic, to the Twenty-Fifth Anniversary Session of the Governing Council. Recalling Italy's longstanding support for IFAD he said that since the birth of the United Nations, Italy had played a leading role in strengthening international cooperation for development, addressing conflicts and peace building, and in recognizing the importance of agriculture and rural development in those efforts. The presence of the Secretary-General of the United Nations at the current Session of the Council was particularly appreciated, given the critical challenges facing the world and the burden of responsibility he bore. Under his leadership, the United Nations was striving not only to address emergencies and conflicts but equally to overcome the poverty, deprivation, insecurity and exclusion that were so often the causes of conflict. The Millennium Summit to which he had largely contributed clearly reflected the international community's determination to reduce poverty and hunger. He was also most pleased to welcome His Eminence Cardinal Sodano, who would be delivering a message from His Holiness Pope John Paul II. Finally, the presence of the Director-General of the Food and Agriculture Organization of the United Nations (FAO) and the Executive Director of the World Food Programme (WFP) was an indication of the strong and close collaboration that IFAD enjoyed with those organizations. The Millennium Development Goals (MDGs) to reduce poverty and hunger provided an opportunity to reinforce that collaboration even further.

INAUGURAL ADDRESS BY HIS EXCELLENCY CARLO AZEGLIO CIAMPI, PRESIDENT OF THE ITALIAN REPUBLIC

42. **Mr CIAMPI** (President of the Italian Republic) delivered an inaugural address, the full text of which is reproduced in Chapter 4.



43. **The CHAIRMAN** thanked President Ciampi for his address, which confirmed his country's commitment to the common goals of promoting development and providing aid to those in need.

INAUGURAL ADDRESS BY HIS EXCELLENCY KOFI ANNAN, SECRETARY-GENERAL OF THE UNITED NATIONS

44. **Mr ANNAN** (Secretary-General of the United Nations) delivered an inaugural address, the full text of which is reproduced in Chapter 4.

45. **The CHAIRMAN** expressed the Governing Council's appreciation of Mr Annan's thought-provoking address. His presence was evidence of the strong bond within the United Nations family and his personal belief in the work of IFAD. His words would encourage the staff to reinforce their efforts towards achieving the MDGs.

MESSAGE OF HIS HOLINESS POPE JOHN PAUL II

46. **The CHAIRMAN** invited His Eminence Cardinal Angelo Sodano, Secretary of State of the Holy See, to deliver a message on behalf of His Holiness Pope John Paul II.

47. **CARDINAL SODANO** (Secretary of State of the Holy See) read out a message from His Holiness Pope John Paul II, the full text of which is reproduced in Chapter 4.

48. **The CHAIRMAN** asked Cardinal Sodano to convey the Governing Council's gratitude to His Holiness Pope John Paul II for his guiding words of wisdom, which would give the Council cause for reflection in its deliberations.

49. **Mr CHIRIBOGA VEGA** (Ecuador), speaking on behalf of the Governing Council, expressed deep gratitude to the three guests for their inspiring statements, which clearly underscored the importance of working towards a world without hunger and of achieving the MDGs. That IFAD enjoyed a strong position in the world of development assistance was largely due to the support it received from such exemplary leaders. The President and people of Italy had been staunch partners in IFAD's endeavours. The President's appeal for a new unity between North and South pointed the way to a common goal. It had been most encouraging to hear of Mr Annan's shared pride in belonging to the United Nations family and of his emphasis on partnership between civil society and the international community in the fight against poverty and hunger. Finally, the support of the Holy See for IFAD's goals of promoting a better life for all fellow beings was most encouraging.

STATEMENT OF THE DIRECTOR-GENERAL OF THE FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS

50. **Mr DIOUF** (Director-General, Food and Agriculture Organization of the United Nations) made a statement, the full text of which is reproduced in Chapter 4.

51. **The CHAIRMAN** thanked Mr Diouf for his enlightening message. The Council appreciated the collaboration between the two organizations, which had gone from strength to strength over the years.

52. **Mr Fanourakis (Swaziland) took the Chair.**



## STATEMENT OF THE EXECUTIVE DIRECTOR OF THE WORLD FOOD PROGRAMME

53. **Mr MORRIS** (Executive Director, World Food Programme) made a statement, the full text of which is reproduced in Chapter 4.

54. **The CHAIRMAN** thanked Mr Morris for his statement and expressed his appreciation of the excellent collaboration between IFAD and WFP that continued to grow for the benefit of those who were still in desperate need of food security.

55. **Mr Saragih (Indonesia) resumed the Chair.**

## STATEMENT OF THE PRESIDENT OF IFAD (Agenda Item 4)

56. **Mr BÂGE** (President of IFAD) made a statement, the full text of which is reproduced in Chapter 4.

57. **The CHAIRMAN** expressed the Governing Council's appreciation of Mr Bâge's statement, which provided an excellent account of the work of the Fund and the principles that would guide it in the future. It was particularly heartening to hear of his commitment, and that of his staff, to meeting the goals of the Millennium Summit.

## GENERAL STATEMENTS (Agenda Item 5)

58. **Mr DA SILVA** (Timor-Leste) thanked the Governing Council for admitting his country to membership of the Fund. IFAD membership was timely for a new nation undergoing a crucial political and economic transition and requiring technical assistance to turn its strategic vision for agriculture into reality. He paid tribute to IFAD's efforts to reduce poverty and hunger in the developing world, and to the donor community for its assistance to Timor-Leste. Portugal was to be commended for its firm commitment to helping his country, both in its struggle for independence and in its reconstruction.

59. Agriculture played a major role in the transition process. The medium-term national development plan was based on the two overriding goals of reducing poverty and promoting sustainable and equitable growth in the expectation that by 2020 the agricultural, forestry and fishery industries would be sufficiently sustainable, competitive and prosperous to improve the living standards of the nation's people, through policies aimed at ensuring food security and at generating rural employment and alternative sources of income, especially for the poorest of the poor. However, the agriculture sector was constrained by low productivity owing to farmers' limited access to modern technology and inputs, lack of cash resources, inadequate knowledge of alternative technology and farm management skills and limited technical support services. Further agricultural diversification was required, calling for integrated development efforts. Stiff competition on world markets for coffee, the country's major export commodity in past years, made it imperative both to improve quality production and to intercrop coffee with other cash crops. Marketing infrastructures remained inadequate. Natural resources were under threat because of forest degradation, and environmental concerns needed to be integrated into efforts to reduce poverty.

60. As a new country, Timor-Leste was experiencing the growing pains associated with nation building. It was confident, however, that its twin policies for ensuring food security and rural employment would become the building blocks of sustainable economic growth and national development.

61. **Mr DOMEQ** (Spain) said that his Government was deeply committed to attaining the MDG of halving poverty by 2015 and had participated actively in the recent major international





development conferences. As the then President of the European Union, in 2002 Spain had launched the initiative by which an average of 0.39% of the gross national product (GNP) of all European Union Member States would be channelled to official development assistance (ODA) by the year 2006. In 2003 Spain's ODA would increase by 21.72% over the previous year.

62. To be effective, any action to combat hunger and poverty must take account of the broader context of conflict prevention and resolution, democracy, good governance and respect for human rights. Such action should be taken wherever poverty persisted, including in the low-income and even middle-income countries. Ownership and partnership were crucial elements in the struggle against poverty. Ownership implied, inter alia, involving local populations in project design, and also more equitable representation of countries and regions in the Fund's management. Partnership meant that IFAD should continue to engage in dialogue conducive to consensus-building between the developed and developing worlds, establish strategic alliances with large multilateral donors, build on synergies with the other Rome-based organizations and seek greater consistency with Member States' own international cooperation plans.

63. Spain had pledged to increase its contribution to the Sixth Replenishment by 25% and hoped that Member States would honour outstanding pledges to earlier replenishments and pay their contributions promptly. Spain was considering new approaches to cooperation with the Fund, such as cofinancing projects through the microcredit programme of the Spanish Agency for International Cooperation. It offered its expertise in such areas as controlling desertification and soil erosion and management of natural parks and was also studying the possibility of reconverting part of the debt of some of the poorest countries for rural development projects. Spain had contributed over USD 1.4 million to relieving the debt burden of the poorest countries and believed that IFAD should have fair access to the resources of the World Bank Debt Initiative for Heavily Indebted Poor Countries Trust Fund and should continue to participate in debt relief without jeopardizing its programme of loans and grants.

64. IFAD's new strategy for the management of its investment portfolio was welcome, but prudence was urged in order to reduce risk and avoid future losses. The Fund should also proceed cautiously in the transition to a performance-based system of resource allocation. Further improvements were required in several other areas, including the need for greater visibility of the Fund, more effective project formulation, with emphasis on areas in which it had a clear comparative advantage, and improved mechanisms for evaluation.

65. **Ms MATSUBARA** (Japan), after announcing that Japan would be contributing financially to events to mark IFAD's twenty-fifth anniversary and expressing support for IFAD's approach to achieving the MDGs, said that his Government had pledged USD 30 million to the Sixth Replenishment of the Fund's resources, despite the severe financial constraints it was facing. Given the importance Japan attached to women's education, health and participation in economic and social activities, it had set up, together with IFAD, a fund for Women in Development in 1995, with substantial funding to date. It had also provided grants, loans and technical assistance in support of agriculture, focused on improvements in the delivery and production of food, procurement of fertilizer and equipment, irrigation, distribution, training courses for nationals of developing countries, and the dispatch of Japanese experts and volunteers to developing countries. One of his country's unique projects concerned the development and dissemination of New Rice for Africa (NERICA), a short-growth-cycle species resistant to stress.

66. Attaining the MDGs called for a comprehensive approach, mobilizing ODA, private capital including direct foreign investment and resources from trade. Self-help and ownership by recipient countries were prerequisites for the successful implementation of financial assistance, as were partnership and solidarity among members of the international community. South-South cooperation would be an effective tool for improving on the achievements of IFAD's projects.



67. Japan intended to continue actively supporting rural development and in 2003 would be hosting the World Water Forum and the International Ministerial Conference and, later in the year, the Third Tokyo International Conference on African Development.

68. **Mr ELKHALIFA AHMED** (The Sudan) said that economic stability had been achieved in all sectors in his country, as reflected in the 7% increase in growth and 10% reduction in inflation. Those gains were partly due to the discovery of oil. The agricultural sector now accounted for 50% of national income. Productivity and food crop production had increased, with a positive impact on food security. The Sudan was currently engaged in upgrading its agricultural infrastructure and was enacting tax-exemption laws to promote investment in agriculture aimed at producing more food and hence increasing food security both within the country and further afield. Current peace negotiations held out promise for the stability needed to further The Sudan's development. The Government had drawn up a new, comprehensive 25-year strategy for agriculture, which foresaw an important role for women, and hoped that IFAD would assist in implementing its projects. A poverty-reduction strategy was in preparation.

69. Agriculture was still the mainstay of the economy. As in other developing economies, environmental degradation, drought and non-rational use of resources had led to food insecurity. He called upon the international community to help resolve those problems and to cancel The Sudan's debts and those of other heavily indebted poor countries. He commended IFAD's action in The Sudan, especially in the marginal areas, and hoped it would continue to support the country's own development efforts. An example of the action taken to reduce poverty was the channelling of 35% of alms tax to poor families, a figure which would attain 65% by the end of the strategy.

70. Referring to the current critical developments on the international scene, he pointed to the disastrous humanitarian consequences and impact on poverty-reduction efforts of a war in the Middle East, and expressed the hope that reason would prevail and a just and comprehensive peace would be achieved. The Sudan intended to shoulder its responsibility towards IFAD and would make every effort to forge stronger links with the Fund.

71. **Mr YOUNG-OH** (Republic of Korea) said that, over the previous 25 years, IFAD had drawn the attention of policy-makers in the developed and developing world to the critical role of agriculture in overcoming poverty and had itself shown the way towards poverty reduction through its innovative approaches. While scientific developments and the Green Revolution had, to a certain extent, enabled mankind to overcome food shortages, over one fifth of the world's population still lived in extreme poverty. Good governance was one of the most fundamental requirements for combating poverty and hunger. The Republic of Korea had overcome those scourges through the successful implementation of its national development plan. In the globalization era, the vicious cycle of hunger and poverty in any country or region was an obstacle to the development and growth of the world economy. The international community would need to take a long-term approach in helping to establish good governance, with more comprehensive plans of action to enhance global food security.

72. In view of present uncertainties and the rapid pace of change, IFAD should adopt a more flexible system for managing its projects. Greater cooperation was needed with the other Rome-based agencies. Every effort should be made to strengthen institutions representing the rural poor. Poverty was not only an obstacle to sustainable socio-economic growth, but one of the root causes of terrorism. All IFAD Member States were therefore urged to cooperate fully in the fight against hunger and poverty in order to ensure more security and prosperity for the world. With regard to the Sixth Replenishment, the Republic of Korea intended to maintain its contribution at the same level as for the Fifth Replenishment.

73. **Mr Fanourakis (Swaziland) took the Chair.**



74. **Mr ARAP KIRWA** (Kenya) said that IFAD's objectives were in line with his country's national aspirations and goals of reducing poverty and ensuring food security for its people. Since independence in 1963, priority had been given to the agricultural sector, which provided a livelihood for the majority of the population and contributed 65% of foreign exchange earnings. However, the sector was beset by a number of serious challenges, and more than 50% of the population were now living below the poverty line.

75. Despite those problems, Kenya was committed to attaining the MDG of halving poverty by 2015. To that end a pilot food security programme had been launched in one of the country's poorest regions for subsequent replication in other areas, with the involvement of government agencies, the private sector, non-governmental organizations (NGOs), religious organizations and farmers. Other measures included empowerment-based strategies for rural development and poverty reduction, the establishment of a disaster management unit and active participation in regional trading blocks.

76. To date IFAD had provided Kenya with USD 108 million in loans and USD 15 million in grants, for 14 projects. Kenya attached particular importance to the role of women as agents of change in rural areas. His country was making every effort to honour its obligations to IFAD and expected to pledge USD 60 000 to the Sixth Replenishment.

77. **Mr BEDEIR** (Egypt) restated his country's support for IFAD, as evidenced by the attendance of President Mubarak at two sessions of the Governing Council. The Fund's goals were in line with those of his country's national programme, particularly with regard to the development of human and water resources and new agricultural communities. IFAD continued to support the agricultural sector in his country through several joint projects. Egypt had taken vigorous action to boost the production of food crops and commodities and to increase the overall land area under cultivation, and was currently engaged in land reclamation projects and the establishment of new agricultural communities through three major projects. Special attention was devoted to providing work opportunities for university graduates through a system of exchanges and production, to the improvement of agricultural products, to technologies for harvesting, packaging and conditioning, to seeking new market outlets, and to training. A scheme was under way to facilitate loans for younger people to help them attain self-sufficiency, and many projects focused on the contribution of women, especially in the new development areas.

78. He stressed the importance of implementing the recommendations of the World Food Summit: Five Years Later, notably with regard to gender issues and partnerships to combat poverty, which were consistent with Egypt's agricultural strategy. With regard to the Sixth Replenishment of IFAD's Resources, Egypt intended to maintain its contribution at the same level as for the Fifth Replenishment.

79. **Mr HAN** (China) said that, despite IFAD's efforts to reduce poverty and ensure food security over the previous 25 years, some 800 million people still lived in poverty, which called for greater efforts on the part of the international community. The same period had witnessed a series of reforms and the opening up and development of his country, and great advances had been made in terms of agricultural and rural development. With less than 10% of the total land under cultivation throughout the world, his country had been able to provide sufficient food and clothing for almost 25% of the world's population. His Government intended to continue its action to reduce poverty throughout the country by means of a rural poverty reduction programme for the period 2001-2010, with efforts focused on crop production and animal husbandry. It was implementing its integrated rural development strategy by strengthening the agricultural sector, ensuring food security, speeding up the restructuring of the agricultural sector, raising productivity, increasing farmers' income and continuing to transform traditional agriculture.



80. Despite the financial constraints it was facing and greater domestic demand for resources to reduce poverty, the Government of the People's Republic of China had pledged more to the Sixth Replenishment than it had to the Fifth Replenishment, in recognition of the Fund's work to help reduce world poverty and attain the MDGs.

81. **Mr BARKAT** (Algeria) said that the MDGs of eliminating hunger and poverty could only be achieved if the international community worked to develop a more balanced and equitable socio-economic system. Active partnerships among the public and private sectors and civil society would make it possible to target the most vulnerable populations more effectively and to obtain better results. Desertification constituted one of the main causes of poverty, especially in Africa, and it was regrettable that insufficient resources had been mobilized to implement the United Nations Convention to Combat Desertification. That called for greater support by the international community for the efforts of the countries concerned, both financially and in terms of the exchange and transfer of new technologies. IFAD's contributions to the Global Mechanism of the Convention were most welcome, as was the Johannesburg Summit's choice of the Global Environment Facility (GEF) as a source of financing for the Convention.

82. The critical social and economic situation of many developing countries, especially in Africa, was now threatening the very survival of millions of human beings. The New Partnership for Africa's Development (NEPAD), aimed at forging new partnerships with the developed countries, had been well received by the international community and should be actively supported. Urgent measures on the part of the international community, especially the industrialized countries, were needed to translate into reality the commitments undertaken at the Monterrey and Johannesburg conferences to meet the MDGs.

83. **Mr CHUMSRI** (Thailand), after commending the President of IFAD on the choice of theme for the current Session of the Governing Council, said that one of his Government's main priorities was to combat rural poverty. Thailand now had 25 years' experience in that area, and its Small-Scale Farmers Development Project, originally a pilot project, was now a standing item on the agenda of the National Economic and Social Development Plan. Following the successful implementation of the Debt Restructuring Scheme for Small-Scale Farmers and the One Million Baht Village Fund, two new initiatives had been launched – the One Village-One Product Programme and the People's Bank Programme – to increase the income of the rural poor. The programmes had proved successful at the grass-roots level, but required a supportive international economic environment for sustained impact.

84. Thailand fully supported IFAD's regional strategies for reducing rural poverty in Asia and the Pacific and elsewhere in the world.

85. **Mr AL MUHANNADI** (Qatar) said that the Fund's efforts to help the poor and achieve food security had been furthered by the experience it had gained in rising to the many challenges faced since its establishment. Qatar had always fully supported the Fund in those efforts, bearing in mind the importance of focusing on the development of agriculture as a renewable and sustainable source of global food security. In connection with the water and soil resources so crucial to agricultural development in the Middle East, he called on IFAD to ensure the introduction of advanced technologies to the region, provide support for field studies and allocate the resources needed in the interests of accelerating the reduction of poverty and hunger. More generally speaking, it was also essential for rich countries to open their markets to agricultural products from poor countries and abolish protectionist laws in order to speed up development plans for the benefit of small farmers in the poor countries. In support of such objectives and notwithstanding its increasing regional and international commitments, Qatar had very recently paid some USD 7 million of its pledged contributions to IFAD. Moreover, it now announced its contribution of USD 1 million to the Sixth Replenishment of IFAD's resources and would also be scheduling the payment of those contributions which had remained outstanding owing to exceptional circumstances.



86. In his view, the Fund should provide equal opportunities for senior personnel from all Member States to participate in its activities. His country, which was a founder Member of IFAD, hoped to benefit from such opportunities, which should be consistent with the fair geographical representation of Member States. Meanwhile, he affirmed that it would continue to cooperate with and provide full support to IFAD for the achievement of its objectives.

87. **Mr FAYOLLE** (France) said that throughout the 25 years of its existence IFAD had remained true to its original mandate of assisting the poorest rural populations and was now faced with the important task of attaining the MDG of reducing poverty. It was the only organization whose operations since its inception had been specifically centred on combating rural poverty, and had proved its expertise in that area, showing a capacity for innovation and successfully forging partnerships between donors and beneficiaries for that purpose. That some 20% of IFAD's resources came from the beneficiary countries was a clear indication of their recognition of the institution's achievements.

88. France's two main expectations of IFAD in coming months were that it should continue to redress its financial situation and that it should consolidate Africa's role in the institution. The Fund's financial difficulties as the result of an investment policy that had led to high losses on the financial markets had reduced possibilities for engaging in new programmes. IFAD had changed that policy in 2002 and equities now represented less than 10% of the total volume of investments, but those losses were still having a negative impact on the Fund's performance and for that reason his country favoured the liquidation of the equities portfolio and a policy of safe investment.

89. With regard to Africa, the Fund was now moving towards a system of performance-based allocation of resources. It was to be borne in mind, however, that IFAD was not so much assisting countries as the poor rural populations of those countries, and therefore what was needed was a performance assessment system based on objective and transparent criteria that took account of those populations. France would make every effort to ensure that the new system would not call into question the commitment to grant at least one half of the Fund's soft loans to Africa, which was beset by so many serious problems, including the AIDS pandemic, famine and the lack of water and infrastructure. If there was one continent on which IFAD must concentrate its efforts to attain the MDGs it was Africa. In that connection, IFAD support to NEPAD was welcome and should continue.

90. The Report of the Consultation on the Sixth Replenishment clearly reflected France's principal priorities, namely, redressing the financial situation, maintaining the level of loans to Africa and providing support to NEPAD. If IFAD continued to pursue those objectives in 2003, the Fund would remain true to its mandate and France would be able to announce an increase in its contribution to the Sixth Replenishment.

91. **The meeting rose at 13.20 hours.**



- (ii) Summary Record of the Second Meeting of the  
Twenty-Fifth Anniversary Session held on Wednesday,  
19 February 2003, at 15.00 hours

**CHAIRMAN:** **BUNGARAN SARAGIH (INDONESIA)**

	<b>PARAGRAPHS</b>
Panel Discussion on the Theme of the Twenty-Fifth Anniversary Session of the Governing Council: “Achieving the Millennium Development Goals by Enabling the Rural Poor to Overcome their Poverty”	93 – 150
Sixth Replenishment of IFAD’s Resources (Agenda Item 7)	151 – 157
Report on the IFAD V: Plan of Action (2000-2002) (Agenda Item 11)	158 – 166
Report on the Fifth Replenishment of IFAD’s Resources (Agenda Item 6)	167 – 169
Audited Financial Statements of IFAD – 31 December 2001 (Agenda Item 8)	170 – 176
Administrative Budget of IFAD for 2003 (Agenda Item 9)	177 – 180
General Statements (Agenda Item 5) (continued)	181 – 205
- Cameroon	181 – 183
- Iceland (on behalf of the Nordic countries)	184 – 186
- Tunisia	187 – 189
- Germany	190 – 192
- Pakistan	193 – 195
- Nigeria	196 – 197
- Zimbabwe (on behalf of the Africa Group)	198 – 201
- Italy	202 – 205



92. **The meeting was called to order at 15.05 hrs.**

PANEL DISCUSSION ON THE THEME OF THE TWENTY-FIFTH ANNIVERSARY SESSION OF THE GOVERNING COUNCIL: “ACHIEVING THE MILLENNIUM DEVELOPMENT GOALS BY ENABLING THE RURAL POOR TO OVERCOME THEIR POVERTY” (GC 26/INF.4)

93. **The CHAIRMAN** began by introducing the guests who had agreed to share their views and experience with the Council. Her Excellency Eveline Herfkens, Executive Coordinator of the Millennium Development Goals Campaign of the Secretary-General of the United Nations and former Minister for Development Cooperation of The Netherlands, had agreed to act as Moderator. Dr Y. Seyyid Abdulai, Director-General of the OPEC Fund for International Development, one of IFAD’s strongest partners, had been one of IFAD’s founding fathers. His Excellency Jan O. Karlsson, Minister for Development Cooperation, Migration and Asylum Policy of Sweden, had a distinguished record in the Swedish Cabinet where he had served as Under-Secretary of State in the Ministries of Nordic Cooperation and of Finance. His Excellency Alpha Oumar Konaré, the former President of the Republic of Mali, had participated in the session of the Governing Council that had marked the Fund’s twentieth anniversary. Lastly, Dr Nafis Sadik, Special Adviser to the Secretary-General of the United Nations for HIV/AIDS in Asia, had formerly been the Executive Director of the United Nations Population Fund.

94. **Mr BÅGE** (President of IFAD) said that the current Session of the Governing Council brought together a large number of ministers and high officials on the occasion of IFAD’s twenty-fifth anniversary. It was not a time for complacency, however, with the threat of war and terrorism, the millions of people affected by conflict and strife, the risk of famine in Africa and the growing numbers of HIV/AIDS victims.

95. As stressed by the Secretary-General of the United Nations in his statement to the Council, the underlying causes of conflict were often rooted in poverty, chronic deprivation, exclusion and abject poverty in the rural areas. The presence at the Council Session of high-level representatives of more than 100 countries provided a unique opportunity to share ideas on ways of dealing with such problems. The outcome of the previous Session’s panel discussion had strengthened IFAD’s contribution to the Monterrey International Conference on Financing for Development. The message regarding the key importance of reducing poverty was starting to be heard and was gaining a new priority in the development community.

96. **Ms HERFKENS** (Moderator) said that the MDG of paramount interest to IFAD was Goal 1, halving the number of people living in poverty and suffering from hunger by 2015. At Monterrey it had been agreed that the primary responsibility for combating poverty rested with the developing countries themselves, but it would not be possible to achieve those goals unless the rich countries worked towards forging a global partnership that would give sufficient and effective assistance to the developing world, create trade opportunities and reduce agricultural subsidies, and in general create an enabling environment for the poor countries to attain the MDGs.

97. It was important that the panel debate should be interactive and spontaneous, and not based on prepared statements. It was proposed to structure the debate into three blocks of 45 minutes, starting with Goal 1. The second block would be devoted to discussing Goals 2, 3, 4, 5, 6 and 7, and the third block to Goal 8. Before proceeding with the discussion, she wished, on behalf of all those present, to congratulate IFAD on its twenty-fifth anniversary.

98. **Mr SARAGIH** said there was no point in talking about improved education, health, infrastructure, gender issues and so on unless hunger and poverty were overcome. That was the basic goal. Poverty was essentially a rural phenomenon, which spilled over into the urban areas when

## MODERATOR AND PANELISTS



Panel Moderator: H.E. Eveline L. Herfkens, Secretary-General's Executive Coordinator for the Millennium Development Goals Campaign



H.E. Alpha Oumar Konaré, Former President of the Republic of Mali with the President of IFAD, Mr Lennart Båge



Dr Y. Seyyid Abdulai, Director-General of the OPEC Fund for International Development



H.E. Jan O. Karlsson, Minister for Development Cooperation, Migration and Asylum Policy of the Kingdom of Sweden



H.E. Prof. Bungaran Saragih, Minister for Agriculture of the Republic of Indonesia and Chairman of the Governing Council



Dr Nafis Sadik, Special Advisor/Special Envoy of the Secretary-General for HIV/AIDS in Asia and former Executive Director of the United Nations Population Fund (UNFPA)





governments failed to combat the problem in the rural areas. In the past, agricultural development projects had been seen as the solution, but the main benefits of such interventions often went to people engaged in non-farm activities and the farmers were no better off when the projects came to an end. If the international community was really serious about eliminating hunger and poverty, what was needed was an agricultural development model geared to the needs of poor people at the local and national levels. A model that focused on developing agri-business would lead to increased production and incomes and bring direct benefits both to agriculture and to people living in the rural areas.

99. **Mr KONARÉ** said that, if current trends continued, the World Food Summit pledges would not be achieved before 2020 and there was a risk of poverty in Africa worsening in the next two decades in spite of all the efforts that had been deployed so far. It was therefore necessary to review development strategies and devise new ones.

100. If poverty was to be reduced greater emphasis had to be placed on agriculture. One reason for past failures was probably that insufficient attention had been given to those most directly involved and to the resources put into development. Another was that there were a number of obstacles related to trade. Identification of such shortcomings provided a clear basis on which to work. There were also problems related to AIDS and the need to ensure peace – all of which pointed to the need to move on to sustained development by reviewing policies and governance and the way in which decentralization policies and the commitment to regional integration were implemented. While IFAD's emphasis was on agriculture, problems of politics and governance, and the dramatically serious problem of AIDS must not be overlooked. Even with emphasis placed on investing in agricultural production in order to fight hunger, no single issue could be seen in isolation, and education- and health-related problems should not be forgotten: money was being lent for schools and health but if production did not increase who would be paying back the loans? There was a danger of entering a vicious circle of debt. It was important to deal with the political issues of governance by emphasizing and concentrating on agriculture as the only way of solving problems in the longer term.

101. **Ms SADIK** said she appreciated the previous two interventions, although she was not sure that she agreed with either of them, or indeed totally with the MDGs themselves. Goal 3 concerned gender equality and the empowerment of women, and there was much talk about the importance of women, who constituted two thirds of the world's rural poor, yet in practice addressing the rural poor basically meant addressing the men among the rural poor, giving them power and further marginalizing the women. So, as the previous speaker had said, there was a need to think of new approaches. The obvious conclusion was that resources had to be applied to women. Unless attention was paid to Goal 3, there would be no success in achieving any of the other goals. Gender equality should flow through the entire set of goals, targets and indicators. In practice, halving poverty amounted to halving it for the 30% of the world's poor who were men and leaving the 70% who were women to gather up the crumbs that fell from their table. That was the key issue that needed to be addressed.

102. Many decisions had been taken, but it was discouraging to see how they were applied. Imperfect though they were, the MDGs were not even known to all the key decision-makers in the world. When government ministers did discuss hunger and poverty, they did not give thought to the fact that women were more seriously affected than men. The poor must lead, and the obvious corollary was that women must lead. However, that never happened at the country level. In fact, the opposite happened: women were supposed not to know and to have to be told what to do. The most glaring examples were in the areas of health and education. The international dialogue at the moment was about how to deny women access to reproductive health services. Women were having to fight for the gains they had secured by defending them, rather than moving forward.



103. **Ms HERFKENS** (Moderator) said that the only way to make the MDGs work was to ensure that the indicators were gender-specific.

104. **Mr BASSETT** (Canada) conveyed the greetings of the Honourable Susan Whelan, Minister for International Cooperation, who had planned to join in the panel discussion but who had to remain in the capital because of the Federal Budget which, he was pleased to announce, confirmed Canada's commitment to increased ODA. The vast majority of the world's rural poor lived on degraded lands, and if that issue were not dealt with they would never emerge from their state of poverty. The first step, therefore, was to provide access to productive resources. One way of achieving that was through land reform, and specifically through giving rural women rights to land tenure and the capacity to use that land as collateral. Another was through access to social services, education, health and finance. The collateral would give them access to finance, but mechanisms needed to be set in place to teach rural farmers new ways of farming, and new and more sustainable agricultural practices. A third way was to make available to the rural poor the appropriate technological advances – both small-scale and very high-tech – for advancing agricultural production. Those objectives had to become a priority in national development plans, because they could not be imposed from the outside.

105. **Mr KISAMBA-MUGERWA** (Uganda) said that the achievement of any of the MDGs was a matter for many different institutions and government departments in a country, and goals would not be achieved unless all those components functioned properly. It was therefore important to take interventions as a package, and to ensure that all the relevant component bodies worked effectively and coherently together. There was no single institution in any country that could, for example, work to halve poverty by 2015. Increasing agricultural productivity and profitability involved not just departments of agriculture, but also the bodies dealing with education, health, infrastructure, access to rural finance and other areas.

106. **Mr KABAIJA** (Rwanda) said that there was a need for the debate on poverty to become more focused. The rural poor in Africa had too little of everything, and in an effort to meet their needs all at once, the talk was of hunger, poverty and infant mortality. In the past the talk had been of economic growth, economic development, sustainable development and structural reforms. Now it was of poverty-reduction strategies, a shift from poverty-eradication strategies. To ensure that there was free universal primary education in rural areas, people needed at least the wherewithal to clothe their schoolgoing children; they needed resources. Increased agricultural productivity was therefore essential and that was where the focus should be. IFAD was sometimes confronted with all too many needs: the need for a road, for a clinic, for a school, for a community centre for women, for a community centre for young people, and for government structures to be supported. It designed a project and put in the money, but some years later, when the project was over, the people would be left unable to do anything for themselves. It would be better for IFAD to focus on factors that could bring impact and change. All those currently being discussed came down to one thing: lack of means, lack of wealth. If attention were focused on that which could generate resources, the other problems would be solved.

107. **Ms TAULI CORPUZ** (Tebtebba Foundation) commended IFAD on preparing a discussion paper on indigenous peoples. Indigenous peoples, who accounted for the large majority of poor people in the countries where they lived, could make a significant contribution to reducing poverty in their countries if they had tenure to their land and were allowed to control their traditional knowledge and systems. She seconded an earlier statement about the importance not just of projects but also of policies, as indigenous peoples were becoming even poorer on account of the lack of policies that recognized their rights to their own lands and territories and the natural resources they contained.

108. **Mr KARLSSON** said the impression he had gained from the Rwandan speaker's intervention was that he lacked enthusiasm about the goal-setting approach, and that what was really needed were resources. He asked what the panel thought about that point.



109. **Mr ABDULAI** said that OPEC had been proud to work closely with IFAD over the previous 25 years and would continue to do so. It was to be hoped that the MDGs would not go the way of the goals set for the year 2000. In his view, they should all be taken together and not dissociated, as had been said earlier. The point made by the speaker from Canada was well taken. As far as the beneficiary countries were concerned, he believed that every part of their governments should join forces to solve poverty issues. No matter how much ODA was increased or trade conditions improved, no progress could be achieved in solving the problem of hunger without the necessary political will. Some lending institutions almost placed conditions on their lending and beneficiary countries sometimes found that the sum of the combined lending institutions' programmes did not solve the problems of rural poverty at all. He, therefore, felt that it was for the developing countries themselves to decide how best those resources should be used rather than following the dictates of the donors.

110. **Mr ARAP KIRWA** (Kenya) agreed with the statement of the speaker from Uganda about the need to bring together resources – not just financial resources but also human and physical resources. As far as his own country was concerned, the abundant resources to be found in the rural areas were often scattered and uncoordinated. If the various government departments, the NGOs, the private sector and community-based organizations were to coordinate their action, the country would have the necessary resources to set the rural poor on the road to overcoming their poverty. Given the high costs of production in developing countries, the cost of food had increased and it was difficult for local products to compete with heavily subsidized products from the developed countries. As poverty and food insecurity were closely related, thought should be given to making the produce of developing countries more competitive on the international market and to finding ways of providing access to food both for poor rural people and even for urban people not involved in producing food.

111. **Mr TALL** (International Federation of Agricultural Producers (IFAP)) said that he was Chairman of IFAP's Standing Committee on Agriculture in the Developing Countries. The federation represented at least 500 million farmers, mainly in the developing countries, and shared the goal of fighting poverty. It had been encouraging to hear the statements of the Secretary-General of the United Nations, former President Konaré and other speakers, and he noted that the agenda of the forthcoming meeting of the IFAP African Regional Committee, to be held in March 2003 in Bamako, Mali, would include an appeal for the proclamation of the Green Revolution in the next ten years. IFAP looked forward to IFAD's support. The stiff competition met by Mali, Africa's largest cotton-producing country, from countries north of the Sahara had compromised production levels. He therefore urged that agreement be reached to enable producers of cotton and other tropical products in the developing world to benefit from the advantages enjoyed by the richer countries. Finally, he wished every success to the Green Revolution referred to by the Secretary-General of the United Nations.

112. **Ms DAMIBA** (Burkina Faso) said it was most regrettable that representatives of the rural poor were not present at the meeting, as it would have been useful to hear from them directly. The majority of the poor and hungry were women, and special concern should be shown towards them. It was almost impossible for women in Africa to avoid nursing their children, and it was via nursing that AIDS was transmitted. Even if vaccinations and drugs were able to control AIDS, it would continue to infect small children, causing future generations to suffer from AIDS. Attention had to be given to the health of women, and to their education, as well as to their access to financial loans. The determination of women in everything they did every day to benefit the whole community was fundamental, and women should be the central beneficiaries of the MDGs. The more trust was placed in women, the fewer conflicts there would be in the world; the more women took responsibility the more solutions they would find.



113. **Mr KARLSSON** asked the representatives of farmers and agricultural producers if they had a specific programme for the women members of their organizations, and what percentage of their membership was female.

114. **Mr TALL** (International Federation of Agricultural Producers, IFAP) said that the International Federation of Women was represented within his organization, with reciprocal attendance at meetings at all levels. At the most recent meeting of rural women each African country had been represented by a rural woman, and IFAP had a special financing facility to pay for their travel.

115. **Mr ZAHER** (Afghanistan) said there were too many indicators in the MDGs, and also some aspects of life that were not included in them. The absence, for example, of any indicator for employment, a very crucial aspect of society, and for relative poverty, i.e. the relationship between rich and poor in a society, was a weakness. The achievement of the MDGs depended on both developing and developed countries, although of course their roles differed. Although rural poverty was very high, urban poverty was rising very fast in many countries and had indeed overtaken rural poverty in his own country. The problems of urban and rural poverty were radically different. The issue was worth considering in greater depth. Agro-industry was a very important factor that had been ignored, and in that regard IFAD's efforts in the area of microcredit were very important. Sustainable livelihoods was another crucial issue upon which all indicators depended. Finally, he shared Ms Sadik's views on rural women: it was an issue that needed to be emphasized more, particularly in his country, although solutions and strategies for resolving the gender issue would differ from country to country, depending on their social and cultural conditions.

116. **Ms HERFKENS** (Moderator) agreed that there were too many indicators, and too many that were not relevant everywhere, but said that the good news was that country after country – both governments and people – had decided to make the MDGs relevant to themselves. It was a case of deciding which indicators were relevant for your particular country and what type of data you had that you could measure. In 50 countries already, national Millennium reports were focusing on tailor-made, customized, home-grown issues. That was the answer.

117. She invited the participants in the panel discussion to turn to consideration of Goals 2 to 7.

118. **Ms SADIK** said she had been rather surprised that so few speakers had really taken up the issue of gender equality. If the poor must lead, then surely women must be provided with access and leadership. Unless one looked at gender empowerment and equality, access to education and health, and the control of girls and women over their own decision-making, then control over their reproductive decisions was not going to happen. It was true that each country must develop its own indicators, but the vulnerability of women to HIV/AIDS had to be addressed. Not only in Africa but also in the emerging epidemic in Asia, girls were contracting AIDS from partners they did not know were infected and in Asia 95% of infected women were being infected by the only partner they had ever had. That brought into sharp relief the importance of gender, but also of social services taking a more holistic approach: unless poverty was eradicated or reduced, children, especially girls, would not be sent to school and gender inequality would increase. The same was true of access to health care.

119. With regard to the issue of health, the invisible curtain that hid women extended from the family within societies in developing countries to the international level. The only MDG indicator for HIV/AIDS prevention was the contraceptive prevalence rate – not even condom usage. Thus one of the most important determinants of women's health – access to reproductive health – was not even addressed.

120. It was also important to consider culture within its social setting and eliminate all those traditional practices which were not only detrimental to women but also designed to control them.



Despite the previous 40 years of progress achieved in highlighting the hidden issues in that connection, the importance of gender equality and empowerment of women in the arenas of development, peace, security, the family and society remained largely unrecognized. It was therefore essential to articulate more aggressively at the international and national levels the positive outcome of IFAD's investment in the poor and in women in particular with a view to perpetuating the benefits gained from the implementation of various social projects. To that end, a more innovative, realistic and pragmatic approach to social services in rural areas was an essential adjunct to the provision of adequate resources. Ministers of education, health, planning and finance should moreover join together as advocates in order to push that agenda further forward.

121. **Mr KONARÉ** said that there was an undoubted consensus that priority attention should be devoted to women, who were the poorest of the poor. He had merely understood that issue to have been scheduled for discussion under the next item. He also stressed the importance of ensuring that agriculture was not disadvantaged by any allocation of resources to the vital areas of education, health and the fight against HIV/AIDS. Subsidies provided for health and education had not always achieved the expected results owing to absence of the necessary political frameworks, and in that connection the proper organization of farmers and local rural communities was fundamental. Another fundamental issue was that of land ownership by women, an area in which reforms were genuinely needed in order to improve the situation in the rural world.

122. **Ms HERFKENS** (Moderator) said she assumed that all participants agreed that agricultural ministers should be aware of the need to empower women and of the importance of investing in health and education, particularly for women, with that end in mind.

123. **Mr TRAORÉ** (Mali) fully agreed that lack of resources was not the sole factor to be considered in the battle against poverty. Access to markets and resources was a further factor. In the same way, education was not a simple question of buying books, nor was health a simple question of access to medication. In both instances, there was a strong case for more thoroughly addressing the terms of trade with multinationals with a view to securing their assistance in providing essential educational and health materials to the poorest people.

124. **Mr ABDULAI** fully agreed with the views expressed by Ms Sadik and stressed the need for governments to play a role in ensuring the in-depth discussion of women's issues and their bearing on other issues such as culture and religion, all of which were difficult areas insofar as they inevitably gave rise to differences of opinion. He also fully agreed that agricultural ministers should be aware of the need to empower women, in which connection he cited the Ugandan approach of fighting the AIDS epidemic by instructing ministers to devote the first third of all statements made at public gatherings to the subject of AIDS. Mothers would then convey the message thus received to their children, which was the only sure means of preparing future generations to overcome the problems of poverty. He pointed out that production in West Africa was atypical for the reason that it was largely unrelated to land reform, as West African women were more productive and therefore richer than the men. That example again demonstrated that it was governments which should set the rules, thereby catering for any individual situations that might arise.

125. **Ms HERFKENS** (Moderator) invited participants to move on to consider Goal 8 – what the rich nations had pledged to do at the Millennium Assembly and at the International Conference on Financing for Development.

