

Document: GC 35/L.4
Agenda: 8
Date: 25 January 2012
Distribution: Public
Original: English

E



Enabling poor rural people
to overcome poverty

Report of the Consultation on the Ninth Replenishment of IFAD's Resources

Note to Governors

Focal points:

Technical questions:

Rutsel Silvestre J. Martha
General Counsel
Tel.: +39 06 5459 2457
e-mail: r.martha@ifad.org

Hisham Zehni
Programme Officer, Replenishment Secretariat
Tel.: +39 06 5459 2183
e-mail: h.zehni@ifad.org

Dispatch of documentation:

Kelly Feenan
Head, Governing Bodies Office
Tel.: +39 06 5459 2058
e-mail: gb_office@ifad.org

Governing Council — Thirty-fifth Session
Rome, 22-23 February 2012

For: Approval

Contents

Abbreviations and acronyms	ii
Executive summary	iii
Summary of agreed IFAD9 commitments	v
I. Introduction	1
II. Responding to challenges and opportunities for smallholder agriculture and rural development	2
A. The context	2
B. Strategic directions and principles of engagement in IFAD9	2
III. Increasing IFAD’s operational effectiveness	3
IV. Increasing IFAD’s institutional effectiveness and efficiency	9
A. Institutional efficiency	9
B. Human resources reform	10
V. Strengthening IFAD’s financial capacity and management	10
VI. Enhancing IFAD’s results management system	12
A. Results Measurement Framework 2013-2015	12
B. Impact evaluation and measurement	12
VII. Mid-term review of IFAD9	13
VIII. Selection of the IFAD10 chairperson	14
IX. Financing framework and requirements for the IFAD9 period	14
X. Recommendation	14
Annexes	
I. IFAD9 commitment matrix	15
II. Results Measurement Framework 2013-2015	21
III. Status of IFAD8 commitments	26
IV. List of documents provided to the Consultation and other reference documents made available	30
V. Draft resolution on the Ninth Replenishment of IFAD’s Resources	32
VI. Contributions of Member States at 16 January 2012	40

Abbreviations and acronyms

ACA	advance commitment authority
ICSC	International Civil Service Commission
IFI	international financial institution
IOE	Independent Office of Evaluation of IFAD
M&E	monitoring and evaluation
MTR	mid-term review
OECD	Organisation for Economic Co-operation and Development
PoLG	Programme of Loans and Grants
RIDE	Report on IFAD's Development Effectiveness
RMF	Results Measurement Framework

Report of the Consultation on the Ninth Replenishment of IFAD's Resources

Executive summary

1. Investing in smallholder agricultural and rural development on a long-term basis is one of the most powerful ways to eradicate poverty and hunger and stimulate sustainable and inclusive economic growth. After a long period of decline, investment in smallholder agriculture and rural development has started to gradually rise. But a much faster and sustained increase over the long term is needed if the massive problem of worldwide poverty and hunger is to be seriously addressed, further humanitarian and food price crises (as seen once again in 2011) avoided, and the food demands met for a world population set to reach 9 billion by 2050.
2. Representatives of developed and developing countries gathered in 2011 to review the adequacy of the resources of the International Fund for Agricultural Development (IFAD) – an institution that has worked for over thirty years on its unique mandate to improve rural food security and nutrition, and enable rural women and men to overcome poverty – and to determine how IFAD should equip itself to deliver on this critical mandate more effectively and efficiently.
3. Members of the Consultation on the Ninth Replenishment of IFAD's Resources recognized IFAD's success in expanding its assistance, mobilizing partners' collaboration and resources, broadening its outreach and improving its results. Also evident, however, was the fact that much more needs to be done to address the needs of the daunting number of people still living in poverty and hunger. A broad set of commitments were agreed to enhance IFAD's development effectiveness and its value-for-money, and in turn enable it to reach more people, lift them out of poverty and hunger faster, and put them on a secure path of equitable and resilient economic growth.
4. A summary of the agreed IFAD9 commitments is provided in the following section of this first part of the report. These commitments represent IFAD's improvement agenda for the IFAD9 period (2013-2015). This agenda is shaped around the following four themes.
 - **Operational effectiveness**, which will be enhanced through a series of measures focusing on: aid effectiveness; scaling up; private-sector engagement; gender equality and women's empowerment; climate change and sustainable management of environmental resources; project efficiency; country-level decentralization; fragile states; national monitoring and evaluation systems; South-South and triangular cooperation; and partnership and advocacy.
 - **Institutional effectiveness and efficiency**, which will be improved through new management tools for cost analysis and control, and a combination of consolidation and innovation of human resource management systems, policies and practices.
 - **Financial capacity and management**, which will be strengthened in response to changes in the financial environment in which it operates, through actions to upgrade IFAD's financial model in line with industry best practice and the exploration of new forms of internal and external resource mobilization.
 - **Results management**, which will continue to be the driving force behind the Fund's delivery of stronger and broader impact. The Results

Measurement Framework 2013-2015 brings a series of important innovations to improve and better demonstrate the outcomes achieved by the Fund. Of these innovations, the enhanced thrust on impact evaluation is the most significant.

5. **Financing requirements for the IFAD9 period.** Recognizing the major role that IFAD can play in addressing poverty and hunger, raising smallholder agricultural productivity and boosting rural economic growth, the IFAD9 Consultation agreed to a Member contributions target of US\$1.5 billion in support of a programme of loans and grants of US\$2.95 billion to be delivered over the IFAD9 period 2013-2015.

Summary of agreed IFAD9 commitments

The IFAD9 Consultation agreed on a series of operational, institutional and financial commitments to strengthen the Fund's contribution to achieving the first Millennium Development Goal of eradicating poverty and hunger and to deepen its focus on gender equality and women's empowerment, thereby enhancing its value-for-money in the IFAD9 period (2013-2015).

Area of reform	Key commitments
Increasing IFAD's operational effectiveness	
Aid effectiveness	Strengthen country leadership and ownership.
	Strengthen, and where feasible, increase reliance on country systems and implementation structures.
	Raise the level of IFAD technical cooperation implemented through coordinated programmes.
Scaling up	Strengthen country programme development, monitoring and management processes to ensure systematic attention to scaling up, broader partnership-building, more rigorous policy analysis, and active engagement in national policy dialogue on agriculture and rural development.
	Strengthen knowledge management processes to enhance IFAD's capacity to better capture and harness evidence-based knowledge for scaling up.
Private sector	Increase engagement in policy dialogue for more conducive rural business environments that enable smallholders and the rural poor to gain better access to markets and value chains.
	Engage private-sector actors more systematically in country and project-level programming to raise their pro-poor and sustainable investments in rural areas.
	Increase information and communications technology activities in IFAD-supported programmes.
Gender equality and women's empowerment	Strengthen analysis of gender equality and women's empowerment issues in IFAD's operations for stronger and more even performance in this regard, and to promote expanded economic opportunities for rural women.
	Enhance indicators to measure impact and results in gender equality and women's empowerment.
	Enhance IFAD's capacity to document and disseminate field experience on gender equality and women's empowerment, and strengthen its advocacy efforts in this area.
Climate change and sustainable management of environmental resources	Strengthen analysis of climate change and environmental issues in IFAD's operations to support innovative approaches to climate resilience and sustainable use of natural resources.
	Assist smallholder producers in benefiting from climate finance and other adaptation and mitigation incentives, including through the IFAD-managed Adaptation for Smallholder Agriculture Programme.
	Ensure that complementary contributions to support the