126. **Mr KARLSSON** said that young Africans were strongly sceptical about the MDGs, which they saw as yet another 'gimmick' which the north had come up with and which the developing countries would have to follow, along the lines of structural adjustment, poverty eradication or poverty-reduction strategy papers. If there was to be general confidence in the MDGs it had to be emphasized that there was a strong basic element of mutuality in them which had to do with the role



of growth and the role of trade and assistance in economic growth. A number of contributors to the discussion had pointed out that the core issue was the growth of resources.

127. One of the great obstacles to growth was the lack of access to markets and the lack of trade expansion. On the subject of subsidies, the European Union (EU) provided 16 billion euros in support to its dairy industry per year, which amounted to a little more than 2 euros per cow per day – or more than what half the people of the world lived on. So from that point of view it was better to be a European cow than a human being in the rest of the world. The total transfers from taxpayers to farmers in the countries of the Organisation for Economic Co-operation and Development (OECD) averaged 30% of the gross farm income in those countries. At a cost of over USD 300 billion, it was six times the ODA of the OECD countries. If the OECD countries did away with that, it would correspond to between 0.3% and 0.6% of the entire aggregate gross domestic product (GDP) of the poor world. That was not only one of the great issues of economic growth in poor countries but also a matter of confidence in the possibilities of developing the world in a more harmonized way, of embarking on the road to growth. It was the primary dilemma of the lack of coherence in aid policies.

128. While enormous efforts had been made to improve cotton productivity in Mali, the United States had introduced a farm bill that drastically increased subsidies to its own cotton producers, thereby negatively affecting the world pricing arrangements for cotton. In other words, subsidies policies created a lack of stability not only in world food production, but also in the growth pattern of countries that were dependent on their exports of, for example, cotton. One of the most important goals – as important as that of poverty and hunger eradication, that of gender and that of health – was the goal of coherence in the dismantling of the Common Agricultural Policy and the subsidies policies for farming in the whole of the rich world.

129. In one way there was a common responsibility that had resulted in changing the whole pattern of attention so that rural development could be regarded as one of the core areas in enhancing the world's economic growth. It was one of the most important achievements of IFAD's 25 years. In terms of follow-up IFAD and FAO had to coordinate their action, not only with one another but also very much with the World Trade Organization (WTO) and the Bretton Woods institutions.

130. **Mr KONARÉ** said it was quite right for the countries of the north to be involved in the mobilization of resources, but the countries of the south had to control their capital flight so that resources were available and accessible to their people, thereby strengthening their negotiating capacity. If an international development bank was not based on a regional partnership and national and local partnerships, then a world partnership for development was going to be entirely dominated by the multinationals based in the north. For the countries of the south, the local partnerships had to empower their civil societies and governments to make sure that their own resources were made available to them. It would not work without those local, national and regional partnerships. Of course aid was inadequate, but the problem of poverty could not be solved just from without. No progress would be made if there was simply debt reduction without attending to other issues and to other indebted countries. It was necessary to be strong, united and properly equipped to be able to address the issues of new technologies, the environment and food aid, and the development partners had to see to it that food aid did not kill the productive capacities of the developing countries.

131. **Ms SADIK** said that one of the issues in the lack of coherence of aid policies was the advice and instructions given to the various international organizations and the way resources were applied. For example, why were 55% of ODA resources not allocated to women? Instead of having programmes for women, allocating just 55% of aid resources across the board to women could make a huge difference. The rules and regulations, which were so incoherent, should also be re-examined and applied uniformly to rich and poor; that was not happening, and the developing countries were not making the point to the developed countries. Mention had been made of capital flight, but in fact some help could be forthcoming from banking rules in the developed countries. Such issues had to be



brought into the international debate, along with the debate on trade, where there were subsidies on the developed countries' side and a free market on the developing countries' side, with the result that the former could dump their goods but the latter could not sell the work of their rural poor.

132. **Mr BECKMAN** (Bread for the World) said his organization was a grass-roots citizens' movement in the United States on hunger and poverty issues, which mobilized about one quarter of a million letters a year to Congress from people in the United States who cared about world hunger and poverty and wanted the United States Government to do more by way of a global partnership to reduce them. It was usually an uphill struggle, but there were now some openings. Many people in the United States, including President Bush, had now been convinced by the experience of terrorism that reducing poverty and misery around the world was in the United States' national security interest. Surprisingly, the Administration was pushing for a major expansion of development assistance through the proposed millennium challenge account, a new programme on AIDS and a programme on hunger. Secondly, in the area of trade, including agricultural trade, the Administration would probably increase its ODA, if not to anywhere near the United Nations target level. The Republican Party was ideologically committed to free trade and, as part of a larger deal to liberalize trade under the Doha Round, there was a possibility of persuading the Administration to press, together with progressive people around the world, for a liberalization of trade and agriculture.

133. **Mr FAYOLLE** (France) said that the points made by President Konaré about aid priorities and partnerships were well taken and deserved further development. A year had passed since the Monterrey Consensus had called for an increase in ODA to countries in need and it was now appropriate to review progress made to date. The countries of the EU had collectively undertaken to allocate at least 0.39% of their GNP to ODA, and many EU Member States, notably Sweden, were providing substantially more than that in bilateral assistance. His own country, France, had been honouring its Monterrey commitment since 2002, and the Government had recently undertaken to increase the country's ODA to 0.5% of its GNP by 2005 and to 0.7% by 2012.

134. As a direct result of the Monterrey and Johannesburg meetings, his Government had also set a number of priorities for meeting the MDGs. They involved education, particularly primary education, agriculture and health, especially with regard to the AIDS pandemic that had caused the loss of so many lives. IFAD should consider mounting an AIDS programme for prevention and access to treatment coordinated with the Global Fund to Fight AIDS. Referring to the Doha Declaration on public health, he said that the populations of the south hit by the disease had the same right to access to treatment as those in the north. France regretted that the World Health Organization (WHO) had made such slow progress on speeding up access to treatment for the countries of the south.

135. With regard to earlier statements regarding NEPAD, it was for the countries covered by the initiative to put forward proposals for assistance.

136. **Ms HERFKENS** (Moderator) commended France on its efforts to increase ODA. She hoped that action would be taken to monitor payments by the EU as a whole with a view to ensuring that all governments honoured their commitments.

137. **Mr KISAMBA-MUGERWA** (Uganda) said that global partnerships meant sharing and working together on an equal footing. While developing countries should make the necessary political and financial commitments, they needed a sympathetic approach from their partners to help identify mutually acceptable policies and move towards setting priorities for funding. Institutions such as IFAD and regional groupings could make a useful contribution to ensuring the success of such partnerships.

138. **Mr HOFMANN** (Germany) said that, while the developing countries were mainly responsible for attaining MDGs 1 to 7, the developed world was responsible for ensuring a conducive



international environment for them to do so. Creating such an environment went far beyond the classic type of development assistance and called for partnership among all sectors of governments and the private sector in providing assistance to the poor countries and poorer regions of the developing world. As an example, in drawing up Germany's programme for honouring its commitment to the MDGs and the agreements reached in Monterrey and Johannesburg, his Government had involved both the public and private sectors in the process. Lastly, even with the desired environment and trading systems in place, many supply-side problems would still need to be overcome. In view of its work and experience in the field of development assistance, IFAD could make an important contribution to overcoming the supply-side bottlenecks that still existed in many countries.

139. **Mr WALTER** (Technoserve) said that the involvement of the world business community might be furthered if IFAD considered establishing a business advisory council, of which at least 70% of the members should be women.

140. **Ms MUCHADA** (Zimbabwe) said it was her feeling that development projects did not always allow for the participation of recipient countries and communities that had their own ideas about the type of development they required. All too often projects and programmes – structural adjustment programmes being one example – required acceptance of a single formula and were hedged about with so many conditionalities that the beneficiaries' vision of the results they wished to see was diluted. Such a danger was already threatening NEPAD. She therefore appealed to all partners to respect the views of the recipient States and communities when planning or implementing interventions.

141. **Mr VERBEEK** (Netherlands) said he hoped that Mr Karlsson would enlarge on his statement about the important issue of abolishing agricultural subsidies. It should be borne in mind that abolishing subsidies would not automatically mean that the funds thus saved would be available for other purposes or that it would necessarily make it easier for the least developed countries to export to world markets.

142. **Ms HERFKENS** (Moderator) invited concluding comments from the panellists.

143. **Ms SADIK** quoted from the discussion paper "Achieving the Millennium Development Goals" as her parting message: "There is a glaring imbalance between what women do, what they have and what they are entitled to. Achieving economic growth and the MDGs will in some measure hinge on the extent to which this imbalance is redressed." It was everyone's responsibility to reduce poverty, and most of the world's poor people were women and children. She was disappointed that so few people had expressed an interest in attending the next day's round table on women as agents of change as compared with the other round tables. She appealed to all participants to look inside their minds and hearts and to recognize that unless measures were taken to counter gender inequalities and to empower women, there would be no change for the better in the world.

144. **Mr KONARÉ** said in connection with international partnerships that NEPAD was Africa's partnership mechanism, under the political responsibility of the African Union, and should be better known. It was important, within NEPAD, to involve civil society and private-sector actors in addition to governments.

145. **Mr SARAGIH** said that the mistake of the past had been the single development solution, and that should now be avoided. Since multiple goals were involved, what was needed was a systematic structure of goals and to consider the timing and urgency of each goal as appropriate to each country.

146. **Mr ABDULAI** said that the international community should now realize that the concept of aid had changed; in a global village, the benefit yielded by the provision of aid resources was just as





universal as it was specific. It was now essential to move beyond the concept of growth and development and, in addition, to work for world security and peace.

147. **Mr KARLSSON**, following on from the comments made by the representatives of France, Germany and The Netherlands, said that the historic moment providing an opportunity for the elimination of foreign subsidies had arrived. It would not, however, automatically provide an opportunity for the poorest countries to improve their situation, for which the supply response was still necessary. He therefore agreed that an increase in ODA was needed, particularly since the momentum gained from opening up markets could be used to increase farm trade and growth in the poorest countries, thus creating a true partnership.

148. **Ms HERFKENS** (Moderator) said she wished to emphasize the pioneering role played by IFAD throughout the 25 years of its existence, during which it had always been at the cutting edge of the debate on issues such as listening to and involving the poor in decisions of relevance to them, land access, market access and the important role of women in development. Moreover, development ministers were now beginning to understand the mistake of neglecting rural development. Many rural development efforts had failed and the realization had now dawned that investment in rural development was the key to achievement of the MDGs. IFAD was in a position to ensure success in that regard; it remained for donors to increase their aid donations.

149. **Mr BÅGE** (President of IFAD) thanked the participants for their very useful contributions, which would undoubtedly lead to more thorough debate and discussion in the future. Continuing in its tradition of learning from the experiences of the poor, IFAD would take on board many of the suggestions made. In conclusion, he wished to underline five important issues for the future which had been highlighted during the discussion, namely: gender equity and the empowerment of women; right and access to land and natural resources; HIV/AIDS, a challenge to humanity which should be taken much more seriously at the global level; policy enhancement; and, lastly, the crucially important issue of local and international markets, and the need to focus even more strongly on the impact of markets and trade regimes on development.

150. **The CHAIRMAN** expressed the Council's gratitude to the guest panellists and the contributors from the floor for their participation in the inspiring and constructive dialogue which had taken place.

#### SIXTH REPLENISHMENT OF IFAD'S RESOURCES (Agenda Item 7) (GC 26/L.4 and Add.1)

151. **The CHAIRMAN** recalled that the period of the Fifth Replenishment had been set at 20 February 2001 to 19 February 2004. In order to ensure continuity between replenishment periods, the Twenty-Fifth Session of the Governing Council had established the Consultation on the Sixth Replenishment of IFAD's Resources and its final report and a draft resolution were now before the Governing Council for approval in document GC 26/L.4. An Addendum to the document contained the up-to-date pledges to the Sixth Replenishment, and would continue to be updated as and when additional pledges were announced or submitted in writing.

152. **Mr ROY** (Assistant President, External Affairs Department of IFAD) said that the Consultation had completed its Fifth and final Session on 13 December 2002 with an agreement on a replenishment objective of USD 560 million for the period 2004-2006. The agreement, reached in record time in under a year, underlined the importance Members attached to the institution and its mission. Such a Replenishment would enable the Fund to support an average annual programme of work of approximately USD 475 million during the Sixth Replenishment period. With regard to the Fund's lending programme, he recalled that the Executive Board, at its Sixty-Seventh Session in September 1999, had approved the regional allocations for IFAD lending on the recommendation of the Ad Hoc Committee on Regional Allocations. Those regional allocations would continue to apply to IFAD's lending programme until such time as the Executive Board took further decisions thereon.



153. Many Member States had pledged important increases in contributions as compared to Fifth Replenishment levels: recognition was due to Saudi Arabia, which had more than tripled its level of contribution, to the United States which had increased its contribution by 50%, and to Germany, India, Italy and the United Kingdom which had increased their contributions by over 33%. Equally important were the collective efforts of List B and C members which had pledged to maintain or increase their contribution levels. A number of Members had also pledged complementary contributions to the Sixth Replenishment period. Acknowledgement was due to Belgium for the important sustained effort it was making for the Belgian Survival Fund Joint Programme and to India and the United Kingdom for pledging substantial complementary contributions in support of IFAD's capacity for innovation; it was to be hoped that those contributions would have a ripple effect through partnerships beyond the Replenishment period. During the Replenishment negotiations Norway and Sweden had made specific pledges of support for IFAD's Debt Initiative for Heavily Indebted Poor Countries (HIPC). Although they were not part of the Sixth Replenishment resources they did provide an important additional contribution to IFAD's vital core resources for poverty-reduction projects and programmes. With such an important vote of confidence by the membership, IFAD was well positioned to enter the Sixth Replenishment period.

154. **Mr MIRAGAIA PERRI** (Brazil) asked why the report did not contain a paragraph approved at the Fifth and final Session in December 2002 regarding the regional loan distribution. It had been agreed that Africa would have 39.4%, Asia and the Pacific 28.5%, Latin America and the Caribbean 17%, the Middle East and North Africa 7.1%, and Eastern Europe 8.0%.

155. **Mr PRIEN** (Secretary of IFAD) said that in his introductory statement Mr Roy had said that the regional lending allocations approved by the Ad Hoc Committee would remain in force until such time as the Executive Board made changes to them.

156. **Resolution 130/XXVI on the Sixth Replenishment of IFAD's Resources was adopted.**

157. **The CHAIRMAN** congratulated the Member States in the Consultation for their dedication and thoroughness, and said that thanks to their conscientious efforts the negotiation of the Sixth Replenishment had been successfully completed in the fastest time since the First Replenishment. It had, more importantly, provided the means to allow the Fund to play the role of premier international financial and development institution in its field.

REPORT ON THE IFAD V: PLAN OF ACTION (2000-2002) (Agenda Item 11) (GC 26/L.9/Rev.1)

158. **The CHAIRMAN** said that in its final report to the Governing Council the Consultation to Review the Adequacy of the Resources Available to IFAD, which had negotiated the Fifth Replenishment, had included a Plan of Action setting out the recommendations the Consultation had agreed would be incorporated into IFAD's policy framework and management tools. It had been decided then that the Plan of Action would be implemented over the period 2000-2002, and that the Governing Council would be presented with an annual progress report.

159. **Mr VAN DE SAND** (Assistant President, Programme Management Department of IFAD) introducing the report under the four headings of impact and performance, policy and participation, innovation and knowledge management, and partnership-building, said that the Fund had developed a new methodological framework for evaluation that included impact assessment and was now being applied in all project evaluations. The Fund had developed and released the *Managing for Impact in Rural Development: A Guide for Project M&E*, the objective of which was to direct the project cycle towards impact achievement and results-based management and to ensure better project planning, monitoring and self-evaluation; it was currently being customized to fit the specific contexts in different regions. It was seen as a major step that would also facilitate the introduction of both the



performance-based allocation system and the results and impact management system, but it was a tool to be used by non-IFAD staff in project management units, and he requested Governors and delegations of borrowing countries to give it their vigorous support.

160. With regard to policy and participation, IFAD was increasing its efforts in pursuing policy dialogues and institutional transformation in favour of the rural poor. The interdepartmental working group established in 2000 had developed a conceptual framework for institutional analysis and policy dialogue whose thrust was to help the rural poor to organize themselves and build their capacity to influence institutions and conduct policy dialogue themselves. Work was under way to develop a source book and training and guidance tools to be used by IFAD staff and consultants. Projects remained IFAD's main platform for policy dialogue; that was mutually supported by the Fund's country strategy process, which was now undertaken in a participatory manner with the involvement of in-country stakeholders. In a number of countries IFAD was participating in the poverty-reduction strategy process (PRSP) with the main aim of promoting the participation of the rural poor and their organizations.

161. IFAD had increased the attention it gave to the relevant global and regional forums. Its involvement in the World Summit on Sustainable Development had provided the Fund with the opportunity to foster partnerships and deepen the commitment to the reduction of rural poverty. It was also collaborating with the Secretariat of NEPAD with the aim of further refining the NEPAD business plan's rural poverty focus. The launch events organized for the different regions following the six round tables held during the Twenty-Fifth Session of the Governing Council had attracted the participation of a wide range of regional and national stakeholders, thus representing excellent opportunities for policy dialogue on key issues of relevance to rural poverty reduction in each region.

162. Regarding innovation and knowledge management, the findings of the evaluations of IFAD's capacity to promote replicable innovations and of the Agricultural Research Grant Programme constituted a basis for the ongoing work in connection with the Fund's general grant policy, on which a paper would be presented to the Board in due course. On the basis of its experience with four pilot thematic groups, IFAD had concluded that such groups were useful instruments in pursuit of the objectives of learning and knowledge-sharing, as well as in the development of sectoral policy papers and guidance notes. The aim was to integrate the work of the thematic groups on the objectives of the strategic framework with the functions of the cross-divisional project development teams, which, over the years, had proved their worth as a platform for internal knowledge-sharing. In particular, owing to the participation of colleagues from the Office of Evaluation and Studies, the learning loop had been closed and the future project design lessons learned during project implementation had been reflected. Within their specific areas of focus, thematic groups would provide inputs to the work of project development teams.

163. As for partnership-building, IFAD employed a variety of forums to harness partnerships with other development partners at all levels. Dialogues with international financial institutions, in particular the World Bank and the Inter-American Development Bank, had been intensified and IFAD was continuing its efforts to work in conjunction with the other Rome-based food agencies, specifically in regard to potentials for joint programming and co-funding of field project activities. It was also exploring innovative ways of leveraging other resources for poverty reduction, such as the use of remittances, as in El Salvador.

164. In recent years, IFAD had substantially increased its cooperation with bilateral agencies and was prepared to do so further. In that connection, the message should be impressed upon the operational units and departments in the OECD countries that more rural development assistance was needed and should be channelled primarily towards IFAD in the form of replenishment contributions, cofinancing and cooperation.



165. Within the context of operationalizing the strategic framework, many of the initiatives under the Plan of Action would continue to be followed up in 2003 and beyond with a view to the fulfilment of IFAD's mandate of rural poverty reduction and attainment of the MDGs. He was confident that the remaining challenge of human resource constraints would be eased as a result of the current Strategic Change Programme (SCP).

**166. The Governing Council took note of the Report on the IFAD V: Plan of Action (2000-2002).**

REPORT ON THE FIFTH REPLENISHMENT OF IFAD'S RESOURCES (Agenda Item 6)  
(GC 26/L.3 and Add.1)

167. **Mr ENWEZE** (Vice-President of IFAD) said that, as at 17 February 2003, instruments of contribution deposited and payments against pledges not supported by an instrument of contribution amounted to approximately USD 384.3 million equivalent, or 79% of total pledges of approximately USD 443.2 million equivalent. Payments in cash and promissory notes had increased to approximately USD 251.5 million equivalent, or 57% of total pledges of approximately USD 443.2 million equivalent.

168. He was also pleased to inform the Council that, after 17 February 2003, IFAD had received the instrument of contribution of Morocco in the amount of USD 500 000, together with full payment of USD 10 000 from Mali. Under complementary contributions to the Fifth Replenishment, Belgium had pledged and paid the equivalent of approximately USD 15.5 million for the specific objectives of the Belgian Survival Fund for the Third World. Under those same contributions, a pledge equivalent to approximately USD 3.9 million had also been recorded for Italy in support of the Debt Initiative for HIPC's. All those countries that had not yet deposited instruments of contribution were urged to do so and to proceed to the payment of their contributions as soon as possible.

**169. The Governing Council noted the Report on the Fifth Replenishment of IFAD's Resources.**

AUDITED FINANCIAL STATEMENTS OF IFAD – 31 DECEMBER 2001  
(Agenda Item 8) (GC 26/L.5; GC 26/INF.8)

170. **The CHAIRMAN** said that the Executive Board had reviewed the Audited Financial Statements for 2001 at its Seventy-Fifth Session and had recommended that they be submitted to the Governing Council for approval.

171. **Mr ENWEZE** (Vice-President of IFAD), after drawing attention to the conclusions of the External Auditor's report attached to document GC 26/L.5, referred to the arrears in loan repayments covered in Appendix H of the Audited Financial Statements. Most of those arrears related to the Africa region, where a number of loans remained suspended as a consequence of overdue debts. The Fund was continuing its follow-up action with each of the governments concerned in order to obtain settlement of their obligations.

172. As arrears on contributions from Member States against promissory notes and instruments of contributions had remained static from the previous year, provisions totalling USD 195.6 million as at 31 December 2001 had been maintained against promissory notes and amounts receivable from contributors. He called on the countries concerned to fulfil their commitments in the interest of IFAD's beneficiaries.

173. The investment loss in 2001 had amounted to USD 42.9 million compared with USD 47.0 million in 2000, which had involved a negative average return of 2.3% in 2001 compared



with 2.2% in 2000. The year 2001 had been the fourth year of investment diversification into different asset classes. Administrative expenses had amounted to USD 42.9 million, excluding the provision for unfunded liability for after-service medical benefits of USD 4.3 million and the costs of the SCP of USD 0.6 million. The total for 2001 was approximately 5.9%, or USD 3.1 million, less than the approved administrative budget for that year, mainly owing to the reduced level of the programme of work.

174. The 2002 Financial Statements were currently being finalized and examined by the External Auditor. Preliminary results indicated that net investment profit in 2002 had amounted to approximately USD 26.2 million compared with USD 42.9 million net loss in 2001, reflecting the positive impact of the change in investment policy adopted in December 2001. The rate of return on the investment portfolio had been positive, averaging 1.3% compared with a negative rate of return of 2.3% in 2001. The investment portfolio at market value as at 31 December 2002 had stood at USD 2.1 billion compared with USD 1.9 billion in 2001. Administrative expenses had once again been lower than the approved budget, mainly on account of the reduced level of the programme of work, vacant staff posts and an increase in medical insurance costs that had been lower than expected. Loan arrears overdue had increased slightly in comparison with the situation at the end of 2001. The 2002 Financial Statements would be reviewed by the Audit Committee in March and presented to the Executive Board in April.

175. **The CHAIRMAN** invited the Council to adopt the draft decision in paragraph 4 of document GC 26/L.5.

176. **It was so decided.**

ADMINISTRATIVE BUDGET OF IFAD FOR 2003 (Agenda Item 9) (GC 26/L.6 and Add.1, and GC 26/L.7)

177. **Mr ENWEZE** (Vice-President of IFAD), introducing the Programme of Work and Administrative Budget of IFAD for 2003 (GC 26/L.6 and Add.1), said that the Executive Board had approved the Programme of Work for 2003 at its Seventy-Seventh Session, in an amount of SDR 332.1 million, equivalent to USD 436.6 million, covering 26 to 28 planned projects. The level, however, would be reviewed at each Executive Board session with a view to adjustment on the basis of available resources and the criteria for the use of the Advance Commitment Authority (ACA) in 2003. The Executive Board had also approved the Programme Development Financing Facility for 2003, amounting to USD 27.6 million, and reviewed the administrative budget for 2003, which was again presented at zero real growth level. The budget was proposed at a level of USD 45.2 million, calculated at the exchange rate of euro 1.070/USD 1.00. The Executive Board had also recommended that the Governing Council authorize the Executive Board to approve any funding still required following the receipt of voluntary contributions for the external independent evaluation of IFAD, which would be recorded as a one-time below-the-line cost in the administrative budget for 2003. The total administrative budget was normally recalculated at the United States dollar/euro exchange rate prevailing at the time of approval by the Governing Council, in other words, euro 1.072/USD1.00. As recommended by the Executive Board, the Governing Council was accordingly invited to approve the draft resolution contained in document GC 26/L.6/Add.1, which determined the administrative budget of IFAD for 2003 in the amount of USD 45.2 million.

178. **Resolution 131/XXVI was adopted.**

179. **Mr ENWEZE** (Vice-President of IFAD) invited the Governing Council to approve the draft resolution contained in document GC 26/L.7 on the establishment of an IFAD Trust Fund for an After-Service Medical Coverage Scheme.

**180. Resolution 132/XXVI was adopted.**

## GENERAL STATEMENTS (Agenda Item 5) (continued)

181. **Mr ABOUBAKRY** (Cameroon) said that the theme of the present Session of the Governing Council – Enabling the Rural Poor to Overcome their Poverty – had the advantage of putting the MDGs into their proper, practical perspective. While the twenty-fifth anniversary of IFAD provided the Fund with an opportunity to reflect on ways of improving its future work, it must never lose sight of its basic mandate – assisting the poorest of the poor in the developing world, especially women. The attainment of the MDGs and the financing of development concerned all stakeholders, who must work together to reach the common goals. He commended the special focus on partnerships in the *Strategic Framework for IFAD 2002-2006* and urged that the Fund's cooperation with the other Rome-based agencies of the United Nations be further strengthened.

182. NEPAD provided a platform for almost all development initiatives in Africa. It was therefore to be hoped that the Fund would support NEPAD to ensure both that NEPAD continued to have full control over its programme and that the continent was supported in its efforts to free itself of poverty. With regard to IFAD's growing portfolio of projects in Cameroon, he was gratified that due account had been taken of his country's strategy for rural development and the reduction of poverty. Now that a new era of planning and programming was about to start, it was to be hoped that a new Country Strategic Opportunities Paper (COSOP) for Cameroon would be prepared as soon as possible. The rate of disbursement of funds for projects was somewhat disappointing; a solution to speeding up procedures might be to organize annual information workshops for project managers, while another might be to facilitate the establishment of internal project networks under United Nations Development Programme coordination.

183. Regarding project performance and impact, he suggested that HIV/AIDS prevention should be included as a criterion in the assessment of project impact.

184. **Mr BJÖRNSSON** (Iceland), speaking on behalf of the Nordic countries, welcomed the successful outcome of the Sixth Replenishment. In terms of contributions to the Sixth Replenishment, the Nordic countries' contribution amounted to some 17% of total pledges. He was gratified to note how many developing countries had pledged resources to IFAD.

185. Supporting IFAD also meant striving to improve the organization's performance. Through the Replenishment process a common understanding had been reached on the measures that would need to be taken in order to strengthen the impact of IFAD activities at the country level, thereby contributing to the achievement of the MDGs. National ownership and partnerships at country level were decisive in ensuring the lasting impact of development interventions, and Iceland attached great importance to the work under way to enhance IFAD's field presence by strengthening in-country capacity and looked forward to participating in the process. Following the Monterrey Consensus it was encouraging to see that the focus was now on what happened at the country level, on development effectiveness and on donor harmonization. Harmonization meant an appropriate division of labour. IFAD must build on its identified strengths in empowering the poor, building up their organizations and facilitating their participation in the development process, and further specialize in what it was good at. IFAD could become the catalyst that enabled the 900 million people in the world living on less than one dollar a day to overcome their poverty.

186. Ambitions were not enough if a critical mass of financing was to be maintained. Donors needed to be able to assess the results of their funding. IFAD must therefore strengthen its work on implementing results-based management, establish clear objectives, goals and targets for its activities, and develop the means to measure and document results for its membership and for its partners. In that regard, the IFAD V: Plan of Action had proved to be a valuable tool, which should be updated



and developed with a view to incorporating the key objectives of the Sixth Replenishment as well as targets and benchmarks that would enable results to be monitored objectively. It was expected that the independent evaluation that was to be undertaken would identify further areas where IFAD might need to change and improve its capacity. The Nordic countries saw the beginnings of a new era in which the development paradigm was changing favourably, with a common global agenda focused on poverty eradication, a greater emphasis on country-led development, new partnerships and enhanced harmonization in the field of development assistance. The Fund must participate fully in those partnerships and take the role that it had the potential to play. The Nordic countries looked forward to working with it in facing those challenges.

187. **Mr JEGHAM** (Tunisia) said that the widening poverty gap produced by slower growth rates and lack of financial resources constituted a major challenge. International efforts to fight poverty, which included development programmes and aid, should therefore be increased. In that context, Tunisia had devoted particular attention to its rural development and its small farmers by providing training and support. It had also prioritized the economic and social integration of the poor through specific programmes. Special emphasis had also been laid on the mobilization and rational use of natural resources and on infrastructural improvement, with the creation of a number of solidarity funds. Positive results had been achieved, Tunisia's poverty rate having fallen from 22% in 1975 to 4.2% in 2001. As proposed by Tunisia and supported by the General Assembly of the United Nations in 2002, the establishment of an international solidarity fund would further the efforts of institutions such as IFAD to combat poverty and help countries to achieve growth and stability.

188. IFAD's continuing and welcome support of agricultural development in Tunisia had resulted in a number of ground-breaking integrated rural development projects, which had played a positive role in preserving natural resources, improving living conditions and promoting economic development in the target areas. He was also pleased to note that the Fund had agreed to finance a new agricultural and pastoral development project in south-eastern Tunisia, with emphasis on the participatory approach.

189. He commended the Fund's efforts to reduce the administrative budget for 2003 and the policy to diversify investments. He also welcomed the progress achieved in the Fifth Replenishment of IFAD's resources and the positive outcome of the Consultation on the Sixth Replenishment, which clearly demonstrated Member States' confidence in the Fund. He urged further financial support of the Fund's efforts to combat poverty and hunger and supported participation by the Fund in the Debt Initiative for HIPC.

190. **Mr HOFMANN** (Germany) said that the Fund's experience had shown that the fight against poverty was a feasible one. At the same time there was no reason for complacency. Solidarity was needed with countries that lacked natural resources and whose economies were still weak. The MDG of halving the number of people living in extreme poverty by 2015 and reaching sustainable growth were indeed "inseparable twins", as the President of IFAD had described them at the World Summit on Sustainable Development. Finding a brighter future for the poor of the world – together with them, and in particular with the women among them – was a prerequisite of sustainable growth but also of social and political stability, and a stepping stone to secure peace. Rural development targeting the rural poor was now IFAD's prime task; that should involve support for land reforms, even though in a number of countries the political environment was not yet conducive to that.

191. The provision of funds for IFAD could be improved further. The target of the Sixth Replenishment would hardly be enough for IFAD to meet the expectations placed upon it. At least USD 560 million needed to be raised, and Germany was willing to contribute a fair share of that sum. Subject to approval by the German Parliament, it envisaged increasing its contribution by one third, to USD 40 million. In 2002 Germany had also provided funds in trust to IFAD and would do its utmost to continue to do so. His country had allocated USD 7 million from its HIPC Trust Fund contribution



to IFAD and a small number of other countries had done the same. Since that was not enough Germany was advocating IFAD participation in the general HIPC Trust Fund. The activities IFAD financed and supported should serve as models for other, larger institutions and governments. IFAD could make a significant contribution to achieving the MDGs, but to do so would require generous support from List B members; new members for List A from, for instance, the group of countries preparing for EU accession; increased support from List C countries; and countries with emerging markets and dynamic economic growth shouldering even more responsibility. One way to contribute was through cofinancing with IFAD: in fact, Germany had contributed almost one fifth of all bilateral cofinancing to IFAD.

192. Germany welcomed the fact that IFAD was now an executing agency of the GEF and intending to devote more attention to land degradation. Within a few years the promises countries had made at the World Summit on Sustainable Development would have to be reflected in policies that facilitated pro-poor growth and sustainable development, failing which IFAD's committed work would achieve very little. There was therefore a need for a performance-based allocation system, and a modernized, very pragmatic IFAD. Good performance required successful PRSPs, which implied a broad dialogue, including with civil society and the private sector, as well as close coordination among development agencies. IFAD needed to participate, and therefore required an effective presence in the field, at least in focal countries, helped by a mutually supportive division of labour with other United Nations agencies and especially the Rome-based organizations. The globalization of agricultural trade must also foster sustainable development, and new export opportunities must be compatible with social and environmental concerns.

193. **Mr KHAN BOSAN** (Pakistan) said that his country's experience had shown IFAD's work to be innovative and not to involve harsh conditionalities. The Fund was therefore ideally placed to make a significant contribution to the attainment of the MDGs. Pakistan was tackling its poverty issues through a comprehensive poverty-reduction strategy developed as part of the PRSP, and its Government attached a very high priority to both agricultural development and the alleviation of poverty, which had a strong rural bias. Up to 65% of Pakistan's people earned their living from agriculture, and no meaningful poverty-reduction strategy could be formulated that did not place the agriculture sector at centre-stage. The main elements of Pakistan's strategy were increasing the availability of water for agriculture; ensuring farmers' access to international prices for their produce; the organized development of the non-farm sub-sector, particularly livestock and fisheries; improved access to credit through formal as well as micro-credit institutions; and improved access to land for poor farmers through the distribution of available state land.

194. The successful completion of the Sixth Replenishment Consultation was a clear vote of confidence in the Fund's relevance to meeting the MDGs. IFAD's strength was that its interventions were in many ways path-breaking and without conditionalities, but some of the policy issues that emerged from the Consultation process were still outstanding and might have an adverse impact on the character of IFAD. One such issue was the consideration of a performance-based allocation system. 'Need' should remain the dominant consideration in resource allocation decisions, and the regional basis of resource distribution must be protected. Pakistan had consistently held that IFAD could not meet the cost of the Debt Initiative for HIPCs through its internal resources without affecting its lending programme and, while expressing gratitude to donors, continued to maintain that resources for the Debt Initiative for HIPCs must be an additionality. There had been some discussion of matters of governance: Pakistan believed that a more representative beneficiary participation was essential to maintaining a healthy, viable and responsive IFAD. His country therefore fully supported the initiative to enhance the participation of the developing countries in the Executive Board's deliberations and those of its subsidiary bodies.

195. The events of 11 September 2001 and their aftermath had in many ways had an adverse impact on Pakistan's political, economic and social circumstances, and his country's partnership in the





coalition against terror had been at a high economic cost. Nevertheless, Pakistan would honour its undertaking to contribute USD 2 million to the Sixth Replenishment, reflecting its confidence in IFAD.

196. **Mr BELLO** (Nigeria) said that the collective wisdom that had created IFAD 25 years previously had been amply vindicated by the increased attention that the international community was now focusing on rural poverty. The multilateral financial institutions and bilateral donor countries were increasingly moving in the direction of placing poverty reduction at the centre of their aid programmes. In the past, statements in international forums had often not been matched by concrete and coherent national policies and budget allocations, but the trend was changing. Most developed countries were now giving poverty alleviation a prominent place among their national development goals, and the recent major international conferences had given added impetus to that global commitment. The time had now come to translate that commitment into action.

197. IFAD was facing a daunting task but Nigeria was confident in the organization's ability to meet the challenge. What was important was that it should concentrate its action on rural development and poverty reduction and direct its resources to those areas in which it had a clear comparative advantage, remaining innovative in its operational strategies while taking account of the perceived needs of its beneficiaries. Nigeria was ready to help it to achieve its poverty-reduction goals. The ultimate responsibility for reducing poverty lay with the governments concerned. Since the installation of a democratic government four years earlier, his country had initiated a number of structural and institutional reforms aimed at more equitable resource allocation among the three tiers of government, strengthened and empowered local government and rural communities and, in terms of strategic planning, ensuring that poverty reduction and rural development took centre-stage. Nigeria welcomed the successful completion of the Sixth Replenishment, endorsed the Programme of Work and Administrative Budget, and was satisfied with the progress made in implementing the IFAD V: Plan of Action. The panel discussion at the current Session was expected to contribute to clarifying the complex nature, causes and effects of rural poverty.

198. **Ms MUCHADA** (Zimbabwe), speaking on behalf of the Africa Group, joined others in praising IFAD's activities in Africa. The theme of the current Session of the Governing Council was opportune at a time when the droughts and floods that had affected many parts of sub-Saharan Africa had increased food insecurity and worsened the plight of the rural poor. The Africa Group was encouraged by IFAD's renewed focus on strategies to help the poor rise out of poverty and was pleased to note that the challenge posed by HIV/AIDS was now being factored into its projects and programmes. One of the main lessons learned from IFAD's activities in Africa, with their participatory approach, was that participation of the rural poor led to higher incomes and greater food security, and it was to be hoped that the Fund would replicate such activities on a larger scale as they had shown that the rural poor could solve their problems given the necessary technical support.

199. The development of IFAD's evaluation framework and its *Managing for Impact in Rural Development: A Guide for Project M&E* bore witness to the Fund's commitment to ensuring that all its investments had an impact on poverty reduction. IFAD was to be commended for embarking on an examination of the advisability of enhancing its field presence by strengthening in-country capacity. The introduction of a performance-based approach to IFAD projects would only be successful if and when those projects responded to real needs, and an IFAD field presence would help the organization to gain an understanding of country-specific needs.

200. The food crisis in southern Africa, following the droughts of 2001 and 2002, had forced her Government to prioritize its objectives. That had resulted in the suspension of disbursements to the Fund's programmes in Zimbabwe, but the Government had pledged resources for the continuation of poverty-alleviation projects and was now exploring the possibility of rescheduling its repayments to



IFAD. It was to be hoped that IFAD would give due consideration to the temporary difficulties and special circumstances faced by some of its Member States.

201. The Africa Group commended its partners from the developed world for successfully concluding the Sixth Replenishment. The recipient countries would continue to shoulder their responsibilities in accordance with their means. Commending IFAD's achievements over the previous 25 years, she said that, for the first time, poverty was on the international agenda and poor people had an opportunity to lead their own development. Stressing the importance of participation, the African countries hoped that that would be reflected in the management of IFAD projects and that, as part of List C, the Africa Group would enjoy greater representation on the Executive Board.

202. **Mr TANZI** (Italy) said that the Fund's action was fully in line with the MDG of halving poverty by 2015. The Monterrey Conference had reversed the downward trend in aid for agricultural development and called for increased international assistance and debt relief for poor countries. Any action to improve agricultural production must be accompanied by identification of potential markets. His Government believed that IFAD could make a significant contribution to those efforts, and hoped that the forthcoming meeting of WTO in September 2003 would establish a suitable framework and specific objectives for the trade-negotiation rounds.

203. On the subject of the financial tools that were so often lacking in low-income countries, he was confident that IFAD's microfinance programmes would contribute to greater coordination among the institutions involved, including NGOs. IFAD's new strategic planning process should improve the utilization of resources. The Fund's lending programme for 2003 was a realistic one, and the proposed increase in the percentage of grants from 7.5 to 10% was endorsed by his Government. Italy particularly commended the importance given to beneficiary participation and ownership of projects. In agreement with Member States that had advocated the need for performance-based resource allocation, he commended the Fund for the measures taken to improve the evaluation system and welcomed the reinforced structure of the Evaluation Committee. Noting the initiative to enhance IFAD's presence in the field, he cautioned against adopting costly solutions and advocated aiming for those that involved closer cooperation with international financial institutions and other United Nations agencies.

204. IFAD's losses in its investment portfolio had led it to re-examine its investment policy. He commended the Fund's decision, albeit somewhat tardy, to reduce its share portfolio from 45% to 10% and hoped that investments would now return to their previous high returns and level of stability.

205. In view of IFAD's record in terms of reducing world poverty, Italy was proud to be among its top contributors. As far as voluntary contributions were concerned, his country had already funded projects in Africa and the Balkans and had plans for cooperation with Latin America. Italy agreed that further information was required of IFAD concerning its financial needs in connection with the Debt Initiative for HIPC's with a view to increasing its participation in the HIPC Trust Fund. His Government appreciated the innovative action taken by the President of IFAD to attain IFAD's goals and ensure financial stability, commended the recent structural changes and looked forward to another 25 years of similarly good results for IFAD.

206. **The meeting rose at 19.15 hours.**



- (iii) Summary Record of the Third Meeting of the  
Twenty-Fifth Anniversary Session held on Thursday,  
20 February 2003, at 9.30 hours

**CHAIRMAN:** **WILLIAM E. SCHUERCH (UNITED STATES)**

	<b>PARAGRAPHS</b>
Progress Report on the Process Re-Engineering Programme (Strategic Change Programme) (Agenda Item 12)	208 – 211
General Statements (Agenda Item 5) (continued)	212 – 225
- Italy	212 – 213
- Mauritius	214 – 216
- Canada	217 – 219
- International Land Coalition	220 – 221
- D.P.R. Korea	222 – 223
- Saudi Arabia	224 – 225



207. **The meeting was called to order at 09.45 hours by Mr Schuerch (United States).**

PROGRESS REPORT ON THE PROCESS RE-ENGINEERING PROGRAMME (STRATEGIC CHANGE PROGRAMME) (Agenda Item 12) (GC 26/L.10)

208. **Mr ENWEZE** (Vice-President of IFAD), introducing the progress report contained in document GC 26/L.10, said that a great deal of progress had been made in implementing the Strategic Change Programme (SCP) since the Twenty-Fifth Session of the Council. Cap Gemini Ernst & Young (CGEY) had been selected in April 2002 as IFAD's implementation partner for the SCP, and the contract between the two had been signed on 31 May 2002. Implementation had begun on 3 June 2002 and a three-day session was held in Milan in July during which 50 IFAD staff members had worked on what was expected from the SCP. Guiding principles for implementation had been agreed and accepted by staff and senior management, and project teams had been formed combining IFAD staff and CGEY consultants to define how to streamline and simplify existing processes. In November 2002 the Steering Committee had approved ten of the twelve processes submitted to it. The other two had been approved, after revision, in January 2003.

209. The realization phase had begun in December 2002, and was to continue until October 2003. The phase had been planned around three critical milestones that were called 'go-lives', representing the time when the new systems were deployed IFAD-wide to all IFAD staff. The first "go-live" was scheduled for April 2003, the second for July 2003 and the third for October 2003. The SCP was at a critical point and involved several key challenge areas. There was a very tight schedule for delivering the work involved. There was a need to be on time – in a number of areas there could be no delays – and there had to be no increased costs. There was a need for a change of culture and behaviour. That change was taking place slowly. Every institution experienced a certain amount of resistance when introducing new processes, and it took time and much discussion and dialogue to secure acceptance. In order to simplify the way IFAD operated, there was a need to change its policies and procedures. Finally, in the context of the SCP there was a need to acquire new skills. Training was of the essence. Staff had to be retrained to use the PeopleSoft system, which would result in some redeployment because as new skills were acquired others would become redundant.

210. **The CHAIRMAN** said he took it that the Council wished to note the report contained in document GC 26/L.10, together with the update provided by the Vice-President.

211. **It was so decided.**

GENERAL STATEMENTS (Agenda Item 5) (continued)

212. **Mr BACCINI** (Under-Secretary at the Ministry of Foreign Affairs of the Italian Republic), speaking on behalf of the Minister for Foreign Affairs of the Italian Republic, said that combating hunger and poverty was one of the highest priorities of the millennium and an ethical duty, requiring the entire international community to undertake to contribute financially more than it had in the past. IFAD had a central role to play in achieving the MDG of halving world poverty by 2015, and Italy, as the host nation, would continue to play a leading part in that undertaking. The Italian Government's strategy to improve the effectiveness of the Rome-based agencies had been reflected in a number of initiatives, including the protocol of agreement for international cooperation in the agricultural and food sectors that had been concluded between the Italian Government and the three organizations in January 2002. The Protocol was designed as an attempt to improve cooperation with beneficiary countries in the economic and social sectors by involving sectoral associations in a plan that would embrace the entire food chain, taking into account the social aspects of development and facilitating the marketing of agricultural products. The Italian Government had made and would continue to make significant contributions to the Fund for that purpose.



213. On the occasion of its twenty-fifth anniversary, he wished IFAD continued success in promoting the well-being of hundreds of millions of people around the world. Italy was honoured to have IFAD on its territory. The Italian Government regarded combating hunger and poverty as one of the salient objectives of its foreign policy, and would continue to do its utmost in that endeavour, in the hope of sharing the challenge with all Member States.

214. **Ms FONG WENG-POORUN** (Mauritius) said she was confident that IFAD would ably succeed in meeting the challenges involved in achieving the MDG of halving the proportion of people living in extreme poverty by the year 2015. She thanked IFAD for its ongoing support to her country since 1983, notably in connection with its poverty-reduction strategy to stimulate diversified and sustainable economic development for low-income households, which was due to continue until 2006. Extending to sectors such as irrigation, extension services, fishing, microcredit and community development, the strategy was progressing satisfactorily. The response to the microcredit scheme, for instance, had been so positive that not all requests could be met. Mauritius had also devised a plan of action to tackle its own poverty problem on the basis of a study that had identified the poor and the forms of vulnerability. In that context, important policy changes were consequently being introduced in the fields of housing and education.

215. She reiterated the need for concerted efforts to redress the weakening international economic environment and develop the commitment to multilateral development cooperation, bearing in mind the decline in ODA allocated to agriculture. Due consideration should also be given to factors such as market inaccessibility, trade barriers and unequal trade terms, failing which the fight against poverty reduction could not be won. A single solution was not viable in all cases and consideration should be given to the specificities of individual countries. As a small island country and a net food importer, Mauritius advocated a more flexible approach to the problem of food security, to which a more productive agriculture was vital. Agricultural research into innovative technologies for coping with the demands of increased food production required heavy investment. The developed countries should therefore devise strategic partnership ties with less developed countries and donor organizations with a view to supporting such research.

216. African leaders had recently headed the fight against poverty by establishing NEPAD, which required the full support of both international organizations and the private sector. Given its negative impact on poor families, HIV/AIDS was also a rural development issue with social, economic and gender dimensions which IFAD was now taking action to address, and that action should certainly be continued and increased.

217. **Mr BASSETT** (Canada), after confirming Canada's declared commitment to increasing its ODA, commended IFAD's achievements over the previous 25 years. IFAD was highly respected for its catalytic role in enabling the poor to overcome their poverty and for its focus on indigenous populations, poor rural women and areas with limited agricultural potential. In the context of the MDGs, IFAD also had a significant role to play in reaching vulnerable and marginalized populations. The success of the negotiations for the Sixth Replenishment of IFAD's resources demonstrated the positive response of Member States to the changes introduced to strengthen IFAD's efficiency and development effectiveness. The negotiations illustrated the Fund's vital partnership with developed and developing countries, which was another of its key strengths, IFAD being the only international organization where the developing countries provided such a substantial proportion of total resources and where frank discussion on key institutional issues was conducted among all Member States.

218. In order to meet the challenges ahead, however, it was essential to follow up on the pledges made and thus secure the resources needed for the fulfilment of IFAD's mandate. A simple performance-based allocation system suited to IFAD's administrative capacity and adapted to its mandate and methods of operation should be developed, and monitoring should be strengthened. The



Fund should pursue its internal reform process, with focus on improving its capacity for innovation and replication, strengthening the management and sharing of its accumulated knowledge and streamlining its processes and procedures with a view to providing a more rapid response to any identified opportunities.

219. He underlined Canada's commitment to the elaboration of a new policy framework on agriculture and rural development and to the strengthening of its investments in that connection. A forthcoming Canadian policy statement on the role of agriculture in sustainable rural development would highlight priority programming areas to be pursued by the Canadian International Development Agency. Canada was also seeking to intensify its efforts to combat desertification, and hence looked forward to continuing its collaboration with the Global Mechanism of the United Nations Convention to Combat Desertification (UNCCD) as an innovative means of helping the rural poor. It planned to build on its important partnership with IFAD in line with its own increasing involvement in the agricultural and rural development sectors.

220. **Ms BUSINGYE** (International Land Coalition) said that, as Coordinator of the Uganda Land Alliance and an elected member of the Executive Council of the International Land Coalition, formerly known as the Popular Coalition to Eradicate Hunger and Poverty, she was speaking on behalf of the Coalition's Assembly of Members. The Coalition had been established as a result of IFAD's recognition that the challenge of land issues called for a greater convergence of efforts on the part of governments, civil society, the United Nations family and the Bretton Woods institutions. The Coalition's recent Assembly of Members, which had strengthened its membership base, had been attended by over 60 civil-society, intergovernmental and governmental partners from some 35 countries and had launched the Coalition's strategy for the period 2004-2006. The Coalition commended IFAD's efforts in building partnerships; indeed, the Assembly's theme had been 'Working Together Works'.

221. The Assembly of Members had highlighted the cross-cutting role of access to land in achieving the MDGs and, in terms of combating desertification, the importance of the links between secure access to land and food security, improved family incomes, environmentally sustainable use of natural resources and rights to resources. With regard to women as agents of change, the Coalition was committed to seeking new ways of improving the property rights of poor rural women, who, lacking secure land rights, often lost access to their land as a result of the death of their husbands or other family circumstances. She stressed that the issue of land rights was a global challenge that affected rural people throughout the world, from north to the south, and appealed to Member States at the Governing Council to bear in mind the critical importance of land in the fight against poverty.

222. **Mr KIM** (D.P.R. Korea) paid tribute to IFAD's exemplary work over the previous 25 years and particularly to its focus on priority areas without increasing the administrative budget and to its collaboration with other international organizations. The Fund's generous assistance to his country had made an important contribution to improving the lives of farmers in the project areas and to increasing agricultural production. Under the leadership of General Kim Jong Il, the Government was pushing ahead with measures to boost agricultural production. Progress in strengthening the agricultural production base, improved land use and the launching of large-scale waterway projects demonstrated the validity of that policy and the support provided by international organizations.

223. The MDG of halving the number of people living in poverty by 2015 represented a pressing task for the international community and called for the strengthening of the production capacity of developing countries and the provision of increased financial and technical assistance to them. It underlined the urgency of meeting the target of allocating 0.7% of the developed countries' GNP to ODA and of increasing the proportion of ODA allocated to agriculture and rural development, on the understanding that it was for the countries themselves to determine the rural development methods best suited to their needs. It was further necessary to strengthen cooperation among the international



financial organizations. D.P.R. Korea supported the Programme of Work and Administrative Budget of IFAD for 2003, which was consistent with the Fund's objectives and Member States' demands, and would make every effort further to expand and develop its cooperation with IFAD.

224. **Mr AL-OBEID** (Saudi Arabia) said that the twenty-fifth anniversary of the Fund provided an ideal opportunity to express appreciation to those who had assisted in the establishment and subsequent work of the Fund. He recalled that the idea of establishing the Fund had begun with OPEC, whose efforts should consequently not be forgotten. Proud to have presided over the Fund for the first eight years of its existence, Saudi Arabia had always been a major contributor to IFAD's resources; by the time of the Fifth Replenishment, its contributions had amounted to over USD 370 million and it had recently increased its contribution to the Sixth Replenishment to USD 10 million. In addition, by the end of 2000, its soft loans to the developing and least developed countries had amounted to some USD 75 billion, representing 4% of its average GNP. By 2002, it had also contributed over USD 405 million to WFP, in addition to other emergency relief funds.

225. He hoped that Member States would join in supporting the Fund's efforts to build on the achievements of its first 25 years and improve its methods of work. He also hoped that the Fund would diversify its investment portfolio and seek additional self-finance with a view to furthering the implementation of its programmes. Meanwhile, the proposed Programme of Work and Administrative Budget for 2003 was consistent with the level of resources at the Fund's disposal.

226. **The meeting rose at 10.45 a.m.**



- (iv) Summary Record of the Fourth Meeting of the  
Twenty-Fifth Anniversary Session held on Thursday,  
20 February 2003, at 15.00 hours

**CHAIRMEN:** **WILLIAM E. SCHUERCH (UNITED STATES)**  
**BUNGARAN SARAGIH (INDONESIA)**

	<b>PARAGRAPHS</b>
General Statements (Agenda Item 5) (continued)	228 – 258
- Lesotho	228 – 229
- The Former Yugoslav Republic of Macedonia	230 – 231
- Dominican Republic (on behalf of the Group of Latin American and Caribbean Countries)	232 – 234
- Austria	235 – 236
- Guatemala	237 – 239
- Madagascar	240 – 242
- Zambia	243 – 244
- Syria	245 – 246
- Portugal	247 – 249
- Indonesia	250 – 252
- Brazil	253 – 254
- Uganda	255 – 256
- Chad	257 – 258
Progress Report on the Popular Coalition to Eradicate Hunger and Poverty (Agenda Item 13)	259 – 263
Progress Report on the Global Mechanism of the United Nations Convention To Combat Desertification (Agenda Item 14)	264 – 268
Election of Members and Alternate Members to the Executive Board (Agenda Item 10)	269 – 279
Other Business (Agenda Item 15) Approval of Disclosure of Documents	280 – 282
Summary of the four round tables held in conjunction with the Twenty-Fifth Anniversary Session of the Governing Council	283
Summary of the panel discussion on the theme of the Twenty-Fifth Anniversary Session of the Governing Council: Achieving the Millennium Development Goals by Enabling the Rural Poor to Overcome their Poverty	285
Closure of the Session	286 – 288





227. **The meeting was called to order at 15.20 hours by Mr Schuerch (United States).**

GENERAL STATEMENTS (Agenda Item 5) (continued)

228. **Mr BULANE** (Lesotho) said that his country's high population growth rate, combined with environmental degradation, the scourge of HIV/AIDS and the recent famine had created a poverty trap from which it was almost impossible to escape through economic reforms alone. The gains made in the 1990s in the social sectors, especially health and education, were accordingly difficult to maintain and the problems were compounded by rising unemployment and poor economic performance. Poverty had worsened and led to a situation in which Lesotho had become more vulnerable to climatic and economic shocks. Reform strategies required further state support in terms of services, information, research, a regulatory framework and adequate financing, together with enhanced partnerships with NGOs. IFAD's Popular Coalition to Eradicate Hunger and Poverty [now International Land Coalition] should be encouraged so that it might flourish in all interested countries. There was a consensus on what had to be done, but financial resources and effective management were still inadequate and had to be addressed in a much more vigilant manner. Therefore, Lesotho welcomed IFAD's action to establish a new methodological framework for evaluating projects. IFAD's participation in NEPAD was also most welcome.

229. The Government of Lesotho had given high priority to food production and supply, and all its efforts were now focused on improving food security. Its agricultural reforms were aimed at increasing productivity, expanding grain supplies, diversifying agriculture and achieving environmentally sustainable development, with priority being given to improving soil fertility, small-scale irrigation and livestock. The Government had realized that a mix of farm and non-farm activities would help in diversifying and stabilizing the sources of income for the poor, and to that end cross-sectoral initiatives had been started in the areas worst affected by famine. With the continued support of IFAD and other development partners, Lesotho's determination to enhance the implementation of programmes to improve the livelihoods of the poor and food security would become a reality.

230. **Mr PETROV** (The Former Yugoslav Republic of Macedonia) said that agriculture accounted for 18% of GDP and that proportion was continuing to rise despite the problems of the transition period, the loss of markets and the war. His country's membership of international organizations and institutions, and the projects and programmes implemented through that membership, had been vitally important in ensuring the successful adjustment of its agricultural sector to market conditions as well as its modernization and restructuring. Particularly important in that regard had been the association agreement and the membership agreement signed, respectively, with EU and WTO. Top priorities in the agricultural development strategy, whose main thrust was poverty reduction, were the harmonization of legislation and quality control. One problem that remained to be solved was that of marketing and selling agricultural products, and securing export markets for new products.

231. A far-reaching government programme was under way to develop rural areas and alleviate poverty, which led to the expectation of increased revenues for agricultural households and small enterprises and increased stability for rural communities. One particularly important intervention was IFAD's programme for establishing a sustainable credit mechanism that would fully meet the needs of the rural sector and also combat poverty efficiently through improving living standards and reducing unemployment.

232. **Mr ARVELO CAAMAÑO** (Dominican Republic), speaking on behalf of the Latin American and Caribbean Group (GRULAC), said that there was a need to accept the ethical imperative of combating poverty and malnutrition on a daily basis, rather than merely to state that it was a common responsibility. Among the structural obstacles to the right to development were the subsidies paid by the developed countries, inhibiting competition by the developing countries. IFAD's laudable work on



behalf of the rural poor justly deserved the recognition of Member States. GRULAC once again renewed its commitment to continue working with the Fund and all its Members on an associative and egalitarian basis in order to improve market access, strengthen rural infrastructure, support indigenous populations, and encourage women in their role as agents of change with a decisive contribution to make to economic growth and social cohesion. One essential priority was to extend and strengthen cofinancing links.

233. GRULAC welcomed Timor-Leste whose contribution would strengthen List C, and believed that talks should be pursued during the year so that all the Lists reached an equitable agreement regarding adequate representation on the Executive Board. GRULAC also welcomed the successful conclusion of negotiations on the Sixth Replenishment, noting that no changes had been made to the allocation of resources from IFAD's lending programme by geographical region, so that, provided the Executive Board did not decide otherwise, the existing regional allocations would continue to apply. The process to strengthen IFAD's general evaluation policy should receive broad consensus support. Regarding performance-based resource allocation, GRULAC took it that pending approval of the Programme of Work for 2005 activities the current regional allocations would be maintained. Under the Debt Initiative for HIPC's efforts should continue to be made to seek additional financing.

234. As to the Audited Financial Statements as at 31 December 2001, GRULAC's only observation concerned the significant losses in the investments sector. The Group noted with satisfaction that in 2002 the risk exposure of the portfolio had lessened appreciably because of the implementation of the new policy, which should be continued as long as there were no major losses through the liquidation of any surplus. Turning to the Programme of Work and Administrative Budget of IFAD for 2003, he said that GRULAC wished to reiterate that future planning should provide for a minimum level for the Fund to fulfil its mandate with increasing efficiency. It was essential to continue to use the ACA at levels compatible with sound implementation of the general financial framework. GRULAC reiterated its support for the enhanced interrelationship between IFAD and the Global Mechanism of the UNCCD. Finally, it welcomed the appointment of a Latin American official as Assistant President in the Finance and Administration Department, which was consistent with the President's commitment to ensure more representative participation in the senior management levels of the organization. The Group hoped that women might be more adequately represented at the higher levels of IFAD.

235. **Mr JÄGER** (Austria) welcomed Timor-Leste to membership of the Fund, and said that IFAD's achievements over the previous 25 years had earned it a distinctive place among the world's development institutions. The Fund could make a valuable contribution to attaining the core MDG by sharing the knowledge it had acquired with other actors. The agreed target of USD 560 million for the Sixth Replenishment, which was well above that of previous replenishments, was a reflection of Member States' commitment to the organization and its goals. Achieving the Fund's three strategic objectives, to which Austria fully subscribed, called for intensified policy dialogue and advocacy with stakeholders. Close cooperation with other players would avoid duplication, create synergies and achieve maximum impact with scarce resources. It would furthermore raise IFAD's profile and enable countries to benefit from its experience.

236. Austria commended IFAD's willingness to contribute to the Debt Initiative for HIPC's, but participation should not be at the expense of the Fund's lending programme and the direct benefits it brought to the poorest of the poor. With regard to the Programme of Work for 2003, his Government supported the maintenance of a financing level of USD 450 million, for a lending programme of slightly under 30 projects, as that should enable the Fund to sustain its impact on poverty alleviation. Due consideration should be given to the performance of borrowers and to the policy environment in borrowing countries, reflecting principles of good governance. Austria supported the concept of rewarding recipients that were working to create a transparent socio-political environment based on the principles of accountability, predictability and the rule of law. As to the Administrative Budget for



2003, Austria commended the Fund for maintaining a zero real growth level and for its continuous efforts to contain administrative expenditures within the limits of inflation rates.

237. **Mr VALLADARES MOLINA** (Guatemala) said that there had been a time when the Fund seemed to have lost sight of its original purpose by investing heavily in the stock market, but it was encouraging to see that it was now back on the right track and had reduced its investments in shares to only 10% of the portfolio. That was not enough, however. Except for those funds needed to cover administrative expenses and guarantees against default, all IFAD resources should be used to finance rural development. Guatemala had already paid up its contribution to the Fifth Replenishment and, despite the financial constraints it was facing, had set aside funds for the Sixth Replenishment. It was honoured to be joining the Executive Board as Alternate Member of Sub-List C3 for the period 2004-2005.

238. Many people in the powerful countries were unaware that their present state of well-being was due not to their own labours but to the sacrifices and deprivation of past generations. The developing countries simply did not have the resources they needed for their own rural development programmes and for reducing hunger and poverty. The Fund should take the lead in mobilizing resources from those that had them and allocate them to those in need. IFAD's financial resources were in a healthy state, and all those who were committed to rural development and honoured their obligations should be able to benefit to the full. No-one should be excluded. IFAD, as the leader in its field, should be the vehicle for the optimum use of resources and a forum for exploring new partnerships and new approaches and for giving a voice to regions, countries and communities.

239. There could be no world peace without justice and it was incumbent on one and all to create such an environment; indeed, the time had come to give serious consideration to the effects of a possible war and to appeal for peace. Peace might be built on school feeding projects, for example, as conceived within WFP. If implemented worldwide, such programmes could change the history of mankind. Peace could also be built on financing for agriculture and rural development and for combating hunger and poverty, and IFAD, an efficient organization with a unique role, should continue to cooperate with the other Rome-based food agencies to bring about peace by working to reduce hunger and poverty.

240. **Mr RANDRIASANDRATRINIONY** (Madagascar) said that the socio-political crisis in his country in the first half of 2002 had hit the rural community hard, and would have consequences that would become worse until the middle of 2003. Agriculture was the mainstay of the Madagascar economy, and the rural sector had to be supported if it was to revive. Rural households had become severely impoverished due to the considerable fall in prices of agricultural products and increase in the costs of staple commodities. Furthermore, since 1998 more than 60% of the country's livestock had been killed by African swine fever, which had now become endemic.

241. Having successfully undertaken the political reform process, Madagascar was now going to tackle economic reform as a way of combating poverty. The challenge was to create a competitive market economy based on private initiative and investment in which the State would have its due role. The reform programme required broad consensus support from the people through a process of explanation and consultation involving all groups of civil society. The mission of the newly reformed Ministry of Agriculture, Animal Husbandry and Fisheries was to reduce rural poverty, ensure food security and optimize the use of fish stocks. In 2003 it would be focusing on reviving the activities of farmers, livestock breeders and fishermen, while promoting private investment in the sector.

242. Faced with the challenges of an economic revival to achieve rapid and sustainable development, Madagascar was seeking support from its international partners in grouping together the various professional organizations into chambers of agriculture; exchanges of information, transfers of know-how and partnerships with producers; economic cooperation at the producer level; and



partnership agreements. In conclusion, he joined other African Governors in expressing support for NEPAD and the hope that IFAD would participate actively in its activities, especially in terms of technical assistance.

243. **Mr KAMWENDO** (Zambia) said he was gratified by the wide recognition of IFAD as an innovative institution that continued to excel in fulfilling its mandate of helping the rural poor in developing countries, including those of Africa. Almost three quarters of the Zambian population lived in poverty, a figure which was even higher in rural areas, where small-scale agriculture was the predominant activity. Poverty reduction, however, had been assisted by IFAD's core strategy of addressing the country's endemic problems of food security, a strategy from which vulnerable families in particular had benefited. IFAD's cooperation with Zambia had contributed significantly to the development of agriculture in the country, with financial support for projects and programmes aimed at increasing the contribution of agriculture to economic growth. He was grateful that IFAD had taken the decision to participate in the initiative to cancel debts of the highly indebted poor countries, of which Zambia was one, as the resources thus released could be usefully deployed to support the country's poverty-reduction efforts. He called on IFAD to increase its partnership in those efforts by supporting Zambia's long-term initiative to strengthen access for the rural poor to financial services and markets. Provision of the necessary resource management support would also help Zambia to contribute to achievement of the MDGs.

244. Zambia hoped to consolidate the valuable lessons and experiences gained from IFAD-funded projects and translate them into rural development programmes benefiting the poor. It supported IFAD's approach to gender mainstreaming in project design and implementation, as well as its efforts to implement new agricultural development initiatives that incorporated gender strengthening. In that connection, Zambia was pleased to participate in the pilot project on gender mainstreaming for all IFAD-funded programmes and looked forward to successful implementation of the project. It also looked forward to fresh areas of cooperation within the framework of a new programme that was currently being finalized.

245. **Mr MOUNA** (Syria) said that the Arab region was currently experiencing difficult circumstances in which it was liable to be brutally attacked under the licence of killing and destruction provided by the war on terrorism. An unprecedented military build-up was taking place in order to strike an Arab country, occupy its territory, destroy its capabilities and its culture, drive out its people and gain control of its resources. He therefore hoped that the consciences of the world would unite to ward off the aggression and avert a disaster of unknown consequences in the interests of global peace.

246. Syria's economic development programmes had devoted particular attention to the agricultural sector, while farmers participating in IFAD-funded projects had clearly gained from the income, security and stability generated by the transformation of previously unproductive land into cultivated areas. Nevertheless, much remained to be done in order to increase production, reduce costs and improve marketing mechanisms. He was pleased to report that Syria had signed a loan agreement that morning with IFAD for the sum of USD 17.5 million in order to finance a rural development project in the Idleb Governorate. He supported the Fund's current approach to its work and stressed the need to secure enough resources under the Sixth Replenishment to enable IFAD to fulfil its mandate. He also supported the Programme of Work and Administrative Budget of IFAD for 2003.

247. **Mr DOS SANTOS FIGUEIREDO** (Portugal) said that IFAD's role in combating hunger and poverty was particularly relevant to the African continent, where human development indicators were unacceptable. During its 25 years of activity, IFAD had gained a wealth of experience but now faced new challenges. New geographical areas in which IFAD could effectively invest for the full accomplishment of its mission should therefore be identified. In that connection, he urged support for Timor-Leste, now a fully fledged Member of the Fund. As stated in the Monterrey Consensus, the



fight against hunger and poverty should be a priority and should mobilize all countries, particularly those with staggering asymmetries in their income distributions and levels of development. In that regard, the stance of the President of Brazil demonstrated a highly commendable attitude of solidarity and determination to combat all forms of injustice. Portugal supported all rural improvement initiatives and believed that new strategies were essential to waging a more effective fight against the inadmissible injustice of rural poverty and hunger, which current trends showed to be worsening significantly in the developing countries. IFAD had an essential role to play in the forging of multilateral institutional partnerships conducive to more effective mechanisms with which to fight poverty and hunger.

248. Portugal was engaging in that fight through international cooperation, active participation in multilateral forums and its own cooperation policy for development in Portuguese-speaking countries and territories, which focused mainly on economic growth, poverty reduction and the sustainable management of natural resources. It was prepared to further its active involvement with IFAD, and would therefore maintain the level of its contribution to the Sixth Replenishment of IFAD's resources.

249. Without a permanent systematic effort to integrate poor rural areas, the benefits and opportunities provided by globalization could not be shared, nor could the multiple challenges faced be overcome. The main challenge would be a more equitable distribution of income and a significant reduction in the incidence of hunger, poverty and social exclusion in many regions of the world. Cooperation for development should be based on broader, more responsible institutional partnerships designed to obtain more visible results and more secure returns on available resources. It might be useful to encourage national organizations to exchange know-how and experience on a more regular basis. That should lead to a closer and more intense working relationship with IFAD.

250. **Mr HARYANTO** (Indonesia) welcomed Timor-Leste to membership of IFAD. The international community should give priority to the provision of additional financing resources for development, particularly in the form of ODA, and the provision of faster and more substantial debt relief for HIPC's. The Monterrey Consensus was an excellent basis for mitigating the consequences of the depressed export revenues of countries still heavily dependent on commodity exports. In that framework, IFAD should actively engage alongside the United Nations, the Bretton Woods institutions, and other entities at the global, regional and national levels, including the private sector and civil society.

251. Indonesia had benefited altogether from 12 loans from IFAD. Among the three ongoing projects the Income-Generating Project for Marginal Farmers and Landless had proved particularly successful, and the most recent project was based on a highly innovative partnership between the Government and NGOs. He emphasized the importance of ensuring that an adequate level of resources was made available to IFAD, as lack of funding in the past had affected its ability to implement programmes and carry out its mandate satisfactorily. Indonesia had paid two instalments of USD 3.5 million each out of a total commitment of USD 10 million for the Fifth Replenishment; the rest would be paid off in 2003. For the Sixth Replenishment, Indonesia had pledged USD 5 million because of its budget constraints, but would review its contribution when its economic situation improved. It hoped that IFAD would continue to seek support from other financial institutions to increase its pool of funds, and observed that IFAD's funds should not be used for any activity or programme that did not contribute directly to implementation of its mandated activities. Partnership with other multilateral and bilateral institutions should be pursued in order to strengthen further the reach of IFAD's goals.

252. To address the continuing problem of food insecurity, efforts should be made to develop post-harvest technology, biotechnology and product development that would benefit the poor and food-insecure households in developing countries; to renew investments in factors triggering agricultural growth such as research, human resource development and rural infrastructure; to harness the political



will to adopt sound policies for eradicating poverty, fostering food security and protecting natural resources; and to alter behaviour and priorities to assure sustainable development. A social security or social safety-net system were necessary components of sustainable food security.

253. **Mr MIRAGAIA PERRI** (Brazil), welcoming the accession to membership of Timor-Leste and commending IFAD's action, noted that the Brazilian Government, which had decided to make the fight against hunger and poverty its highest priority, was carrying out a nationwide initiative, called the 'Zero Hunger Programme', to promote food security within a comprehensive framework of socio-economic development. Brazil had one of the largest agricultural sectors in the world, and many of the 50 million Brazilians living below the poverty line lacked the most basic tools, namely credit, technical know-how, technical backstopping, and structures to ensure domestic and foreign market access. Inequality was rampant, and the rural poor were moving increasingly into the outskirts of industrial areas. The 'Zero Hunger Programme' would more and more require the support of the international community. Poverty and hunger could not be fought simply with the rules of the market.

254. The fight against poverty required responsible governance, coupled with international responsibility, a democratic environment, and economic and political multilateralism. Access to markets was essential, but markets had to be based on more equitable rules, and protectionist policies had to be done away with. A basis must be established to overcome the distortions in international trade, especially for agricultural commodities. The subsidies and other practices of the developed countries, which depreciated the potential exports of the developing countries, were unacceptable. The developed countries must play their role and assume their responsibilities in fulfilling the commitments they had made at recent international conferences, notably in Doha, Monterrey and Johannesburg. Brazil was doing its part for the construction of a more just international order, and despite budgetary constraints had decided to maintain its pledge to the Sixth Replenishment of IFAD's Resources. IFAD should be a part of a more just international system.

255. **Mr KISAMBA-MUGERWA** (Uganda) said that his country's Plan for the Modernization of Agriculture was derived from its Poverty Eradication Action Plan, which emphasized economic growth, improvement of the quality of life, increasing household incomes and good governance. The Plan for the Modernization of Agriculture contained seven specific interventions: the development and dissemination of technology, agricultural advisory services, agricultural education, access to and sustainable utilization of natural resources, infrastructure, rural finance, and agro-processing and marketing. In implementing the Plan a number of lessons had been learned, the main one being that all the component parts must function if the goal of eradicating poverty was to be achieved: the farmer needed access not only to improved technologies but also to supportive productive factors such as land, rural finance for credit, markets and information, and appropriate infrastructure in the form of roads, communication and rural electricity. Uganda was examining all those components to ensure that greater impact was made through the various programmes to improve on access to productive resources, especially by women. It had also undertaken the integration of issues related to gender, the environment and HIV/AIDS as cross-cutting elements in all rural development policies.

256. There was still the challenge of making farming more attractive to the poor by increasing productivity and profitability, and that called in particular for investment in water for production and in market infrastructure. There was also a need continuously to review policies and regulatory frameworks related to access to land and rural finance as well as the standards and quality of farm produce.

257. **Mr HOUDEINGAR NGARIMADEN** (Chad), said that IFAD's Twenty-Fifth Anniversary Session was taking place at a time when the hopes raised by the World Summit on Sustainable Development were threatened by the prevailing climate of global insecurity. The theme chosen for the panel discussion at the current Session eloquently reflected the Fund's basic mandate and



demonstrated its will to pursue its action in helping the rural poor to overcome their poverty. Its achievements and recognized expertise in that regard warranted sustained support.

258. Acknowledging IFAD's support in financing projects in North Guéra and Kanem, he said that the Chad's poverty-reduction strategy, adopted in response to the critical economic situation in his country, focused on rural development, health, education and infrastructure. Given that food poverty was the first measure of poverty, food security played a central role in the poverty-reduction strategy. It was important for policies, programmes and projects aimed at reducing poverty to take account of the culture and social conditions of the beneficiaries. IFAD's objectives could be achieved only if it had the necessary resources, and the effort to mobilize those resources must be intensified. The Government of the Republic of Chad would honour its previous undertakings but also make an extra effort in respect of the Sixth Replenishment.

#### PROGRESS REPORT ON THE POPULAR COALITION TO ERADICATE HUNGER AND POVERTY (Agenda Item 13) (GC 26/L.11)

259. **Mr MOORE** (Coordinator, Popular Coalition to Eradicate Hunger and Poverty) said that 2002 had been a year of exciting progress, culminating in the transformation of the Popular Coalition to Eradicate Hunger and Poverty into the International Land Coalition, which was now positioned as a leading global convening mechanism for land issues. Secure access to land was crucial to attaining the MDGs inasmuch as it helped improve household food security and incomes, ensure environmentally sustainable use of natural resources and create the conditions for combating desertification.

260. Because of the challenges and political sensitivity of land issues, the convening, networking, knowledge, mediating and negotiating roles of the Coalition were highly valued by its members. The Coalition's outreach had broadened progressively over the years, and the results of its activities had shown the progress achieved through inter-agency collaboration. In 2002, the Coalition's focus had been on six areas: exchanging best practices among its network of civil-society partners in more than 25 countries through its Knowledge Programme; the Network Support Programme, which, by giving voice, visibility and opportunity to the views of landless and near-landless people, helped to shape public policies affecting their resource needs; the Community Empowerment Facility, which was currently supporting innovations in 15 countries; the Women's Resource Access Programme that had implemented community-based workshops in Asia, and for which the Coalition was now seeking funds to expand activities into Africa and Latin America and the Caribbean; the Common Platform on Access to Land, a consensus document on land issues that was central to the Coalition's global convening role; and, finally, securing the interest of governments in launching the Land Alliances for National Development (LAND) Partnerships as a new tool to help countries establish participatory stakeholder forums for land issues. LAND Partnerships were part of the national dialogue and advisory work in setting land policies. A number of governments had requested the Coalition's assistance in establishing LAND Partnerships in their countries, and it was hoped that other governments would do likewise.

261. Those core activities had been enhanced by a number of ongoing activities with IFAD; with the Land Tenure Service of FAO; through increased relations with the European Commission; through the Land Policy Research Project of the World Bank; in support of the reinstatement of land reform on the agenda of the Inter-American Development Bank, and through the design of a joint programme involving IFAD, the Belgian Survival Fund and the Coalition.

262. Alliances were central to the Coalition's activities, the results of which appeared in the publication *The International Land Coalition* provided to the Council. It would be remembered that the Coalition had emerged from an analysis of the history of land issues that showed that the constraints to improving the resource rights of the rural poor required action at a number of levels, in a number of political spaces and using a variety of spheres of influence.



**263. The Governing Council noted the Progress Report on the Popular Coalition to Eradicate Hunger and Poverty.**

PROGRESS REPORT ON THE GLOBAL MECHANISM OF THE UNITED NATIONS CONVENTION TO COMBAT DESERTIFICATION (Agenda Item 14) (GC 26/L.12)

264. **Mr RYDEN** (Managing Director, Global Mechanism), reporting that the GEF Council had decided to open a new focal area on land degradation, said that the relevant operational programme expected to be approved by the GEF Council in May 2003 should make more resources available for the UNCCD. Linked to that was the Global Mechanism's expanding cooperation with IFAD as one of the executing agencies of the GEF. IFAD had, for example, helped to formulate a Project Development Facility B proposal for the GEF component of IFAD's projects in Ningxia and Shanxi provinces in China, which was relevant to that country's national action programme to combat desertification. IFAD and the Global Mechanism were also providing support to the Government of Brazil in developing a GEF component linked to IFAD's Sustainable Development Project for Agrarian Reform Settlements in the Semi-Arid North-East.

265. The Committee for the Review of the Implementation of the Convention, which had held its first meeting in November 2002, had focused on technical issues and ways of accelerating UNCCD implementation. The approach developed by the Global Mechanism with regard to resource mobilization for national action programmes had generated considerable interest among both the donor community and developing country Parties, as witnessed by the European Commission's expressed desire to develop a systematic cooperation programme with the Global Mechanism. There was still a need, however, for the Global Mechanism to improve its outreach to make the approach better known.

266. At the request of the World Bank, a review was now under way which was considering a more institutional support approach to the Global Mechanism. That was linked to a decision taken at the Third Session of the Conference of the Parties (COP) to review the Global Mechanism's operations at the Sixth Session of the COP, for which an independent evaluation would be undertaken.

267. As recommended by its Facilitation Committee (FC), the Global Mechanism had developed a business plan that included the functions of FC members in relation to the work of the Global Mechanism. In developing that plan, the Global Mechanism and the UNCCD Secretariat had coordinated requests received by the two institutions to support the development and implementation of national action programmes. An important objective of the plan was to involve FC members more actively in the work of the Global Mechanism, and to develop more systematic cooperation with all its members so as to provide more efficient services to the Parties to UNCCD.

**268. The Governing Council noted the Progress Report on the Global Mechanism of the United Nations Convention to Combat Desertification.**

ELECTION OF MEMBERS AND ALTERNATE MEMBERS TO THE EXECUTIVE BOARD (Agenda Item 10) (GC 26/L.8, Add.1 and Add.2)

269. **The CHAIRMAN** said all 18 members and 18 alternate members of the new Executive Board would need to be elected. In accordance with Schedule II of the Agreement Establishing IFAD, eight members and eight alternate members were to be elected from List A Member States; four members and four alternate members from List B; and six members and six alternate members from List C. Referring to Rule 40.1 of the Rules of Procedure of the Governing Council, he said that a list of Member States against which an accounting provision existed, and which were therefore currently ineligible, was contained in document GC 26/L.8, updated in document GC 26/L.8/Add.1. The





proposed composition of the Executive Board as advised by the Convenors after meetings with Member States was provided in document GC 26/L.8/Add.2.

270. He informed the Council that within List A the following countries had been selected as members: Canada, France, Germany, Italy, Japan, The Netherlands, Sweden and the United States; and the following as the respective alternate members: Ireland, Belgium, Switzerland, Austria, Denmark, United Kingdom, Norway and Australia. It was further proposed that the Council decide to appoint the United Kingdom as the member and The Netherlands as the alternate member for the last year of the term of office, i.e. 2005.

271. Within List B the following composition had been selected: Kuwait, Nigeria, Saudi Arabia and Venezuela as members; and the following as alternate members: the United Arab Emirates as alternate to Kuwait; Indonesia as alternate to Saudi Arabia; and Algeria as alternate to Venezuela. There was one vacant position as alternate member corresponding to the Nigeria member position. Within that List, only three alternate member seats had been filled on account of the provision in Rule 40.1 of the Rules of Procedure. He proposed that the Council should allow List B countries, during the three-year term of office of the Executive Board, to adjust their Executive Board membership whenever any currently ineligible List B country acquired eligibility for membership of the Board.

272. Within List C, there were three sub-listings. For Sub-List C1 countries in Africa, the following countries had been selected as members: Cameroon and Egypt; and the following, respectively, as alternate members: The Sudan and Mozambique .

273. For Sub-List C2 countries in Europe, Asia and the Pacific, the following countries had been selected as members: India for the full term of office and China in 2003 and 2004, to be replaced by Pakistan in 2005; and the following as alternate members: Romania as alternate to India for the first year, to be replaced by the Republic of Korea in 2004 and 2005; Pakistan as alternate to China for the first year, to be replaced by Sri Lanka in 2004; and finally China as alternate to Pakistan in 2005.

274. For Sub-List C3 countries in Latin America and the Caribbean, the following countries had been selected as members: Brazil and Mexico; and the following as alternate members: Panama as alternate to Brazil for the first year, to be replaced by Guatemala in 2004 and 2005; and Argentina as alternate to Mexico.

275. There being no objection, he declared the members and alternate members elected to their respective positions on the Executive Board.

**276. The elections were approved.**

277. **The CHAIRMAN** asked that the final report record the Council's decision to allow List B to adjust its membership in the event of one of its ineligible members acquiring eligibility. He also asked that the final report record the Council's decision to appoint, within List A, the United Kingdom as the member and The Netherlands as the alternate member for the last year of the term of office. With respect to the agreements reached among the Sub-List C2 and Sub-List C3 countries on the exchange of seats, it should be recorded in the final report that those changes had been approved by the Governing Council to be effective as of the last day of February of each of the years in question and that no further Governing Council endorsement was therefore required.

**278. It was so agreed.**

279. **The CHAIRMAN**, speaking on behalf of the Council, congratulated all those elected to the Executive Board and thanked those who had just completed their term of office for the dedication they had demonstrated in serving the Fund.



OTHER BUSINESS (Agenda Item 15)

APPROVAL OF DISCLOSURE OF DOCUMENTS

280. **The CHAIRMAN** recalled that IFAD's policy on the disclosure of documents provided that the disclosure of documents for any particular session was the prerogative of the governing body concerned. He therefore asked the Council to approve the public disclosure of all the documents that had been submitted to the current Session. Its approval would result in the posting of the Council's documents on IFAD's public website, thus making them available to the general public.

281. He took it that the Council approved the public disclosure of all documents submitted to the current Session.

282. **It was so decided.**

SUMMARY OF THE FOUR ROUND TABLES HELD IN CONJUNCTION WITH THE TWENTY-FIFTH ANNIVERSARY SESSION OF THE GOVERNING COUNCIL

283. **Mr VAN DE SAND** (Assistant President, Programme Management Department of IFAD) gave a summary of the discussions that had taken place during the four round tables, held on 20 February 2003 in conjunction with the Twenty-Fifth Anniversary Session of the Governing Council, on the following themes: promoting market access for the rural poor in order to achieve the Millennium Development Goals; transforming rural institutions in order to achieve the Millennium Development Goals; women as agents of change; and indigenous peoples and sustainable development. The full text of the summary is reproduced in Chapter 3B of the Governing Council Report.