Area of reform	Key commitments
	implementation of the Adaptation for Smallholder Agriculture Programme are employed for that purpose.
	Enhance IFAD's capacity for knowledge management, advocacy and partnerships on climate change and environment and natural resource management.
Project efficiency	Strengthen assessments of economic returns on investment during project design, recognizing the need to ensure that social and environmental objectives are also met.
	Implement the scaling-up agenda.
	Reduce delays in the project cycle.
Country-level decentralization	Open additional country offices in line with the IFAD Country Presence Policy and Strategy, ensuring adequate delegation of authority at the country level, and cost-efficiency in the set-up and operation of country offices.
	Strengthen country office management and coordination, including implementation of incentives for outposting of internationally recruited staff, and adequate delegation of decision-making authority to operate effectively and efficiently.
Fragile states	Adopt a flexible approach to programme design and implementation support in fragile states, with a strong focus on building the capacity of community and government institutions, including through appropriate country presence arrangements, and close collaboration with other multilateral and bilateral partners.
	Enhance the quality of programme design and implementation support in fragile states by performing deeper analysis of the causes of fragility.
	Ensure simplicity of objectives and activities of projects in fragile states.
	Strengthen application of risk management in the context of programmes in fragile states, including for security of the workforce.
National monitoring and evaluation systems	Strengthen national monitoring and evaluation systems by enhancing the capacity of project management staff and implementing partners, particularly at start-up and early project implementation through the systematic engagement of monitoring and evaluation (M&E) experts during design and supervision missions.
South-South and triangular cooperation	Establish an adequately resourced corporate coordination function to ensure South-South and triangular cooperation is pursued in a strategic manner, is widely mainstreamed across country programmes, and is grounded in a robust evidence base.
	Develop staff incentives to proactively pursue and promote South-South and triangular cooperation.
Partnership and advocacy	Increase focus on strategic long-term partnerships, in particular with the Food and Agriculture Organization of the United Nations (FAO) and the World Food Programme (WFP) in order to contribute to the success of the Committee on

Area of reform	Key commitments
	World Food Security, strengthen country programming, and raise efficiency through joint servicing initiatives.
	Strengthen partnerships with multilateral development banks, the Consultative Group on International Agricultural Research, bilateral development agencies, the Global Donor Platform for Rural Development, foundations, NGOs, farmers' associations and the private sector.
	Intensify engagement in global policymaking and advocacy forums, such as the G-20, that have a key role in shaping the international development architecture.
	Intensify identification of and engagement in relevant new high-potential global advocacy initiatives.
	Support efforts to bring broader perspectives to global and national policy dialogue on smallholder agriculture, food and nutrition security and rural poverty reduction, particularly those of the rural poor and farmers' organizations.
Increasing IFAD's institutional effectiveness and efficiency	
Institutional efficiency	Introduce a fit-for-purpose and efficient-to-use staff time recording system to measure the full costs of performing key business processes and activities.
	Develop key business process efficiency indicators and benchmarks to facilitate identification of opportunities for process streamlining and cost-saving.
	Assess value-added of business processes, and the potential for adopting more cost-effective alternative delivery modalities, including through joint servicing initiatives with other Rome-based agencies.
	Integrate recommendations of the corporate-level evaluation of the Fund's efficiency into the Change and Reform Agenda, and strengthen indicators used to measure performance with respect to efficiency, including IFAD's efficiency ratios, accordingly.
	Streamline the Fund's processes and workflows through adoption of improved information and communication technologies.
	Report progress against IFAD9 efficiency targets, including cost savings, to governing bodies through the annual Report on IFAD's Development Effectiveness.
	Liaise with the Executive Board to explore opportunities to reduce costs associated with the operations of IFAD's governing bodies.
Human resources reform	Consolidate and deepen reforms completed in IFAD8.
	Equip IFAD with instruments and resources to promote gender competence and gender equality in its human resources management policies as well as gender balance and equitable geographical distribution in its staffing.
	While maintaining alignment with the United Nations Common System, continue to explore opportunities for flexibility in IFAD's compensation and benefits system so as

Area of reform	Key commitments
	to ensure, as a way to achieve institutional efficiency goals, that appropriate levels of compensation and performance-based reward systems are in place for all IFAD staff. This would include such efforts as participating actively in the 2011-2012 International Civil Service Commission (ICSC) Rome Local Salary Survey Committee with respect to General Service salary levels, urging the ICSC to ensure appropriate compensation levels at the Professional level, and piloting a pay-for-performance model in collaboration with the ICSC.
Strengthening IFAD's financial capacity and management	
IFAD's financial model	Deploy an enhanced financial model based on a sustainable cash flow approach on 1 January 2013. Towards this, the capacity of the Treasury Services Division will be strengthened, and a review of the current financial model will be undertaken to improve its flexibility, robustness and alignment with the financial projection models used by other international financial institutions.
	Present a proposal to the Executive Board regarding the future use of the advance commitment authority, once the sustainable cash flow approach has been fully implemented. Until then, current use, reporting and approval of the advance commitment authority will continue.
	Present a proposal to the Executive Board on how responsibility for compensation for foregone principal arising from adoption of the Debt Sustainability Framework will be managed, starting in IFAD10.
Internal resource mobilization	Increase internal resources available to support IFAD's Programme of Loans and Grants in the IFAD9 period in line with the decision taken at the 104 th session of the Executive Board to carry out a comprehensive review of IFAD's Lending Policies and Criteria in 2012, and to align IFAD's lending terms as much as possible with those of the International Development Association and the International Bank for Reconstruction and Development, taking into account IFAD's specificity as outlined in the Agreement Establishing IFAD.
	Enhance IFAD's internal resources by soliciting payment of loan and contribution arrears, and exploring the possibility of loan prepayments with interested borrowing Member States.
New sovereign donors and alternative financing modalities	Engage non-Member States and groupings of States to contribute to and/or join the Fund.
	Explore the scope for raising financing from other sources to be submitted to the Executive Board, provided that any related agreements have no consequences for the governance of the Fund.
Enhancing IFAD's results management system	
Impact evaluation	Raise the level of compliance with the requirement for projects to have a baseline survey by the end of their first year of implementation.
	Present an information paper to the Executive Board on the

Area of reform	Key commitments
	methodologies IFAD will employ in carrying out impact assessments and in measuring the new impact-level indicators introduced in the RMF 2013-2015.
	Actively pursue partnerships with institutions specialized in impact evaluation, and mobilize resources to develop adequate internal capacity to conduct/manage impact evaluation work.
	Conduct, synthesize and report on approximately 30 impact surveys over the IFAD9 period. Three to six of these will use randomized control trials or other similarly rigorous methodology, depending on cost-sharing opportunities, and interest and availability of institutions specialized in impact evaluation to support this work.
Results reporting	Review and consolidate mechanisms for results reporting to governing bodies, towards more succinct accounts that are focused on impact and outcomes achieved.
	Report annually to the Executive Board and Evaluation Committee on performance against Results Measurement Framework (RMF) 2013-2015 indicators and targets through the Report on IFAD's Development Effectiveness.
	Report annually to the Executive Board through the Audit Committee on enterprise risk management activities in IFAD.

Report of the Consultation on the Ninth Replenishment of IFAD's Resources

I. Introduction

1. **Background.** At its thirty-fourth session in February 2011, the Governing Council adopted resolution 160/XXXIV on the Establishment of the Consultation on the Ninth Replenishment of IFAD's Resources (IFAD9). The Consultation was requested to review the adequacy of the Fund's resources, and to submit a report on the results of its deliberations and any recommendations thereon to the thirty-fifth session and, if required, subsequent sessions of the Governing Council. At its fourth session, on 15-16 December 2011, the Consultation finalized its report and decided to recommend a draft resolution on IFAD9 to the Governing Council for adoption.
2. **Need for long-term investment in smallholder agriculture and rural development has never been greater.** In many developing countries, achieving the first Millennium Development Goal (MDG1) of eradicating extreme poverty and hunger remains extremely challenging, and official development assistance continues to be a vital source of development finance. The scale of poverty in developing countries is massive, with close to 1 billion rural people living on less than US\$1.25 per day, and a high prevalence of food insecurity and hunger in some regions. The food price crisis of 2007 and 2008 has proved not to be a one-off event. Food prices remain volatile and reached new highs in 2011 with direct and indirect implications for poverty and hunger and the attendant problems of social and political unrest. The humanitarian crisis in the Horn of Africa has – once again – highlighted the urgent need to strengthen the long-term response to food insecurity. To feed more than 9 billion people in 2050, agricultural production will have to double in developing countries. Increased long-term investment in smallholder agriculture and rural development is key to meeting this challenge.
3. **IFAD is highly successful in reducing poverty and food insecurity, and is committed to further strengthening and expanding its impact in IFAD9.** IFAD's unique mandate is to improve rural food security and nutrition, and enable rural women and men to overcome poverty. Internal and external assessments have found that IFAD is highly effective in working with all relevant partners (including governments,¹ United Nations organizations, multilateral development banks, research institutions, the private sector and farmers) to create a more dynamic smallholder sector that is market-oriented and climate-change-resilient and that expands food supply and decent rural employment. To date, the programmes IFAD supports have reached more than 370 million people. But more needs to be done. Towards this, in IFAD9 one of IFAD's central objectives is to scale up its most successful projects in order to reach more rural people and lift them out of poverty and food insecurity faster, putting them on a path of equitable and resilient economic growth.²
4. **Purpose and organization of the report.** The report summarizes the conclusions of the resource adequacy review by the IFAD9 Consultation and presents the recommendations for strengthening the Fund's delivery of development outcomes and improving its efficiency during the IFAD9 period for the approval of the Governing Council. The report presents the strategic directions, reform agenda and key financial parameters for IFAD9. Further integral components of the

¹ OECD reports that IFAD is the absolute leader among international financial institutions in country ownership and use of national systems.

² IFAD's capacity to achieve this goal is underpinned by the comprehensive policy and institutional reforms agreed – and almost entirely implemented – for IFAD8 (annex III), new ones agreed for IFAD9 (annex I), and the ambitious compact of performance targets set for 2015 (annex II).

Consultation's conclusions and recommendations are included in annexes as follows: key deliverables and commitments (annex I); Results Measurement Framework (annex II); implementation status of IFAD8 commitments (annex III); the Resolution on the Ninth Replenishment of IFAD's Resources (annex V); and Members' contributions to IFAD9 (annex VI).

II. Responding to challenges and opportunities for smallholder agriculture and rural development

A. The context

5. In today's global context, the scale of rural poverty is massive, with close to 1 billion rural people living on less than US\$1.25 per day, and a high prevalence of food insecurity and hunger in some regions. It is a context that presents poor rural people with new opportunities and challenges: increasingly diverse rural livelihoods; accelerating natural resource degradation and climate change; the growing economic importance of agriculture and rising demand for food, biofuels and other agricultural goods and services; higher and more volatile food prices; and growing private-sector investment in agriculture.
6. Many factors – some long-standing and others relatively new – keep rural households in poverty, leave them ill-equipped to face new risks and opportunities, and undermine rural food security and nutrition. These factors include: inadequate and insecure access to natural resources, particularly by rural women; natural resource degradation; limited human capital and skills; weak collective capabilities and organization; poor access to technology and financial services; insufficient integration into agricultural markets and value chains; a lack of good employment opportunities; policy failures; and weak rural representation in policy processes.
7. Since the food price spike of 2007-2008, the international community has launched important initiatives to promote food security and nutrition, many of which include supporting smallholder agriculture. In parallel, greater global concern has emerged around climate change and its implications for agriculture and rural livelihoods. Many developing countries have begun to give higher priority to food security and nutrition, and sometimes to allocate more budgetary resources to agriculture. Prospects for enhanced South-South cooperation have also improved. The role of women in agriculture and in ensuring household food security and nutrition, and the need to support this role with targeted investments, are increasingly being recognized. These developments bode well for future progress in rural poverty reduction and smallholder agriculture, and for improved food security and nutrition in rural areas and beyond.

B. Strategic directions and principles of engagement in IFAD9

8. Against this backdrop, IFAD's work remains focused on poor rural people and their livelihoods and food security, and on smallholder agriculture as both a crucial source of rural household income and nutrition and a driver of rural economic growth. Over the years, IFAD has gained a wealth of experience that confers a unique advantage in these areas. Strongly supporting and rigorously operating in the context of country-led and -owned efforts to eradicate poverty and hunger, it collaborates with partners to develop innovative and sound projects that respond to the constraints and priorities identified by poor rural people. It fosters the empowerment of poor rural women and men, their organizations and communities. It engages in policy dialogue on the basis of its field experience. In a changing global context, IFAD will use this advantage to be a leading player and an effective partner in emerging initiatives around the smallholder dimensions of rural poverty reduction, agriculture and food security. It will do so in a way that maximizes benefits for poor rural people, and helps direct more policy attention, resources and services towards them. In this context, scaling up of successful interventions will be a critical priority in IFAD9.
9. IFAD will be guided by a dynamic vision in which smallholder agriculture can respond to growing demand for food and other agricultural and environmental

goods and services, generating income and a range of other benefits for poor rural people. For many small farmers and livestock producers, agriculture can provide a robust pathway out of poverty today and in the future. For this to happen, important changes have to take place. Smallholder agriculture must be market-oriented to capture the opportunities afforded by growing demand for agricultural products. It needs to be more productive and more sustainable to thrive in an environment of scarce resources and energy. It needs to become more resilient to a changing climate. Finally, it needs to be integrated into dynamic rural spaces where rural-urban linkages play an ever greater role, and where non-farm activities within and around agricultural value chains increasingly provide employment and entrepreneurial opportunities for many poor rural people, especially rural women and youth.

10. IFAD has an important part to play in bringing about these changes. Guided by its Strategic Vision to 2015 and its Strategic Framework 2011-2015,³ during the IFAD9 period IFAD will pursue the following strategic objectives and principles of engagement.

Strategic objectives

- A strengthened and more resilient natural resource and economic asset base for poor rural people;
- Enhanced access to services for reducing poverty, improving nutrition, raising incomes and strengthening resilience to shocks;
- Strengthened capabilities of poor rural women and men as producers, small entrepreneurs and workers;
- Strengthened capabilities of poor rural women and men to influence policies and institutions; and
- An improved institutional and policy environment for smallholder agriculture and for other non-farm rural sectors.

Principles of engagement

- A differentiated approach based on country context;
- Pro-poor targeting;
- Supporting the empowerment of poor rural people;
- Promoting gender equality and women's empowerment;
- Creating viable opportunities for rural youth;
- Innovation, learning and scaling up of successful interventions;
- Effective partnerships and resource mobilization; and
- Sustainability.

III. Increasing IFAD's operational effectiveness

11. Following major reforms implemented in response to the Independent External Evaluation of IFAD undertaken in 2005, IFAD's business model is predicated upon the following core pillars that are central to the aid effectiveness agenda as progressively articulated in the Rome, Paris, Accra and Busan agendas;⁴ their reinforcement and mainstreaming within IFAD's business model will continue to be a critical priority in the IFAD9 period:
- Strong country leadership and ownership in the preparation and implementation of country strategies, programmes and projects;

³ EB 2011/102/R.2/Rev.1.

⁴ Specifically, in the Rome Declaration on Harmonization, February 2003; Paris Declaration on Aid Effectiveness, March 2005; Accra Agenda for Action, September 2008; and Busan Partnership for Effective Development Cooperation, December 2011.

- Broad, deep and well-coordinated partnerships with governments, local institutions, beneficiaries, other donors and the private sector;
 - Rigorous attention to quality of IFAD-supported projects both at design and during implementation; and
 - Systematic and in-depth monitoring and reporting of results and outcomes, in order to improve the quality and durability of project impact.
12. As a result, IFAD's capacity to expand its programme of loans and grants, to mobilize resources from its development partners – as part of the global community's commitment to increase investment in and raise the productivity of smallholder agriculture – and to reach a larger target population has been materially enhanced. At the same time, the results of IFAD-supported programmes have improved significantly, putting IFAD on track to meet, and in many cases surpass the targets for 2012 established for IFAD8. This positive assessment is generally confirmed by the Independent Office of Evaluation of IFAD (IOE), and third parties such as the Multilateral Organization Performance Assessment Network (MOPAN), and the United Kingdom's Department for International Development (DFID), which recently conducted reviews of IFAD's organizational effectiveness. The Organisation for Economic Co-operation and Development (OECD) reports that IFAD is the absolute leader among international financial institutions in country ownership and use of national systems.⁵
13. IFAD's business model, and its recently revised and updated strategic and policy compact,⁶ confer on the Fund substantial capacity to strengthen and expand its development results in IFAD9. However, the massive scale of poverty and food insecurity leaves no room for complacency and calls for more to be done. In this vein, a series of measures will be implemented in IFAD9 to underpin IFAD's operational effectiveness. Moreover, the Results Measurement Framework 2013-2015 includes new indicators and more ambitious targets in order to support enhanced performance in the following areas: scaling up; climate change and environmental management; gender equality and women's empowerment; partnerships; project-level monitoring and evaluation (M&E); and operations in fragile states.
14. In IFAD9, the Fund's operational focus will continue to be on low-income countries, where the need for development assistance remains most critical. Given the good prospects in Sub-Saharan Africa to increase agricultural productivity and achieve the MDGs, and considering the urgency to address the impact of climate change, during the IFAD9 period and in accordance with its performance-based allocation system (PBAS), IFAD expects to spend 40-50 per cent of its resources in this region.
15. **Aid effectiveness.** Building on recent reforms aimed at strengthening adherence of the Fund's business model to aid effectiveness best practice, over the IFAD9 period IFAD will strengthen the implementation of the commitments and actions set out in the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action, and as considered appropriate by the Fund's governing bodies, also those set out in the Busan Partnership for Development Cooperation. While virtually all of the key commitments for IFAD9 discussed in this section of the report will underpin efforts in this direction, specific additional commitments will be pursued to advance the aid effectiveness agenda.