284. **Mr Saragih (Indonesia) took the Chair.**

SUMMARY OF THE PANEL DISCUSSION ON THE THEME OF THE TWENTY-FIFTH ANNIVERSARY SESSION OF THE GOVERNING COUNCIL: ACHIEVING THE MILLENNIUM DEVELOPMENT GOALS BY ENABLING THE RURAL POOR TO OVERCOME THEIR POVERTY

285. **The CHAIRMAN** gave a summary of the panel discussion on the theme of the Twenty-Fifth Anniversary Session of the Governing Council: Achieving the Millennium Development Goals by Enabling the Rural Poor to Overcome their Poverty. The full text of the summary is reproduced in Chapter 4 of the Governing Council Report.

CLOSURE OF THE SESSION

286. **Ms MUCHADA** (Zimbabwe), speaking on behalf of the Africa group, said that the previous two days' discussions had been a source of both hope and encouragement to the African countries, whose plight was clearly appreciated by their partners. It was to be hoped that IFAD would give due consideration to the urgent concerns put forward to the Council as that would contribute to removing the major stumbling blocks to her Group's full participation in development programmes, although there might be a need to review a number of procedures that prevented full stakeholder participation. She reiterated the need for full representation of the Africa Group on the Executive Board in order to increase the transparency of IFAD's programmes and also encourage sub-regional participation on the Board. She hoped that IFAD staff would go that extra mile to remove the field-level bottlenecks mentioned by a number of delegates so that the Fund's country programmes met the needs and aspirations of the communities concerned. Her Group was committed to giving higher priority to agriculture and to testing new ideas, as the surest way of overcoming poverty and hunger. It hoped to



look back at the Twenty-Fifth Anniversary Session of the Governing Council as a major turning point in its partnership with IFAD.

287. **The CHAIRMAN** made a closing statement, the full text of which is reproduced in Chapter 4 of the Governing Council Report.

288. He declared the Twenty-Fifth Anniversary Session of the Governing Council closed.

289. **The meeting rose at 18.30 hours.**



## (v) Webcast General Statements

## PARAGRAPHS

Angola	290 – 292
Mali	293 – 296

290. **Mr LUTUCUTA** (Angola), after welcoming Timor-Leste to membership of IFAD, said that his country's rural population and farmers, many of whom had had to abandon their homelands during the long war, were now returning to resume their productive activities. The battle against hunger and poverty, a priority on Angola's political agenda, involved relaunching productivity, with emphasis on agricultural and fisheries-sector production, reducing the country's food deficit and improving the lot of the most vulnerable populations. The national plan of action for 2003 aimed at boosting commodity production levels and thereby increasing food security, at involving formerly displaced persons and ex-combatants in agricultural activities and at relaunching seed production, commercial agriculture, research, rural extension work, training and education. Angola counted on continued assistance from the international community, particularly IFAD. The Fund's COSOP on Angola, for which Executive Board approval was expected in September 2003, represented a first step towards identifying the most pressing needs. Angola had been hit by severe drought and he therefore hoped that IFAD would give consideration to replicating successful irrigation projects in the country.

291. Reversing the negative trends in human development data for Africa called for greater assistance to the agriculture and fishery sectors. IFAD was to be commended for its support to NEPAD. Greater cooperation with the other Rome-based agencies would help bring together the needed synergies and support.

292. Angola hoped that the pledges made to the Sixth Replenishment would translate into more IFAD-financed projects. For well-known reasons, Angola was unable to increase its pledge to the Fund but would maintain its contribution and indeed pay it in advance. His Government applauded the measures taken by IFAD's management to put its investment portfolio back on a stable footing. With regard to the contracting of consultants, priority should be given to employing local experts in view of their greater knowledge of local conditions, the continuity their employment offered, the know-how they drew from country projects and the lower costs involved. The proposal to strengthen IFAD's presence in the field was acknowledged, it being understood that the countries themselves should be involved in selecting experts of the highest calibre. Angola was gratified to have served on the Executive Board and hoped that in future developing countries would have an opportunity to increase their representation on the Board.

293. **Mr TRAORÉ** (Mali) said there was little hope of attaining the first MDG if progress continued to be made at the current pace. The current Session's theme was therefore highly relevant; participation by the rural poor in their own development was paramount. IFAD's mission as encapsulated in that theme was fully consistent with his own country's policy of prioritizing poverty reduction. The three objectives of the *Strategic Framework for IFAD 2002-2006* likewise coincided with the three major themes of Mali's recently adopted poverty-reduction strategy, and should further strengthen IFAD's catalytic role in its fight against poverty. On the institutional front, Mali was endeavouring to strengthen a sound democratic base and good governance, and its decentralization policy clearly demonstrated the will to ensure that local inhabitants played an effective role in social and economic development and in decision-making in the fight against rural poverty. The innovative



IFAD-funded projects in Mali had had a positive impact and attested to his Government's effective partnership with IFAD, which he hoped would be further strengthened through the implementation of new projects.

294. Greater international support for agriculture, research, extension work and the protection of natural resources was essential to ensuring that the poor benefited from technological advances with a view to creating food security through the sustainable development of natural resources. To that end, support for NEPAD was vital. Access to water was also crucial to food security in Sahelian countries such as Mali, and should be guaranteed through the introduction of water management programmes and mechanisms for the prevention of risks associated with natural disasters. The major challenge today was providing access to markets and removing developed countries' trade barriers and subsidies. Farmers should be properly remunerated for their work. He called on the international community to resolve the issue of agricultural subsidies without delay and explore compensatory means of reducing their disastrous consequences for poor farmers.

295. He was most grateful to IFAD for the benefits that would accrue to the rural population as a result of the Debt Initiative for HIPC's. Bearing in mind IFAD's special role in attaining the core MDG, he urged the international community to increase its support for the Fund. Despite major difficulties, Mali had paid its contribution of USD 10 000 to the Fifth Replenishment and had announced a contribution of USD 11 020 to the Sixth Replenishment, and hoped that the other IFAD Member States, including those with similar difficulties, would likewise honour their commitments. He endorsed adoption of the draft resolution relating to the Sixth Replenishment.

296. Mali called on the Fund's management to take the necessary action to halt any further investment losses and commended the results of the Debt Initiative for HIPC's, which should be further encouraged. It approved the proposed Programme of Work and Administrative Budget of IFAD for 2003, the authorization for additional funding recommended by the Executive Board and the creation of the IFAD Trust Fund for the After-Service Medical Coverage Scheme. It welcomed the progress achieved in implementing the Plan of Action for 2000-2002, followed with interest the implementation of IFAD's SCP urged further donor support for the Global Mechanism of the UNCCD and the Popular Coalition to Eradicate Hunger.

## CHAPTER 3

### B. ROUND-TABLE DISCUSSIONS

#### Introduction

297. On the morning of 20 February 2003 the Council simultaneously held four round-table discussions on topics pertaining to the work of the Fund. Delegates received four discussion papers as background material.

298. The round-tables were organized as follows:

#### *Promoting Market Access for the Rural Poor in Order to Achieve the Millennium Development Goals*

Chairperson: Mr Sartaj Aziz, Senator, formerly Minister for Agriculture, Minister for Finance, and Minister for Foreign Affairs of the Islamic Republic of Pakistan, and former Assistant President of IFAD

Discussants:

- (i) Ms Lucía González, Responsible for Agribusiness Development, Agricultural Development Project for Peasant Communities and Smallholders of the Fourth Region (PRODECOP), Chile
- (ii) Mr Charles Gore, Senior Economic Affairs Officer, United Nations Conference on Trade and Development
- (iii) The Honorable Charles N. Keenja, Minister for Agriculture and Food Security of the United Republic of Tanzania
- (iv) Mr Martin Khor, President of the Third World Network, Malaysia
- (v) Mr Jake Walter, Director, TechnoServe, Mozambique

#### *Transforming Rural Institutions in Order to Achieve the Millennium Development Goals*

Chairperson: Mr Moise Mensah, Chairman of the Board of Trustees of the International Service for National Agricultural Research (ISNAR), formerly Minister for Rural Development and Minister for Finance of the Republic of Benin, and former Assistant President of IFAD

Discussants:

- (i) Mr David Beckmann, President of the Bread for the World Institute
- (ii) Ms Ela Bhatt, Founder and General Secretary of the Self-Employed Women's Association (SEWA), India
- (iii) Mr Alain de Janvry, Professor of Agricultural and Resource Economics, University of California at Berkley, United States
- (iv) Mr Jonathan Kydd, Professor of Agricultural Development, Imperial College of Science, Technology and Medicine, United Kingdom

#### *Indigenous Peoples and Sustainable Development*

Chairperson: Ms Victoria Tauli Corpuz, Executive Director of the TEBTEBBA Foundation (Indigenous Peoples' International Centre for Policy Research and Education), The Philippines

Discussants:

- (i) Mr Marcos Matias Alonso, Director and Member of the Permanent Forum of the United Nations for Indigenous Peoples Issues
- (ii) Mr Haroldo Eric Quej Chen, First Secretary of the Congress of the Republic of Guatemala

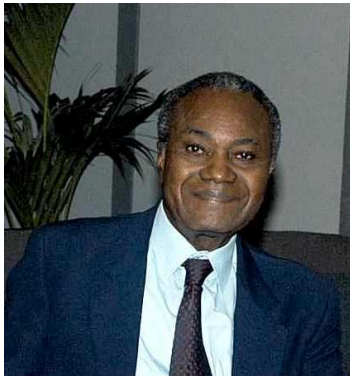
## CHAIRPERSONS OF THE ROUND TABLES

### Indigenous Peoples and Sustainable Development



Ms Victoria Tauli-Corpuz

### Transforming Rural Institutions in Order to Achieve the Millennium Development Goals



Mr Moise Mensah

### Promoting Market Access for the Rural Poor in Order to Achieve the Millennium Development Goals



Mr Sartaj Aziz

### Women as Agents of Change



Dr Nafis Sadik



- (iii) Mr Sergio Soto, General Coordinator of Microregions, Ministry of Social Development (SEDESOL) of the United Mexican States
- (iv) Mr B.N. Yugandhar, Former Secretary to the Prime Minister of the Republic of India

### *Women as Agents of Change*

Chairperson: Dr Nafis Sadik, Special Advisor/Special Envoy of the United Nations Secretary-General for HIV/AIDS in Asia, former Executive Director of the United Nations Population Fund (UNFPA)

Discussants:

- (i) Mr John Byakagaba, Project Coordinator of the Hoima District Development Support Programme, Uganda
- (ii) Ms Jocelyn Dow, President of the Women's Environment and Development Organization (WEDO), Guyana
- (iii) Dr Michael Hofmann, Director-General, Federal Ministry of Economic Cooperation and Development of the Federal Republic of Germany
- (iv) Dr Amani Kandil, Executive Director of the Arab Network for Non-Governmental Organizations (NGOs), Egypt

299. Towards the end of the session, Mr Klemens van de Sand, Assistant President of the Programme Management Department of IFAD, presented the Governing Council with the following summary of the round-table discussions.

### **Summary**

300. The themes of the four round-table discussions were derived from IFAD's strategic framework: market access, institutions, gender and indigenous people. The discussions showed clearly that the themes selected are all critical for reducing rural poverty and promoting broad-based and sustainable economic growth. That consensus was manifested in the enormous interest delegations showed in the round-table sessions: they joined them in large numbers, and they participated actively and enthusiastically. The quality of inputs provided by the chairs and of the panellists was of a uniformly high standard, and set the scene for extremely lively and informed discussions.

301. As IFAD management, we feel that the purpose of these round-tables has been clearly met: namely, to promote knowledge sharing and mutual learning, and to offer a real opportunity for delegates to provide their inputs into IFAD's strategy and activities. The recommendations are going to be of much value to IFAD as it strives to operationalize its strategic framework.

### ***Transforming Rural Institutions in Order to Achieve the Millennium Development Goals (MDGs)***

302. The rural poor, women and youth experience poverty as a lack of power to influence the rules of access to assets, inputs and markets that tend to be biased against them. The rural poor also experience poverty as a lack of voice, as a lack of organizations that represent their interests either through direct membership or through representation. The transformation of rural institutions (organizations and rules-of-the-game) for inclusiveness is a **necessity** in order to address key constraints on rural poverty reduction in a sustainable manner and enable the rural poor to seize opportunities.

303. The rural people must be perceived as economically active persons, as producers, who contribute to sustainable growth. Therefore, IFAD should focus on building organizations and transforming institutions around the economic needs of the poor. This implicitly relates to politics in the sense of democratization, which means changing the balance of power in favour of the poor. This





concept of the interrelationship between growth and empowerment is fully in line with the human rights-based approach to development, which builds on the interdependence of civic, economic and social rights.

304. A number of conclusions and recommendations emerged:

- In order to create **local** employment and investment opportunities, the complementary services of government and private-sector agents must be promoted at the **regional** level because, in many countries, the municipalities may be able to provide social services but are too small to play a role as economic agents.
- IFAD should help in mobilizing the poor people to join the transformation process, and invest in their capacity to do so. But one should not be over-optimistic. Developing organizations of the poor requires considerable time. The process should not stop at the local level, but continue through networking, second-tier organizations and alliances, and influence national institutions and policies.
- IFAD should heavily draw on South-South experience-sharing and strengthen its capacity for generating and disseminating information.
- Of course, IFAD cannot do everything and focus is essential. IFAD would do better to focus on organizations of farmers, rural entrepreneurs, women and youth; and support them with capacity-building for change.
- Capacity-building is necessary not only for the poor and their organizations, but also for government and private-service providers.
- Institutional development, and IFAD support, is also critical in pre- and post-conflict situations, with differentiated approaches that take account of the state of government.
- The impact of investment projects needs to go beyond their immediate impact on people. Impact must be measured also in terms of progress to transform rural institutions in support of the poor.
- Poverty reduction strategy papers (PRSPs) provide a useful framework for pursuing the concern of institutional transformation in a truly participatory and country-owned manner, but we must get the PRSPs to work. Again, partnerships are essential.

#### *Promoting Market Access for the Rural Poor in Order to Achieve the MDGs*

305. Participants noted that governments of developing countries have liberalized their agricultural markets in the expectation that the private sector will step in to replace the operations of parastatal agencies. In practice, however, in many countries the private sector is extremely weak and the withdrawal of the state has led to a marketing vacuum, which has been to the benefit neither of poor farmers nor the national economy. It was questioned whether the liberalization of markets had not gone too far, and whether there was not in fact an appropriate role for the state to play in addressing market failure.

306. At the international level, too, commodity agreements that served to regulate trade and to balance supply and demand have been dismantled. There may be a need to revisit that question; in particular, it was suggested that for certain crops it may be appropriate to establish suppliers' agreements, which can regulate international supply and thereby influence prices.

307. There is an obvious link between weak market access and rural poverty in poorer countries. A participant from Burkina Faso explained how, in her country, lack of market access and consequent poverty in the rural areas leads inexorably not only to rural-urban migration but also to emigration to the developed world. In Bolivia, the importance was highlighted of providing free access to agricultural markets in order to provide economic alternatives to coca growers.



308. Enabling policies at the national level are crucial. In concrete terms, that means focusing on enabling poor farmers to increase their productivity; it requires adding value to farm produce through storage and processing; it involves supporting the emergence of local, informal traders, who can provide the link between producers and large-scale buyers and sellers; and, above all, it requires that new markets be identified at the national, regional and international levels. This may call for the establishment of new systems for production and processing so as to enhance product quality, or switching to certifiably organic production systems.

309. Much of the discussion focused on the question of international trade and in particular on the profoundly unjust situation resulting from, on the one hand, the array of production subsidies, tariff barriers and phyto-sanitary measures imposed by the developed world; and, on the other hand, the liberalization of agricultural markets by developing countries. Graphic examples were provided of the negative impact that this type of regime had had on the ability of poor producers in developing countries to access not only the markets of developed countries but also third-country markets and even their own domestic markets. There was broad agreement that, given that subsidies in the North are not going to be removed, advocacy efforts should look for alternative solutions that allow developing countries to take steps to protect their own markets. Three possible avenues were identified: first, discussions with the International Monetary Fund/World Bank on the scope to selectively apply tariffs on imported agricultural products at rates approved by the World Trade Organization (WTO); second, discussions with WTO on the scope to increase approved rates on selected products; and third, WTO's 'special safeguard' clause to protect their agricultural markets.

310. A number of particular areas for IFAD to engage in were identified. First, there is need for IFAD to focus on promoting improved market access for poor farmers in all the development programmes and projects that it supports while ensuring that, wherever possible, market development efforts build on local knowledge and existing marketing systems. Second, IFAD should focus its programme activities on areas – both geographically and in terms of products – where private investment are already being made, and should seek to develop synergies with private-sector players. Third, to the extent that there may be a new role for governments to play in market development activities, IFAD should assist them to do so in a coherent and effective manner. Fourth, it should play an advocacy role on issues related to international trade, and seek to influence both the Bretton Woods institutions and WTO to ensure that their rules do not work against poor farmers.

### *Women as Agents of Change*

311. It should be noted that the Round-Table on Women as Agents of Change was attended by a significant number of men: approximately 35 out of 90 participants. A common sentiment was that the problems are not new: the real challenge is finding new solutions to old problems.

312. In relation to the MDGs, participants stressed that redressing gender imbalances and improving women's status were necessary prerequisites for achieving **all** the MDGs, but that to achieve them more would have to be done, and done differently. The MDGs are interrelated and mutually reinforcing. Implementation calls for coordination both at the national level and among donors. It was agreed that investments would need to be scaled up significantly but, above all, be better targeted and focused on rural areas where most of the poor live; and, in these areas, focus on the most marginalized groups such as women and indigenous peoples.

313. There was extensive discussion on the questions of culture and values, and participants agreed on the critical importance of culture change to allow substantial advancement in women's social and economic role in public decision-making. At all levels, and in the North as well as the South, there is a gap between policy and practice. Practice is determined by culture, of both individuals – women and men – and of institutions. Culture does change but it changes slowly, and – as one participant said – “we just don't have time”. To accelerate culture change, policy-makers (and the media) have a critical



role to play. Education, both formal and informal, of boys and girls from the early years was also highlighted as an essential instrument for overcoming gender stereotypes.

314. The title of the round-table triggered off the reflection that women are often not allowed to play their role as agents of change because systems are run by men (*this point was made by a man*). It was agreed that efforts should be sustained and expanded to engage men as partners in women's empowerment, seeking complementarity rather than conflict.

315. IFAD has recently approved a Plan of Action for 2003–2006 on “Mainstreaming a Gender Perspective in IFAD's Operations” designed to systematize gender mainstreaming in its operational procedures and processes. The Plan of Action represents a minimum common framework through which the intention is to develop sector and country-specific approaches. The round-table generated a number of valuable recommendations that reinforce the Plan of Action.

316. It was recommended that IFAD should:

- seek to influence the macro-level policy and economic framework, which is critical to the advancement of women (*“There is no use if women gain space, if the house falls down.”*);
- act as a broker to link women's grass-roots movements and networks to the PRSP process;
- seek to promote application by governments of gender-screening instruments in policy and programme development and monitoring (similar to the Environmental Impact Assessments);
- squarely address the issue of culture change and develop more effective instruments for the purpose, learning from its own experience and that of others;
- create an enabling environment for women to exercise an agency role, particularly within the generally male-dominated institutions with which IFAD works (such as ministries of agriculture, forestry and finance);
- forge more effective partnerships with other international agencies both to ensure synergies and to complement typical IFAD interventions with social interventions, e.g. in education and reproductive health;
- generalize best practices, such as joint titling (for loans and land) and quotas for women's participation, as a way of influencing broader policy frameworks;
- use projects to ‘educate and replicate’, ensuring that projects do not remain just ‘islands of excellence’;
- facilitate a more collaborative relationship between government and non-governmental organizations/civil-society organizations; and
- in the context of its increasing emphasis on market access, pay special attention to rural women's access to such markets so that they are not – as one participant observed, and I quote – “doomed to just produce petty goods and ethnic curios in a corner of the world market”.

### ***Indigenous Peoples and Sustainable Development***

317. Indigenous peoples constitute an important group of rural poor. Available estimates show that there are more than 300 million indigenous peoples in the world. These people live in more than 70 countries; the majority of them are poor, and they are also among the most vulnerable and marginalized of the rural poor. Helping them to overcome their material poverty would make a major contribution towards the goal of reducing rural poverty. Moreover, as they are the stewards of biodiversity in many environmental hotspots, assisting them would help protect the global environment. The geographical overlap between ongoing conflicts and the areas inhabited by indigenous peoples suggests that ending their marginalization would help to promote the stability needed to foster sustainable development.



318. Participants agreed that the key factors leading to the poverty and marginalization of indigenous peoples and, not least, to increasing conflicts, are non-recognition of their right to their lands and natural resources; historical isolation; and structural inequities that still prevail in most countries.

319. Participants recognized and appreciated the bold innovative approaches taken by IFAD in addressing issues and concerns of indigenous peoples, and urged that such approaches be sustained and enhanced to cover wider areas.

320. While recognizing poverty and marginalization among indigenous peoples, participants also stressed that there still exists a wealth of perspectives, visions, cultures, traditions, knowledge and resource-management systems among indigenous peoples, which should be reinforced. IFAD should sustain its support to the efforts of indigenous peoples to network among themselves at the local, national and global levels because this was crucial for making their perspectives known and for making them integral to sustainable development.

321. In this context, concrete recommendations were made for IFAD to follow up:

- To formulate and adopt a policy on indigenous peoples, to be undertaken jointly with such people's representatives.
- To consider decentralization of operations to best reflect and address the specificities and diversities of indigenous peoples.
- To allot more resources, both grants and loans, in support of indigenous peoples.
- To use more indigenous experts and consider indigenous peoples as equal partners in development rather than as beneficiaries.
- To create a dedicated institutional mechanism within IFAD on indigenous issues.
- To engage in policy development and advocacy at various levels (local, national and international).
- To replicate the successful experience in Latin America of interagency cooperation and coordination.
- To increase its involvement in conflict-mitigation and peace-building in indigenous peoples' communities.

## CHAPTER 3

### C. OTHER GENERAL STATEMENTS OF GOVERNORS

#### **Statement of the Acting Governor for the Republic of Albania**

Mr President,  
Distinguished Governors,  
Ladies and Gentlemen,

I would like, on behalf of the Government of Albania, to thank the President of IFAD, Mr Båge, for his invitation to participate in this Anniversary Session. In 25 years as an international organization, IFAD has played a great role in fighting and reducing rural poverty in the world.

The Albanian Government appreciates the support given by IFAD through the implementation of projects, especially in the mountainous areas, intervening in the infrastructure of irrigation, support in veterinary service, provision of inputs, extension service and credits for the farmers living in these areas.

As a new Member State, Albania has profited from two loans under two projects. The main objective of these projects was to support farmers in the rural areas and improve conditions in the poor mountain areas in the north-east of the country. Both projects are considered to be successful because they have led to increased agricultural production.

Development of the mountainous areas is currently the responsibility of two specialized agencies – the Mountain Areas Development Agency (MADA) and the Mountain Areas Finance Fund (MAFF) – that focus on 16 of the country's 21 districts.

For the past two years, MAFF has been operating in these areas, providing credit to farmers to develop farming and increase their revenues. MADA started operations in 2002. This agency has central and regional structures that cooperate, in the districts, in developing agriculture and improving and rehabilitating rural infrastructure in the mountainous areas.

Agriculture and food are major priorities. The Albanian Government has approved a strategy for the country's economic and social development, which focuses on reducing poverty through sustainable economic growth. Priority issues for public action are economic growth and macroeconomic stability, health, education, infrastructure and social support. The goals and objectives of the strategy consist of boosting overall domestic production by 7-8% per annum in the period 2002-2004; reducing the number of people living in poverty; upgrading infrastructure; and lowering infantile mortality rates.

In implementing this strategy, priority will be given to growth, economic and social indicators as basic elements for reducing poverty and for improving links with the Government's policies and priorities.

In such a context, we appreciate IFAD's technical assistance and support provided, in close cooperation with Albanian institutions, for drawing up a strategy for developing the rural mountainous areas of Albania. This strategy will include policies aimed at economic growth and reduced poverty in the mountainous areas of the country and, in cooperation with other donors, at improved standards of living for the rural population of these areas, or 50% of the total population. It



will also provide the rural poor with access to alternatives, not only to increase their standard of living but also to ensure the sustainable development of agriculture in these areas.

This Anniversary Session gives me the opportunity to express the appreciation of the Albanian Government for IFAD's support and its catalytic role in reducing rural poverty in the mountainous areas. The relations between IFAD and the Albanian Government are characterized by correctness and a spirit of understanding in order to fulfil our objectives for the development of rural areas through close and efficient cooperation.

We appreciate this session and the round-tables as tribunes of open discussion to share experiences and to cooperate with Member States for the strengthening of partnerships to achieve and fulfil our objectives to reduce rural poverty.

The Albanian delegation agrees with and approves the documents presented at this Anniversary Session of the Governing Council and IFAD's planned future activities and initiatives with other United Nations agencies to overcome rural poverty.

Appreciating the proceedings of this Session as well as the statements of Governors of Member States, allow me to assure you of the full support and commitment of the Albanian Government for the successful achievement of the IFAD's mission: "Enabling the Rural Poor to Overcome their Poverty."

Thank you for your attention.



**Statement of the Acting Governor  
for the People's Republic of Bangladesh**

Mr Chairman,  
Honourable President of the Italian Republic,  
His Excellency Mr Lennart Båge,  
Distinguished Governors,  
Excellencies, Ladies and Gentlemen,

It is a matter of great pleasure for me to attend the Twenty-Fifth Anniversary Session of IFAD's Governing Council. I would like to take the opportunity to convey, on behalf of my delegation and myself, our warmest congratulation to you, Mr Chairman, on your assumption of this important chair of this special Session. I would also like to express our heartiest felicitations to their Excellencies Mr William E. Schuerch and Mr Roy Fanourakis on their appointment as Vice-Chairmen of this Session.

May I also, on behalf of my delegation and myself, take the opportunity to welcome most warmly the Democratic Republic of Timor-Leste as a Member and participant at this Session.

At the outset, allow me, Mr Chairman, to express my delegation's appreciation to IFAD for selecting the theme of this Session in line with United Nations Millennium Declaration, which is not only relevant to IFAD's field of work but also very timely, considering the present international scenario.

As in many other developing countries, the agriculture sector plays a crucial role in the economy of Bangladesh. About 78% of our population is one way or other connected with this sector. It is therefore quite normal for Bangladesh to attach high priority to the development of the agriculture sector with special emphasis on economic empowerment of women for the aim of alleviating rural poverty. May I underline here that Bangladesh firmly believes from experience that the livelihoods and food security of poor and ultra-poor can be improved by convallescening the economic status of women.

In Bangladesh, we are also convinced, like many developing countries, that re-engagement in agriculture and in the rural sector is essential, not only for reaching the Millennium Development Goals but also for increasing economic growth rates. To be effective, however, this re-engagement would require a firm grasp of strategies and interventions for effective contribution in achieving sustainable rural development involving the rural poor, not just as beneficiaries but also as empowered agents for change, capable of keeping pace in a world of rapid evolution. To be sure, Bangladesh remains firmly committed to supporting the interests of rural people. In so doing, Bangladesh has become increasingly involved in implementing development projects that address the needs of the extreme poor through national strategies aimed at economic growth, poverty reduction and social development.

Since its inception, IFAD has been one of Bangladesh's important development partners contributing to the improvement of the agriculture sector. My delegation, therefore, wishes to place on record its profound gratitude to IFAD for its sustained and continuing support to Bangladesh, particularly in enabling the poorest households to benefit from microcredit programmes. May I here also state that Bangladesh is firmly committed to IFAD. Our commitment to IFAD is clearly revealed by our regular and timely contribution to IFAD despite financial constraints that overshadow Bangladesh's economic growth. May I point out here IFAD's immense success since its inception in bringing together both donors and recipient countries that are also contributors. In this context I would like to profusely thank Mr Lennart Båge, President of IFAD, for his sincere, determined and



successful effort in tackling a number of significant issues during the Sixth Replenishment of IFAD's resources. Indeed, his earnest endeavor contributed positively to the successful conclusion of the replenishment negotiations within an unprecedented time frame.

In conclusion, in this important and appropriate forum, I would like to emphasize IFAD's need to fulfil its commitment in providing grants as enshrined in its agreement to achieve the Millennium Development Goals. This commitment is in tandem with the United Nations Millennium Declaration that calls on the global community for both financial and technical support to the most vulnerable group of countries, that is, the poorest of the poor. I believe that IFAD would be inspired and motivated to comply with this requirement once it takes into serious consideration the FAO statistics, which indicate that the proportion of undernourished amongst the total population in the least developed countries has increased from 38% to more than 40% since 1970, while the absolute number of such people rose from 116 million to around 250 million.

I thank you very much for your kind and patient attention.





## **Statement of the Governor for the Republic of Benin**

Mr Chairman,  
Governors,  
Representatives of International Organizations,  
Excellencies,  
Honourable Delegates and Observers,  
Ladies and Gentlemen,

On behalf of the Government and people of Benin, I wish you peace, health and good fortune as we embark upon the year 2003.

This session of the Council coincides with the twenty-fifth anniversary of IFAD. The theme chosen to mark this quarter century of IFAD's existence – "Achieving the Millennium Development Goals by Enabling the Rural Poor to Overcome their Poverty" – reminds us, if we need any further reminder, that rural poverty persists despite our united efforts to do away with it.

This theme, whose relevance is evident to all, fits in well with the development goals of our countries of the South.

The reduction of poverty, especially in rural areas, has always been a central concern of the Government of Benin. The new agricultural policy adopted in July 2001 and the poverty reduction strategy whose formulation was completed in September 2002 are tangible proof of Benin's commitment to working towards a significant improvement in the living conditions of the rural population.

In the midst of this struggle to overcome substandard living conditions, Benin has been heartened by the unwavering support of IFAD.

Our session is being held upon the conclusion of the Sixth Replenishment of IFAD's Resources. The success of that exercise bears witness to the international community's and, in particular, the contributors' commitment to working for a better world, a world in which even the very poorest will have a decent livelihood.

The Government of Benin remains convinced that the outcome of our struggle against poverty will, in large part, be determined by the poor themselves, by their ability to influence the decisions that affect their lives, to negotiate better trading conditions, and to gain control over the resources found within their milieu. The decentralization process undertaken by my country since the December 2002 municipal elections – a process that places greater responsibility on grass-roots communities for ensuring their own development – is a reflection of that belief and reaffirms our determination to work side by side with the population as they strive toward a better life.

The causes of rural poverty are varied and complex. But in many cases, market access plays a vital role. This is why my country is particularly interested in developing local, national and regional markets. We are also very hopeful that the current World Trade Organization negotiations on agriculture will take into consideration the concerns of small-scale rural producers in developing countries.

Long live international cooperation.  
Long live IFAD.



## Statement of the Governor for Burkina Faso

Mr Chairman,  
Mr President of IFAD,  
Governors,  
Distinguished Guests,

This Twenty-Sixth Session of IFAD's Governing Council gives us the opportunity, as we have done each year, to come together. On behalf of the delegation of Burkina Faso, I would like to extend to you, Mr Chairman, and to the other members of the Bureau, our sincere congratulations upon your election to such positions of responsibility.

I would also like to make Mr Lennart Båge aware of how pleased we are with the innovative, positive lines of action that he has overseen since his election as President of IFAD, actions aimed at increasing the effectiveness of the Governing Council's deliberations and thus contributing to the struggle against poverty and hunger in the world.

Our Twenty-Sixth Session is being held on a special occasion, since it marks the Fund's twenty-fifth year in existence. These have been twenty-five years of struggle, twenty-five years of determination, twenty-five years of marching forward, side by side, with the world's poorest. Taking stock of the situation, the results are so persuasive that, if IFAD did not exist, we would have to create it all over again. We owe a debt of gratitude to the founders of such an invaluable tool for development.

Five years ago, in 1998, on the occasion of IFAD's twentieth anniversary, we applauded IFAD's work and were heartened by the encouraging results it had obtained. Today, however, we must ask ourselves about the nature of the poverty trends being seen around the world and about the reasons why this unending struggle seems to deny us the types of results that we might rightfully expect.

We see, with great regret, that poverty persists: 1.2 billion people still live on less than one dollar per day. What is more, this situation may yet grow even worse, given current world conditions. In addition to the already numerous conflicts and crises occurring throughout the different regions of the world, we now face the threat of a war on an even greater scale.

While there is no question about the fact that the results being achieved by IFAD are both tangible and gratifying, unfortunately these very outcomes are threatened by the negative impacts that such a war would have.

These last three years have been very active ones, which have further enhanced the effectiveness of the Fund's efforts to eliminate rural poverty. The work has included:

- medium- and long-term strategic guidelines;
- an assessment of the institutional strategy;
- implementation of the recommendations emanating from the Consultation to Review the Adequacy of the Resources Available to IFAD; and
- targeting of activities for the most underprivileged sectors of the population living in disadvantaged areas.



It is gratifying to have witnessed such a strong response on the part of Member States and donors, which has resulted in the considerable achievements made within the context of the Fifth Replenishment of IFAD's Resources, a response that attests to their interest in the institution's work.

It is within this same spirit that Burkina Faso makes so bold as to believe that these same Member States and donors will agree to make an even greater effort and sacrifice to maintain or even increase the Fund's capacity for action through their contributions to the Sixth Replenishment of IFAD's Resources. This replenishment has been welcomed by us all and is the subject of a resolution that has been submitted to us at this session.

At great sacrifice and in the name of international solidarity, Burkina Faso has paid in 115% of the amount it pledged for the Fifth Replenishment (in other words, an additional 15%) and hereby confirms its announcement that it will contribute USD 60 000 to the Sixth Replenishment, representing an increase of 50%. In so doing, Burkina Faso places its faith in IFAD and trusts that its achievements will be strengthened with the help of these additional resources. This conviction is borne of our long and positive experience of working in partnership with IFAD to further the development of the agricultural, forestry and livestock sectors, to combat desertification and rural poverty, and thus to pursue an integral rural development process.

The Government of Burkina Faso, for its part, would like to thank IFAD for the special support it has provided to Africa, and particularly for its cooperation with Burkina Faso through its involvement in funding such development projects as the following:

- Special Programme for Soil and Water Conservation and Agroforestry in the Central Plateau;
- South West Rural Development Project;
- Special Programme for Soil and Water Conservation – Phase II, cofinanced with the World Bank;
- Rural Microenterprise Support Project; and
- Soil Fertility Rehabilitation Programme for the Eastern Region, scheduled for 2003.

How can we not celebrate the fact that Burkina Faso was one of the first countries taking part in the Debt Initiative for the Heavily Indebted Poor Countries to have reached its decision point and completion point? Political will and good governance have no doubt helped it in this endeavour.

As for the effort to combat desertification, Burkina Faso, like all the other countries subject to this scourge, is striving to overcome this problem and would hope that it can rely on the effectiveness of the Global Mechanism of the United Nations Convention to Combat Desertification, which is housed at IFAD.

In the countries of the Sahel, farm production is being hurt by adverse weather conditions. Consequently, water management or husbandry is an essential tool for us in working to find a solution for food shortages.

This is why Burkina Faso has emphasized small-scale village irrigation systems in recent years. The results of the pilot phase of this effort have surpassed expectations and delighted producers. Burkina Faso therefore calls for the extension of this project. This will require the participation of the State, certainly, but it will also, most importantly, require the participation of development partners. We see this as a path to the type of sustainable development that is the topic of so much discussion in international forums.



In closing, Mr Chairman, on behalf of the President of Burkina Faso, Mr Blaise Compaore, I would like to express our gratitude and good wishes to IFAD for its determined efforts on behalf of the millions of poor in Burkina Faso and around the world.



**Statement of the Governor  
for the Federal Democratic Republic of Ethiopia**

Your Excellency President Bâge,  
Distinguished Delegates,  
Ladies and Gentlemen,

On behalf of the Government of the Federal Democratic Republic of Ethiopia, it gives me great pleasure and honour to briefly present to the distinguished delegates at the Twenty-Fifth Anniversary Session of IFAD's Governing Council a short briefing on Ethiopia's agricultural transformation and rural development effort.

In Ethiopia, as in most developing countries, agriculture is the backbone of the economy. It accounts for about 50% of GDP, more than 90% of foreign export earnings and engages over 85% of the population.

Ethiopia is endowed with immense potential in terms of agricultural resources, such as vast arable land and pastureland, water, livestock and human resources. However, the proportion of people in absolute poverty only marginally declined from 45.5% in 1995/96 to 44.2% in 1999/00. Hence, to reduce poverty by half from its current level, the economy must grow in real terms by 5.7% per annum until the year 2015.

The Government of Ethiopia, cognizant of the situation, is currently working towards achieving the Millennium Development Goals and it is striving to bring about a rapid, all-round and sustainable economic development.

The central goal of the country's poverty reduction strategy is to build a free-market economic system that will enable the economy to develop rapidly, extricate itself from dependence on food aid, and render to the poor the main benefits of economic growth.

To achieve this objective, Ethiopia's poverty reduction strategy consists of four major building blocks: agricultural development-led industrialization (ADLI); judiciary and civil service reform; decentralization; and empowerment and capacity building. Cross-cutting issues, i.e. gender, environment and population are integrated, while private-sector development, export development, urban development, management issues and HIV/AIDS prevention are elements of the strategic framework for poverty reduction.

The country's ADLI economic strategy aims at structural transformation of the economy in which a rapid growth of the agricultural sector is envisaged to raise the share of industry and social services in terms of output and employment.

In this regard, the Government has taken various functionally reinforcing policy measures that include a sustainable development and poverty reduction programme, rural development policy and strategy, and food security strategies.

The Government's responses to the challenges of agricultural transformation and rural development for poverty reduction rest on six interlinked fundamental thematic strategies. These include:

- supporting the expansion of service cooperatives and improving agricultural marketing;
- providing extensive technical and vocational education and training in agriculture;
- expanding financial institutions with focus on smallholder farmers and the rural poor;



- designing and introduction of diversified extension packages;
- ensuring proper land use and management; and
- the development of rural roads.

To mitigate and eventually overcome the current poverty-induced food insecurity, the Government has adopted a comprehensive food security strategy aimed at increasing the availability of food through increased domestic production, ensuring access to food for food-deficit household and strengthening emergency-response capabilities.

The strategy gives highest emphasis to chronically food-insecure, moisture-deficit and pastoral areas, considering environmental rehabilitation, water harvesting, livestock development and resettlement as pivotal tools of intervention.

To alleviate the problem of recurrent food shortages and ensure sustainable agricultural development requires a continuous supply of appropriate technologies. To this end, the Government has taken measures to develop agricultural technology packages, enhanced technology release systems and evaluation of agri-technology on a regular basis. The Government is working in close partnership with centres of the Consultative Group on International Agricultural Research to ensure effective, efficient and rapid delivery of technology to the rural poor farmers.

With regard to input/output marketing, as an integral component of rural development, the following activities are under way: rural infrastructure development; market information; reduction of transaction costs; disease-free zones, quarantine and certification; quality standards and safety measures; contractual marketing; and others.

The other area to which the Government gives high priority is capacity-building. In its agricultural and rural development policy and strategy, the Government views capacity-building and institutional development as important means for creating the social capital necessary for comprehensive and equitable development.

Since, the overall performance of Ethiopia's economy is highly dependent on the maximum and sustainable performance, and transformation of agriculture and its labour force to other off-farm activities, the need for an educated, innovative and creative, skilled human labour force in agriculture is indispensable for successful implementation of the ADLI strategy. In this regard, the Agricultural Technical and Vocational Training Programme, focusing on middle-level vocational training and farmers' training, has been launched. For this purpose 25 colleges have been identified and are being upgraded to a total enrollment capacity of 30 000 students.

The Government has taken the leading role in implementing the above-mentioned endeavors for poverty reduction and sustainable development. The key role of the private sector in this regard is of paramount importance.

Since 1993, Ethiopia has been implementing measures aimed at liberalizing the private investment climate, and the investment code it issued has been regularly revised to open up more investment opportunities and give more incentives for the private sector. The privatization of public enterprises is also progressing simultaneously.

Good governance is an important aspect of the strategic framework for poverty reduction. Aspects of good governance under implementation include: expenditure management and control; anti-corruption measures; decentralization; and empowerment. Besides, decentralization of budget allocations at the community level is also operational to expedite the development process.



As I have underlined above, the Government of Ethiopia is doing its level best to meet the Millennium Development Goals to reduce poverty and to bring about all-round sustainable development. This will continue to be its main development agenda.

However, domestic effort alone should not be expected to produce the expected results. Ethiopia is committed to NEPAD and to sub-regional, regional and international organizations' initiatives to promote partnerships. IFAD has been one of the key partners in our development efforts and will continue to be a partner in such future efforts.

I would like to take this opportunity to call upon all our developed country partners to increase their development assistance and ensure that agriculture is at the centre of development financing. It is important that agricultural research at the national and international levels be supported to make sure that appropriate technologies are available to the rural poor and sustainable development is realized. Ethiopia encourages sustainable financing to the international agricultural research centres whose activities are primarily focused on work designed to resolve the multifaceted and region-specific constraints faced by African countries.

Thank you for your kind attention.



### **Statement of the Acting Governor for the Republic of Guinea**

Mr Chairman,  
Mr President of the International Fund for Agricultural Development,  
Governors,  
Honourable Delegates,  
Ladies and Gentlemen,

It is a great pleasure for me to address this distinguished assembly on behalf of the Government of the Republic of Guinea and its President, General Lausana Conté.

I am gratified to see Mr Lennart Båge at the helm of our institution in his capacity as President of the International Fund for Agricultural Development.

I also wish to congratulate the Chairman of this session, Mr Bungaran Saragih. I have every expectation that, under his capable leadership, our work here will meet with success.

Mr President,  
Honourable Delegates,  
Ladies and Gentlemen,

As you all know, one of the great challenges facing the international community is to ensure that all people on this planet, no matter where they are, have a diet that will allow them to lead healthy, active lives.

Needless to say, the theme proposed for this Twenty-Fifth Anniversary Session – “Enabling the Rural Poor to Overcome their Poverty” – is in perfect harmony with the concerns of the Government of the Republic of Guinea.

Indeed, some 85% of Guinea’s population are rural inhabitants who continue to suffer from the ravages of hunger and malnutrition, which are the primary manifestations of the scourge that we call poverty.

As it wages its battle against poverty, the Government of the Republic of Guinea derives great benefit from international assistance and lenders.

This is thus the proper time and place to render such well deserved praise to IFAD for its invaluable efforts in working alongside our Government to attain a harmonious and sustainable form of development for our rural communities.

IFAD programmes and projects provide coverage for the four natural regions into which Guinea is divided. These include:

- the Smallholder Development Project in the Forest Region;
- the Smallholder Development Project in North Lower Guinea;
- the Fouta Djallon Local Development and Agricultural Rehabilitation Programme; and
- the Programme for Participatory Rural Development in Haute-Guinée.





These programmes and projects help to improve the rural population's living conditions through:

- the construction of social and economic infrastructure in rural areas: tracks, warehouses, health stations and clinics, crossing structures for irrigated and developed areas, etc.;
- access to rural financial services; and
- capacity-building through training for community-level institutions.

At this very moment, as this Council meets, many countries – especially in Africa – are embroiled in wars that pit brother against brother and serve only to deepen the poverty of their populations.

This is why the Government of the Republic of Guinea urgently calls upon the international community to make every effort to bring about a return to peace, tranquillity and harmony.

Within this context, the Government of the Republic of Guinea would like to voice its determination to continue to bring aid to the poor.

On behalf of the Republic of Guinea, I would like to express our heartfelt appreciation to IFAD, which, for more than a decade now, has been one of our foremost partners in providing financing for rural development in my country.

Accordingly, the Government of the Republic of Guinea will spare no effort to participate in the Sixth Replenishment of this institution's financial resources.

I urge all the affluent nations and all donors to make available to IFAD the resources it needs to continue its noble struggle against rural poverty.

In closing, on behalf of our Head of State, General Lausana Conté, I would like to reaffirm my country's commitment to this institution and to voice my sincere gratitude to the President of IFAD and his close associates for their untiring efforts to reinforce the strong relations existing between IFAD and my country, the Republic of Guinea.

I wish the Council a happy twenty-fifth anniversary and thank you all for your kind attention.



## Statement of the Acting Governor for the Republic of Haiti

Mr Chairman,  
Mr President of the International Fund for Agricultural Development,  
Governors,  
Ladies and Gentlemen,

On behalf of the people and Government of the Republic of Haiti, our delegation has the honour of wishing every success to the International Fund for Agricultural Development on the occasion of its twenty-fifth anniversary.

The Republic of Haiti, in which more than 50% of the population lives in rural areas, is gratified to be a member of an institution that pursues such a noble goal as that of combating rural poverty and hunger.

Delegated to represent a population who suffers the horrors of rural poverty and its many ramifications, we are torn between two conflicting desires: on the one hand, we wish a long life to this venerable institution that works to attain the noble objective of eliminating the scourge of hunger and poverty; on the other, we wish it a short life, as we yearn to see its objective achieved as soon as possible. IFAD's *raison d'être* will disappear once it has completed the task it was created to perform.

IFAD has been working in Haiti in a wide range of fields for over 20 years, notably the provision of direct support for food production and the rehabilitation of small-scale irrigation systems. The Republic of Haiti is hopeful that these initiatives will soon translate into significant, tangible changes in the living conditions of the segments of the population intended to benefit from them.

For 25 years now, IFAD has been funding activities in pursuit of its objectives in developing countries, especially the poorest among them. On the occasion of this anniversary session, the praise for the work done by IFAD is well deserved. Yet there are some burning questions that continue to haunt us.

Why is it that the number of people in the world who are going hungry has not declined, or has hardly done so? Why do the rural areas of the world continue to sink into poverty, particularly in these [the developing] countries, despite the assistance that is provided to them, notably by our institution? What are the best strategies for ensuring that the assistance intended for target groups goes directly to them? In other words, how can we eliminate or reduce the bureaucratic, technical and administrative obstacles that prevent these funds from being used to effectively assist the poor?

It is deeply regrettable that often less than 10% of this funding actively reaches the poor under our projects.

What is more, even once these obstacles are overcome, is it not true that the levels of financing being allocated are too low to achieve the desired effects?

Experience demonstrates that, even though the rural poor in our increasingly impoverished countries make up an overwhelming majority, they are invariably very difficult to reach within national and global economic and social systems that are riddled with complex, well-fortified exclusionary mechanisms. Such systems are tantamount, essentially, to "poverty-production plants".



Experience also shows that only those societies that have dared to mount an attack on these walls of social and economic exclusion have succeeded in making this monstrous machine break down.

The Member States of our prestigious institution should, in concert with the highest authorities responsible for ensuring the successful implementation of IFAD's policies, bring all their wits and ingenuity to bear on the task of scaling the walls that stand between these resources and the rural poor for which they are intended.

As we commemorate our institution's first quarter century of active efforts in this field, all nations and citizens of the world are called upon, with even greater urgency than before, to show solidarity. This is all the more true for those who are better off, because the accumulation of wealth, within countries as well as at the international level, has involved the participation of all; it is a process in which both the poor and the rich take part. We are all, therefore, artificers of that wealth, just as we all share responsibility for the poverty that exists in the world. What is needed, then, is a resolute commitment on the part of the Member States of our institution to make restitution as we pursue the struggle against poverty and hunger.

As we stand on the threshold of this new millennium, let us hope that IFAD continues to grow and to improve with each passing day so that it can be an even more effective companion to the privileged and the underprivileged who, in a spirit of solidarity, are struggling to enable the rural poor to overcome their poverty. This should not be an objective for this millennium, but for this twenty-first century. The world has all the material and human resources it needs to accomplish this.



**Statement of the Alternate Governor  
for the Republic of India**

Mr Chairman,  
Mr President,  
Distinguished Delegates,

I wish to convey the felicitations of the Government of India to IFAD on completion of twenty-five years of its remarkable existence. We deeply appreciate IFAD's role in drawing attention to the problem of poverty in the world and its committed efforts to address this burning issue. By launching projects valued at USD 22 billion in 115 countries over the past twenty-five years, benefiting an estimated 250 million people, IFAD has emerged as a premier financial institution in the sphere of agriculture and rural development.

It is now time to reflect on the experience of the past twenty-five years, to reaffirm organizational objectives and renew the resolve to play the lead role in the development debate. Despite its comparatively small size, IFAD has played a crucial catalytic role in the battle against rural poverty. In the light of experience gained, we must now aim to extend and strengthen this role and seek to influence the other players involved in this battle.

The task of achieving the Millennium Development Goal (MDG) of halving poverty by 2015 is a mammoth one. In the light of the slow progress in the last few years in the war against hunger, the goal of overcoming hunger appears to be a distant vision. The impact of globalization on developing countries has not yielded the results that were expected. Indeed, we may say that the prevailing international environment has broadened the gap between rich and poor and made the task of bridging the chasm even more onerous. The task before us, therefore, involves action at both the national and international levels. While stressing the importance of good governance and appropriate policy environment at the national level, it is equally important that governance at the international level should also be addressed in terms of reform of financial and monetary systems, establishment of an equitable trade regime, removal of market distortions, increase in official development assistance (ODA), extension of external debt relief, and so on.

We are pleased that the Monterrey Consensus recognized the need for substantial increases in ODA and debt relief, together with reforms to strengthen international monetary, financial and trading systems. The World Food Summit: Five Years Later and the World Summit for Sustainable Development also reiterated this commitment. It is estimated that an additional USD 50 billion is needed each year as ODA if the MDGs are to be achieved by 2015. However, despite the realization that poverty is largely concentrated in the agricultural and rural sectors, ODA to these sectors has been declining and, today, only 12% of total ODA is targeted at these critical areas.

In this context, we are somewhat disappointed at the outcome of the Consultation on the Sixth Replenishment of IFAD's resources. We had hoped that the expressions of concern and intent of developed countries at various fora would result in significant expansion of IFAD's programme of activities. Although many countries have announced substantial increases in their contributions, the overall lending programme of IFAD is, however, not expected to increase significantly.

India is one of the largest recipients of IFAD's funding, and we have found the impact and utility of IFAD's programmes to far exceed their monetary value. To reflect our faith and trust in the organization, we have pledged USD 15 million to the Sixth Replenishment – an increase of 25%. We are happy that President Båge had the opportunity to visit India last year and to see at first-hand the impact of IFAD interventions on women and indigenous populations.



We are concerned at the prospect of IFAD being starved of resources and becoming increasingly marginalized. In 2002, in view of the resource constraint, only 25 projects, worth USD 365 million, were submitted to the Executive Board for approval – less than originally planned. We hope this trend will be reversed and that IFAD can build upon the valuable experience and credibility it has acquired. It would indeed be a great loss if IFAD's unique strengths were to be wasted, and if it were converted into a mirror image of other financial institutions.

IFAD's strength lies in the experience that it has gathered over the years in working with and empowering the poor, its participative approaches and the goodwill it has won among beneficiaries, its support for innovation and demonstration of replicable development models, its ability to build partnerships and influence national and international policies through dialogue and advocacy. This is the essence of IFAD's uniqueness and specificity; and it is this facet that needs to be nurtured and expanded so that, through IFAD's example, assistance to rural development comes to be recognized as a viable and essential strategy not only for sustained poverty reduction, but also for enhanced economic growth.

The Government of India would like to see IFAD build upon its unique strengths and expand its activities in coming years, so that it can play a lead role among financial institutions in the mission for achieving the MDGs. For our part, we assure you of our full cooperation and support to the organization.

Thank you.



**Statement of the Acting Governor  
for the Hashemite Kingdom of Jordan**

Mr Chairman,  
Mr President,  
Governors,  
Ladies and Gentlemen,

The Hashemite Kingdom of Jordan continues to mobilize its own capabilities and to develop its agriculture sector without overlooking those social aspects arising from global economic policies that impact directly on the poor and limited-income people, particularly in rural areas.

Agriculture, with all its economic, social and environmental dimensions, is one of the fundamental sectors in the economic life of Jordan. It is at the centre of integrated rural development, it provides work and income to rural and *badya* inhabitants, and serves as a generator of activities in the other economic sectors such as those of industry and services. It plays a major role in ensuring food security and improving the balance of payments.

Jordan is blessed with varied agricultural environments that allow for diversity in agricultural production and a multiplicity of crops per year. The scarcity of agricultural resources (land and water), however, and reliance on precarious rainfall make agriculture a risky enterprise that does not ensure stable income for farmers.

Judging by the current growth rate in the agricultural sector, the expected population growth rate and current climatological conditions, demand for water for household, industrial and agricultural use is likely to increase considerably. The major part of this increase will be in the area of household use, which means that the water deficit will occur at the expense of the agricultural sector. This will result in increased reliance on treated water. With all this in mind, the Jordanian Government has formulated a National Agricultural Development Strategy for 2010 based on an analysis of the constraints facing the agricultural sector. The solutions envisaged include a number of priority development projects aimed at confronting the challenges facing the agricultural sector.

Over the last two decades, the International Fund for Agricultural Development has played an outstanding role in combating rural poverty. Its experience demonstrates that the success of any effort to mitigate poverty lies in helping the poor to help themselves by learning from the various approaches pursued to solve their problems. IFAD's interventions have stressed the importance of involving the poor in confronting the problems facing them and of collaborating with local community and non-governmental organizations representing them. The experience IFAD has accumulated, and the knowledge and work tools it has acquired, makes it possible to improve the life of poor farmers, rural inhabitants, the hard-core poor and other deprived groups and to help them face up to the constraints and mitigate their effect.

No wonder Jordan considers cooperation with IFAD to be a cornerstone in its efforts to realize some of the objectives of its agricultural policy. IFAD's valuable assistance includes the financing of a number of rural development and infrastructure projects in the agricultural sector. It also includes the preparation of project documents needed for the overall purpose of mitigating the effects of poverty on the life of the poor, and improving the living standards of the rural population in accordance with the objectives of the agricultural policy of Jordan.

I therefore wish to express my Government's deep appreciation of the efforts the Fund makes for Jordan in this respect. My thanks go particularly to His Excellency Lennart Båge, President of the Fund, for his tireless efforts to help Member States.



Furthermore, my Government hopes to see an increase in the number of new projects funded by IFAD in Jordan and to cooperate with the Fund in implementing the projects it finances. Such cooperation would ensure an immediate response to events in the course of implementation and help save time and effort on the procedural side of things.



## **Statement of the Governor for the Republic of Maldives**

Mr Chairman,  
Distinguished Governors,  
President of IFAD,  
Ladies and Gentlemen,

It is a great honor for me to address this Twenty-Fifth Anniversary Session of IFAD's Governing Council. At the outset, let me join previous speakers in thanking the President of IFAD, Mr Lennart Båge, and his staff for the excellent preparations and arrangements made for this important meeting.

Honorable Bungaran Saragih, may I congratulate you on your election as the Chairperson of this auspicious Anniversary Session of the Governing Council. I wish you well in our shared endeavours in this session and offer you our full cooperation.

Like many other small island developing states, Maldives, too, faces a number of constraints in seeking to fit into the global economy while managing our environment sustainably. Our population is small and dispersed over 200 islands, scattered in the vast Indian Ocean. As a result, our markets are small, and our natural resource base is narrow, fragile and prone to disruption by natural disasters. We depend for foreign exchange on tourism and a small range of fishery product exports, and we have limited local capital for productive investment. Even today, the economy of Maldives is heavily dependent on just two main industries (fisheries and tourism) for the country's fiscal revenues, foreign exchange earnings, employment and growth. Despite these limitations, during the last two decades Maldives has achieved remarkable progress in terms of economic and social development. Yet, it has long way to go in sustaining development and eliminating poverty. The true fact is that the 270 000 people of Maldives remain extremely vulnerable, both environmentally and geographically, and there is considerable poverty in the outer atolls as well as in Malé, the capital island.

Poverty in Maldives differs from that in many other developing nations, mainly because a large segment of the population is highly susceptible to external global shocks and has limited ability to effectively manage risk. Up to 42% of Maldivians live on less than Rf 15 daily (USD 1.17), barely over the international poverty line of USD 1 a day, with 22% subsisting on Rf 10 (USD 0.83). Large non-income disparities exist in terms of perceived and actual access to social services and other opportunities. The existing pattern of population scattered across 200 islands – 40% of which have less than 500 residents – means that the cost of infrastructure creation is extraordinarily high.

Poverty in Maldives is multi-dimensional and, to tackle this complex problem, no single solution or strategy will suffice. Economic growth alone will not eradicate poverty in Maldives; neither will isolated social sector development be enough to eradicate poverty. What is therefore needed in Maldives is a well-prioritized but balanced and comprehensive approach addressing the multi challenges of growth and development.

Small island states like Maldives are not only vulnerable in relation to natural disasters, such as the impact of climate change on the low archipelago, they are also vulnerable to the increasing pressures posed by the process of globalization, which widens the gap between developed and developing countries. Globalization and liberalization have combined to increase markedly the volatility of incomes of countries like Maldives.

If Maldives is to achieve poverty reduction in a successful manner, it is critical that the international community address our limitations and vulnerabilities and facilitates our integration into





the regional and world economy. We require assistance in improving our competitiveness, market access, diversification of our economy and our capacity for effective participation in multilateral trade through specific provisions and measures.

Before I pass on to the next speaker, I would like to express our gratitude to IFAD for the assistance and the role it plays in the development of our national capacity in economic and social sectors. Over the years, its effort to improve the quality of life of the rural population through development projects has had a momentous impact. I do hope that the Maldives and IFAD can work together in combating poverty, which we so desire.



**Statement of the Governor  
for the Kingdom of Morocco**

Mr Chairman,  
Mr President,  
Ladies and Gentlemen,

Let me at the outset extend, on my behalf and in the name of the Moroccan delegation, sincere congratulations to the Chairman and Vice-Chairmen of the Twenty-Fifth Anniversary Session.

I also wish to avail myself of this opportunity to underline the effective and distinctive role played by Mr Lennart Båge, President of the International Fund for Agricultural Development, and his staff and to thank them for the efforts they have made to prepare for this anniversary. It would be amiss of me not to refer, on this occasion, to the work of all past presidents of the Fund and to thank them for all they did over a quarter of a century to help achieve the noble objectives of the Fund, namely, to develop the rural world, promote food security and farmer awareness, and to serve small farmers.

This anniversary that we are celebrating provides us with an opportunity to assess the accomplishments of the Fund since its inception, seek a clearly defined strategic perspective for it, and develop a coherent workplan for the rural world. This calls for sustainable and effective solutions that would contribute to the realization of the millennium objective of reducing poverty by half by the year 2015. All major gatherings, as you all know, such as the Monterrey Summit on Development Financing and the World Food Summit 5+, have underscored the need for adequate measures to confront the millennium challenge of ending the scourge of poverty.

In this respect, the Kingdom of Morocco has contributed directly to supporting the Special Programme for Africa, cancelled the debts of least developed African countries, and removed tariffs on imports from such countries to the Moroccan market.

Morocco, furthermore, supports the NEPAD initiative for African development and is placing its capabilities in the service of this initiative in cooperation with African brethren and civil society.

With regards to the National Plan of Action to Combat Desertification, Morocco is cooperating with the Global Mechanism in order to develop a project aimed at mobilizing international efforts to establish a participatory framework for the implementation of the National Plan of Action and to enhance the role of civil society and non-governmental organizations. Such framework should also seek to set priorities for projects to be included in the future economic and social development plan.

I avail myself of this opportunity to refer to the current excellent cooperation in the field of the environment between the Kingdom of Morocco and the International Center for Agricultural Research in the Dry Areas (ICARDA) aimed at the implementation of the national project for sustainable development in dry areas.

Every time we meet we adopt recommendations and resolutions aimed at increasing farmers' incomes and improving the lot of rural inhabitants. Yet, faced as we are with mounting rural problems that pose a real threat to food security, it is incumbent upon us to shoulder the grave responsibilities of seeking reasoned solutions that can help us truly confront the problems we face.



## **Statement of the Acting Governor for the United States of America**

Mr. President,  
Mr. Chairman,  
Governors and Distinguished Guests,

It is again my pleasure to represent the United States at the Governing Council, particularly the Twenty-Fifth Anniversary of IFAD. We also meet to approve the agreement on the Sixth Replenishment (IFAD-VI) combining increased resources and policy reforms to lay a solid foundation for IFAD's effectiveness in the years ahead. The challenge before us is to fully implement that new agreement and to help deliver lasting development results to the world's poorest rural citizens.

The United States has been a strong supporter of IFAD throughout its history, reflecting our belief in the importance of agriculture and rural development in combating hunger, reducing poverty, and improving living standards of the rural poor. Over one billion people – most of whom live in rural areas - survive on less than one dollar per day. The international community has accepted a formidable challenge, through the Millennium Development Goals, to reduce by half this number and the number of those suffering from hunger by 2015. IFAD is well positioned to help achieve these goals, with its exclusive focus on rural poverty, by ensuring its projects raise productivity, growth, and living standards.

Our collective effort culminating in IFAD's Sixth Replenishment agreement has helped to stabilize the organization's financial footing and it has achieved support for measures to further improve its effectiveness. The high level of pledges to IFAD-VI testifies to donor support for IFAD, and the United States' pledge of USD 45 million, a 50% increase over IFAD-V, reflects our strong commitment to the institution, its mission, and the agreement itself. These policy reforms signify our joint focus on high performance standards, rigorous evaluation systems, and measurable results. They include such key measures as:

- establishing a transparent country, policy and performance-based system for resource allocation to provide more resources to those with the ability to effectively use them;
- improving systems for measuring the results and impact of its projects, individually and collectively, and for reporting those results regularly;
- increasing the grant programme to 10% of the total annual work programme, helping more countries reduce poverty without adding to debt burdens;
- establishing an independent evaluation unit to ensure objective reviews provided directly to the Executive Board;
- conducting a comprehensive external evaluation before the Seventh Replenishment; and
- developing a private-sector strategy for IFAD programmes.

We can be justifiably encouraged by our consensus on these points, but we cannot afford complacency. Our work in the months ahead must vigorously implement this reform agenda. Our and IFAD's success will provide direct real benefits to the rural poor.

IFAD has accomplished much in the past 25 years. We should be encouraged by what has been achieved and in our renewed commitment to continuing success. President Lennart Båge, Vice-President Cyril Enweze, and their new management team are to be congratulated on the dedication and leadership they have demonstrated in guiding this organization. With our sustained effort, commitment and resources, we believe IFAD can spur greater results in the future.



## **Statement of the the Arab Authority for Agricultural Investment and Development**

Mr Chairman,  
Distinguished Governors,  
Ladies and Gentlemen,

May I first start by thanking you for giving me the opportunity to address the Governing Council of IFAD's Twenty-Fifth Anniversary Session.

My thanks and appreciation also go to President Båge, who kindly extended an invitation to the Arab Authority for Agricultural Investment and Development (AAAID) to participate in this Anniversary Session.

The theme of the Session: *Achieving the Millennium Goals by Enabling the Rural Poor to Overcome Their Poverty* and the themes which will be addressed by the four round-tables are timely and of a particular importance in order to further mobilize the international community and strengthen its commitment to achieve the goals adopted by world leaders at the Millennium Summit in September 2000 to reduce by half the proportion of humanity living in extreme poverty by 2015.

The goals of the Millennium Summit have been reiterated and confirmed since then by other important international summits and conferences, namely, the International Conference on Financing for Development (Monterrey, Mexico, 18-22 March 2002) and the World Food Summit – Five Years Later (June 2002), and concrete measures have been taken by the international community in order to implement the goals of the Millennium Summit.

AAAID aims at developing the agricultural resources of its member countries through direct investments, in order to contribute to the food self-sufficiency of the Arab world and thereby improve the conditions of life of rural people and, in particular, the poorest among them, by allocating more financial resources to the developmental components of its projects.

We are ready to work closely with IFAD, to strengthen our partnership with it and to act together, through joint projects, in order to reduce poverty in our part of the world and to improve living conditions of the poor people in rural areas – conscious that chronic poverty is the main source of people's desperation and instability in their society.

While celebrating the Twenty-Fifth Anniversary of the creation of the AAAID in 2002, the AAAID governing council adopted a new "Strategy for the Years 2002-2012". This strategy stresses the need to adapt the authority's objectives to the new realities of globalization and the free flow of goods, services and information technologies, and to further strengthen the developmental aspects of its projects and programmes in favour of rural households and small farmers, in particular women.

The AAAID strategy for 2002-2012 also stresses the need to concentrate its future programmes and projects on:

- strengthening its capacity to provide loans and credits in favour of private investors in the agricultural sector;
- reinforcing its participation in projects aimed at realizing food self-sufficiency in the Arab world; and
- consolidating the trade of agricultural products through improvement in quality and, therefore, better access to new markets.



AAAID supports the strategic objectives defined in IFAD's new Strategic Framework 2002-2006, namely:

- strengthening the capacity of the rural poor and their organizations;
- improving access to productive rural resources and technology; and
- increasing access to financial services and markets.

As I said earlier, AAAID is ready to develop more and diversify its partnership with IFAD and to participate actively in the Fund's poverty reduction strategy process.

Joint action could also be developed in the fields of combating desertification and land degradation, in cooperation with both the Global Mechanism of the United Nations Convention to Combat Desertification and the International Centre for Agricultural Research in the Dry Areas.

In conclusion, Mr Chairman, we think that achieving the Millennium Goals by enabling the rural poor to overcome their poverty is a common endeavor for the whole international community and deserves the full support of Member States, international organizations, financing institutions, the private sector and non-governmental organizations, and, of course, the full engagement and support of poor people in rural areas in the developing countries.

I would like to quote, in this regard, what President Bâge said in his statement to the Regional Workshop on Poverty Reduction and Rural Growth in Eastern and Southern Africa held in Dar-es-Salaam (23 May 2002): “.. no amount of national and international assistance will radically improve the rural situation unless that transformation is based on the aspirations, assets and activities of rural people – unless poor people own the change process. We cannot do development for them. We can, and must, assist and enable.”

## STATEMENTS AND SPECIAL ADDRESSES



H.E. Carlo Azeglio Ciampi,  
President of the Italian Republic



H.E. Kofi Annan,  
Secretary-General of the United Nations



His Eminence Cardinal Angelo Sodano,  
Secretary of State of the Holy See



Mr Lennart Båge,  
President of IFAD



Mr Jacques Diouf,  
Director-General of FAO



Mr James T. Morris,  
Executive Director of WFP



H.E. Prof. Bungaran Saragih,  
Minister for Agriculture of the Republic of Indonesia  
and Chairman of the Governing Council



## CHAPTER 4

### STATEMENTS AND SPECIAL ADDRESSES

**Welcoming Statement by the President of IFAD,  
Lennart Båge  
on the Occasion of the Visit of  
His Excellency Carlo Azeglio Ciampi, President of the Italian Republic;  
His Excellency Kofi Annan, Secretary-General of the United Nations; and  
His Eminence Cardinal Angelo Sodano, Secretary of State of the Holy See**

Mr President,

It is indeed an honour and a privilege for me to welcome your Excellency to the Twenty-Fifth Anniversary Session of the Governing Council of IFAD.

On behalf of all the Members of IFAD may I express our profound appreciation to you for having accepted our invitation to inaugurate today's Session. This Governing Council commemorates 25 years of IFAD's operations in support of the rural poor as well as 25 years of strong and growing collaboration with your country. Your presence here today recalls Italy's longstanding support for IFAD.

Since the birth of the United Nations more than 50 years ago, Italy has played a leading role in strengthening international cooperation for development, addressing conflicts and peace building. Your country has recognized the importance of agriculture and rural development in these efforts and your role as host country to the three concerned United Nations agencies has been of great importance in strengthening cooperation in this vital area. Your own long experience of economic issues and your commitment to development and to eradicating poverty makes your presence here today especially welcome. We look forward greatly to your address.

Mr Secretary-General,

The world faces critical challenges at the present moment, challenges of war and peace. All of us here are aware of the burden and responsibility that you personally bear at this difficult time. We are therefore particularly grateful that you have been able to be here with us today.

Your presence underlines that even as we face urgent issues of famine and conflict, we must not forget the underlying structural factors. The United Nations system, under your leadership, is striving to address acute emergencies and conflicts but is also giving equal attention to overcoming poverty, deprivation, insecurity and exclusion that so often are the fuel for conflicts. The Millennium Summit, which has taken place during your period in office and to which you made such a large contribution, clearly expressed the determination of the international community to eradicate poverty and hunger.

IFAD is proud of its place within the United Nations family and we strongly welcome your efforts to strengthen the system and make it work in a more effective and collaborative way.

I am also most pleased to extend a warm welcome to the Secretary of State of the Holy See, His Eminence Cardinal Sodano, who will share with us today the message of His Holiness Pope John Paul II. The encouragement this organization has received from the Holy See has been unfailing and has ensured that our proximity is not just a matter of geography but rather a sharing of the ideals and aims of human dignity.



It is always a great pleasure to have with us our close friends, Jacques Diouf, Director-General of the Food and Agriculture Organization of the United Nations (FAO), and Jim Morris, Executive Director of the World Food Programme (WFP). Their presence here at the Anniversary Session symbolizes the strong and close collaboration among FAO, WFP and IFAD. The Millennium Development Goals to eradicate poverty and hunger give us the opportunity to reinforce this collaboration even further.

Finally, allow me to conclude by reiterating to each and every one of you the appreciation of the Fund's Governors for the honour of your presence today. We very much look forward to your statements.





**Inaugural Address by His Excellency Carlo Azeglio Ciampi,  
President of the Italian Republic**

Mr Chairman of the Governing Council,  
Mr President of the International Fund for Agricultural Development,  
Mr Secretary-General of the United Nations,  
Distinguished Governors,  
Ladies and Gentlemen,

It is an honour to inaugurate this Session of the Governing Council commemorating the Twenty-Fifth Anniversary of IFAD, in the presence of the United Nations Secretary-General and His Eminence the Secretary of State of the Holy See, and such a distinguished international gathering. I wish to offer you my cordial greetings, my solidarity and my encouragement for your work here. Your conclusions will be decisive for living conditions and the dignity of hundreds of millions of human beings.

Over the past 20 years, the world population has grown by over 1.5 billion. In global terms, the planet's population has risen and the numbers of people living below the minimum subsistence level has fallen.

Hunger and poverty are afflicting whole regions and populations on our planet; they cannot be rooted out unless growth is triggered *in loco*. In the industrialized countries, the scourge of poverty and rural backwardness only disappeared when the countryside began producing profitably, generating incomes, trading, keeping the rural people at home by enabling them to raise their living standards, and offering them improved health and educational facilities.

IFAD was established to combat rural poverty in the developing world. For 25 years the Fund has stayed firmly on course, particularly in assisting the most disadvantaged populations and addressing post-war rehabilitation; it has reduced the vulnerability of communities whose livelihoods depend on the land, and improved the status of women.

The international conferences held in the past two years, from the Genoa G8 to Doha, Monterrey, the Rome World Food Summit and Johannesburg, have generated support and a sense of urgency, and achieved encouraging results. They have led to substantial increases in official development assistance after a decade of decline. This is the first step in the right direction, but increased funding is not in itself sufficient. The real obstacle is how to do more, more rapidly, and more effectively.

The ink is still wet on the Millennium Declaration to which all of us have solemnly committed ourselves to eliminating the evils that are afflicting humanity with such devastating effects: poverty, hunger, infant mortality and the AIDS pandemic.

Almost three years on, the time has now come to take stock of the progress made.

We are making progress, but by small degrees.

At this rate, we shall fail to achieve the target of 2015 that we have set ourselves: to lift out of the throes of hunger at least half of those who are currently suffering from it. Production processes and virtuous circles must be set in motion now with the necessary dispatch, so that they can bear fruit by the deadlines that have been set for them. Considering the time it will take to create the necessary material, human and financial growth potential in so many different parts of the world, 2015 is only one day away.



A single thread runs through all the objectives of the Millennium Declaration, and revolves around the three main issues of education, health and food security. By simultaneously improving production capacities, enhancing well-trained human resources, and raising living standards in the countryside, IFAD has been a forerunner of the strategy set out in the Millennium Declaration.

The increasing rift between the 'North' and the 'South' is radically influencing the current international environment: it is the watershed on which the most acute contemporary crises originate and are fuelled. There is no major political, economic or environmental international issue today that is not connected with the intense disquiet felt by the peoples in the South of the world. International security and stability based on inequality have feet of clay. They need a South able to find the path to progress, taking responsibility for its own destiny, and a North totally committed to supporting it as it moves ahead. They need, firstly, an Africa which is integrated into the world trade system and participates in the advancement of democracy and human rights. They need an agriculture that offers prosperity, education and decent living standards, and not merely subsistence, to the many people who live in the countryside, yet still suffer from hunger.

The extreme poverty of one fifth of humanity is morally unacceptable, and poses a threat to us all.

The dire poverty of large communities, the marginalization of whole continents, the preclusion of whole regions from the possibility to grow, are incompatible with dialogue between nations and cultures and with economic and financial integration. They are creating destructive friction against the free movement of capital and goods, and are exerting migratory pressure that national borders are unable to contain.

After putting half a century of 'Cold War' between the East and the West behind us, we do not want the dramatic stand-off between the North and the South of the world in the twenty-first century. The development of the poor countries has become the top priority of the developed countries' far-sighted foreign policy.

For Italy and for Europe, the South is second to none as a partner in the multilateral organizations and in direct relations with States and regional organizations.

The many challenges posed to the international community, and the grave threats to security and stability, must be addressed without hesitation and without any mitigation for those who place themselves beyond the rule of law. But we shall never heal the sources of instability that are proliferating around us unless we take action to foster the economic and social progress of peoples.

The International Fund for Agricultural Development plays an essential and central role. It has the total confidence of Italy, which appreciates its specific and outstanding role. It is unanimously recognized that rural development and combating under-nutrition are an essential and urgent component of development and poverty elimination.

The consultations for the Sixth Replenishment received a positive impetus from last June's Food Summit. The one fifth increase in IFAD's capital is a realistic target. Italy will contribute to it, remaining to the fore with the leading donor countries.

Your work can make a palpable response to the expectations of so many men and women in the world. Over 800 million people, more than two thirds of the world's poor, live in the countryside, in conditions of increasing poverty and marginalization.



Through small and medium credit facilities, particularly loans to households and local communities closely involved in rural life, the foundations are laid for agriculture-led sustainable development.

Italy was one of the first countries to promote and implement, also officially, debt rescheduling measures for the benefit of the developing countries. I would also recall the supplementary contribution that Italy has made to IFAD to ease the debt burden of the countries using the Debt Initiative for Heavily Indebted Poor Countries.

Italy will continue to step up cooperation with IFAD not only through her contributions to the ordinary budget but also with voluntary contributions for specific projects.

I wish to greet, with admiration and friendship, the United Nations Secretary-General, Kofi Annan. You are always welcome in Italy. Your presence here today reminds us that the mandate and the work of IFAD form part of the construction of an international society based on the rule of law and solidarity.

In the long march towards the objectives of the Millennium, IFAD is working within a system with which the whole international community identifies, and which represents one of the historic achievements of civilization: the United Nations organization, flanked by the network of financial institutions and regional organizations.

The creation of the United Nations was the result of a great insight in the wake of the Second World War. We are mindful of the huge debt owed by humanity to the wisdom and foresight of those who first thought of it, and the signatory States of the San Francisco Charter.

The system is working well. There is, of course, always room for improvement, and its operations are necessarily complicated by the diversities expressed by 191 member countries.

The North-South divide, the global threats to security, and the safeguarding of the ecosystem require the United Nations to play a central and responsible part in fulfilling the mandate enshrined in its Charter.

No one can be unaware of the grave risks facing our nations as a result of the new threats: terrorism and the proliferation of weapons of mass destruction. The Security Council has a unique and irreplaceable part to play in resolving international crises.

The younger generations have never known a world without the United Nations. Those who have known it cherish the enormous progress that humanity has made. Unless we maintain our faith in the multilateral system and commit ourselves to making it work so that it can fully carry out its tasks, its survival may not be taken for granted. The United Nations speaks for each and every one of us. It is our responsibility to enable it to measure up to the great responsibilities that we, the Member States, have freely decided to entrust to it.

Italy is fully aware of this. Rome, the capital of two States, is also a United Nations capital.

For us as Italians it is a source of pride that the United Nations food pole is headquartered here, spearheading the path towards the Millennium objectives, in the struggle to eradicate from the face of the earth poverty, hunger and misery, which are incompatible with the dignity of the human condition.

Making a concrete and innovative contribution to this common enterprise is the purpose of IFAD and of this meeting. I urge you, distinguished Governors, to spare no effort, and to work steadfastly to ensure that your work attains this goal.



**Inaugural Address by His Excellency Kofi Annan,  
Secretary-General of the United Nations**

Excellencies,  
Ladies and Gentlemen,  
Dear Friends,

We meet at a time of great uncertainty and anxiety throughout the world. The possibility of war in Iraq is one that weighs heavily on the entire United Nations family, including, I am sure, those of us gathered here today. But this crisis should not detract us from our determination to carry out the wider agenda of the United Nations, as we work throughout the world for freedom from fear, freedom from want, and the protection of our planet's resources.

I am glad, therefore, that we have been brought together today for the Twenty-Fifth Anniversary of the International Fund for Agricultural Development. Born out of severe food shortages and fear of famine in the 1970s, IFAD was created for a purpose that lies at the heart of the mission of the United Nations: to help raise food production as a means to combat hunger and poverty.

The creation of IFAD represented a new type of partnership – between OPEC countries and industrialized countries, between developing countries and developed countries – in which each group provided substantial financing for the institution. It was an early example of a global alliance across geographic and ideological differences, joining together for the shared goal of eradicating hunger and poverty.

Partnership continues to be the key to IFAD's success. Its programmes are developed in partnership with the host countries as well as civil society and the private sector, from which they receive substantial support. The impact shows how working together with other stakeholders can greatly enhance the effectiveness of an international organization.

With its specific focus on rural areas, IFAD's contribution to reducing poverty and hunger is clear. IFAD's community-level programmes respond to the needs identified by the rural poor themselves. They help smallholders, poor herders, the landless and – above all – rural women gain access to the tools that they need to lead the fight against poverty and hunger.

That mission goes beyond alleviating short-term food crises. We must keep tackling the underlying factors that allow vulnerability to persist and famines to recur.

That means pursuing structural change in rural areas to empower the rural poor and increase their resilience.

It means ensuring that investments for social progress are matched by investments and policies that increase rural productivity.

It means addressing the impact of HIV/AIDS on rural communities, especially in Africa. Because of AIDS, farming skills are being lost, agricultural development efforts are declining, rural livelihoods are disintegrating, productive capacity to work the land is dropping, and household earnings are shrinking while the cost of caring for the ill is rising exponentially.

In times of famine, AIDS is depriving countries of their capacity to resist by weakening those mechanisms that enable populations to fight back – in particular the coping mechanisms provided by women.



That means we must combine food assistance and new approaches to farming with treatment and prevention of HIV/AIDS. It means developing new agricultural techniques, appropriate to a depleted workforce.

It means reversing the decline in official development assistance and other support for rural development and agriculture. I warmly welcome the successful conclusion of the Sixth Replenishment of IFAD's resources. This is a welcome sign that donor countries are following up on the commitments they made in Monterrey at the Conference on Financing for Development last year.

World leaders committed themselves in the Millennium Declaration, as we heard President Ciampi say, to making the eradication of extreme poverty and hunger an overriding priority. The first marker along this path is the specific target of halving the proportion of people living in extreme poverty by half by 2015.

We can reach these goals only if we keep our sights on the fact that three quarters of the world's poor still live in rural areas, drawing their livelihood from agriculture and other rural activities.

We must address the fact that, for them, the rapid march of globalization internationally, and liberalization domestically, currently creates more risks than opportunities. We need to work together to help them reach the quality and standards required, and to ensure that trade policies and intellectual property rights and their regimes allow poor producers a sustainable position in the new system.

This will require committed efforts in the new trade round as well as broader policy discussions. I am happy to see the United Nations working ever more closely with the World Trade Organization and the Bretton Woods institutions towards that end.

And it will require us to work towards a green revolution in Africa's agricultural sector, so that Africa may move towards the self-sufficiency that we have seen achieved elsewhere.

From Doha to Monterrey to Johannesburg, the intersection of key development priorities with rural development concerns has been recognized. And it will be addressed in even further depth when the United Nations Economic and Social Council meets for its upcoming high-level segment.

Our challenge is to translate this renewed focus into concrete progress. I look forward to a close substantive collaboration among the United Nations entities dealing with rural development.

Let me finally commend IFAD on this ongoing effort under the able leadership of President Lennart Båge to ensure a focused and agile operation of the Fund. I trust that at its Twenty-Fifth Anniversary Session, the Governing Council will identify ways to help us move forward in our shared mission. I wish you every success in your deliberations and commend you on 25 years of committed partnership with the rural poor.



**Message of His Holiness Pope John Paul II  
delivered on his behalf by His Eminence Cardinal Angelo Sodano,  
Secretary of State of the Holy See**

Allow me to begin by thanking the President of IFAD, Mr Lennart Båge, for the kind invitation to take part in the commemoration of the twenty-fifth anniversary of the International Fund for Agricultural Development.

I have asked Cardinal Angelo Sodano, Secretary of State of the Holy See, to convey my appreciation and reflections on this solemn occasion that brings together in Rome numerous representatives of governments and international organizations.

I would like to take this opportunity as well to send special greetings to the President of the Italian Republic, Mr Carlo Azeglio Ciampi; to the Secretary-General of the United Nations, Mr Kofi Annan; and to the senior officials of the other Rome-based agencies of the United Nations. Such an honoured and authoritative gathering bears witness to a shared commitment to formulating strategies that will bring us closer to our objective of freeing all mankind from the scourges of hunger and malnutrition.

In this effort, IFAD plays a unique role inasmuch as its statutory mandate sets an explicit course and guidelines for action, entrusting it with the specific task of channeling financial resources to the “poorest of the poor” in support of agricultural development in food-deficit countries (Agreement Establishing IFAD). Indeed, among the agencies of the United Nations system, IFAD is acutely aware that the challenge of eradicating hunger and malnutrition calls for efficient programmes that can disseminate and replicate agricultural technologies, while also distributing available financial resources.

Without a doubt, IFAD’s solidarity and commitment to eliminating rural poverty have added a special dimension to the effort to achieve food security, going beyond the basic level of ensuring the availability of food for consumption to strengthen and promote a broad gamut of resources, especially among rural communities and producers. Viewed thus, food security can provide the necessary guarantee for respect of the right of all to live a life free of hunger.