Key commitments:

- Strengthen country leadership and ownership.
- Strengthen, and where feasible, increase reliance on country systems and implementation structures.

⁵ Source: Aid effectiveness 2005-10: Progress in implementing the Paris Declaration (OECD, 2011, Paris).

⁶ For further detail refer to annex III, Implementation status of IFAD8 commitments.

- Raise the level of IFAD technical cooperation implemented through coordinated programmes.

16. **Scaling up.** Ongoing efforts⁷ to mainstream a systematic approach to scaling up will be deepened in IFAD9 to ensure that every country programme and project considers and plans for the scaling up of successful approaches and interventions in order to achieve a more significant impact on a larger number of poor rural people.⁸ This will require improved capacity for policy analysis and engagement, and expanded partnerships principally with governments, bilateral and multilateral agencies, non-governmental organizations, and the private sector to mobilize additional resources and to harness and build relevant technical and institutional know-how. The recent creation of a specialized office for strategy and knowledge management, and the implementation of IFAD's new partnership strategy will underpin these efforts.

Key commitments:

- Strengthen country programme development, monitoring and management processes to ensure systematic attention to scaling-up, broader partnership-building, more rigorous policy analysis, and active engagement in national policy dialogue on agriculture and rural development.
- Strengthen knowledge management processes to enhance IFAD's capacity to better capture and harness evidence-based knowledge for scaling up.

17. **Private sector.** The private sector can play a critical role in enhancing smallholder productivity, and spurring agricultural and rural development, but in order for it to do so, conducive institutional and economic conditions need to be created. Guided by its new Private-Sector Engagement Strategy, IFAD will seek to enable the creation of such conditions and promote increased engagement of private-sector actors in IFAD-supported programmes.

Key commitments:

- Increase engagement in policy dialogue for more conducive rural business environments that enable smallholders and the rural poor to gain better access to markets and value chains.
- Engage private-sector actors more systematically in country and project-level programming to raise their pro-poor and sustainable investments in rural areas.
- Increase information and communications technology activities in IFAD-supported programmes.

18. **Gender equality and women's empowerment.** Giving women equal access to agricultural resources and inputs is one of the most powerful ways of reducing poverty and hunger. This is a fact long recognized by IFAD, and a critical dimension of all IFAD-supported programmes. As such, gender equality and women's empowerment will be addressed as a cross-cutting theme in each of its strategic objectives and operational priorities for IFAD9. In order to strengthen IFAD's strategic approach in the field and at headquarters, a policy on gender equality and women's empowerment is being developed and will be completed in 2012, also drawing on the recommendations of a recent evaluation of IFAD's performance in this area by the Independent Office of Evaluation of IFAD (IOE). This new policy is designed to ensure that close attention is paid to gender equality, and in particular to helping women have equal access to resources; inter-generational equity, and

⁷ Eight country case studies are currently under way to examine the following key dimensions in scaling up: country-based planning and partnership development in the agricultural sector; institutional capacity-building; value chains; and results measurement and monitoring and evaluation. IFAD is also developing a network of expertise and experience with like-minded institutions (e.g. the World Bank, FAO, WFP, the International Food Policy Research Institute (IFPRI), the United Nations Development Programme (UNDP), the German Agency for International Cooperation [Deutsche Gesellschaft für Internationale Zusammenarbeit] (GIZ)).

⁸ This effort will build on recommendations emerging from analyses of IFAD's work on scaling up by IOE and the Brookings Institution.

the expansion of women's economic opportunities across all IFAD-supported development operations. It will systematically build a gender perspective into the Fund's business processes, policies – including human resource policies – and monitoring instruments. Women's empowerment is also a key theme on IFAD's corporate innovation agenda until 2015.

Key commitments

- Strengthen analysis of gender equality and women's empowerment issues in IFAD's operations for stronger and more even performance in this regard, and to promote expanded economic opportunities for rural women.
- Enhance indicators to measure impact and results in gender equality and women's empowerment.
- Enhance IFAD's capacity to document and disseminate field experience on gender equality and women's empowerment, and strengthen its advocacy efforts in this area.

19. **Climate change and sustainable management of environmental resources.**

Environmental threats such as climate change are inseparable from IFAD's mission to enable poor rural people to overcome poverty. Climate change is multiplying existing risks and creating new ones – while possibly opening up some new opportunities. In 2010, the Executive Board approved a climate change strategy to ensure a systematic focus on the implications of climate change for IFAD's activities at the country level; subsequently, in 2011, it approved IFAD's Environment and Natural Resource Management Policy to promote sustainable management of natural resources within IFAD-supported programmes. Given women's roles as managers and users of natural resources and the part they play in agricultural production, fulfilment of their critical contribution to biodiversity conservation and environmental sustainability, climate change mitigation and adaptation will be a key priority in IFAD9. The new IFAD Adaptation for Smallholder Agriculture Programme will be a key factor in strengthening and mainstreaming IFAD's efforts in these areas. IFAD will actively seek to bring issues relating to smallholder agricultural development to the agenda of the United Nations Conference on Sustainable Development (Rio+20) to be held in 20-22 June 2012, and to ensure that the priorities agreed there are integrated into the programmes that the Fund supports.

Key commitments:

- Strengthen analysis of climate change and environmental issues in IFAD's operations to support innovative approaches to climate resilience and sustainable use of natural resources.
- Assist smallholder producers in benefiting from climate finance and other adaptation and mitigation incentives, including through the IFAD-managed Adaptation for Smallholder Agriculture Programme.
- Ensure that complementary contributions to support the implementation of the Adaptation for Smallholder Agriculture Programme are employed for that purpose.
- Enhance IFAD's capacity for knowledge management, advocacy and partnerships on climate change and environment and natural resource management.

20. **Project efficiency.** Ensuring that results are achieved at a reasonable cost is central to IFAD's drive to enhance its value-for-money.

Key commitments:

- Strengthen assessments of economic returns on investment during project design, recognizing the need to ensure that social and environmental objectives are also met.

- Implement the scaling-up agenda.
- Reduce delays in the project cycle.

21. **Country-level decentralization.** IFAD's country presence initiative, launched in 2004, has generated rapid gains in performance and outcomes of IFAD-supported programmes, as well as in IFAD's ability to engage in partnership-building and policy dialogue activities at the country level, which will be of special importance in the context of IFAD's scaling-up drive in the IFAD9 period. Towards this, it will be critical for IFAD to extend its country presence. It will be equally critical to ensure that adequate decision-making authority is transferred to the country level. Both of these aspects will be guided by the Country Presence Policy and Strategy approved by the Executive Board in 2011.

Key commitments:

- Open additional country offices in line with the IFAD Country Presence Policy and Strategy, ensuring adequate delegation of authority at the country level, and cost-efficiency in the set-up and operation of country offices.
- Strengthen country office management and coordination, including implementation of incentives for outposting of internationally recruited staff, and adequate delegation of decision-making authority to operate effectively and efficiently.

22. **Fragile states.** The challenge of reducing poverty and food insecurity is greatest in countries characterized by conditions of fragility due to the deep structural problems they face and the lack of basic services. Working effectively in such countries requires in-depth analysis of the diverse causes of fragility in each country context, and intense work on strengthening institutional and governance capacity. This entails local institutional development, strengthening of human and social capital with a focus on gender equality and empowerment, improvement of basic agricultural and rural service delivery methods, support to rehabilitation of basic agricultural and rural infrastructure, and empowerment of rural communities and grass-roots institutions. In line with agreements reached at the Fourth High-Level Forum recently held in Busan, IFAD is committed to achieving better results in fragile states through increased support for country leadership and ownership and strengthening of local capacities and systems.

Key commitments:

- Adopt a flexible approach to programme design and implementation support in fragile states, with a strong focus on building the capacity of community and government institutions, including through appropriate country presence arrangements, and close collaboration with other multilateral and bilateral partners.
- Enhance the quality of programme design and implementation support in fragile states by performing deeper analysis of the causes of fragility.
- Ensure simplicity of objectives and activities of projects in fragile states.
- Strengthen application of risk management in the context of programmes in fragile states, including for security of the workforce.

23. **National monitoring and evaluation systems.** These systems, which must provide high-quality data to governments, partners and IFAD, are often weak, undermining effective achievement of results, and evidence-based policy analysis, dialogue and reform. Strengthening national monitoring and evaluation capacities is a key priority of the aid effectiveness agenda, which IFAD will support as part of its Action plan for strengthening the self-evaluation system.⁹

⁹ EB 2011/103/R.6.

Key commitments:

- Strengthen national monitoring and evaluation systems by enhancing the capacity of project management staff and implementing partners, particularly at start-up and early project implementation through the systematic engagement of M&E experts during design and supervision missions.

24. **South-South and triangular cooperation.** Enhancing IFAD's business model with an explicit South-South and triangular cooperation dimension that is strong, well-planned and coordinated will yield multiple benefits for the relevance, effectiveness and efficiency of IFAD-supported programmes, as well as for IFAD's ability to promote scaling-up and engage in national policy dialogue on agriculture and rural development. Towards this, IFAD will strengthen its role in promoting and facilitating South-South and triangular cooperation.

Key commitments:

- Establish an adequately resourced corporate coordination function to ensure that South-South and triangular cooperation is pursued in a strategic manner, is widely mainstreamed across all country programmes, and is grounded in a robust evidence base.
- Develop staff incentives to proactively pursue and promote South-South and triangular cooperation.

25. **Partnership and advocacy.** Partnership and advocacy gain new significance in today's context, which requires IFAD to strengthen its capacity to lead or contribute to national and international initiatives around smallholder agriculture, food security and rural poverty reduction. The recent creation of a specialized strategy and knowledge management office, and the implementation of IFAD's new partnership strategy will strengthen IFAD's capacity to prioritize, engage in and leverage key partnerships and influence global policy dialogues in order to mobilize additional resources and create the enabling environment needed to accelerate progress in reducing poverty and food and nutrition insecurity. At the same time, IFAD will better integrate global priorities within the country programmes that it supports. In this context, IFAD will also seek to extend its growing success in attracting cofinancing for the programmes it supports with a view to mobilizing US\$1.6 from international and national cofinanciers for every US\$1 that it invests.

Key commitments:

- Increase focus on strategic long-term partnerships, in particular with FAO and WFP in order to contribute to the success of the Committee on World Food Security, strengthen country programming, and raise efficiency through joint servicing initiatives.
- Strengthen partnerships with multilateral development banks, the Consultative Group on International Agricultural Research, bilateral development agencies, the Global Donor Platform for Rural Development, foundations, NGOs, farmers' associations and the private sector.
- Intensify engagement in global policymaking and advocacy forums, such as the G-20, that have a key role in shaping the international development architecture.
- Intensify identification of and engagement in relevant new high-potential global advocacy initiatives.
- Support efforts to bring broader perspectives to global and national policy dialogue on smallholder agriculture, food and nutrition security and rural poverty reduction, particularly those of the rural poor and farmers' organizations.

IV. Increasing IFAD's institutional effectiveness and efficiency

26. Value-for-money and cost-efficiency have been central and continuing priorities for IFAD since IFAD7, as it continues to work on maximizing the impact of its own resources and those of its partners, and improving its services to Member States.
27. The Change and Reform Agenda launched in 2009 has spurred rapid and important progress against IFAD8 efficiency targets; the efficiency ratio measured as a ratio of the administrative budget to the programme of loans and grants is projected to reach 12 per cent in 2012, surpassing the target of 13.5 per cent, and the proportion of the workforce assigned to programmes is now 67 per cent as opposed to the target of 65 per cent. Operational efficiency has improved; projects are being implemented faster, with reduced time from approval to first disbursement, faster processing time for withdrawal applications, and fewer time overruns. Control has been asserted over rising staff costs, and IFAD is taking the lead in the United Nations system in promoting a more modern and flexible approach to contracting, performance management and remuneration.
28. The Change and Reform Agenda will continue to be elaborated through the remainder of the IFAD8 period as well as in IFAD9 in order to sustain further advances in the Fund's value-for-money and efficiency, and to enhance its capacity to document progress. A key input in this regard will be the corporate-level evaluation of the Fund's efficiency by IOE (due for presentation to the Evaluation Committee and Executive Board in the second half of 2012), which is expected to make a series of recommendations for improvement.

A. Institutional efficiency

29. Improving cost and process efficiency will be key elements of IFAD's institutional efficiency drive during the IFAD9 period. New management tools will be introduced to enable the Fund to better monitor the costs of its business processes and to facilitate cost containment and reduction, wherever possible. Furthermore, new indicators and more ambitious targets for operational and institutional efficiency have been included in the Results Measurement Framework 2013-2015 in order to support enhanced performance and to enable more comprehensive reporting on progress and achievements.

Key commitments:

- Introduce a fit-for-purpose and efficient-to-use staff time recording system to measure the full costs of performing key business processes and activities.
- Develop key business process efficiency indicators and benchmarks to facilitate identification of opportunities for process streamlining and cost-saving.
- Assess value-added of business processes, and the potential for adopting alternative, more cost-effective delivery modalities, including through joint service initiatives with other Rome-based agencies.
- Integrate recommendations of the corporate-level evaluation of IFAD's efficiency into the Change and Reform Agenda, and strengthen indicators used to measure performance with respect to efficiency, including IFAD's efficiency ratios, accordingly.
- Streamline the Fund's processes and workflows through adoption of improved information and communication technologies.
- Report progress against IFAD9 efficiency targets, including cost savings, to governing bodies through the annual Report on IFAD's Development Effectiveness.
- Liaise with the Executive Board to explore opportunities to reduce costs associated with the operations of IFAD's governing bodies.

B. Human resources reform

30. Success in enhancing IFAD's operational and institutional effectiveness and efficiency in IFAD9 will depend to a large extent on the way in which the Fund's workforce – the institution's most vital resource – is managed and deployed.
31. Human resources reform was a major part of undertakings for the IFAD8 period, comprising a wide array of initiatives¹⁰ aimed at: promoting a diverse workforce with a high level of engagement and performance; realigning IFAD's workforce with its evolving operational objectives; and creating a robust and innovative human resource management system and practices that are fair, inclusive and transparent.
32. Implementation of the reform process is proceeding full steam, with most deliverables expected to be completed in 2012 or in the first half of 2013. As such, in IFAD9 attention will in large part shift to consolidating, calibrating and deepening the reforms, and ensuring that expected benefits are reaped.
33. Given the material bearing on the overall cost structure and efficiency of the Fund, innovation within the compensation and performance management system – in collaboration with the International Civil Service Commission (ICSC) – will represent a key area of focus for human resources reform in IFAD9.

Key commitments:

- Consolidate and deepen reforms completed in IFAD8.
- Equip IFAD with instruments and resources to promote gender competence and gender equality in its human resources management policies as well as gender balance and equitable geographical distribution in its staffing.
- While maintaining alignment with the United Nations Common System, continue to explore opportunities for flexibility in IFAD's compensation and benefits system so as to ensure, as a way to achieve institutional efficiency goals, that appropriate levels of compensation and performance-based reward systems are in place for all IFAD staff. This would include such efforts as participating actively in the 2011-2012 ICSC Rome Local Salary Survey Committee with respect to GS salary levels, urging the ICSC to ensure appropriate compensation levels at the Professional level, and piloting a pay-for-performance model in collaboration with the ICSC.