Such a positive approach is especially relevant at this juncture, when various regions of our planet continue to be at nutritional risk and present cause for serious concern. The gap separating the possibilities for action and the willingness to take specific action threatens the very survival of millions of people in a world marked by unprecedented development and progress and an awareness of resources available at the global level.

As we gather here to welcome and commend the achievements secured thus far, we should not lose sight of the reasons that led the international community in 1974 to create the Fund as a specific means to “transform agricultural workers into agents responsible for their own production and progress”, as my predecessor Pope Paul VI observed (in his address to the World Food Conference on 9 November 1974) and, in so doing, expressed his support for the founding of the International Fund for Agricultural Development.

In this regard, our thoughts turn immediately to the victims of conflicts and serious violations of basic rights, to the lamentable situation of refugees and displaced persons, and to all those who suffer from illness and epidemic disease. Such circumstances not only are a threat to the peaceful coexistence of individuals and communities, but they place human life at grave risk and have obvious repercussions on food security and, more generally, on the quality of life in the rural milieu.



Viewed in the context of the issues we shall address at this meeting, such situations and circumstances underscore the central role of the individual and of basic individual needs as the basis for immediate international action.

Upon taking a closer look at the phenomena that define the current international panorama, what we first see is a contrast created by special interests and a desire to prevail that leads to the abandonment of negotiations and a push towards isolation, thus preventing cooperation activities from effectively responding to needs. Nor dare we forget the sad resignation that seems to have snuffed out the desire to live of entire populations which hunger and malnutrition have marginalized from the community of nations, relegating them to an existence in living conditions that are incompatible with respect for human dignity.

The responses expected of the International Fund for Agricultural Development, although centred in the food and agriculture sector, fall within the much broader strategy of poverty reduction and go hand in hand with the conviction that its objective will provide hope to millions of people who live in uncertainty about their prospects for survival.

Through this message, I wish to reiterate the interest of the Holy See in multilateral international action as an increasingly decisive factor in securing and safeguarding peace, which is what the world most yearns for at this moment.

To IFAD in particular, I send my words of encouragement that it persevere in its work to eradicate poverty and hunger, and I call upon all people everywhere to overcome all such obstacles as are borne of individual interests, barriers and egoism of all kinds.

This anniversary celebration of IFAD offers us the opportunity to reaffirm our commitment and translate it into tangible actions, as well as the opportunity for each and all of us to assume responsibility not for something but for someone, namely, our neighbour who is asking for his daily bread.

May God Almighty bestow his generous blessing upon the International Fund for Agricultural Development and upon all of you present here and your work in pursuit of such a human cause.



**Statement of Appreciation by  
the Acting Governor for the Republic of Ecuador  
on behalf of the Member States of IFAD,  
for the Inaugural Addresses of  
His Excellency Carlo Azeglio Ciampi,  
President of the Italian Republic;  
His Excellency Kofi Annan,  
Secretary-General of the United Nations  
and the Message of His Holiness Pope John Paul II,  
delivered by His Eminence Cardinal Angelo Sodano,  
Secretary of State of the Holy See**

Your Excellencies, on behalf of the Member States of IFAD, I have the honour of thanking you for having come here today to inaugurate the Twenty-Fifth Anniversary Session of IFAD's Governing Council.

The statements you have made here have already ensured the success of this session. Your words of encouragement and motivation clearly show how much importance each of you places on working to free the world from hunger and on striving to achieve the Millennium Development Goals, goals which we, the Governors of IFAD, will be discussing during this session. IFAD has established a position for itself as a leading international institution within the development assistance community, and this increasingly important position is largely a result of the ongoing support it receives from leaders such as yourselves.

Mr President, please allow me to express our heartfelt gratitude to you and to the people of the Italian Republic, who have shown themselves to be some of our staunchest advocates. Your words have, once again, attested to the fact that, under your untiring leadership, Italy stands in the vanguard of the struggle to free the world from the hunger and poverty that afflict over 1.2 billion people, including millions of rural women and members of indigenous communities. Your call for a renewed commitment by the North and the South to share the fruits of development points out a path which we, too, want to follow.

Mr Secretary-General, IFAD has established the solid position it currently enjoys in the international community thanks to the guidance of leaders such as you, who ensure the continued strength of the multilateral system, safeguard peace and foster the growth of the United Nations family, to which, as President Båge noted, IFAD is proud to belong. It has been very moving to hear that you share that pride. Your emphasis on a partnership among public actors, private agents and civil society – including organizations of the rural poor – to eradicate poverty and hunger mirrors our own profound conviction.

We are deeply grateful to Your Eminence for having brought us the enlightening message of His Holiness Pope John Paul II. We respectfully request that you convey our appreciation to His Holiness. The Holy See's identification with the goals and objectives we share as advocates of better living conditions for our brothers and sisters in rural areas is, without question, a source of inspiration.

Please accept, Your Excellencies, this respectfully proffered expression of our gratitude for honouring us and our organization with your presence here today.





**Statement by the Director-General of the  
Food and Agriculture Organization of the United Nations,  
Mr Jacques Diouf**

Your Excellency Carlo Azeglio Ciampi, President of the Italian Republic,  
Your Excellency Chairman of the IFAD Governing Council,  
Your Excellency Cardinal Angelo Sodano, Secretary of State of the Holy See,  
Your Excellency Kofi Annan, Secretary-General of the United Nations,  
Mr Lennart Båge, President of the International Fund for Agricultural Development,  
Mr James Morris, Executive Director of the World Food Programme,  
Mr Walter Veltroni, Mayor of Rome,  
Distinguished Delegates,  
Excellencies,  
Ladies and Gentlemen,

It gives me great pleasure to be here today at this historical session of the Governing Council of the International Fund for Agricultural Development. I consider it an honour to join you in celebrating the occasion of this twenty-fifth anniversary of a sister agency and valued neighbour in the United Nations system. It is also a great opportunity to recognize the immense contribution that IFAD has made over the last 25 years to championing the voice of the poor. I would like to congratulate the staff of the organization for their achievements during this period, and for their dedication and commitment.

In 1974, the World Food Conference recognized that economic growth alone was not enough to ensure the elimination of poverty and the achievement of food security for all. It also underlined that many vulnerable groups were being left behind, especially those in rural areas. IFAD, founded largely as a response to that realization, was mandated to focus investment resources on the rural poor. Over the last quarter of a century it has developed and refined a new and innovative vision of rural investment. It has demonstrated the crucial role played by the poor and very poor; not just as recipients of aid, but also as key players in economic and social development. Today, such a conclusion may appear obvious, but it is a tribute to IFAD's achievements that this is so. Of particular importance, I believe, has been IFAD's willingness to explore and test new approaches to poverty reduction, a role that its size and flexibility make it uniquely equipped to play.

The need to empower the poor of the developing world to participate actively in ensuring sustainable and equitable economic growth is now more important than ever. Considerable progress has been made over the last 25 years, but conflict, natural disasters and rapidly changing world markets have all enormously increased the challenges facing the poorest in their struggle for survival. Thus the need for technical and financial support to many parts of the developing world is now more pressing than ever.

Resolving these immediate crises, although vitally important, should not detract us from our ultimate goal of attaining the fundamental hunger and poverty reduction targets outlined at the World Food Summit in 1996 and further developed in the context of the United Nations Millennium Development Goals. Reducing hunger and poverty through improved food security and economic growth that truly benefits the poor will be our best guarantee against the recurrence of these crises in the future.

Despite a number of important initiatives focused on the goal of halving hunger and poverty by 2015, such as the Special Programme for Food Security, the Debt Initiative for Heavily Indebted Poor Countries, and the Poverty Reduction Strategy Programme, overall progress has so far been disappointingly slow.



At the present rate of reduction in the number of people suffering undernourishment, currently some 2.5 million per year, the target of 2015 will not be reached until 2150. The consequences of this human suffering will be enormous and the opportunity costs to the global economy tremendous, as achieving the goal of the 1996 World Food Summit would bring a gain of USD 120 billion per annum.

To revitalize the fight against hunger and poverty, two elements are essential. We must work together to reaffirm and strengthen the political commitment of the global community to the fundamental importance of reducing hunger and poverty. We must also channel adequate additional investment to the rural sector. In both of these areas IFAD and FAO, often in collaboration with WFP, are already playing, and will continue to play, a major role.

In strengthening the international political commitment to meet the World Food Summit and Millennium Development Goals, I am pleased to underline the joint and close collaboration of the three Rome-based agencies at such important events as the International Conference on Financing for Development and the World Food Summit: Five Years Later. Other work, such as our collaboration in the Popular Coalition to Eradicate Hunger and Poverty, and the United Nations system on Rural Development and Food Security, also testify to the wide-ranging cooperation that has evolved between the Rome-based agencies, and which is described in a joint publication called “Working Together”.

I am particularly pleased that IFAD and WFP have joined FAO in supporting the International Alliance Against Hunger, unanimously approved by the countries attending the World Food Summit: Five Years Later in June 2002. This alliance aims to mobilize political will, technical expertise and financial resources in support of the international community’s goals of reducing hunger.

I would like to reiterate the enormous value that FAO places on the work that IFAD undertakes and on the long-standing and close cooperation of the Rome-based agencies in the continuing fight against hunger and poverty. In addition to our complementary political and technical efforts here in Rome, our joint work in the field has reached an estimated nine million people during the last three years, involving 75 joint IFAD/FAO initiatives alone. I am confident that this cooperation can only increase in the years ahead as the fight against rural poverty intensifies, and I look forward to an ever-more important role for IFAD over the next 25 years.



**Statement by the Executive Director of the  
World Food Programme,  
Mr James T. Morris**

Your Excellency President Ciampi,  
Mr Secretary-General,  
Mayor Veltroni,  
Director-General Diouf,  
President Båge,  
Members of the Governing Council,

President Ciampi, you have been along with your countrymen a good and generous host to the Rome-based United Nations food organizations. Mr Secretary-General, you are a remarkable gift to all of us. Cardinal Sodano, my good, close colleagues Jacques Diouf and Lennart Båge, Members of the Governing Council, colleagues. Our work together, and individually, has never been more important. The issues that we talk about today, and that we talk about within our steady deliberations, surely are the most important, significant, humanitarian challenges on the world's agenda today. I do not believe we are winning the war, the battle, against poverty and hunger. Food, agriculture, growth of productivity, food security are at the core, the base, of the Millennium Development Goals. Food is the key ingredient, certainly in the first six.

We have made progress in reducing the percentage of hungry poor in the world but we have made absolutely no progress in reducing the number of hungry people in the world in absolute terms. I am certain that Lennart and Jacques would say to you that the three agencies face more challenges today than ever in our history. The World Food Programme has enormous challenges in Afghanistan, Bangladesh, Central America, Chechnya, Haiti, Gaza and the West Bank and D.P.R. Korea. We are charged with providing 40% of the world's food aid. Refugees, internally displaced people, victims of war, conflict, natural disasters – there are two times as many natural disasters today as there were 10 years ago. A remarkable fact.

Our focus is on women and children, nutrition, school feeding, food for work. Early last year, the Secretary-General asked me to serve as his special envoy for the humanitarian crisis in southern Africa – Lesotho, Malawi, Mozambique, Swaziland, Zambia and Zimbabwe. Today 15 million people are at risk of hunger, victimized by this incredible scourge of HIV/AIDS and tough issues of macroeconomic policy and governance, together with 12-15 million people in the Horn of Africa, especially Eritrea and Ethiopia, 3-5 million people in West Africa and another million at least in the western Sahel. This suggests that there are close to 40 million people at risk of starvation in Africa alone – the single largest humanitarian crisis in the world today.

You have to put a face on this. I am back now from three weeks of travel in Africa and I visited places where 10% of the families are headed by a child. To stand with five children – a girl 14 years of age, the size of my seven-year-old granddaughter, who is now acting as mother and dad for a family – I had that experience time and time again. Huge school dropout rates, half the families headed by somebody over 65 years of age, life expectancy numbers dramatically reduced, often by more than 10 or 12 years, agricultural production a third of what the ten-year average has been in the area. There has been an enormous impact on children: there are 300 million hungry children in the world, half of them do not go to school; two thirds of the half are young girls. In my judgement, the single best investment the world can make toward reaching the Millennium Development Goal of cutting hunger in half is to find a way to feed the 300 million hungry children.

But in fact, HIV/AIDS has produced 11 million AIDS orphans in sub-Saharan Africa. In the six countries that I have been focused on, there are 2.6 million orphans, children who have lost mom and



dad because of HIV/AIDS – in Zimbabwe alone, there are 780 000 orphans. How the world comes to grips with this issue, the responsibility we collectively bear to help these children be fed, be educated and be healthy, in my judgement is right at the top of our list of responsibility.

Secretary-General Kofi Annan talked about the impact on women; 58% of the people now infected with HIV/AIDS are women. Women bear 80% of the responsibility in Africa for producing the food, preparing the food, feeding people; they have all of the responsibility for giving the care and so often they are quite sick themselves. We will figure out how to solve the short-term food crisis in southern Africa. The HIV/AIDS issue will be with us for a long period of time. In the six countries I am focused on, the infection rate is between 15 and 38% of the adult population. The impact of these numbers on families, on culture, education, agriculture, on productivity, will be enormous.

I am grateful that we are able to celebrate the successful replenishment of IFAD's funds. We also celebrate incredible generosity from our donors and substantial new commitments coming forward. The resources that will be required from all of us to address the hunger/poverty issues – my colleague Jacques Diouf speaks eloquently about the need to reverse the trend and bring major new investment in agriculture, infrastructure and technology – will be enormous.

A few weeks ago I had a wonderful visit with Hu Jin Tao, the leader in China. He came to see me to thank the World Food Programme for having helped feed 200 million people in China over the last 40 years. He came to thank me for the partnership between IFAD and the World Food Programme, that has invested USD 460 million in China over the last several years. New partnerships involving all of us looking at the world through a new set of lenses, a set of lenses that are focused on tough food and health issues, that are focused on issues related to women and children, will be the mandate of the next 25 years. IFAD is a wonderful institution and a great partner for all of us. I admire Lennart Båge's leadership. He is smart, thoughtful, friendly, humble, focused and inclusive. He has made me feel very welcome here. So IFAD, congratulations on your work, which is so important, so well done and so valuable. You are a model for all of us.



**Statement by the President of IFAD,  
Lennart Båge,  
to the Twenty-Fifth Anniversary Session of the Governing Council**

Today we celebrate our 25<sup>th</sup> anniversary. We are proud of our achievements in fighting hunger and poverty. We are anxious and eager to do more.

We are fuelled by an inner rage when we see the gross violation of human dignity and human dreams that is the result of persistent poverty. Together with all of you, we want to strengthen our partnership and our common resolve to eradicate poverty.

I am grateful to the President of the Italian Republic, His Excellency Mr Carlo Azeglio Ciampi, the Secretary General, His Excellency Mr Kofi Annan, and His Eminence Cardinal Sodano, the Secretary of State of the Holy See, for being here today and expressing their strong solidarity and enduring support for the rural poor.

I also want to thank Mr Jacques Diouf and Mr James Morris for their contributions this morning and for working so closely with us to apply the strengths of the Rome-based United Nations agencies to the global problems of hunger and poverty.

Mr Chairman,  
Mr Secretary General,  
Your Excellencies,  
Distinguished Governors,  
Ladies and Gentlemen,

We mark IFAD's 25<sup>th</sup> anniversary in a time of great global insecurity. I am deeply grateful that you have made it a priority to be here today in a time of great uncertainty with a risk of war.

But the fact that we are here together in this room is a sign not only of our commitment to the rural poor, but of our commitment to each other. Since the beginning of IFAD, all of us – OPEC countries, OECD countries and developing countries – have pooled our resources and knowledge to fight the scourge of rural poverty around the world.

Despite progress, our task is still daunting. Poverty is still with us. As you heard today, one in five of the world's people live in extreme poverty and desperation.

Clearly, in our quarter century we failed to eliminate poverty. But I take heart because we have succeeded in four fundamental ways that will enable us to achieve our goals in the future.

**1. Fighting poverty is now a global priority**

Decision-makers throughout the world now know that the consequences of poverty – epidemic disease, migration, environmental devastation and armed conflict – do not respect national borders. They affect us all – no matter where we live.

The priority now given to fighting poverty is evidenced by the international community's commitment to the Millennium Development Goal of reducing extreme poverty and hunger by 50% by 2015. Countries, UN agencies, international organizations, non-governmental organizations and many others are now guided by the same light – the light of the Millennium Development Goals.



## **2. Rural Development is being recognized as a key to achieving the millennium commitments**

Our second area of success is the growing global awareness that we can only achieve the Millennium Development Goals by fighting poverty where it exists. Of the 1.2 billion poor people living on less than a dollar a day 900 million live in rural areas and depend on agriculture and related activities for their livelihoods. Through your efforts and those of our partners, we are making rural poverty a universal issue.

This awareness is critically important because funding for agriculture and rural development has dropped by 50% over the past 15 years – even though agriculture is the main income-earner, main employer and main engine of economic growth in most developing countries.

We all know that most countries that have halved poverty during the past 50 years have done so through a development process that started with growth in agricultural productivity, production and income. China and South Korea are examples. There are many more.

There are signs that we are learning from recent history and that the decline in investment in rural development has been reversed. Consider the global commitments made by world leaders at the 2002 Monterrey conference on financing for development. Consider that rural development is the theme of the next high-level session of ECOSOC. Consider that countries are using the power of the Millennium Development Goals to reinforce their own efforts to fight rural poverty.

## **3. There is progress**

While the number of extremely poor people has remained the same over the past 15 years, the share of the global population that is poor has declined significantly. Hundreds of millions of poor rural people have overcome poverty. Never in the history of mankind have there been so many people who are NOT poor. Never in the history of mankind have so many poor people worked themselves out of poverty as over the past 25 years. The significance of this achievement is that halving poverty over 25 years is do-able.

## **4. We know better what to do**

The fourth and last achievement that I want to highlight today is the most profound and gives me the most cause for optimism. When we have succeeded, it is because we have listened to the rural poor. In our 25 years, we have learned more about how to win the battle against rural poverty. Today, we know much more about what works and what doesn't. What we are doing today is based on decades of experience and practice.

Ladies and Gentlemen,

Today I will highlight some of the lessons that we have learned – lessons we are sharing with our partners around the globe and with others who are joining the fight against rural poverty. Lessons that now form the backbone of IFAD's strategic directions. Lessons that we are applying in some of the harshest and most remote parts of the world.

### **1. The poor must lead their own development**

When we listened to the poor, we learned that to reduce poverty unequal power relations have to change to ensure that everyone has a voice in decisions that affect their lives. In response, we have worked with the rural poor to strengthen their own organizations so that the poor could advance their



own interests. This approach must include ensuring that the poor are fully part of shaping national poverty reduction strategies (PRSPs).

We learned that for change to be lasting, the rural poor must be the driving force behind their own development. Only when this happens can we build a solid foundation for long-term peace, stability and sustainable development.

When the poor are empowered, communities become more resilient and able to cope with change, hardship and disasters. Fifty years ago droughts in Asia often led to famine. Today, it is no longer the case because the institutional capacity to respond has deepened and democratic structures have given the poor a voice and a say.

Today, in Africa, where 38 million people are threatened by famine, we see immediate causes such as droughts and floods. But its structural causes are rooted in the weakness of institutions and infrastructure, and the vulnerability inflicted by poverty. In Africa, the famine demands our urgent support but equal attention must also be given to the underlying causes.

The urgency of the need in Africa is made all the greater by the HIV/AIDS pandemic that threatens the very foundations of African societies. Fifteen years ago HIV/AIDS was not seen as a major problem because the rate of infection was low. Today, we see the devastating consequences of lost time in Africa where an entire generation of farmers is disappearing. Far more than a health issue, the social and economic impact in Africa is catastrophic.

While we engage in Africa, we must help prevent the same thing from happening elsewhere by building HIV/AIDS prevention and coping strategies into every project we do.

We are working actively with the New Partnership for Africa's Development (NEPAD) to meet rural challenges on the African continent.

## **2. The rural poor are bankable**

Beginning with our support for the Grameen Bank in Bangladesh in the late 1970s, IFAD has tested and supported micro-finance programmes around the world that enable groups of poor people to borrow and save. With small loans borrowers, especially women, made farm improvements, purchased seeds, livestock and equipment, and started small businesses.

With repayments near 100%, we learned that the poor are effective entrepreneurs – agents of change, rather than objects of charity. We later built upon our experience to develop entire rural finance systems that provide a ladder out of poverty.

Take our programme in Tanzania in a region where 90% of the rural people are poor. The programme builds micro-finance institutions that are owned and managed by the villagers themselves. It strengthens the capacity of these institutions to respond to the needs of the poor, creates a regulatory framework and links them to commercial banks. It also helps villagers learn to use financial services wisely. We believe the programme will help more than 1.5 million people transform their lives.

## **3. The poor must have access to land, water, information and technology**

The rural poor, particularly women and indigenous peoples, told us that uncertain land tenure was a major barrier to development. In response, we supported farmers' efforts to secure the right to farm their lands and to formalize traditional rights to use forests, rangeland and other natural resources.



We also worked on access to water. Water scarcity is perhaps the most rapidly growing global challenge to poor people's livelihoods, as well as to peace and security. Large-scale irrigation projects are not enough and often not even the best way to serve the rural poor.

At IFAD we have focussed on small-scale projects designed and managed by local water-user associations. The results are improved agricultural productivity, a reduction in water-borne diseases and relief, primarily for women and girls, from the exhaustion of carrying water long distances every day.

The poor told us they needed information and better farming technology. In response, we supported research on the kinds of crops and livestock that poor farmers depend on and we helped develop agricultural extension services that meet their real needs, especially those of women. Agricultural productivity increased.

#### **4. The poor need access to markets**

Over the past decade developing countries have undertaken far-reaching reforms and adopted market-oriented policies. Caught in economic transition without skills and assets, many poor people were left behind. They told us they needed access to markets: to roads, skills, information and power to negotiate with more powerful market intermediaries. We responded by supporting farmer's associations and providing training and financial services, which helped them participate in the new market economies. As trade liberalization and globalization expand, more opportunities will arise for the rural poor. But will the poor be able to take advantage of them?

When subsidies and trade restrictions distort agricultural markets and prices, poor producers will not benefit fully from their investments and may not be able to sustain them. Dealing with agriculture from a development point of view in the Doha Round of trade negotiations is perhaps the single most important action we can take to bring about widespread poverty reduction.

#### **5. Women are agents of change**

The rural poor taught us early on about the role women play in the rural economy. Women produce and prepare most of the food, generate income, search for fuel, carry water, and care for their families. They are the architects of family food security yet they themselves are often last in line – vulnerable to poverty, malnutrition, disease and despair.

About 70% of the world's extremely poor people are women. In developing countries, women own less than 2% of all land and receive only 5% of extension services. Despite their important role in agriculture, African women receive less than 10% of all formal credit available to small farmers and just 1% of the total credit that goes to the agricultural sector.

Yet, our experience at IFAD has shown that with specific kinds of supports women can become the agents of change that ultimately transform their lives and those of their families, as well as their communities. What they need are things most of us take for granted – mutual support, training, the opportunity to participate in decision-making and access to credit. Much of this comes together in self-help groups.

#### **6. Indigenous peoples require special attention**

IFAD has been working with indigenous peoples since its inception simply because the majority of the Earth's 300 million indigenous people are rural and poor. Our work with them has taught us much: the importance of secure land tenure, the value of respecting and nurturing diversity,





the necessity of participatory approaches and the need to invest over extended periods of time to achieve results.

## **7. The rural poor drive economic growth**

The development of many industrialized countries was launched by growing RURAL productivity, incomes and surpluses.

We have learned from our work that reducing rural poverty should not be seen only as a humanitarian goal. In most low-income countries the rural poor represent the large minority, often the majority of the population. Raising the productivity and mobilizing the potential of poor rural producers would place growing income in their hands and generate food surpluses for urban populations.

Better-off groups in relatively advanced sectors usually enjoy access to institutions, productive assets, financial, technical and other services. If the poorer, rural part of the economy can be made more productive, these better-off producers will be able to build on growing rural output and buying power, to enhance their own production. Rural development and urban progress can then join together in a virtuous cycle, raising the economy to a higher path. A stagnant economy on the other hand will not only entrench poverty further but stifle growth across the economy.

If Africa is to grow by 7% to reach the Millennium Development Goal targets, much of the growth has to come from the rural economy.

Let's consider the impact of IFAD's investments for a moment. In the past 25 years the Fund has provided over 8 billion US dollars in financing to rural development programmes that leveraged a total investment of more than 22 billion US. We did this by leveraging additional contributions from external co-financiers and host country governments and institutions.

In this way, each IFAD dollar generated nearly two additional dollars for the rural poor. Currently, IFAD finances projects and programmes valued at about 1 billion US dollars a year. These projects provide support to an additional 10 million poor rural people a year – over 200 million since the inception of IFAD.

These 10 million are just the direct beneficiaries. We know that our investments in rural development help not just the rural poor but society as a whole. When we think about IFAD's investment in rural development, it's important to consider the catalytic effects on the economies of developing countries and the way that poverty reduction improves quality of life for both rich and poor by encouraging stability and enhancing security.

## **8. Fighting poverty protects the environment**

The rural poor are often the first victims of environmental degradation. When they are desperate for food and income, they have no choice but to put pressure on the lands and resources they depend on for survival. The resulting degradation ultimately increases poverty by destroying the basis of their livelihoods.

But with the right kinds of investment, our experience with the rural poor shows that they can reverse environmental damage and greatly improve agricultural productivity – especially when traditional methods are encouraged.

More secure access to land, technology, financial services and the opportunity to organize themselves more effectively enable rural farmers to break the link between poverty and environmental



degradation. This has global consequences because the rural poor are often the stewards of the world's natural resources.

At IFAD we are applying all these lessons and sharing our knowledge widely. The results are encouraging. The poor are using credit and better technical methods to increase their productivity and incomes, and to protect the natural resources upon which they depend. At the same time they are gaining confidence, dignity, self-respect and power.

I saw for myself during a visit to the Maharashtra Rural Credit Programme in India in November how extremely poor women had raised their incomes and their position in their communities. I was struck by their self-confidence and their ability to share their opinions and to negotiate with government officials.

The women told me how participating in self-help groups had changed their lives. One told me "I'm not alone anymore." Another said "I have the courage to go to the bank and ask for a loan." A third explained that "When one of us is beaten, we all go as a group to talk to her husband – together."

In Maharashtra, I saw firsthand, what the formal external review found: "There are clear indications that IFAD has made direct and indirect contributions to achieving the Millennium Development Goals of eradicating extreme poverty and hunger, promoting gender equality and empowering women, and ensuring environmental sustainability."

Mr Chairman,

Over the past two years we have been strengthening IFAD to make it even more responsive to the needs of the rural poor. We developed an overall strategic framework last year to guide IFAD over the next three years. Then we aligned our regional strategies. We are now working to ensure that our resources are allocated to achieve our objectives.

We are deeply aware that the resources entrusted to us are to help the rural poor. Over the past decade IFAD's administrative budget has been reduced or kept to zero real growth, while over this period our programme of work has grown by nearly a third.

We are determined to raise our efficiency even more. We are doing this by using information technology to strengthen the management of our financial and human resources and our administration. We are also enhancing our effectiveness by building stronger partnerships with other development agencies.

Our collaboration with our Rome-based sister UN agencies, for example, is greater than ever. They are also our partners in the Global Mechanism and in the International Land Coalition, both of which IFAD is proud to host.

We have also strengthened our cooperation with other United Nations organizations, the World Bank and other international financial institutions. Our long-standing collaboration with the World Bank has been deepened over the last year by our work together to scale-up rural poverty programmes in selected countries. With the Inter-American Development Bank we are developing a new partnership for rural poverty eradication in Latin America which will also engage other bilateral and multilateral agencies working in the region.

Partnership with civil society organizations has long been a key element at IFAD. Together we have joined hands from grassroots to global levels, to help empower the poor. In fact, almost all our programmes directly involve non-governmental organizations and civil society institutions as key partners.



Our long-standing collaboration with civil society is being complemented by a growing collaboration with private-sector entities. The challenge is to foster conditions that attract private sector investment for initiatives that increase the productivity of poor regions and poor peoples.

Mr Chairman,

I am pleased to report that the Fund's Member States have successfully completed the negotiations for its Sixth Replenishment. The consultation report sets out guidelines on major policy issues, including the performance based allocation system, field presence, results and impact measurement, a more independent evaluation function and an independent and external evaluation of IFAD. The report together with the replenishment resolution is before this Council for adoption. The agreed Sixth Replenishment is at a significantly higher level than the previous Replenishment, with many member countries from all parts of the world increasing their contributions substantially.

I am grateful for the trust you have placed in us.

I see this result as a first step towards fulfilling the pledges made at the Conference on Finance for Development last year to increasing development assistance and investing a greater share in rural development and rural poverty eradication.

At this Governing Council I am completing two years as President of IFAD. These years have been challenging for me, but extremely rich and satisfying. This is in many ways due to the staff of IFAD. Their dedication to eradicating rural poverty is truly inspiring. Their hard work is our greatest asset.

I would like to introduce the newest member of IFAD senior management team, the new Assistant President for Finance and Administration, Ms Ana Knopf, from El Salvador. She comes with a distinguished background from the Inter-American Development Bank and I am delighted to welcome her to IFAD.

Mr Chairman,

Our job is to enable the RURAL poor to overcome their poverty. The meaning of our mission was never so clear to me as the day last year when I was interviewed on radio by two Mayan teenagers from the Yucatan Peninsula.

Strongly rooted in their culture and traditions, they had great aspirations. They wanted to influence decision-makers around the world. They had clear goals for the future. They told me they would reach them.

What a privilege it is to support them.

Thank you for your strong support and for working with me this year.



**Achieving the Millennium Development Goals  
by Enabling the Rural Poor to Overcome their Poverty**

**Summary of the Panel Discussion**

Distinguished Governors,

At the end of this very rich and productive Twenty-Fifth Anniversary Session of the Governing Council, I should like to highlight a number of points that emerged from our deliberations on the Council's overall theme: "Achieving the Millennium Development Goals (MDGs) by Enabling the Rural Poor to Overcome their Poverty". We had the great benefit of a panel discussion, with distinguished panelists, in which a large number of Governors engaged.

Many Governors noted that the MDGs are closely interlinked. At the same time, reducing poverty and hunger constitutes the overarching goal among the MDGs, without the achievement of which the others would fail.

As stated by the Secretary-General in his address to the Council, it should be recognized that "We can reach these goals only if we keep our sights on the fact that three quarters of the world's poor still live in the rural areas drawing their livelihood from agriculture and other rural activities."

The key to reducing poverty is more rapid rural development based on enabling poor rural groups to raise their on- and off-farm productivity and incomes.

Rural poverty, it was recognized, is multidimensional. It both requires a broad approach and demands the attention of agricultural ministers as well as determined efforts on the part of governments and their development partners. Enhancing the access of the poor to land, water, technology and supportive institutions is critical to sustained poverty reduction. To that end, both development cooperation and public investment and policies should focus on where the poor live - the rural areas - and help to create institutions and infrastructure to support higher agricultural productivity and non-farm incomes. In that context, a better balance is needed between investments for the productive activities of the poor and investments in health, education and the other social sectors, for without growing rural incomes social services may not be sustainable.

On this occasion of IFAD's twenty-fifth anniversary, the moderator of the panel, Ms Eveline Herfkens, noted that the Fund had been at the cutting edge of developing new approaches to poverty reduction. From the outset, IFAD has recognized the imperative to focus explicitly on this; it has always championed people's effective participation and people's empowerment as a prerequisite for sustainable development intervention. She also noted that IFAD had gone beyond projects and programmes. It was having an increasingly catalytic impact on policy and institutional development, which needs to be enhanced even further. Ms Herfkens suggested that an organization like IFAD with proven experience, capacity and commitment to effectively address rural poverty reduction should be actively supported by both developed and developing countries.

In the discussions, emphasis was placed on two critical challenges in the effort to enable the rural poor to overcome their poverty.

Women in most developing countries are responsible for a significant portion of agricultural production and play a critical role both in the rural economy and in ensuring household food security. Yet, poor rural women often have even less access than men to financial and technical services and face other production constraints. They are the most likely to go hungry and they are more vulnerable to disease. Women's empowerment is not only desirable in itself but is of decisive importance to



achieving food security and more rapid rural development. To this end, it was stressed that all MDG indicators should be gender-specific.

The second challenge is the HIV/AIDS pandemic. The tragic spread of AIDS is placing an unbearable burden on family structures and on public health and social systems. At the same time, the growing number of AIDS victims is starting to have a serious effect on both agricultural and industrial production and education. The large and growing number of orphans whose parents have died from the disease is particularly tragic. AIDS is not just a health issue: it is an economic and political issue of overriding importance. Urgent and sustained priority must be accorded to find an effective response for halting AIDS where it has already taken hold, such as many parts of Africa, and to introducing preventive measures in countries where it is only just starting.

Trade issues were also highlighted as major factors in tackling poverty. It was stressed that there is a need for greater coherence in the development, economic and trade policies of developed countries. IFAD can help to create the material conditions and institutions to enable poor producers to increase production. But if international trade regimes distort market conditions against poor farmers, they will not receive fair compensation for their efforts and will not be able to sustain a higher output. These issues must be tackled by the trade negotiations that are currently under way. For their part developing countries should also strengthen efforts at the regional level to overcome shared problems. The New Partnership for Africa's Development (NEPAD) could play a valuable role in this context, both in supporting regional trade and in helping to overcome supply bottlenecks.

There is one last thought. There is now a clearer and growing understanding that many of the great problems that we face - civil strife, the spread of AIDS and other mass diseases, and the vulnerability of populations to natural disaster - are rooted in poverty and chronic deprivation. Overcoming poverty is indispensable to conquer these ills.

Enabling the rural poor to raise their productivity will help them overcome poverty. Beyond that, it will help countries to achieve not only more rapid rural development but higher overall economic growth. In many low-income countries, the rural poor form a large proportion of the population. If their potential can be used more fully it will provide the basis to raise the economy to a higher growth path that will help not only the poor, but enrich society as a whole.

Distinguished Governors,

These discussions have, I believe, been extremely rewarding and I am sure they will make a valuable contribution to the broader dialogue on development and poverty.



**Statement by the Chairman,  
His Excellency Bungaran Saragih,  
Closing the Twenty-Fifth Anniversary Session of the Governing Council**

Mr President,  
Distinguished Governors and Delegates,  
Ladies and Gentlemen,

The time has come to draw the Twenty-Fifth Anniversary Session of the Governing Council to a close. This Session has been an important one, not only as it marks a special anniversary of the Fund, but also thanks to the presence of such distinguished guests.

We have had the honour of listening to the Inaugural Address of the President of the Italian Republic, His Excellency Carlo Azeglio Ciampi, who reiterated the continued need for institutions such as IFAD to fulfil their specialized roles in the efforts to bring about a world free of poverty and deprivation. May I say that Italy's contribution to IFAD and to international cooperation for development is admirable and should be a lesson for us all.

His Excellency Kofi Annan, the Secretary-General of the United Nations, graced us with an Inaugural Address that highlighted the importance of the underlying factors that allow vulnerability to persist and famines to recur even as we deal with the urgent demands of peace and security.

Let me stress here that the UN family is a global partnership that unites rich and poor, urban and rural, women and men. It is only through the sharing of experiences and lessons learned that progress can be made – for the path of development is a two-way street of which we are all ultimately beneficiaries.

His Eminence Cardinal Angelo Sodano brought us the message of His Holiness Pope John Paul II, which reconfirmed the Holy See's support for the work of the Fund in its efforts to improve the plight of the rural poor by helping them help themselves.

This common thread, which ran through each of these eloquent addresses, was ably picked up by the Director-General of the Food and Agriculture Organization of the United Nations, Mr Jacques Diouf, and the Executive Director of the World Food Programme, Mr James T. Morris. Although it was recognized that progress is slow – and at times the task before us may seem daunting – positive and determined attitudes prevailed. The commitment of these two specialized agencies and their spirit of collaboration in joining together with IFAD in the struggle against food insecurity is uplifting.

President Båge's statement to the Council this year was a forceful and hopeful declaration of just how the Fund envisions its future path, based on the lessons it has learned from decades of experience and practice – lessons it is sharing with its partners the world over.

He stressed that global priority is being given to fighting poverty and that rural development is now recognized as a key to achieving the Millennium commitments. The Council was able to partake actively in a panel discussion that addressed this priority. We also had the opportunity to review more specific issues in the four round-table discussions held at this Session. In this respect, I would congratulate the Fund and its Secretariat for having organized these events, as they provide us with the means to truly exchange and share our individual views, expertise and experience.

These views were further emphasized by my distinguished fellow Governors in their statements highlighting the significance of the Fund's work to the lives of the rural poor. Allow me to reiterate here my own first-hand testimony after having visited IFAD projects in Viet Nam. There, I met with



beneficiaries and was heartened and filled with pride upon hearing accounts of improved lives and, above all, hope – hope for a better and brighter future.

Distinguished Governors,

It is fitting that an Anniversary Session of the Governing Council welcome to its midst another Member State. By approving the membership application of the Republic of Timor-Leste, we have, at this Session, brought our membership to 163 – over double the number of Member States that took part in the First Session of this Council.

At our last session, we entrusted part of our membership with the very important task of negotiating the Sixth Replenishment of IFAD's Resources. These negotiations were not only concluded in record time, less than one year, but, more importantly, they agreed on a replenishment of 560 million United States dollars, the highest negotiated target since the Fund's first replenishment exercise. It is indeed gratifying to see that as the Fund concludes its first 25 years of operations, it commands the even greater support and esteem of its membership.

Our sincere congratulations go to our colleagues in the Consultation for the Sixth Replenishment of IFAD's Resources for their exemplary work, not only with respect to the resources they have been able to generate, but for the depth of the review undertaken of the Fund's current policies and operations and the scrutiny with which they provided guidance for its future. The report of the Consultation clearly identified and provided direction on specific policy issues for the replenishment period 2004-2006.

The Governing Council approved the administrative budget of IFAD for 2003 at a level of USD 45.2 million. In approving this budget, it also authorized the Executive Board to approve any funding that may still be required after the receipt of voluntary contributions for the external independent evaluation of IFAD – one of the recommendations submitted to us by the Consultation.

The Council also established the IFAD Trust Fund for the After-Service Medical Coverage Scheme for the purpose of covering IFAD's liability to current and former employees.

A new Executive Board membership was elected for a three-year term of office. All of us are well aware of the importance of the work of the Executive Board as it ultimately facilitates our deliberations through its recommendations. May I, on your behalf, express our best wishes to our colleagues on the Board and again thank the outgoing members for their diligent work.

We have witnessed the way IFAD is striving to improve the internal structures of the organization through its Strategic Change Programme. This is an important and praiseworthy initiative. We have also witnessed how the Fund, in implementing the IFAD V: Plan of Action, has responded effectively to the recommendations made by the Consultation that negotiated the Fifth Replenishment of IFAD's Resources. In doing so, it has demonstrated the reciprocal respect that the organization enjoys with its Member States.

The Council was presented with an annual progress report on the Popular Coalition to Eradicate Hunger and Poverty, which this year proudly announced its rebirth as the International Land Coalition, a name embracing the true nature of this entity, whose primary aim is to increase secure access of the rural poor to natural resources.

Over the years, we have also closely followed the progress of the Global Mechanism of the United Nations Convention to Combat Desertification, and this year's report again confirmed the importance of the Fund's collaboration with its various partners – partnerships that are mandatory if rural poverty is indeed to be overcome.



Fellow Governors,

May I say that the fulfilling of my role as chairman of the Governing Council has proven to be a positive experience, which I shall look back upon with pride and joy. Having been unable to be here last year, I must thank my colleague, Mr Jannes Hutagalung, who so ably replaced me. My sincere thanks must also go to the vice-chairmen of the Council, whose assistance was indeed appreciated, and to all of my distinguished colleagues for the support and collaboration you have shown. It has ensured that presiding over this Session has been, for me, both a privilege and a pleasure.

I am sure that I may speak on behalf of you when I express our deep appreciation to the President and staff of IFAD without whom none of this could have taken place. The smooth running of our meetings is the result of tireless work on the part of those behind the scenes, not the least of which the interpreters, technical staff and conference messengers. The efficiency, thorough organization, and professionalism demonstrated by all has ensured the success of this session.

Ladies and Gentlemen,

We come to the end of a Governing Council Session that marks 25 years of operations. During this time, IFAD has achieved a great deal in its efforts to bring much-needed assistance to the rural poor. Our work, however, is far from complete and our commitment to move forward, to learn from our experience and to make our goals a reality is stronger than ever.

More than anything else, this Session has shown that although we are one, we are not alone. Our partners here in Rome and from the very corners of the world have joined us at this Session not to look to the past but to find ways to present a united front in our future battles against hunger, poverty and human suffering.

I also had the honour of being received by His Holiness Pope John Paul II in my capacity as chairman of the Governing Council of IFAD. The Holy Father's hope, as so eloquently stated in his message to the Council, remains that each of us assume responsibility for our fellow human beings, particularly those in need of their daily bread.

On this note of hope, I hereby close the Twenty-Fifth Anniversary Session of the Governing Council.