V. Strengthening IFAD's financial capacity and management

34. IFAD's evolving operating and financial environment is characterized by strong and growing demand for smallholder agriculture and rural development financing; the emergence of relevant non-sovereign sources of financing; a difficult and uncertain global economic outlook for many traditional donors; and improving economic circumstances for several borrower Member States. In light of these developments, strengthening and innovation of IFAD's system for financial management will be important for it to continue playing a lead role in improving food security and reducing poverty. Towards this, a series of complementary measures will be required, including: strengthening of the Fund's financial model, and new forms of internal and external resource mobilization.
35. **IFAD's financial model.** In an effort to preserve the long-term financial health of the Fund, projections of IFAD's commitment capacity must be first and foremost sustainable in terms of cash flows. That is, firstly, for all programme of loan and grant (POLG) scenarios, IFAD's liquidity (i.e. the balance of its cash and investments) should never breach the minimum liquidity requirement stipulated in its Liquidity Policy over the next 40 years. Secondly, all things being equal, the

¹⁰ Human resource reform initiatives under way include: development of new staff rules and implementing procedures; strengthening of the human resource platform for country offices; development of a policy and guidelines for staff rotation; review of the performance evaluation system; review of staff compensation and benefits; implementation of the second phase of the Voluntary Separation Programme; strategic workforce planning; completion of a job audit process; strengthening of staff learning and development; and automation of human resource processes.

donor contribution requirement for a given PoLG scenario should be sustainable in future replenishments.¹¹ To this end, measures will be adopted to strengthen IFAD's financial model in line with models used by other international financial institutions (IFIs). Transition to a sustainable cash flow approach will be completed by 1 January 2013.

Key commitments:

- Deploy an enhanced financial model based on a sustainable cash flow approach on 1 January 2013. Towards this, the capacity of the Treasury Services Division will be strengthened, and a review of the current financial model will be undertaken to improve its flexibility, robustness and alignment with the financial projection models used by other IFIs.¹²
- Present a proposal to the Executive Board regarding the future use of the ACA, once the sustainable cash flow approach has been fully implemented. Until then, current use, reporting and approval of the ACA will continue.
- Present a proposal to the Executive Board on how responsibility for compensation for foregone principal arising from adoption of the Debt Sustainability Framework will be managed, starting in IFAD10.

36. **Internal resource mobilization.** Internal resources, especially loan reflows, represent an important source of financing for IFAD's POLG. Relevant feasible measures to enhance this resource stream, and in turn strengthen IFAD's finances include: revision of IFAD's lending terms in line with those adopted recently by the International Development Association;¹³ loan prepayments (to be pursued on a voluntary case-by-case basis) and accelerated loan repayments (currently not provided for in IFAD's loan agreement model). Among these, the first option would yield the greatest benefit in strengthening the Fund's long-term financial capacity and sustainability, as it represents a structural measure.

Key commitments:

- Increase internal resources available to support IFAD's Programme of Loans and Grants in the IFAD9 period in line with the decision taken at the 104th session of the Executive Board to carry out a comprehensive review of IFAD's Lending Policies and Criteria in 2012, and to align IFAD's lending terms as much as possible with those of the International Development Association and the International Bank for Reconstruction and Development, taking into account IFAD's specificity as outlined in the Agreement Establishing IFAD.
- Enhance IFAD's internal resources by soliciting payment of loan and contribution arrears, and exploring the possibility of loan prepayments with interested borrowing Member States.

37. **New sovereign donors and alternative financing modalities.** In light of the evolving operating and financial environment for smallholder and agricultural development, IFAD will vigorously explore additional sources of financing in order to enable it to fulfil its mission. These efforts will include engaging non-Member States and groupings of States to contribute to and/or join the Fund, as well as building on lessons learned from the Spanish Food Security Cofinancing Facility Trust Fund and IFI best practice. The scope for raising financing from other sources will be explored in consultation with the Executive Board.

Key commitments:

- Engage non-Member States and groupings of States to contribute to and/or join the Fund.

¹¹ One major distinction between the new improved approach to assessing IFAD's commitment capacity and that employed for previous replenishments is that the maximum advance commitment authority (ACA) ceiling will be a derived indicator, rather than an assumption of the financial model.

¹² The external auditor's assessment of IFAD's financial model and ACA will serve as an input to this review.

¹³ Historically, IFAD's lending terms have been developed in close alignment with those of the International Bank for Reconstruction and Development and the International Development Association.

- Explore the scope for raising financing from other sources to be submitted to the Executive Board, provided that any related agreements have no consequences for the governance of the Fund.

VI. Enhancing IFAD's results management system

38. Effective results management at the corporate and country level is pivotal to delivering improved results on the ground while ensuring efficient use of resources. IFAD has a well-articulated and dynamic performance planning and management system in place that promotes strong results focus and accountability, and proactive monitoring for learning and improvement. The system will be further consolidated in the IFAD9 period. Its main elements include: the Strategic Framework; Results Measurement Framework; results-based country planning, with annual and completion reviews; semi-annual project status reporting; three-year rolling medium-term planning; systems for results-based budgeting, enterprise risk management, and quarterly corporate, departmental and divisional performance reviews; and comprehensive results reporting to the Executive Board and Evaluation Committee through the annual Report on IFAD's Development Effectiveness.
39. IFAD's performance is also regularly assessed by an independent office of evaluation that carries out corporate-, country- and project-level evaluations that are summarized each year in the Annual Report on the Results and Impact of IFAD's Operations, as well as by a range of third-party mechanisms that include: an arms-length review of project quality at entry and annual client/partner surveys.

A. Results Measurement Framework 2013-2015

40. The Results Measurement Framework (RMF) is the central pillar of IFAD's results management system. The RMF sets targets for and measures IFAD's contribution to global objectives (such as Millennium Development Goal 1) through the results delivered by the country programmes and projects that it supports. The RMF also sets targets and indicators for the quality of internal processes and management.
41. The Results Measurement Framework for the IFAD9 period 2013-2015, presented in annex II, introduces a series of important improvements to strengthen and better demonstrate the outcomes achieved by the Fund. Specifically, these improvements aim to do the following:
- Provide a broader and more in-depth assessment of development impact;
 - Better measure performance in the areas of nutrition, climate change, environment and natural resource management, gender equality and women's empowerment (including prioritization of sex-disaggregated data), partnerships, project-level M&E, and operations in fragile states;
 - Sharpen the focus on IFAD's scaling-up objectives; and
 - Provide a more comprehensive assessment of the Fund's efficiency.

B. Impact evaluation and measurement

42. The enhanced thrust on impact evaluation and measurement represents the most significant improvement to the RMF. To strengthen the assessment of impact, four new indicators have been included in the RMF:
- household asset ownership index, as a proxy for the income and assets of target group households;
 - length of hungry season, and child malnutrition, as measures of food and nutrition security of target group households and individuals; and
 - number of people moved out of poverty, as a measure of IFAD's contribution to poverty alleviation.
43. These indicators will be measured by conducting impact surveys for completed projects with baseline surveys undertaken at the time of project start-up. With a

view to better understanding the causal chain and strengthen attribution to IFAD, survey results will be complemented first, by undertaking qualitative studies and second, by surveying comparator groups on a selective basis. It is planned that 30 project impact surveys will be completed, synthesized and reported on to the Executive Board in the IFAD9 period.

44. To enhance the precision and reliability of the data and results reported, impact surveys applying randomized control trial methods will also be piloted. Given the high costs involved, and the experimental nature of randomized control trial methods in the field of agricultural and rural development, between three and six impact surveys using such methods are planned during the IFAD9 period, depending on the cost-sharing opportunities that arise. These surveys will be undertaken in partnership with universities and international organizations specializing in developing impact evaluation methods, subject to their availability and the experience gained through early implementation.
45. As a result, a far deeper understanding of the impact of IFAD-supported programmes will be acquired, in terms of their effect on income and other factors that affect quality of life, and their ability to lift poor rural households above a defined poverty line. In turn, IFAD's capacity to communicate the results of the programmes it supports to its stakeholders and to share evidence-based knowledge on solutions to poverty and hunger in rural areas with its partners will be enhanced. Furthermore, IFAD's work on impact evaluation, data collection, and reporting will be carried out in close collaboration with partner country institutions, using and strengthening national monitoring and evaluation systems as much as possible. While the methodology that will be used to measure the number of "people moved out of poverty" is still experimental and will need to be improved through experience, it represents a pioneering effort that could potentially yield a high return to the science of impact measurement in the field of poverty reduction.

Key commitments:

- Raise the level of compliance with the requirement for projects to have a baseline survey by the end of their first year of implementation.
- Present an information paper to the Executive Board on the methodologies IFAD will employ in carrying out impact assessments and in measuring the new impact-level indicators introduced in the RMF 2013-2015.
- Actively pursue partnerships with institutions specialized in impact evaluation, and mobilize resources to develop adequate internal capacity to conduct/manage impact evaluation work.
- Conduct, synthesize and report on approximately 30 impact surveys over the IFAD9 period. Three to six of these will use randomized control trials or other similarly rigorous methodology, depending on cost-sharing opportunities, and interest and availability of institutions specialized in impact evaluation to support this work.
- Review and consolidate mechanisms for results reporting to governing bodies, towards more succinct accounts that are focused on impact and outcomes achieved.
- Report annually to the Executive Board and Evaluation Committee on performance against RMF 2013-2015 indicators and targets through the Report on IFAD's Development Effectiveness.
- Report annually to the Executive Board through the Audit Committee on enterprise risk management activities in IFAD.

VII. Mid-term review of IFAD9

46. Members of the IFAD10 Consultation will consider the mid-term review (MTR) of IFAD9 early in 2014. Adequate time will be allocated at the MTR meeting to formulate the corresponding agenda for the subsequent sessions of the IFAD10

Consultation. The review will provide an opportunity for Members to monitor progress achieved against the IFAD9 commitment matrix (annex I) and the RMF 2013-2015 targets (annex II), as well as to provide further guidance for the achievement of IFAD9 objectives.

VIII. Selection of the IFAD10 chairperson

47. The chairperson for the IFAD10 Consultation will be selected through an open process to be completed prior to the first IFAD10 Consultation session in consultation with the Executive Board.

IX. Financing framework and requirements for the IFAD9 period

48. The IFAD9 Consultation endorsed an overall financing framework for IFAD9 of US\$3.53 billion, to support an indicative programme of loans and grants of US\$2.95 billion (subject to periodic review of resources available for commitment by the Executive Board), as well as administrative and capital budget expenditures, and IFAD's share of debt relief under the Heavily Indebted Poor Countries Debt Initiative, amounting to US\$0.58 billion.
49. Members noted that loan reflows, loan cancellations and investment income are calculated at US\$1.28 billion, and that during the IFAD9 period, when the ACA will be replaced by the sustainable cash flow approach, the use of future loan reflows is estimated at 7.4 years, resulting in additional commitment authority of US\$0.75 billion.
50. Taking the above into account, the IFAD9 Consultation agreed on US\$1.5 billion as the target for Member contributions to the IFAD9 Replenishment. Members also agreed that the structural gap should not exceed 15 per cent of the target Member contribution level.
51. The IFAD9 Consultation further noted that in line with article 2 of the Agreement Establishing IFAD, the Fund shall make every effort to mobilize additional resources for agricultural development, and shall pursue this vigorously in the IFAD9 period by exploring other sources of financing.

X. Recommendation

52. The IFAD9 Consultation recommends to the Governing Council that it adopt the draft resolution attached as annex V to this report.

IFAD9 commitment matrix

Area of reform	Key commitments	Time frame and reporting
Increasing IFAD's operational effectiveness		
Aid effectiveness	Strengthen country leadership and ownership.	Time frame: Ongoing Reporting: annually through RIDE, and at IFAD9 MTR, including the Busan commitments
	Strengthen, and where feasible, increase reliance on country systems and implementation structures.	
	Raise the level of IFAD technical cooperation implemented through coordinated programmes.	
Scaling up	Strengthen country programme development, monitoring and management processes to ensure systematic attention to scaling up, broader partnership-building, more rigorous policy analysis, and active engagement in national policy dialogue on agriculture and rural development.	Time frame: Ongoing Reporting: annually through RIDE, and at IFAD9 MTR
	Strengthen knowledge management processes to enhance IFAD's capacity to better capture and harness evidence-based knowledge for scaling up.	
Private sector	Increase engagement in policy dialogue for more conducive rural business environments that enable smallholders and the rural poor to gain better access to markets and value chains.	Time frame: Ongoing Reporting: annually through RIDE, and at IFAD9 MTR
	Engage private-sector actors more systematically in country and project-level programming to raise their pro-poor and sustainable investments in rural areas.	
	Increase information and communications technology activities in IFAD-supported programmes.	
Gender equality and women's empowerment	Strengthen analysis of gender equality and women's empowerment issues in IFAD's operations for stronger and more even performance in this regard, and to promote expanded economic opportunities for rural women.	Time frame: Ongoing Reporting: annually through RIDE, and at IFAD9 MTR
	Enhance indicators to measure impact and results in gender equality and women's empowerment.	
	Enhance IFAD's capacity to document and disseminate field experience on gender equality and women's empowerment, and strengthen its advocacy efforts in this area.	
Climate change and sustainable management of	Strengthen analysis of climate change and environmental issues in IFAD's operations to support innovative approaches to climate resilience and	Time frame: Ongoing

Area of reform	Key commitments	Time frame and reporting
environmental resources	sustainable use of natural resources.	Reporting: annually through RIDE, and at IFAD9 MTR
	Assist smallholder producers in benefiting from climate finance and other adaptation and mitigation incentives, including through the IFAD-managed Adaptation for Smallholder Agriculture Programme.	
	Ensure that complementary contributions to support the implementation of the Adaptation for Smallholder Agriculture Programme are employed for that purpose.	
	Enhance IFAD's capacity for knowledge management, advocacy and partnerships on climate change and environment and natural resource management.	
Project efficiency	Strengthen assessments of economic returns on investment during project design, recognizing the need to ensure that social and environmental objectives are also met.	Time frame: Ongoing Reporting: annually through RIDE, and at IFAD9 MTR
	Implement the scaling-up agenda.	
	Reduce delays in the project cycle.	
Country-level decentralization	Open additional country offices in line with the IFAD Country Presence Policy and Strategy, ensuring adequate delegation of authority at the country level, and cost-efficiency in the set-up and operation of country offices.	Time frame: Ongoing Reporting: annually through RIDE, and at IFAD9 MTR
	Strengthen country office management and coordination, including implementation of incentives for outposting of internationally recruited staff, and adequate delegation of decision-making authority to operate effectively and efficiently.	
Fragile states	Adopt a flexible approach to programme design and implementation support in fragile states, with a strong focus on building the capacity of community and government institutions, including through appropriate country presence arrangements, and close collaboration with other multilateral and bilateral partners.	Time frame: Ongoing Reporting: annually through RIDE, and at IFAD9 MTR
	Enhance the quality of programme design and implementation support in fragile states by performing deeper analysis of the causes of fragility.	
	Ensure simplicity of objectives and activities of projects in fragile states.	
	Strengthen application of risk management in the context of programmes in fragile states, including for security of the workforce.	

Area of reform	Key commitments	Time frame and reporting
National monitoring and evaluation systems	Strengthen national monitoring and evaluation systems by enhancing the capacity of project management staff and implementing partners, particularly at start-up and early project implementation through the systematic engagement of M&E experts during design and supervision missions.	Time frame: Ongoing Reporting: annually through RIDE, and at IFAD9 MTR
South-South and triangular cooperation	Establish an adequately resourced corporate coordination function to ensure South-South and triangular cooperation is pursued in a strategic manner, is widely mainstreamed across country programmes, and is grounded in a robust evidence base.	Time frame: 2013 Reporting: RIDE 2013, and at IFAD9 MTR
	Develop staff incentives to proactively pursue and promote South-South and triangular cooperation.	
Partnership and advocacy	Increase focus on strategic long-term partnerships, in particular with the Food and Agriculture Organization of the United Nations (FAO) and the World Food Programme (WFP) in order to contribute to the success of the Committee on World Food Security, strengthen country programming, and raise efficiency through joint servicing initiatives.	Time frame: Ongoing Reporting: annually through RIDE, and at IFAD9 MTR
	Strengthen partnerships with multilateral development banks, the Consultative Group on International Agricultural Research, bilateral development agencies, the Global Donor Platform for Rural Development, foundations, NGOs, farmers' associations and the private sector.	
	Intensify engagement in global policymaking and advocacy forums, such as the G-20, that have a key role in shaping the international development architecture.	
	Intensify identification of and engagement in relevant new high-potential global advocacy initiatives.	
	Support efforts to bring broader perspectives to global and national policy dialogue on smallholder agriculture, food and nutrition security and rural poverty reduction, particularly those of the rural poor and farmers' organizations.	
Increasing IFAD's institutional effectiveness and efficiency		
Institutional efficiency	Introduce a fit-for-purpose and efficient-to-use staff time recording system to measure the full costs of performing key business processes and activities.	Time frame: 2013 Reporting: RIDE 2013, and at IFAD9 MTR
	Develop key business process efficiency indicators and benchmarks to facilitate identification of opportunities for process streamlining and cost-	