ANNEX I



**IFAD**  
**INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT**  
**Governing Council – Twenty-Fifth Anniversary Session**  
Rome, 19-20 February 2003

**قائمة بالمشاركين في دورة الذكرى الخامسة والعشرين  
لمجلس المحافظين**

**LIST OF PARTICIPANTS AT THE TWENTY-FIFTH ANNIVERSARY SESSION OF  
THE GOVERNING COUNCIL**

**LISTE DES PARTICIPANTS À LA SESSION DU CONSEIL DES GOUVERNEURS  
MARQUANT LE VINGT-CINQUIÈME ANNIVERSAIRE DU FIDA**

**LISTA DE LOS PARTICIPANTES EN EL PERÍODO DE SESIONES DEL CONSEJO DE  
GOBERNADORES EN EL 25° ANIVERSARIO**

رئيس المجلس:

Bungaran Saragih (Indonesia)

Chairman:

بونغاران ساراغي (اندونيسيا)

Président:

Presidente:

نائب رئيس المجلس:

Vice-Chairmen:

William E. Schuerch (United States)

ويليام ي. شويرش (الولايات المتحدة الأمريكية)

Vice-Présidents:

Roy Fanourakis (Swaziland)

روي فانوراكيس (سوازيلند)

Vicepresidentes:





الدول الأعضاء

MEMBER STATES

ÉTATS MEMBRES

ESTADOS MIEMBROS

**AFGHANISTAN**

Governor (acting)	Mostapha ZAHER Ambassador Permanent Representative of Afghanistan to IFAD Rome
Adviser	Abdul Razak AYAZI Agricultural Attaché Alternate Permanent Representative of Afghanistan to IFAD Rome

**ALBANIA**

Governor (acting)	Thoma MIÇO Vice-Minister for Agriculture and Food Tirana
Alternate Governor (acting)	Kujtim KADZADEJ Chef de Cabinet Ministry of Agriculture and Food Tirana
Adviser	Artur GALANXHI Director Ministry of Agriculture and Food Tirana
Adviser	Sali METANI Director Foreign Affairs Division Ministry of Agriculture and Food Tirana



ANNEX I

**ALBANIA (cont'd)**

Adviser  
Leonidha KOSTA  
Second Secretary  
Alternate Permanent Representative  
of the Republic of Albania to the  
United Nations Food and  
Agriculture Agencies  
Rome

**ALGERIA**

Gouverneur  
Said BARKAT  
Ministre de l'agriculture et  
du développement rural  
Alger

Gouverneur suppléant  
Mokhtar REGUIEG  
Ambassadeur de la République  
algérienne démocratique et  
populaire auprès du FIDA  
Rome

Conseiller  
Larbi BOUMAZA  
Directeur d'études  
Direction générale du budget  
Ministère des finances  
Alger

Conseiller  
Nasr-Elddeen RIMOUCHE  
Conseiller  
Direction général relations internationales  
Ministère des affaires étrangères  
Alger

Conseiller  
Saida ZOUGGAR  
Sous-directrice de l'investissement  
financier et de l'intervention  
économique  
Ministère de l'agriculture et  
du développement rural  
Alger

Conseiller  
Ahmed HACHEMI  
Conseiller  
Représentant permanent adjoint  
de la République algérienne  
démocratique et populaire  
auprès du FIDA  
Rome



ANNEX I

**ALGERIA (cont'd)**

Conseiller  
Faiza YAKER  
Chef de Bureau  
Chargée du suivi du  
financement extérieur  
Ministère de l'agriculture et  
du développement rural  
Alger

**ANGOLA**

Gouverneur  
Gilberto Buta LUTUCUTA  
Ministre de l'agriculture et  
du développement rural  
Luanda

Gouverneur suppléant  
(provisoire)  
Sergio NIETO  
Conseiller  
Chargé d'affaires, a.i.  
Représentant permanent suppléant  
de la République d'Angola  
auprès du FIDA  
Rome

Conseiller  
Pedro Alfonso CANGA  
Directeur général  
Institut du développement agricole  
Ministère de l'agriculture et  
du développement rural  
Luanda

Conseiller  
Bonifacio MANUEL  
Directeur de Cabinet du  
Ministre de l'agriculture et  
du développement rural  
Luanda

Conseiller  
Kiala Kia MATEVA  
Conseiller  
Représentant permanent adjoint  
de la République d'Angola  
auprès du FIDA  
Rome

Conseiller  
Carlos Alberto AMARAL  
Conseiller  
Représentant permanent suppléant  
de la République d'Angola  
auprès du FIDA  
Rome



ANNEX I

**ANGOLA (cont'd)**

Conseiller	Pedro Agostino KANGA Chef du département Coopération et relations internationales Ministère de l'agriculture et du développement rural Luanda
Conseiller	Olinda GRACIETH DOS SANTOS SOBRINHO Secrétaire Ministère de l'agriculture et du développement rural Luanda
Conseiller	Noé CALVINO Attaché Ambassade de la République d'Angola Rome

**ARGENTINA**

Gobernador	Humberto Jesús ROGGERO Embajador de la República Argentina ante el FIDA Roma
Gobernador Suplente	Hilda GABARDINI Ministra Representante Permanente Adjunta de la República Argentina ante el FIDA Roma
Asesor	Ariel FERNÁNDEZ Secretario Representante Permanente Alterno de la República Argentina ante el FIDA Roma

**ARMENIA**

Alternate Governor	Zohrab V. MALEK Ambassador Permanent Representative of the Republic of Armenia to the United Nations Food and Agriculture Agencies Rome
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ANNEX I

**AUSTRIA**

Alternate Governor	Herbert JÄGER Minister Embassy of the Republic of Austria Rome
Adviser	Klaus OEHLER Counsellor International Finance Institutions Federal Ministry of Finance Vienna

**BANGLADESH**

Governor (acting)	Ayub QUADRI Secretary Ministry of Agriculture Dhaka
Alternate Governor (acting)	Mohammad ZIAUDDIN Ambassador Permanent Representative of the People's Republic of Bangladesh to the United Nations Agencies for Food and Agriculture Rome
Adviser	Nasrin AKHTER Economic Counsellor Alternate Permanent Representative of the People's Republic of Bangladesh to the United Nations Agencies for Food and Agriculture Rome
Adviser	Nahida SOBHAN First Secretary Alternate Permanent Representative of the People's Republic of Bangladesh to the United Nations Agencies for Food and Agriculture Rome



ANNEX I

**BELGIUM**

Gouverneur	Christian MONNOYER Ambassadeur du Royaume de Belgique auprès du FIDA Rome
Gouverneur suppléant	Bernard DE SCHREVEL Premier Secrétaire Coopération internationale Représentant permanent suppléant du Royaume de Belgique auprès du FIDA Rome
Conseiller	Dirk TEERLINCK Chef du service Fonds de survie Direction générale de la Coopération au développement (DGCI) Bruxelles
Conseiller	Virginie DEPREAY Assistante du Représentant permanent du Royaume de Belgique auprès du FIDA Rome

**BENIN**

Gouverneur	Théophile NATA Ministre de l'agriculture, de l'élevage et de la pêche Cotonou
Gouverneur suppléant	Sossou Justin ADANMAYI Directeur de la programmation et de la prospective Ministère de l'agriculture, de l'élevage et de la pêche Cotonou

**BHUTAN**

Governor (acting)	Deki PEMA Planning Officer Policy and Planning Division Ministry of Agriculture Thimphu
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ANNEX I

**BHUTAN (cont'd)**

Adviser  
Chime TSHERING  
Deputy Director  
Ministry of Agriculture  
Thimphu

**BOLIVIA**

Gobernador  
(interino)  
Mireya DURÁN ROSALES  
Ministra Consejera  
Encargada de Negocios, a.i.  
Representante Permanente Alternativa  
de la República de Bolivia  
ante el FIDA  
Roma

Asesor  
Erika J. CUELLAR CHÁVEZ  
Segunda Secretaria  
Representante Permanente Alternativa  
de la República de Bolivia  
ante el FIDA  
Roma

**BOSNIA AND HERZEGOVINA**

Governor  
Lukša ŠOLJAN  
Ambassador of Bosnia and Herzegovina  
to the United Nations Agencies for  
Food and Agriculture  
Rome

Alternate Governor  
Branko KESIC  
Counsellor  
Alternate Permanent Representative  
of Bosnia and Herzegovina to the  
United Nations Agencies for Food  
and Agriculture  
Rome

**BOTSWANA**

Governor  
Pelokgale Kenathetswe SELOMA  
Assistant Minister for Agriculture  
Gaborone

Adviser  
Daphne KEBONEILWE  
Principal Rural Sociologist  
Ministry of Agriculture  
Gaborone



**BOTSWANA (cont'd)**

Adviser  
Patricia MALATSI  
Acting Principal Planning Officer  
Ministry of Agriculture  
Gaborone

**BRAZIL**

Governor  
(acting)  
Flávio MIRAGAIA PERRI  
Ambassador of the Federative  
Republic of Brazil to IFAD  
Rome

Adviser  
Maria Theresa LAZARO  
Minister Counsellor  
Deputy Permanent Representative  
of the Federative Republic  
of Brazil to IFAD  
Rome

**BURKINA FASO**

Gouverneur  
Noellie Marie Béatrice DAMIBA  
Ambassadeur du Burkina Faso  
auprès du FIDA  
Rome

Gouverneur suppléant  
(provisoire)  
André Anatole YAMEOGO  
Conseiller économique  
Représentant permanent adjoint  
du Burkina Faso auprès  
du FIDA  
Rome

Conseiller  
Catherine OUEDRAOGO  
Attaché  
Représentant permanent suppléant  
du Burkina Faso auprès  
du FIDA  
Rome

**BURUNDI**

Gouverneur  
Pierre NDIKUMAGENGE  
Ministre de l'agriculture  
et de l'élevage  
Bujumbura



ANNEX I

**CAMEROON**

Gouverneur  
Abdoulaye ABOUBAKRY  
Secrétaire d'État au Ministère  
de l'agriculture  
Yaoundé

Conseiller  
Médi MOUNGUI  
Deuxième Conseiller  
Représentant permanent adjoint  
de la République du Cameroun  
auprès du FIDA  
Rome

Conseiller  
Kenfack MARTIN  
Ingénieur général du Génie rural  
Ministère de l'agriculture  
Yaoundé

**CANADA**

Governor  
(acting)  
Charles BASSETT  
Senior Vice-President  
Canadian International  
Development Agency (CIDA)  
Gatineau

Alternate Governor  
Roger EHRHARDT  
Director-General  
International Financial  
Institutions Division  
Multilateral Programmes Branch  
Canadian International  
Development Agency (CIDA)  
Gatineau

Adviser  
Jimmy SMITH  
Senior Policy Adviser  
Agricultural, Economic Policy  
Canadian International  
Development Agency (CIDA)  
Gatineau

Adviser  
Joana TALAFRÉ  
Policy Analyst, Desertification  
Environment Division  
Policy Branch  
Canadian International  
Development Agency (CIDA)  
Gatineau



**CANADA (cont'd)**

Adviser Charles PARKER  
Counsellor (Development)  
Alternate Permanent Representative  
of Canada to the United Nations  
Food and Agriculture Agencies  
Rome

Adviser Danièle TESTELIN  
Senior Programme Manager  
International Financial  
Institutions Division  
Multilateral Programmes Branch  
Canadian International  
Development Agency (CIDA)  
Gatineau

**CAPE VERDE**

Gouverneur Jorge Maria CUSTÓDIO SANTOS  
Ambassadeur de la République du  
Cap-Vert auprès des Organisations  
des Nations Unies  
Rome

Gouverneur suppléant Arnaldo DELGADO  
Conseiller  
Représentant permanent adjoint  
de la République du Cap-Vert  
auprès des organisations  
des Nations Unies  
Rome

**CENTRAL AFRICAN REPUBLIC**

Gouverneur  
(provisoire) Solomon NAMKOSSEREMA  
Ministre chargé de la promotion  
du monde rural  
Bangui

**CHAD**

Gouverneur David HOUDEINGAR NGARIMADEN  
Ministre de l'agriculture  
N'Djaména



ANNEX I

**CHAD (cont'd)**

Conseiller  
Naura DELI  
Coordonnateur Projet de sécurité  
alimentaire au Nord Guéra - Phase II  
Mongo

**CHILE**

Gobernador  
Ángel SARTORI ARELLANO  
Embajador de la República  
de Chile ante el FIDA  
Roma

Gobernador Suplente  
Antonio Arturo PLAZA JIMÉNEZ  
Primer Secretario  
Representante Permanente Alterno  
de la República de Chile  
ante el FIDA  
Roma

**CHINA**

Governor  
HAN Changfu  
First Vice-Minister  
Ministry of Agriculture  
Beijing

Alternate Governor  
MA Shiqing  
Minister Plenipotentiary  
Permanent Representative of the  
People's Republic of China to the  
United Nations Agencies for  
Food and Agriculture  
Rome

Adviser  
XUE Liang  
Director-General  
Ministry of Agriculture  
Beijing

Adviser  
TANG Zhengping  
Director-General  
Department of International  
Cooperation  
Ministry of Agriculture  
Beijing



**CHINA (cont'd)**

Adviser	ZANGH WenBao Director-General Ministry of Agriculture Beijing
Adviser	WANG Bing Director Ministry of Finance Beijing
Adviser	LUO Ming Director Ministry of Agriculture Beijing
Adviser	GUO Handi First Secretary Alternate Permanent Representative of the People's Republic of China to the United Nations Agencies for Food and Agriculture Rome
Adviser	WEI Wei Deputy Director Ministry of Finance Beijing
Adviser	WANG Weiqin Deputy Director Department of International Cooperation Ministry of Agriculture Beijing
Adviser	YE Anping Second Secretary Alternate Permanent Representative of the People's Republic of China to the United Nations Agencies for Food and Agriculture Rome
Adviser	ZHAO Bing Second Secretary Alternate Permanent Representative of the People's Republic of China to the United Nations Agencies for Food and Agriculture Rome



**CHINA (cont'd)**

Adviser  
LI Qian  
Project Officer  
Ministry of Finance  
Beijing

**COLOMBIA**

Gobernador Suplente  
Darío Alberto BONILLA GIRALDO  
Consejero  
Representante Permanente Alterno  
de la República de Colombia  
ante el FIDA  
Roma

Asesor  
Paula TOLOSA ACEVEDO  
Primera Secretaria  
Representante Permanente Alternativa  
de la República de Colombia  
ante el FIDA  
Roma

**CONGO**

Gouverneur  
(provisoire)  
Rufin Gabriel AMBERO  
Ministre Conseiller  
Représentant permanent adjoint  
de la République du Congo  
auprès du FIDA  
Rome

Conseiller  
Emile ESSEMA  
Deuxième Conseiller  
Représentant permanent adjoint  
de la République du Congo  
auprès du FIDA  
Rome

**COSTA RICA**

Gobernador  
Victoria GUARDIA ALVARADO DE HERNÁNDEZ  
Embajadora de la República de Costa Rica  
ante el FIDA  
Roma



**COSTA RICA (cont'd)**

Gobernador Suplente  
Yolanda GAGO PÉREZ  
Ministra Consejera  
Representante Permanente Alternativa  
de la República de Costa Rica  
ante el FIDA  
Roma

**CÔTE D'IVOIRE**

Gouverneur  
(provisoire)  
Richard Gbaka ZADY  
Ambassadeur de la République  
de Côte d'Ivoire auprès des  
Organisations spécialisées  
des Nations Unies  
Rome

Conseiller  
Aboubakar BAKAYOKO  
Conseiller pour l'agriculture  
Représentant permanent suppléant de la  
République de Côte d'Ivoire auprès  
des Organisations spécialisées  
des Nations Unies  
Rome

Conseiller  
Lida Lambert BALLOU  
Conseiller  
Représentant permanent adjoint de la  
République de Côte d'Ivoire auprès  
des Organisations spécialisées  
des Nations Unies  
Rome

**CROATIA**

Alternate Governor  
Vlado MATIJASIC  
Counsellor  
Alternate Permanent Representative  
of the Republic of Croatia to the  
United Nations Agencies for  
Food and Agriculture  
Rome





ANNEX I

**CUBA**

Gobernador Suplente  
Alfredo Néstor PUIG PINO  
Embajador de la República de Cuba  
ante los Organismos de las  
Naciones Unidas  
Roma

**CYPRUS**

Governor  
George F. POULIDES  
Ambassador of the Republic of Cyprus  
to the United Nations Agencies  
for Food and Agriculture  
Rome

**D.P.R. KOREA**

Governor  
KIM Yong Suk  
Vice-Minister for Agriculture  
Pyongyang

Alternate Governor  
(acting)  
CHOE Taek San  
Ambassador of the Democratic  
People's Republic of Korea  
to IFAD  
Rome

Adviser  
HYON HAK Bong  
Counsellor  
Deputy Permanent Representative  
of the Democratic People's Republic  
of Korea to IFAD  
Rome

Adviser  
SIN Gyu Sam  
Senior Officer  
Department of International  
Organizations  
Ministry of Foreign Affairs  
Pyongyang

Adviser  
RI Hyong Chol  
Second Secretary  
Alternate Permanent Representative  
of the Democratic People's Republic  
of Korea to IFAD  
Rome



ANNEX I

**D.R. CONGO**

Gouverneur  
(provisoire)

Ngoie LUBEMBEY BENOÎT  
Premier Secrétaire  
Chargé d'affaires, a.i.  
Ambassade de la République  
démocratique du Congo  
Rome

Gouverneur suppléant  
(provisoire)

Innocent MOKOSA MANDENDE  
Ministre Conseiller  
Représentant permanent adjoint  
de la République démocratique  
du Congo auprès des Organisations  
des Nations Unies  
Rome

**DENMARK**

Governor  
(acting)

Jorgen MAERSK-PEDERSEN  
Minister  
Permanent Representative of the  
Kingdom of Denmark to IFAD  
Rome

Alternate Governor  
(acting)

Dorte CHORTSEN  
Head of Section  
Department for United Nations  
Development Assistance  
Ministry of Foreign Affairs  
Copenhagen

Adviser

Mathilde GRY NIELSEN  
Attaché  
Royal Danish Embassy  
Rome

**DJIBOUTI**

Gouverneur  
(provisoire)

Awes A. AWES  
Officier du Protocole  
Consulat de la République  
de Djibouti  
Rome



ANNEX I

**DOMINICAN REPUBLIC**

Gobernador (interino)	Mario ARVELO CAAMAÑO Embajador Encargado de Negocios, a.i. Representante Permanente Alterno de la República Dominicana ante el FIDA Roma
Gobernador Suplente	Dolores Margarita CEDEÑO PÉREZ Ministra Consejera Representante Permanente Alternas de la República Dominicana ante el FIDA Roma

**ECUADOR**

Gobernador (interino)	Manuel CHIRIBOGA VEGA Subsecretario de Política, Comercio e Información Sectorial Ministerio de Agricultura y Ganadería Quito
Gobernador Suplente	Marco SAMANIEGO Ministro Encargado de Negocios, a.i. Representante Permanente Adjunto de la República del Ecuador ante los Organismos de las Naciones Unidas Roma

**EGYPT**

Governor (acting)	Helmy BEDEIR Ambassador of the Arab Republic of Egypt to the United Nations Food and Agriculture Agencies Rome
Alternate Governor (acting)	Mariam MOUSA Minister Plenipotentiary for Agricultural Affairs Deputy Permanent Representative of the Arab Republic of Egypt to the United Nations Food and Agriculture Agencies Rome



ANNEX I

**EGYPT (cont'd)**

Adviser  
Nehal HEGAZY  
Second Secretary  
Alternate Permanent Representative  
of the Arab Republic of Egypt  
to the United Nations Food and  
Agriculture Agencies  
Rome

**EL SALVADOR**

Gobernador Suplente  
Joaquín RODEZNO MUNGUÍA  
Embajador de la República de  
El Salvador ante el FIDA  
Roma

Asesor  
María Eulalia JIMÉNEZ ZEPEDA  
Ministra Consejera  
Representante Permanente Adjunta  
de la República de El Salvador  
ante el FIDA  
Roma

**ERITREA**

Governor  
Arefaine BERHE  
Minister for Agriculture  
Asmara

Alternate Governor  
Amdemicael KAHSAL  
Ambassador of the State  
of Eritrea to IFAD  
Rome

Adviser  
Yohannes TENSUE  
First Secretary  
Alternate Permanent Representative  
of the State of Eritrea to IFAD  
Rome

**ETHIOPIA**

Governor  
Ato Belay EJIGU  
Acting Minister for Agriculture  
Addis Ababa



ANNEX I

**ETHIOPIA (cont'd)**

Adviser  
Fortuna DIBACO  
Second Secretary  
Economic Division  
Embassy of the Federal  
Democratic Republic  
of Ethiopia  
Rome

**FIJI**

Governor  
(acting)  
Sakiusa TUBUNA  
Principal Economist  
Ministry of Agriculture, Sugar  
and Land Resettlement  
Suva

**FINLAND**

Governor  
Matti KÄÄRIÄINEN  
Deputy Director-General  
Multilateral Development Affairs  
Department of International  
Development Cooperation  
Ministry of Foreign Affairs  
Helsinki

Adviser  
Heidi PIHLATIE  
Minister Counsellor  
Permanent Representative  
of the Republic of Finland  
to the United Nations Food  
and Agriculture Agencies  
Rome

Adviser  
Kari JANTUNEN  
Counsellor  
Unit for Development  
Financing Institutions  
Department of International  
Development Cooperation  
Ministry of Foreign Affairs  
Helsinki



## ANNEX I

**FRANCE**

Gouverneur (provisoire)	Ambroise FAYOLLE Sous-directeur Dette, développement et marchés émergents Direction du Trésor Ministère de l'économie, des finances et de l'industrie Paris
Gouverneur suppléant (provisoire)	Alain GUILLOUËT Ministre Conseiller Chef de la Mission économique Ambassade de France en Suisse Berne
Conseiller	Jérôme BACONIN Attaché principal d'Administration centrale Bureau de l'aide au développement Direction du Trésor Ministère de l'économie, des finances et de l'industrie Paris
Conseiller	Danick IBAÑEZ Attachée à la Mission économique auprès de l'Ambassade de France Rome

**GABON**

Gouverneur	Paul MBA-ABESSOLE Vice-Premier Ministre Ministre de l'Agriculture, de l'élevage et du développement rural chargé des Droits de l'Homme et des Missions Libreville
Gouverneur suppléant (provisoire)	Vincent BOULÉ Ambassadeur de la République gabonaise auprès du FIDA Rome
Conseiller	Ivone Alves DIAS DA GRAÇA Premier Conseiller Représentant permanent adjoint de la République gabonaise auprès du FIDA Rome



ANNEX I

**GABON (cont'd)**

Conseiller  
Louis Stanislas CHARICAUTH  
Conseiller  
Représentant permanent suppléant  
de la République gabonaise  
auprès du FIDA  
Rome

**GEORGIA**

Alternate Governor  
Rusudan LORDKIPANIDZE  
Ambassador of Georgia  
to IFAD  
Rome

Adviser  
Aleksidze ZURAB  
Counsellor  
Deputy Permanent Representative  
of Georgia to IFAD  
Rome

**GERMANY**

Governor  
Michael HOFMANN  
Director-General  
Federal Ministry of Economic  
Cooperation and Development  
Bonn

Alternate Governor  
(acting)  
Guntram Freiherr VON SCHENCK  
Ambassador of the Federal  
Republic of Germany  
to IFAD  
Rome

Adviser  
Bernd BLANK  
Head of Division  
Federal Ministry of Economic  
Cooperation and Development  
Bonn

Adviser  
Bernd DUNNZLAFF  
Head of Division  
Federal Ministry of Economic  
Cooperation and Development  
Rome



ANNEX I

**GHANA**

Governor  
(acting) Kofi DSANE-SELBY  
Ambassador of the Republic  
of Ghana to IFAD  
Rome

Adviser Kwaku NICOL  
Minister Counsellor  
Alternate Permanent Representative  
of the Republic of Ghana to IFAD  
Rome

**GREECE**

Governor  
(acting) Dimitri DADIOTIS  
Consultant  
Directorate of Organizations  
Dealing with International  
Economic and Monetary Affairs  
Ministry of Foreign Affairs  
Athens

**GUATEMALA**

Gobernador Acisclo VALLADARES MOLINA  
Embajador de la República  
de Guatemala ante el FIDA  
Roma

Gobernador Suplente  
(interino) Emilio René MALDONADO GULARTE  
Ministro Consejero  
Representante Permanente Alterno  
de la República de Guatemala  
ante el FIDA  
Roma

Asesor Ileana RIVERA DE ANGOTTI  
Primera Secretaria  
Representante Permanente Alterna  
de la República de Guatemala  
ante el FIDA  
Roma

**GUINEA**

Gouverneur  
(provisoire) Souhaïb Deen BANGOURA  
Ambassadeur de la République de  
Guinée auprès du FIDA  
Rome





ANNEX I

**HAITI**

Gouverneur  
(provisoire)

Sébastien HILAIRE  
Ministre de l'agriculture, des  
ressources naturelles et  
du développement rural  
Port-au-Prince

Gouverneur suppléant  
(provisoire)

Roger PERODIN  
Ambassadeur  
Représentant permanent de la  
République d'Haïti auprès des  
Organisations des Nations Unies  
Rome

Conseiller

Suze PERCY  
Ministre Conseiller  
Représentant permanent adjoint de la  
République d'Haïti auprès des  
Organisations des Nations Unies  
Rome

Conseiller

Patrick SAINT-HILAIRE  
Premier Secrétaire  
Représentant permanent suppléant de la  
République d'Haïti auprès des  
Organisations des Nations Unies  
Rome

**HONDURAS**

Gobernador  
(interino)

Oscar Antonio OYUELA CASTELLÓN  
Embajador de la República de  
Honduras ante los Organismos  
de las Naciones Unidas  
Roma

**ICELAND**

Governor

Sveinn Ágúst BJÖRNSSON  
Minister Counsellor  
Ministry of Foreign Affairs  
Reykjavik

Alternate Governor

Jón Erlingur JÓNASSON  
Counsellor  
Political Department  
Ministry of Foreign Affairs  
Reykjavik



ANNEX I

**INDIA**

Alternate Governor  
Govindan NAIR  
Minister (Agriculture)  
Alternate Permanent Representative  
of the Republic of India to the  
United Nations Food and  
Agriculture Agencies  
Rome

**INDONESIA**

Chairman  
Bungaran SARAGIH  
Minister for Agriculture  
Jakarta

Governor  
Agus HARYANTO  
Secretary-General  
Department of Finance  
Jakarta

Alternate Governor  
Freddy NUMBERI  
Ambassador  
Permanent Representative of the  
Republic of Indonesia to IFAD  
Rome

Adviser  
Jannes HUTAGALUNG  
Deputy Minister for International  
Economic Cooperation  
Office of the Coordinating Minister  
for Economic Affairs  
Jakarta

Adviser  
Dedi M. MASYKUR RIYADI  
Deputy to the Chairman of National  
Development Planning Agency  
Jakarta

Adviser  
Rachmat PAMBUDY  
Assistant to the Minister  
Department of Agriculture  
Jakarta

Adviser  
Ahmad ANSORI MATTJIK  
President of Bogor  
Agriculture Institute  
Bogor



**INDONESIA (cont'd)**

Adviser	Natigor SIAGIAN Assistant Minister for Agriculture and Director Bureau for International Cooperation Department of Agriculture Jakarta
Adviser	Mr ANDRADJATI Director for Commodity and Standardization Department of Foreign Affairs Jakarta
Adviser	Wahib ABDULJAWAD Counsellor Alternate Permanent Representative of the Republic of Indonesia to IFAD Rome
Adviser	Sunggul SINAGA Agricultural Attaché Alternate Permanent Representative of the Republic of Indonesia to IFAD Rome
Adviser	Andryono Kilat ADHI Agricultural Attaché Mission of the Republic of Indonesia to the European Communities Brussels
Adviser	Bambang SANTOSO MARSOEM Official Department of Finance Jakarta
Adviser	Timbul SITUMORANG Third Secretary Alternate Permanent Representative of the Republic of Indonesia to IFAD Rome
Adviser	Fredriek Ellia GUGKANG Chairman of Bappeda West Kutai
Adviser	Frans Betsi MAROJAHAN DABUKKE Assistant to the Minister Department of Agriculture Jakarta





ANNEX I

**ISRAEL**

Alternate Governor Denis-Paul MORDEHAY-RODGOLD  
Counsellor  
Alternate Permanent Representative  
of the State of Israel to the United  
Nations Agencies for Food and  
Agriculture  
Rome

**ITALY**

Gouverneur Vito TANZI  
Sous-secrétaire  
Ministère de l'économie  
et des finances  
Rome

Gouverneur suppléant  
(provisoire) Raffaele BERLENGHI  
Ambassadeur de la République  
italienne auprès du FIDA  
Rome

Conseiller Marcello SPATAFORA  
Directeur général  
Direction de la coopération  
économique et financière  
multilatérale  
Ministère des affaires étrangères  
Rome

Conseiller Giandomenico MAGLIANO  
Directeur général  
Coopération au développement  
Ministère des affaires étrangères  
Rome

Conseiller Augusto ZODDA  
Directeur général  
Affaires générales, personnel et  
processus organisationnels  
Ministère de l'économie  
et des finances  
Département du Trésor  
Rome

Conseiller Eugenio CAMPO  
Direction générale  
Ministère des affaires étrangères  
Rome



ANNEX I

**ITALY (cont'd)**

Conseiller	Paolo DUCCI Responsable de la coordination FAO/IFAD/PAM Direction générale de la coopération économique et financière multilatérale Ministère des affaires étrangères Rome
Conseiller	Marco ROMITI Premier Secrétaire Représentation permanente de la République italienne auprès du FIDA Rome
Conseiller	Giorgio LECCESI Chef du Service chargé des Banques de développement multilatéral Ministère de l'économie et des finances Département du Trésor Rome
Conseiller	Simona D'AMBROSIO Conseiller Ministère de l'économie et des finances Département du Trésor Rome
Conseiller	Filippo ALESSI Conseiller principal Direction générale de la coopération au développement Ministère des affaires étrangères Rome
Conseiller	Nicola FAVIA Directeur Département des affaires économiques Présidence du Conseil des Ministres Rome

**JAPAN**

Governor	Nobuko MATSUBARA Ambassador of Japan to Italy Rome
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ANNEX I

**JAPAN (cont'd)**

Alternate Governor  
(acting)

Masaharu SATO  
Counsellor  
Embassy of Japan  
Rome

Adviser

Satomi SAKAMOTO  
Deputy Director  
International Cooperation Division  
International Affairs Department  
General Food Policy Bureau  
Ministry of Agriculture,  
Forestry and Fisheries  
Tokyo

Adviser

Kiyomi MIYAGAWA  
Officer  
Multilateral Cooperation Division  
Economic Cooperation Bureau  
Ministry of Foreign Affairs  
Tokyo

**JORDAN**

Governor  
(acting)

Awni TAIMEH  
Secretary-General  
Ministry of Agriculture  
Amman

Alternate Governor  
(acting)

Radi ALTARAWNEH  
Director  
Directorate Productive Projects  
Ministry of Planning  
Amman

Adviser

Mousa ALWADI AL-ABBADI  
Director  
Projects Administration  
Ministry of Agriculture  
Amman

Adviser

Muwaffaq AJLOUNI  
Minister Plenipotentiary  
Alternate Permanent Representative  
of the Hashemite Kingdom of  
Jordan to the United Nations  
Agencies for Food  
and Agriculture  
Rome



ANNEX I

**KAZAKHSTAN**

Governor  
(acting) Byrganym AITIMOVA  
Permanent Representative of the  
Republic of Kazakhstan to the  
United Nations Food and  
Agriculture Agencies  
Rome

Adviser Angelika SHELUKHINA  
Second Secretary  
Embassy of the Republic  
of Kazakhstan  
Rome

**KENYA**

Governor Kipruto Rono ARAP KIRWA  
Minister for Agriculture and  
Livestock Development  
Nairobi

Alternate Governor  
(acting) Bruce Misoga MADETE  
Ambassador of the Republic  
of Kenya to IFAD  
Rome

Adviser Joseph K. WANJAMA  
Director of Agriculture  
Ministry of Agriculture and  
Livestock Development  
Nairobi

Adviser Gerishon K. NZUVA  
Senior Deputy Director of Agriculture  
Ministry of Agriculture and  
Livestock Development  
Nairobi

Adviser Samuel Cherunge YEGON  
Agricultural Attaché  
Alternate Permanent Representative  
of the Republic of Kenya to IFAD  
Rome

Adviser Thomas Mboya ADUR  
Second Secretary  
Alternate Permanent Representative  
of the Republic of Kenya to IFAD  
Rome





ANNEX I

**KUWAIT**

Governor  
(acting) Hesham I. AL-WAQAYAN  
Deputy Director-General  
Operations and Disbursement  
Kuwait Fund for Arab  
Economic Development  
Kuwait City

**LEBANON**

Gouverneur  
(provisoire) Fadi HAJJ ALI  
Premier Secrétaire  
Chargé d'affaires, a.i.  
Représentant permanent suppléant  
de la République libanaise auprès des  
Organisations des Nations Unies  
Rome

Conseiller Mireille HAKIM  
Assistante technique  
Ambassade de la République  
libanaise  
Rome

**LESOTHO**

Governor Vova BULANE  
Minister for Agriculture, Cooperatives  
and Land Reclamation  
Maseru

Alternate Governor  
(acting) Mamoruti MALIE  
Permanent Secretary  
Ministry of Agriculture, Cooperatives  
and Land Reclamation  
Maseru

Adviser Rachel Refiloehape MATHABO NTSINSYI  
Ambassador of the Kingdom  
of Lesotho to IFAD  
Rome

Adviser Mantho MOTSELEBANE  
Director  
Department of Planning  
and Policy Analysis  
Ministry of Agriculture, Cooperatives  
and Land Reclamation  
Maseru



**LESOTHO (cont'd)**

Adviser  
Kabelo MAFURA  
Counsellor  
Alternate Permanent Representative  
of the Kingdom of Lesotho  
to IFAD  
Rome

**LIBERIA**

Governor  
(acting)  
Lily BEHNA  
Ambassador of the Republic  
of Liberia to Italy  
Rome

**LIBYAN ARAB JAMAHIRIYA**

Governor  
(acting)  
Nuri Ibrahim HASAN  
Ambassador of the Socialist  
People's Libyan Arab  
Jamahiriya to IFAD  
Rome

**LUXEMBOURG**

Gouverneur  
(provisoire)  
Georges HEINEN  
Directeur  
Financement du développement  
multilatéral  
Ministère des finances  
Luxembourg-Ville

Gouverneur suppléant  
(provisoire)  
Jean FALTZ  
Ambassadeur du Grand-Duché  
du Luxembourg auprès du FIDA  
Rome

Conseiller  
Frank BIEVER  
Premier Secrétaire  
Représentant permanent adjoint  
du Grand-Duché de Luxembourg  
auprès du FIDA  
Rome



ANNEX I

**MADAGASCAR**

Gouverneur	Yvan RANDRIASANDRATRINIONY Ministre de l'agriculture, de l'élevage et de la pêche Antananarivo
Gouverneur suppléant	Solofoniaina RAMIARAMANANA Conseiller Chargé d'affaires, a.i. Ambassade de la République de Madagascar Rome
Conseiller	Monsieur MONJA Conseiller Représentant permanent adjoint de la République de Madagascar auprès du FIDA Rome
Conseiller	Christian RAOLISOA Chef de protocole Ministère de l'agriculture, de l'élevage et de la pêche Antananarivo

**MALAYSIA**

Alternate Governor	Shamsudin BIN ABDULLAH Ambassador of Malaysia to the United Nations Agencies for Food and Agriculture Rome
Adviser	Muhamad Nahar BIN JH. MOHD SIDEK Assistant Agricultural Attaché Alternate Permanent Representative of Malaysia to the United Nations Agencies for Food and Agriculture Rome
Adviser	Mohd Hadtamizi ABU BAKAR Third Secretary Alternate Permanent Representative of Malaysia to the United Nations Agencies for Food and Agriculture Rome



ANNEX I

**MALDIVES**

Governor	Abdul Rasheed HUSSAIN Minister for Fisheries, Agriculture and Marine Resources Malé
Adviser	Mohamed ZUHAIR Assistant Director-General Ministry of Fisheries, Agriculture and Marine Resources Malé

**MALI**

Gouverneur	Seydou TRAORÉ Ministre de l'agriculture, de l'élevage et de la pêche Bamako
Gouverneur suppléant	Ibrahim Bocar DAGA Ambassadeur de la République du Mali auprès du FIDA Rome
Conseiller	Matallah SABANE TRAORÉ Conseiller technique du Ministre de l'agriculture, de l'élevage et de la pêche Bamako
Conseiller	Mamadou NADIO Coordinateur des projets FIDA au Mali Ministère de l'agriculture, de l'élevage et de la pêche Bamako
Conseiller	Fatogoma DIARRA Coordinateur de l'Agence nationale de coordination et de gestion du Fonds de développement en zone sahélienne Ministère de l'agriculture, de l'élevage et de la pêche Bamako

**MALI (cont'd)**

Conseiller	Zana COULIBALY Directeur du Projet de diversification des revenus en zone non cotonnière Mali-Sud Ministère de l'agriculture, de l'élevage et de la pêche Bamako
Conseiller	Hamzata Moussa DIALLO Directeur du Projet de développement dans la zone lacustre Phase II Niafunké Ministère de l'agriculture, de l'élevage et de la pêche Bamako
Conseiller	Mamadou LAMINE TRAORÉ Chargé de projets Sous-direction des opérations Direction générale de la dette publique Ministère de l'économie et des finances Bamako
Conseiller	Founé SYLLA Premier Conseiller Représentant permanent suppléant de la République du Mali auprès du FIDA Rome
Conseiller	Modibo Mahamane TOURÉ Deuxième Conseiller Représentant permanent suppléant de la République du Mali auprès du FIDA Rome
Conseiller	El Hadji Sidi TRAORÉ Attaché (Affaires administratives) Représentant permanent suppléant de la République du Mali auprès du FIDA Rome



ANNEX I

**MALTA**

Governor  
Abraham BORG  
Ambassador of the Republic  
of Malta to IFAD  
Rome

Adviser  
Mikela TABONE  
First Secretary  
Alternate Permanent Representative  
of the Republic of Malta to IFAD  
Rome

**MAURITANIA**

Gouverneur  
(provisoire)  
Marièm MINT MOHAMED AHMEDOU  
Premier Conseiller  
Représentant permanent suppléant  
de la République islamique de  
Mauritanie auprès du FIDA  
Rome

**MAURITIUS**

Alternate Governor  
Kan Oye FONG WENG-POORUN  
Permanent Assistant Secretary  
Ministry of Agriculture,  
Food Technology and  
Natural Resources  
Port Louis

Adviser  
Denis CANGY  
Consul of the Republic  
of Mauritius  
Rome

**MEXICO**

Gobernador  
Rafael TOVAR Y DE TERESA  
Embajador de los Estados Unidos  
Mexicanos ante el FIDA  
Roma

Gobernador Suplente  
V́ctor Hugo MORALES MELÉNDEZ  
Consejero  
Representante Permanente Adjunto  
de los Estados Unidos Mexicanos  
ante el FIDA  
Roma



**MEXICO (cont'd)**

Asesor  
Sergio SOTO PRANTE  
Coordinador General de Microrregiones  
Secretaría de Desarrollo Social  
México, D.F.

**MOROCCO**

Gouverneur  
Hassan BENEBDERAZIK  
Secrétaire général  
Ministère de l'agriculture et  
du développement rural  
Rabat

Conseiller  
Ahmed AFAILAL  
Chef de Division des activités  
opérationnelles  
Ministère des affaires étrangères  
et de la coopération  
Rabat

Conseiller  
Ahmed FAOUZI  
Ministre plénipotentiaire  
Représentant permanent adjoint  
du Royaume du Maroc  
auprès du FIDA  
Rome

**MOZAMBIQUE**

Governor  
(acting)  
Manuel CHANG  
Vice-Minister of Planning  
and Finance  
Maputo

Alternate Governor  
(acting)  
Francisco Elias Paulo CIGARRO  
Ambassador of the Republic of  
Mozambique to the United Nations  
Food and Agriculture Agencies  
Rome

Adviser  
Abel GONÇALVES LOPES  
Executive Director  
Institute for the Management  
of State Shares  
Maputo



ANNEX I

**MOZAMBIQUE (cont'd)**

Adviser	António PINTO DE ABREU Executive Director Bank of Mozambique Maputo
Adviser	Isabel Maria SUMAR Head of Loans Department Ministry of Planning and Finance Maputo
Adviser	Elsa CHAMBAL Desk Officer Bank of Mozambique Maputo
Adviser	Carla Elisa MUCAVI First Secretary Alternate Permanent Representative of the Republic of Mozambique to the United Nations Food and Agriculture Agencies Rome

**MYANMAR**

Governor (acting)	Khin MAUNG AYE Ambassador of the Union of Myanmar to IFAD Rome
Adviser	Aung MYINT Minister Counsellor Alternate Permanent Representative of the Union of Myanmar to IFAD Rome

**NAMIBIA**

Governor	Paul SMIT Deputy Minister for Agriculture, Water and Rural Development Windhoek
Alternate Governor (acting)	Vicky NAUDILI Project Support Services Ministry of Agriculture, Water and Rural Development Windhoek





ANNEX I

**NETHERLANDS**

Governor (acting)	Pieter VERBEEK Adviser to the Director-General for International Cooperation Ministry of Foreign Affairs The Hague
Alternate Governor	Ewald WERMUTH Ambassador of the Kingdom of The Netherlands to the United Nations Organizations for Food and Agriculture Rome
Adviser	Jeroen T.M.G. STEEGHS Counsellor Deputy Permanent Representative of the Kingdom of The Netherlands to the United Nations Organizations for Food and Agriculture Rome

**NEW ZEALAND**

Alternate Governor	Godfrey R.B. PAYNE First Secretary Alternate Permanent Representative of New Zealand to the United Nations Agencies for Food and Agriculture Rome
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**NICARAGUA**

Gobernador	José CUADRA CHAMORRO Embajador de la República de Nicaragua ante el FIDA Roma
Gobernador Suplente	Amelia Silvia CABRERA Ministra Consejera Representante Permanente Adjunta de la República de Nicaragua ante el FIDA Roma



ANNEX I

**NIGER**

Gouverneur (provisoire)	Adam MAÏGA ZAKARIAOU Conseiller Représentant permanent adjoint de la République du Niger auprès du FIDA Rome
Conseiller	Abdoulmoumine HADJO YAYE Conseiller Représentant permanent suppléant de la République du Niger Rome

**NIGERIA**

Governor (acting)	Malam Adamu BELLO Federal Minister for Agriculture and Rural Development Abuja
Alternate Governor (acting)	Gabriel LOMBIN Minister Permanent Representative of the Federal Republic of Nigeria to the United Nations Food and Agriculture Agencies Rome
Adviser	Salisu INGAWA Director Project Co-ordinating Unit Federal Ministry of Agriculture and Rural Development Abuja
Adviser	Mallam BABA FADA Director of Agriculture Federal Ministry of Agriculture and Rural Development Abuja
Adviser	E. O. OKEKE Director Department of Rural Development Federal Ministry of Agriculture and Rural Development Abuja



**NIGERIA (cont'd)**

Adviser  
Aliyu ISMAIL  
Special Assistant to the Minister for  
Agriculture and Rural Development  
Abuja

**NORWAY**

Governor  
(acting)  
Ingrid GLAD  
Assistant Director-General  
Department of Multilateral Affairs  
Ministry of Foreign Affairs  
Oslo

Alternate Governor  
(acting)  
Anne Kristin HERMANSEN  
Senior Adviser  
Multilateral Bank and Finance Section  
Department of Multilateral Affairs  
Ministry of Foreign Affairs  
Oslo

Adviser  
Margaret SLETTEVOLD  
Minister Counsellor  
Permanent Representative of the  
Kingdom of Norway to IFAD  
Rome

**OMAN**

Governor  
Khalfan Saleh Mohammed AL NA'ABI  
Under-Secretary  
Ministry of Agriculture  
and Fisheries  
Muscat

Alternate Governor  
(acting)  
Khalifa Salim Mohamed AL KIYUMI  
Director-General  
Agriculture and Fisheries  
Al Batena Region  
Ministry of Agriculture  
and Fisheries  
Muscat

Adviser  
Rasmi MAHMOUD  
Liaison Officer  
Embassy of the Sultanate  
of Oman  
Rome



ANNEX I

**OMAN (cont'd)**

Adviser  
Hafidh Hamal AL-RAWAHI  
First Secretary  
Alternate Permanent Representative  
of the Sultanate of Oman to IFAD  
Rome

**PAKISTAN**

Governor  
(acting)  
Sikandar Hayat KHAN BOSAN  
Minister of State for Food,  
Agriculture and Livestock  
Islamabad

Alternate Governor  
Waqar Masood KHAN  
Secretary  
Economic Affairs Division  
Ministry of Finance and  
Economic Affairs  
Islamabad

Adviser  
Adnan BASHIR KHAN  
Agricultural Counsellor  
Alternate Permanent Representative  
of the Islamic Republic of Pakistan  
to IFAD  
Rome

**PANAMA**

Gobernador  
(interino)  
Rafael E. FLORES C.  
Viceministro de Desarrollo  
Agropecuario  
Panamá

Gobernador Suplente  
Horacio J. MALTEZ  
Ministro Consejero  
Representante Permanente Adjunto  
de la República de Panamá  
ante el FIDA  
Roma



ANNEX I

**PARAGUAY**

Gobernador Suplente  
(interino)

Ana María BAIARDI QUESNEL  
Consejera  
Representante Permanente Alternativa  
de la República del Paraguay  
ante el FIDA  
Roma

Asesor

Carlos Ramón VERA AGUILERA  
Tercer Secretario  
Representante Permanente Alternativo  
de la República del Paraguay  
ante el FIDA  
Roma

**PERU**

Gobernador

Roberto SEMINARIO  
Ministro  
Encargado de Negocios, a.i.  
Representante Permanente Adjunto  
de la República del Perú  
ante el FIDA  
Roma

Gobernador Suplente

Oswaldo DEL ÁGUILA RAMÍREZ  
Primer Secretario  
Representante Permanente Alternativo  
de la República del Perú  
ante el FIDA  
Roma

**PHILIPPINES**

Governor  
(acting)

Maria Luisa GAVINO  
Assistant Agricultural Attaché  
Alternate Permanent Representative  
of the Republic of The Philippines  
to IFAD  
Rome

**PORTUGAL**

Governor

Carlos Manuel Inácio FIGUEIREDO  
National Institute for Agricultural Support  
Ministry of Agriculture, Rural  
Development and Fisheries  
Lisbon



**PORTUGAL (cont'd)**

Alternate Governor	Carlos Manuel DOS SANTOS FIGUEIREDO Head of Department Coordination of International Relations General Directorate for European and International Affairs Ministry of Finance Lisbon
Adviser	Nuno MOREIRA Head of Timor-Leste Agricultural Mission Ministry of Agriculture, Rural Development and Fisheries Lisbon
Adviser	Arnaud DE LATOUR Representative Intercooperation and Development Lisbon
Adviser	João Miguel FREITAS Counsellor Chargé d'affaires, a.i. Deputy Permanent Representative of the Portuguese Republic to the United Nations Agencies for Food and Agriculture Rome

**QATAR**

Governor (acting)	Mohamed Bin Issa AL MUHANNADI Minister of State for the Affairs of the Ministers' Council Doha
Alternate Governor (acting)	Ali Fahad AL-HAJRI Ambassador of the State of Qatar to IFAD Rome
Adviser	Mohamed Bin Fahad AL-FIHANI Under-Secretary for Agricultural Affairs Ministry of Municipal Affairs and Agriculture Doha



**QATAR (cont'd)**

Adviser	Ali Mohamed JABOR AL-KUBAISI Director Department for Agricultural Development Ministry of Municipal Affairs and Agriculture Doha
Adviser	Abdel Rahman Youssef AL-MAHMOUD Director Agricultural and Water Resources Management Ministry of Municipal Affairs and Agriculture Doha
Adviser	Ahmed Rashid AL BURSHID Public Relations Embassy of the State of Qatar Rome
Adviser	Akeel HATOOR Adviser Embassy of the State of Qatar Rome

**REPUBLIC OF KOREA**

Governor	Song YOUNG-OH Ambassador of the Republic of Korea to IFAD Rome
Alternate Governor	Kim KYEONG-KYU First Secretary Agricultural Attaché Alternate Permanent Representative of the Republic of Korea to IFAD Rome
Adviser	Kim EUNG-BON Deputy Director Multilateral Cooperation Division Ministry of Agriculture and Forestry Seoul



**REPUBLIC OF KOREA (cont'd)**

Adviser Kwon YOUNG-A  
Assistant Director  
United Nations Division  
Ministry of Foreign Affairs  
and Trade  
Seoul

Adviser Kyung-yul HAN  
Second Secretary  
Alternate Permanent Representative  
of the Republic of Korea to IFAD  
Rome

**REPUBLIC OF MOLDOVA**

Alternate Governor Viorel GUTU  
Head  
Investment Programmes and  
Technical Assistance  
Departement  
Ministry of Agriculture  
and Food Industry  
Kishinau

Adviser Ala BELEAVSCHI  
First Secretary  
Alternate Permanent Representative  
of the Republic of Moldova to the  
United Nations Agencies for Food  
and Agriculture  
Rome

**ROMANIA**

Gouverneur  
(provisoire) Gabriela DUMITRIU  
Conseiller  
Représentante permanente adjointe  
de la Roumanie auprès du FIDA  
Rome

Gouverneur suppléant  
(provisoire) Ioan PAVEL  
Conseiller  
Direction pour les Nations Unies  
Ministère des affaires étrangères  
Bucarest





ANNEX I

**RWANDA**

Governor	Ephraim KABAIJA Minister for Agriculture, Livestock and Forestry Kigali
Adviser	Alfred MUTEBWA Director of Planning and Agricultural Statistics Ministry of Agriculture, Livestock and Forestry Kigali

**SAUDI ARABIA**

Governor (acting)	Abdallah Bin Abdallah AL-OBEID Deputy Minister and Under Secretary for Research and Agricultural Development Ministry of Agriculture Riyadh
Alternate Governor (acting)	Ahmad Ben Souleiman AL-AQUIL Minister Plenipotentiary Permanent Representative of the Kingdom of Saudi Arabia to FAO Rome
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ANNEX I

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Conseiller  
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**SOUTH AFRICA**

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Alternate Governor  
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Ministry of Agriculture  
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Chief Executive Officer  
Swaziland Komati  
Project Enterprise  
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Adviser	Mats ÅBERG Deputy Director Ministry of Foreign Affairs Stockholm
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Conseiller	Hubert POFFET Conseiller Représentant permanent de la Confédération suisse auprès des Organisations des Nations Unies Rome

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**TANZANIA, UNITED REPUBLIC OF**

Governor	Charles N. KEENJA Minister for Agriculture and Food Security Dar-es-Salaam
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**THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA**

Governor (acting)	Slavko PETROV Minister for Agriculture, Forestry and Water Economy Skopje
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**TONGA**

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**TUNISIA**

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ANNEX I

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**UGANDA**

Governor (acting)	Wilburforce KISAMBA-MUGERWA Minister for Agriculture, Animal Industry and Fisheries Entebbe
Alternate Governor (acting)	Vincent KIRABOKYAMARIA Ambassador of the Republic of Uganda to IFAD Rome



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**URUGUAY**

Gobernador Carlos Alejandro BARROS OREIRO  
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**VENEZUELA**

Gobernador Douglas UNGREDDA  
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Promoción y Desarrollo  
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ANNEX I

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ANNEX I

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مراقبون من الدول الأعضاء بالأمم المتحدة

**OBSERVERS FROM UNITED NATIONS MEMBER STATES**

**OBSERVATEURS D'ÉTATS MEMBRES DES NATION UNIES**

**OBSERVADORES DE LOS ESTADOS MIEMBROS DE LAS NACIONES UNIDAS**

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ANNEX I

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الكروسي الرسولي

**HOLY SEE**

**SAINT-SIÈGE**

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Lelio BERNARDI  
Conseiller  
Cité du Vatican

Giovanni TEDESCO  
Conseiller  
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**L'AUTORITÉ PALESTINIENNE**

**LA AUTORIDAD PALESTINA**

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Walid ABED RABBOH  
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ممثلون عن الأمم المتحدة والوكالات المتخصصة

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ANNEX I

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مراقبون من المنظمات الحكومية الدولية

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**Arab Organization for Agricultural  
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**Asian Development Bank**

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**International Center for Agricultural  
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**International Grains Council**

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**International Livestock Research Institute**

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**Organisation for Economic Co-operation  
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**Permanent Interstate Committee for  
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Yamar MBODJ  
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**West African Development Bank**

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مراقبون من المنظمات غير الحكومية

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**OBSERVATEURS DES ORGANISATIONS NON GOUVERNEMENTALES**

**OBSERVADORES DE LAS ORGANIZACIONES NO GUBERNAMENTALES**

**Bread for the World**

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**Centre for Environment and Development  
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Kamal A. SABET  
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**International Federation of Agricultural  
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David KING  
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Sekou Oumar TALL  
President of the IFAP Permanent  
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ANNEX I

**International Federation of Business and  
Professional Women**

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**International Juridical Organization for  
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Arthur Muliro WAPAKALA  
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Editor Development  
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ANNEX II



**IFAD**  
**INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT**  
**Governing Council - Twenty-Fifth Anniversary Session**  
Rome, 19-20 February 2003

**AGENDA AND PROGRAMME OF EVENTS**

1. The Twenty-Fifth Anniversary Session of the Governing Council will mark the official opening of the one-year anniversary period. This anniversary year is an opportunity to communicate, to reflect on the Fund's achievements over the last quarter century and to advocate IFAD's mission – "Enabling the Rural Poor to Overcome their Poverty". It is also a time to look to the future and the challenge posed by the Millennium Development Goals "to halve, by the year 2015, the proportion of the world's people whose income is less than one dollar a day".
2. In this regard, the President of IFAD has proposed "Achieving the Millennium Development Goals by Enabling the Rural Poor to Overcome their Poverty" as the theme for an interactive panel discussion.
3. As may be seen from the Programme of Events, the panel discussion – guided by high-level experts – will be held in the plenary during the first day of the Session. On the second day, four round-table discussions on specific topics will be held simultaneously. National delegations are invited to attend the round-table discussions of their choice and, in order to maximize interaction, may even wish to have different members attend different discussion groups.



ANNEX II

**AGENDA**

1. Opening of the Session
2. Adoption of the Agenda
3. Application for Non-Original Membership
4. Statement of the President of IFAD
5. General Statements
6. Report on the Fifth Replenishment of IFAD's Resources
7. Sixth Replenishment of IFAD's Resources
8. Audited Financial Statements of IFAD – 31 December 2001
9. Administrative Budget of IFAD for 2003
10. Election of Members and Alternate Members to the Executive Board
11. Report on the IFAD V: Plan of Action (2000-2002)
12. Progress Report on the Process Re-Engineering Programme (Strategic Change Programme)
13. Progress Report on the Popular Coalition to Eradicate Hunger and Poverty
14. Progress Report on the Global Mechanism of the United Nations Convention to Combat Desertification
15. Other Business

Approval of Disclosure of Documents

ANNEX II

**PROGRAMME OF EVENTS**

**WEDNESDAY, 19 FEBRUARY 2003**

**Morning Meeting 10.00-13.00 hours**

10.00-13.00 hours **Inaugural Ceremony**

The President of the Italian Republic, His Excellency Carlo Azeglio Ciampi and the Secretary-General of the United Nations, Mr Kofi Annan, will jointly inaugurate the Session.

**Commencement of Agenda Items as Indicated on the Agenda**

**Afternoon Meeting 14.30-18.30 hours**

15.00-17.00 hours **Panel Discussion on the Theme: *Achieving the Millennium Development Goals by Enabling the Rural Poor to Overcome Their Poverty***

The interactive panel discussion will provide an opportunity for dialogue on the theme and will include a question-and-answer period. The panel will be composed of high-level experts together with the President of IFAD and the Chairman of the Governing Council.

17.00-18.30 hours **Continuation of Agenda Items**

**THURSDAY, 20 FEBRUARY 2003**

**Morning Meeting 09.30-13.00 hours**

09.30-10.20 hours **Continuation of Agenda Items**

10.30-13.00 hours **Round-Table Discussions**

Four round tables will be held simultaneously on the following topics:

- Indigenous People and Sustainable Development
- Promoting Market Access for the Rural Poor to Achieve the Millennium Development Goals
- Transforming Rural Institutions in Order to Reach the Millennium Development Goals
- Women as Agents of Change

**Afternoon Meeting 15.00-18.00 hours**

15.00-18.00 hours **Conclusion of Remaining Agenda Items, Including General Statements  
Closure of the Session**

**LIST OF DOCUMENTS PLACED BEFORE THE  
TWENTY-FIFTH ANNIVERSARY SESSION OF THE GOVERNING COUNCIL**

<b>Document No.</b>	<b>Agenda Item</b>	<b>Title</b>
GC 26/L.1/Rev.1	2	Agenda and Programme of Events
GC 26/L.1/Add.1		Schedule of Work for the Session
GC 26/L.2	3	Application for Non-Original Membership
GC 26/L.3 + Add.1	6	Progress Report on the Fifth Replenishment of IFAD's Resources
GC 26/L.4 + Add.1	7	Enabling the Rural Poor to Overcome their Poverty: Report of the Consultation on the Sixth Replenishment of IFAD's Resources (2004-2006)
GC 26/L.5	8	Audited Financial Statements of IFAD – 31 December 2001
GC 26/L.6 + Add.1	9	Programme of Work and Administrative Budget of IFAD for 2003
GC 26/L.7	9	After-Service Medical Coverage Scheme
GC 26/L.8 + Add.1 + Add.2	10	Election of Members and Alternate Members to the Executive Board
GC 26/L.9/Rev.1	11	Report on the IFAD V: Plan of Action (2000-2002)
GC 26/L.10	12	Progress Report on the Process Re-Engineering Programme (Strategic Change Programme)
GC 26/L.11	13	Progress Report on the Popular Coalition to Eradicate Hunger and Poverty
GC 26/L.12	14	Progress Report on the Global Mechanism of the United Nations Convention to Combat Desertification in Those Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa
GC 26/INF.1		Arrangements for the Twenty-Fifth Anniversary Session of the Governing Council
GC 26/INF.2		General Statements – Information for Delegates
GC 26/INF.3		IFAD's Participation in the Debt Initiative for Heavily Indebted Poor Countries: Progress Report 2002



## ANNEX III

<b>Document No.</b>	<b>Agenda Item</b>	<b>Title</b>
GC 26/INF.4		Interactive Dialogue on the Theme: Achieving the Millennium Development Goals by Enabling the Rural Poor to Overcome their Poverty
GC 26/INF.5 + Rev.1		Round Table Discussions
GC 26/INF.6		Twenty-Fifth Anniversary of IFAD
GC 26/INF.7/Rev.2		List of Participants at the Twenty-Fifth Anniversary Session of the Governing Council
GC 26/INF.8		Financial Highlights for the Year Ended 31 December 2002
GC 26/INF.9 + Rev.1 + Rev.2		Order of Speakers – Statements Delivered during Plenary Meetings
GC 26/Resolutions/Rev.1		Resolutions Adopted by the Governing Council at its Twenty-Fifth Anniversary Session
Summary of Round-Table Discussions		Summary of Round Table Discussions presented by Mr Klemens van de Sand, Assistant President, Project Management Department
Summary of the Panel Discussion		Achieving the Millennium Development Goals by Enabling the Rural Poor to Overcome their Poverty
Closing Statement		Statement by the Chairman, His Excellency Bungaran Saragih, Closing the Twenty-Fifth Anniversary Session of the Governing Council



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ANNEX IV



**IFAD**  
**INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT**  
**Governing Council - Twenty-Fifth Anniversary Session**  
Rome, 19-20 February 2003

**RESOLUTIONS ADOPTED BY THE GOVERNING COUNCIL**  
**AT ITS TWENTY-SIXTH SESSION**

1. The Governing Council, at its Twenty-Sixth Session, adopted Resolutions 129/XXVI, 130/XXVI, 131/XXVI and 132/XXVI on 19 February 2003.
2. These Resolutions are transmitted for the information of all Members of IFAD.



## **APPROVAL OF NON-ORIGINAL MEMBERSHIP OF THE FUND**

### **Resolution 129/XXVI**

#### **Approval of Non-Original Membership of the Fund**

##### **The Governing Council of IFAD,**

**Taking into account** Articles 3.2(b) and 13.1(c) of the Agreement Establishing IFAD and Section 10 of the By-laws for the Conduct of the Business of IFAD;

**Having considered** the application for non-original membership by the Democratic Republic of Timor-Leste, transmitted to the Council in document GC 26/L.2, and the recommendation of the Executive Board thereon;

**Approves** the membership of the Democratic Republic of Timor-Leste.



## THE SIXTH REPLENISHMENT OF IFAD'S RESOURCES

### Resolution 130/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



ANNEX IV

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 four hundred and sixty million eight hundred and fifty-seven thousand three hundred and eighteen United States dollars (USD 460 857 318), 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 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



## ANNEX IV

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 Contribution<sup>1</sup> 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.

<sup>1</sup> 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.



ANNEX IV

- (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 Payments<sup>2</sup>

### (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.

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<sup>2</sup> 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



## ANNEX IV

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, \_\_\_\_\_<sup>A</sup> ( \_\_\_\_\_<sup>A</sup> ) new votes are hereby created for the Replenishment ("Sixth Replenishment Votes"). Those votes shall be distributed as follows:

- (a) **Membership Votes.** \_\_\_\_\_<sup>A</sup> ( \_\_\_\_\_<sup>A</sup> ) 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 \_\_\_\_\_<sup>A</sup> ( \_\_\_\_\_<sup>A</sup> ) 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 \_\_\_\_\_<sup>A</sup> ( \_\_\_\_\_<sup>A</sup> ) 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 \_\_\_\_\_<sup>A</sup> ( \_\_\_\_\_<sup>A</sup> ) 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.

<sup>A</sup> To be inserted by the Secretariat six months after the date of the adoption of this Resolution (see paragraph II.4(b) above).



ANNEX IV

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 20 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 <sup>2/</sup>		Unit of Obligation <sup>3/</sup>	Amount of Contribution in Unit of Obligation	Amount in USD <sup>4/</sup>	Equivalent in SDR <sup>5/</sup>
	Pledges A-1	Payments <sup>1/</sup> A-2	Pledges A-3	Payments <sup>1/</sup> 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	100 000	100 000	76 350
Bhutan	51 000	51 000	27 000	27 000	USD			
Bolivia	650 000	600 000	300 000	50 000	USD	300 000	300 000	229 050
Bosnia and Herzegovina					USD			
Botswana	150 000	160 000	75 000	75 000	USD	100 000	100 000	76 350
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	300 000	300 000	229 050
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 20 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 <sup>2/</sup>		Unit of Obligation <sup>3/</sup>	Amount of Contribution in Unit of Obligation	Amount in USD <sup>4/</sup>	Equivalent in SDR <sup>5/</sup>
	Pledges A-1	Payments <sup>1/</sup> A-2	Pledges A-3	Payments <sup>1/</sup> 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	USD			
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	4 600 000	4 429 039	3 381 571
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 <sup>6/</sup>	40 000 000	30 540 000
Ghana	650 000	666 487	300 000		USD			
Greece	1 820 000	1 750 000	600 000	600 000	EUR	623 160	600 000	458 100





Sixth Replenishment  
Contributions of Member Countries as at 20 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 <sup>2/</sup>		Unit of Obligation <sup>3/</sup>	Amount of Contribution in Unit of Obligation	Amount in USD <sup>4/</sup>	Equivalent in SDR <sup>5/</sup>	
	Pledges A-1	Payments <sup>1/</sup> A-2	Pledges A-3	Payments <sup>1/</sup> A-4					B-1
Grenada	25 000	25 000	25 000	25 000	USD				
Guatemala	250 000	443 022	250 000	250 000	USD	64 592 <sup>7/</sup>	64 592	49 316	
Guinea	135 000	135 000	35 000	35 000	USD	70 000	70 000	53 445	
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	5 000 000	5 000 000	3 817 500	
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	60 000	60 000	45 810	
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 20 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 <sup>2/</sup>		Unit of Obligation <sup>3/</sup>	Amount of Contribution in Unit of Obligation	Amount in USD <sup>4/</sup>	Equivalent in SDR <sup>5/</sup>	
	Pledges A-1	Payments <sup>1/</sup> A-2	Pledges A-3	Payments <sup>1/</sup> 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	4 299 643	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	18 350 000	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	2 000 000	2 000 000	1 527 000	
Panama	99 965	99 965	33 200	33 200	USD	33 200	33 200	25 348	
Papua New Guinea	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	199 999	USD				
Portugal	1 750 000	1 750 000	750 000	750 000	EUR	778 950	750 000	572 625	
Qatar	28 980 000	19 217 467			USD	1 000 000	1 000 000	763 500	
Republic of Korea	5 090 000	5 090 000	2 500 000	1 625 000	USD	2 500 000	2 500 000	1 908 750	
Republic of Moldova					USD				



Sixth Replenishment  
Contributions of Member Countries as at 20 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 <sup>2/</sup>		Unit of Obligation <sup>3/</sup>	Amount of Contribution in Unit of Obligation	Amount in USD <sup>4/</sup>	Equivalent in SDR <sup>5/</sup>
	Pledges A-1	Payments <sup>1/</sup> A-2	Pledges A-3	Payments <sup>1/</sup> 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	2 596 500	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 <sup>8/</sup>					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 20 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 <sup>2/</sup>		Unit of Obligation <sup>3/</sup>	Amount of Contribution in Unit of Obligation	Amount in USD <sup>4/</sup>	Equivalent in SDR <sup>5/</sup>
	Pledges A-1	Payments <sup>1/</sup> A-2	Pledges A-3	Payments <sup>1/</sup> 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			
<b>Total*</b>	<b>3 555 758 569</b>	<b>3 330 363 335</b>	<b>443 165 873</b>	<b>251 517 138</b>			<b>460 857 318*</b>	<b>351 864 562*</b>

Complementary Contributions to Replenishments

State	A. Previous Contributions (USD)**		Fifth Replenishment <sup>2/</sup>		B. Complementary Contributions Pledged to the Sixth Replenishment			
	Fourth Replenishment		Pledges	Payments <sup>1/</sup>	Unit of Obligation <sup>3/</sup>	Amount of Contribution in Unit of Obligation	Amount in USD <sup>4/</sup>	Equivalent in SDR <sup>5/</sup>
	Pledges	Payments <sup>1/</sup>						
Belgium	25 205 404	25 205 404	15 490 587	15 490 587	EUR	16 400 000 <sup>9/</sup>	15 790 487	12 056 037
India					USD	1 000 000 <sup>10/</sup>	1 000 000	763 500
Italy			3 874 193		EUR			
Netherlands	15 400 000	11 568 715			EUR			
United Kingdom					GBP	6 569 000 <sup>11/</sup>	10 000 000	7 635 000
<b>Total*</b>	<b>40 605 404</b>	<b>36 774 119</b>	<b>19 364 780</b>	<b>15 490 587</b>	-----	-----	<b>26 790 487*</b>	<b>20 454 537*</b>
<b>Total Replenishment*</b>	<b>3 596 363 973</b>	<b>3 367 137 454</b>	<b>462 530 653</b>	<b>267 007 725</b>	-----	-----	<b>487 647 805*</b>	<b>372 319 099*</b>

- 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: British 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 State has yet to decide in which unit of obligation it will contribute.
- 7/ This amount has been paid as an advance contribution, but no pledge has yet been received.
- 8/ The application for membership in IFAD of this State was approved by the Governing Council by Resolution 129/XXVI.
- 9/ 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 Belgian Survival Fund for the Third World, and in conformity with its procedures.
- 10/ 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.
- 11/ 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.





ANNEX IV  
ATTACHMENT B

**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 20 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 <sup>1/</sup>		D-4	E-1	E-2
									Potential <sup>2/</sup>	Actual			
	Member- ship Votes	Contribution Votes <sup>1/</sup>	Total Votes	Member- ship Votes	Contribution Votes <sup>1/</sup>	Total Votes		Member- ship Votes	Potential <sup>2/</sup>	Actual	Actual Total Votes	Potential Total Votes <sup>2/</sup>	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	17.140	22.017	1.416	0.406	1.822	23.839						
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	1.863	6.740	1.416	0.560	1.976	8.716						
Armenia	4.877	0.000	4.877	1.416	0.000	1.416	6.293						
Australia	4.877	11.827	16.703	1.416	5.077	6.493	23.196						
Austria	4.877	7.034	11.911	1.416	6.266	7.682	19.593						
Azerbaijan	4.877	0.000	4.877	1.416	0.000	1.416	6.293						
Bangladesh	4.877	0.432	5.309	1.416	0.600	2.016	7.324						
Barbados	4.877	0.001	4.878	1.416	0.003	1.419	6.296						
Belgium	4.877	15.691	20.568	1.416	7.303	8.719	29.286						
Belize	4.877	0.036	4.913	1.416	0.063	1.479	6.391						
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	0.143	1.559	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	6.568	11.445	1.416	7.912	9.328	20.773						
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	6.336						
Cameroon	4.877	0.117	4.994	1.416	0.037	1.453	6.447						
Canada	4.877	36.927	41.804	1.416	20.660	22.076	63.880						
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	4.045	8.921	1.416	3.174	4.590	13.511						

Sixth Replenishment  
Votes of Member Countries as at 20 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 <sup>1/</sup>	A-3 Total Votes	B-1 Member- ship Votes	B-2 Contribution Votes <sup>1/</sup>	B-3 Total Votes		D-1 Member- ship Votes	Contribution Votes <sup>1/</sup>		D-4 Actual Total Votes	E-1 Potential Total Votes <sup>2/</sup>	E-2 Actual Total Votes
									D-2 Potential <sup>2/</sup>	D-3 Actual			
Colombia	4.877	0.024	4.901	1.416	0.137	1.553	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	5.049	1.416	0.409	1.825	6.875						
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	11.454	16.331	1.416	21.400	22.816	39.146						
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	0.093	1.509	6.521						
Egypt	4.877	1.729	6.605	1.416	2.998	4.414	11.019						
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	6.357						
Fiji	4.877	0.045	4.921	1.416	0.024	1.440	6.361						
Finland	4.877	7.552	12.429	1.416	2.441	3.857	16.286						
France	4.877	45.087	49.964	1.416	19.508	20.924	70.888						
Gabon	4.877	0.750	5.626	1.416	0.000	1.416	7.042						
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	61.005	65.881	1.416	25.650	27.066	92.947						
Ghana	4.877	0.127	5.003	1.416	0.112	1.528	6.531						
Greece	4.877	0.398	5.274	1.416	0.600	2.016	7.290						





Sixth Replenishment  
Votes of Member Countries as at 20 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 <sup>1/</sup>		D-4	E-1	E-2
	Member- ship Votes	Contribution Votes <sup>1/</sup>	Total Votes	Member- ship Votes	Contribution Votes <sup>1/</sup>	Total Votes		Member- ship Votes	Potential <sup>2/</sup>	Actual	Actual Total Votes	Potential Total Votes <sup>2/</sup>	Actual Total Votes
Grenada	4.877	0.009	4.885	1.416	0.016	1.432	6.317						
Guatemala	4.877	0.086	4.963	1.416	0.229	1.645	6.608						
Guinea	4.877	0.041	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	6.672	11.549	1.416	8.369	9.785	21.334						
Indonesia	4.877	5.863	10.739	1.416	8.116	9.532	20.272						
Iran	4.877	4.780	9.656	1.416	0.000	1.416	11.072						
Iraq	4.877	2.172	7.049	1.416	0.000	1.416	8.465						
Ireland	4.877	1.203	6.080	1.416	0.957	2.373	8.453						
Israel	4.877	0.000	4.877	1.416	0.056	1.472	6.349						
Italy	4.877	36.806	41.683	1.416	10.977	12.393	54.076						
Jamaica	4.877	0.061	4.937	1.416	0.056	1.472	6.409						
Japan	4.877	62.835	67.711	1.416	23.575	24.991	92.703						
Jordan	4.877	0.088	4.965	1.416	0.121	1.537	6.502						
Kazakhstan	4.877	0.000	4.877	1.416	0.000	1.416	6.293						
Kenya	4.877	1.003	5.880	1.416	0.027	1.443	7.323						
Kuwait	4.877	45.302	50.178	1.416	6.853	8.269	58.447						
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	4.922	1.416	0.050	1.466	6.388						
Liberia	4.877	0.013	4.890	1.416	0.000	1.416	6.306						
Libyan Arab Jamahiriya	4.877	15.261	20.137	1.416	0.000	1.416	21.553						
Luxembourg	4.877	0.412	5.289	1.416	0.400	1.816	7.105						
Madagascar	4.877	0.035	4.911	1.416	0.055	1.471	6.382						
Malawi	4.877	0.025	4.902	1.416	0.000	1.416	6.318						

Sixth Replenishment  
Votes of Member Countries as at 20 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 <sup>1/</sup>		D-4	E-1	E-2
	Member- ship Votes	Contribution Votes <sup>1/</sup>	Total Votes	Member- ship Votes	Contribution Votes <sup>1/</sup>	Total Votes		Member- ship Votes	Potential <sup>2/</sup>	Actual	Actual Total Votes	Potential Total Votes <sup>2/</sup>	Actual Total Votes
Malaysia	4.877	0.000	4.877	1.416	0.343	1.759	6.636						
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	7.175	12.051	1.416	2.059	3.475	15.526						
Mongolia	4.877	0.000	4.877	1.416	0.000	1.416	6.293						
Morocco	4.877	1.037	5.914	1.416	0.485	1.901	7.815						
Mozambique	4.877	0.028	4.904	1.416	0.045	1.461	6.365						
Myanmar	4.877	0.086	4.963	1.416	0.000	1.416	6.379						
Namibia	4.877	0.007	4.883	1.416	0.112	1.528	6.411						
Nepal	4.877	0.021	4.897	1.416	0.019	1.435	6.332						
Netherlands	4.877	42.741	47.618	1.416	20.357	21.773	69.390						
New Zealand	4.877	2.416	7.292	1.416	1.249	2.665	9.958						
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	29.890	34.766	1.416	0.560	1.976	36.742						
Norway	4.877	29.810	34.687	1.416	18.340	19.756	54.443						
Oman	4.877	0.052	4.928	1.416	0.000	1.416	6.344						
Pakistan	4.877	1.245	6.121	1.416	1.999	3.415	9.536						
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	0.312	1.728	6.881						
Portugal	4.877	0.346	5.222	1.416	0.750	2.166	7.388						
Qatar	4.877	6.644	11.520	1.416	0.000	1.416	12.936						
Republic of Korea	4.877	0.895	5.772	1.416	1.951	3.367	9.139						
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 20 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 <sup>1/</sup>	A-3 Total Votes	B-1 Member- ship Votes	B-2 Contribution Votes <sup>1/</sup>	B-3 Total Votes		D-1 Member- ship Votes	Contribution Votes <sup>1/</sup>		D-4 Actual Total Votes	E-1 Potential Total Votes <sup>2/</sup>	E-2 Actual Total Votes
									D-2 Potential <sup>2/</sup>	D-3 Actual			
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	125.761	130.637	1.416	2.059	3.475	134.113						
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	6.299						
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	6.479						
Spain	4.877	2.213	7.089	1.416	1.785	3.201	10.290						
Sri Lanka	4.877	1.210	6.087	1.416	1.037	2.453	8.539						
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	33.114	37.990	1.416	19.009	20.425	58.415						
Switzerland	4.877	14.877	19.754	1.416	11.504	12.920	32.674						
Syria	4.877	0.000	4.877	1.416	0.213	1.629	6.505						
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	6.379						
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 <sup>3/</sup>													
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 20 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 <sup>1/</sup>		D-4	E-1	E-2
	Member- ship Votes	Contribution Votes <sup>1/</sup>	Total Votes	Member- ship Votes	Contribution Votes <sup>1/</sup>	Total Votes		Member- ship Votes	Potential <sup>2/</sup>	Actual	Actual Total Votes	Potential Total Votes <sup>2/</sup>	Actual Total Votes
Tunisia	4.877	0.277	5.153	1.416	0.574	1.990	7.143						
Turkey	4.877	1.732	6.609	1.416	2.893	4.309	10.918						
Uganda	4.877	0.107	4.984	1.416	0.045	1.461	6.445						
United Arab Emirates	4.877	16.656	21.533	1.416	0.999	2.415	23.948						
United Kingdom	4.877	33.002	37.878	1.416	8.218	9.634	47.512						
United States	4.877	187.607	192.483	1.416	20.588	22.004	214.487						
Uruguay	4.877	0.069	4.946	1.416	0.009	1.425	6.371						
Venezuela	4.877	55.482	60.359	1.416	4.373	5.789	66.148						
Viet Nam	4.877	0.001	4.878	1.416	0.225	1.641	6.519						
Yemen	4.877	0.207	5.084	1.416	0.382	1.798	6.882						
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	0.554	5.431	1.416	0.187	1.603	7.033						
<b>Total</b>	<b>790.000</b>	<b>1010.000</b>	<b>1800.000</b>	<b>229.396</b>	<b>310.110</b>	<b>539.506</b>	<b>2339.506</b>						

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

<sup>2/</sup> 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.

<sup>3/</sup> The application for membership in IFAD of this State was approved by the Governing Council in Resolution 129/XXVI. Upon deposit of its Instrument of Accession, the Membership Votes in Columns A-1, B-1 and D-1 will be redivided equally among all Member States, including Timor-Leste.



ANNEX IV  
ATTACHMENT D

**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 130/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).<sup>1</sup>

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.<sup>2</sup>

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

<sup>1</sup> 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.

<sup>2</sup> This paragraph should be deleted when not applicable.



ANNEX IV  
ATTACHMENT D

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

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)

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<sup>3</sup> This paragraph should be deleted when not applicable.

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

<b>Currency</b>	<b>Apr-02</b>	<b>May-02</b>	<b>Jun-02</b>	<b>Jul-02</b>	<b>Aug-02</b>	<b>Sep-02</b>	<b>Avg. 6 months</b>
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



## ADMINISTRATIVE BUDGET OF IFAD FOR 2003

### Resolution 131/XXVI

#### Administrative Budget of IFAD for 2003

##### The Governing Council of IFAD,

**Bearing in mind** Article 6.10 of the *Agreement Establishing IFAD* and Regulation VI of the *Financial Regulations of IFAD*;

**Noting** that, at its Seventy-Seventh Session, the Executive Board reviewed and agreed upon a programme of work of IFAD for 2003 in the amount of SDR 342.4 million and a total Programme Development Financing Facility of USD 27.6 million;

**Having considered** the review of the Seventy-Seventh Session of the Executive Board concerning the proposed administrative budget of IFAD for 2003;

**Approves** the administrative budget of IFAD for 2003, as contained in documents GC 26/L.6 and GC 26/L.6/Add.1, in the amount of USD 45.2 million determined on the basis of a rate of exchange of EUR 1.072/USD 1.00, and further authorizes the Executive Board to approve any funding still required after the receipt of voluntary contributions for the external independent evaluation of IFAD, which would be recorded as a one-time below-the-line cost of the proposed 2003 administrative budget; and

**Decides** that, in the event the average value of the United States Dollar in 2003 should change against the Euro rate of exchange used to calculate the budget, the total United States Dollar equivalent of the Euro expenditures in the budget shall be adjusted in the proportion that the actual exchange rate in 2003 bears to the budget exchange rate.





## THE ESTABLISHMENT OF AN IFAD TRUST FUND FOR THE AFTER-SERVICE MEDICAL COVERAGE SCHEME

### Resolution 132/XXVI

#### The Establishment of an IFAD Trust Fund for the After-Service Medical Coverage Scheme

#### The Governing Council of IFAD,

**Noting** the requirements of International Accounting Standard No. 19 to fully recognize its liability to employees and former employees in its financial statements and to transfer sufficient assets to cover this liability to a separate legal entity;

**Having considered** document GC 26/L.7 on after-service medical benefits;

#### **Decides:**

1. For the purpose of covering IFAD's liability to employees and former employees for the After-Service Medical Coverage Scheme (ASMCS) and to hold sufficient funds to cover such liability, a trust fund for the ASMCS will be established (the IFAD ASMCS Trust Fund).
2. IFAD is hereby appointed the administrator of the IFAD ASMCS Trust Fund.
3. The IFAD ASMCS Trust Fund is authorized to receive and hold the following resources:
  - (a) funds, in an amount to be specified by the Executive Board, that the Board may, from time to time, decide to transfer from IFAD's resources, including funds from the General Reserve of IFAD;
  - (b) the investment income earned on the IFAD ASMCS Trust Fund's own resources; and
  - (c) funds from other resources, subject to the approval of the Executive Board.
4. The Executive Board will periodically review the adequacy of the IFAD ASMCS Trust Fund's resources, taking into account the requirements of the International Accounting Standards. In that context, the Board may determine, from time to time, the maximum amount of resources to be held by the IFAD ASMCS Trust Fund.
5. IFAD will invest the resources of the IFAD ASMCS Trust Fund prudently, non-speculatively and in accordance with the same rules, guidelines and criteria on investment that it applies to its regular resources. Notwithstanding this, it will not invest IFAD ASMCS Trust Fund resources in equities or similar instruments.
6. The IFAD ASMCS Trust Fund will be used to meet IFAD's obligations to eligible former staff members and family members for after-service medical coverage. Should the level of the IFAD ASMCS Trust Fund's resources be deemed significantly higher than that required, after an independent external actuarial valuation, the Executive Board may decide to transfer some of the excess resources either directly to its own resources or, where some of the funds originated from other sources, back to those sources.

7. Withdrawals from the IFAD ASMCS Trust Fund for the purposes stated in paragraph 6 above will be made by the President of IFAD, in the following manner:

- (a) the IFAD ASMCS Trust Fund will make payments or repayments on behalf of IFAD every month until all obligations to eligible former staff members and family members for the ASMCS have been fully met; and
- (b) should the Executive Board judge that the level of resources is significantly higher than that required, the IFAD ASMCS Trust Fund will pay such amounts as decided by the Executive Board.

8. The incremental administrative expenditures directly incurred by IFAD in administering the IFAD ASMCS Trust Fund will be paid to IFAD from the IFAD ASMCS Trust Fund's resources.

9. The Executive Board will terminate the IFAD ASMCS Trust Fund upon a proposal from the President of IFAD at an appropriate time. At that time, the Executive Board will decide upon the arrangements for the termination of the IFAD ASMCS Trust Fund and the disposal of its resources.

10. The President of IFAD will report to the Executive Board annually on the IFAD ASMCS Trust Fund's operations and the resources that it holds.