Area of reform	Key commitments	Time frame and reporting
	saving.	
	Liaise with the Executive Board to explore opportunities to reduce costs associated with the operations of IFAD's governing bodies.	
	Integrate recommendations of the corporate-level evaluation of the Fund's efficiency into IFAD's Change and Reform Agenda, and strengthen indicators used to measure performance with respect to efficiency, including IFAD's efficiency ratios, accordingly.	
	Streamline the Fund's processes and workflows through adoption of improved information and communication technologies.	
	Assess value-added of business processes, and the potential for adopting more cost-effective alternative delivery modalities, including through joint servicing initiatives with other Rome-based agencies.	
	Report progress against IFAD9 efficiency targets, including cost savings, to governing bodies through the annual Report on IFAD's Development Effectiveness.	Reporting: RIDE 2013 onwards, and at IFAD9 MTR
Human resources reform	Consolidate and deepen reforms completed in IFAD8.	Time frame: Ongoing
	Equip IFAD with instruments and resources to promote gender competence and gender equality in its human resources management policies as well as gender balance and equitable geographical distribution in its staffing.	Reporting: annually through RIDE, and at IFAD9 MTR
	While maintaining alignment with the United Nations Common System, continue to explore opportunities for flexibility in IFAD's compensation and benefits system so as to ensure, as a way to achieve institutional efficiency goals, that appropriate levels of compensation and performance-based reward systems are in place for all IFAD staff. This would include such efforts as participating actively in the 2011-2012 ICSC Rome Local Salary Survey Committee with respect to GS salary levels, urging the ICSC to ensure appropriate compensation levels at the Professional level, and piloting a pay-for-performance model in collaboration with the ICSC.	
Strengthening IFAD's financial capacity and management		
IFAD's financial model	Deploy an enhanced financial model based on a sustainable cash flow approach on 1 January 2013. Towards this, the capacity of the Treasury Services Division will be strengthened, and a review of the current financial model will be undertaken to improve its flexibility, robustness and alignment	Time frame: 2013 Reporting: to Audit Committee and Executive Board in April 2013, and

Area of reform	Key commitments	Time frame and reporting
	with the financial projection models used by other IFIs.	at IFAD9 MTR
	Present a proposal to the Executive Board regarding the future use of the advance commitment authority, once the sustainable cash flow approach has been fully implemented. Until then, current use, reporting and approval of the advance commitment authority will continue.	Time frame: 2013 Reporting: proposal to Audit Committee and Executive Board in 2013
	Present a proposal to the Executive Board on how responsibility for compensation for foregone principal arising from adoption of the Debt Sustainability Framework will be managed, starting in IFAD10.	
Internal resource mobilization	Increase internal resources available to support IFAD's Programme of Loans and Grants in the IFAD9 period in line with the decision taken at the 104 th session of the Executive Board to carry out a comprehensive review of IFAD's Lending Policies and Criteria in 2012, and to align IFAD's lending terms as much as possible with those of the International Development Association and the International Bank for Reconstruction and Development, taking into account IFAD's specificity as outlined in the Agreement Establishing IFAD.	Time frame: implementation from 2013 Reporting: proposal to Executive Board in 2012
	Enhance IFAD's internal resources by soliciting payment of loan and contribution arrears, and exploring the possibility of loan prepayments with interested borrowing Member States.	Time frame: Ongoing Reporting: to Audit Committee and Executive Board as appropriate
New sovereign donors and alternative financing modalities	Engage non-Member States and groupings of States to contribute to and/or join the Fund.	Time frame: Ongoing Reporting: to Governing Council and Executive Board as appropriate
	Explore the scope for raising financing from other sources to be submitted to the Executive Board, provided that any related agreements have no consequences for the governance of the Fund.	Time frame: Ongoing Reporting: to Executive Board as appropriate
Enhancing IFAD's results management system		
Impact evaluation	Raise the level of compliance with the requirement for projects to have a baseline survey by the end of their first year of implementation.	Time frame: Ongoing Reporting: annually through RIDE 2013 onwards, and at IFAD9 MTR
	Actively pursue partnerships with institutions specialized in impact evaluation, and mobilize resources to develop adequate internal capacity to conduct/manage impact evaluation work.	

Area of reform	Key commitments	Time frame and reporting
	Present an information paper to the Executive Board on the methodologies IFAD will employ in carrying out impact assessments and in measuring the new impact-level indicators introduced in the RMF 2013-2015.	Reporting: paper to Executive Board in December 2012
	Conduct, synthesize and report on approximately 30 impact surveys over the IFAD9 period. Three to six of these will use randomized control trials or other similarly rigorous methodology, depending on cost-sharing opportunities, and interest and availability of institutions specialized in impact evaluation to support this work.	Time frame: 2013 onwards Reporting: IFAD Outcomes Report to Executive Board from 2014 onwards
Results reporting	Review and consolidate mechanisms for results reporting to governing bodies, towards more succinct accounts that are focused on impact and outcomes achieved.	Reporting: proposal to Executive Board in April 2013
	Report annually to the Executive Board and Evaluation Committee on performance against RMF 2013-2015 indicators and targets through the Report on IFAD's Development Effectiveness.	Reporting: annually through RIDE 2013 onwards, and at IFAD9 MTR
	Report annually to the Executive Board through the Audit Committee on enterprise risk management activities in IFAD.	Reporting: annually to Audit Committee and Executive Board through Report on IFAD's ERM Activities

Results Measurement Framework 2013-2015

Level 1: Global poverty and agricultural development outcomes

	<i>Indicators</i>	<i>Source</i>	<i>Baseline year</i>	<i>Baseline value</i>	<i>Target for 2015</i>
1.1.	Global poverty and nutrition outcomes				
1.1.1	MDG 1: Population living on less than US\$1.25 a day (per cent) ^a	World Bank	1990	42	21
1.1.2	MDG 1: Prevalence of undernourishment in population (per cent) ^a	World Bank	2005-2007	16	10
1.1.3	MDG 1: Children under 5, per cent underweight	World Bank	2008	26	17
1.2.	Global agricultural development and investments outcomes				
1.2.1	Crop production index (1999-2001 = 100) ^b	World Bank	2007	117	Tracked
1.2.2	Agricultural value added (annual percentage growth) ^b	World Bank	2007	4	Tracked
1.2.3	Level of official development assistance to agriculture	World Bank	2008	US\$4.9 billion	Tracked
1.2.4	Share of budget allocated to agriculture and rural development	World Bank	2008	19%	Tracked

Sources: ^a United Nations, Millennium Development Goals Report (New York, 2010).
^b World Bank, World Development Indicators 2011 (Washington, D.C., 2011).

Level 2: IFAD's contribution to development outcomes and impact

<i>Indicators</i>		<i>Source</i>	<i>Baseline year</i>	<i>Baseline value^a (%)^b</i>	<i>Target for 2015 (%)^b</i>
2.1.	Outcome indicators, (percentage of projects rated moderately satisfactory or better) at completion				
2.1.1	Relevance	PCR	2010	98	100
2.1.2	Effectiveness	PCR	2010	80	90
2.1.3	Efficiency	PCR	2010	69	75
2.1.4	Rural poverty impact	PCR	2010	81	90
2.1.5	Gender equality	PCR	2010	90	90
2.1.6	Sustainability of benefits	PCR	2010	73	75
2.1.7	Innovation and learning (modified)	PCR	2010	86	90
2.1.8	Replication and scaling up (modified)	PCR	2010	85	90
2.1.9	Environment and natural resource management (new)	PCR	2010	88	90
2.1.10	Adaptation of smallholders to climate change	PCR	2013	TBD	TBD
2.1.11	Government performance (new)	PCR	2010	73	80
2.2.	Impact indicators (new)				
2.2.1	Household asset ownership index (new)	RIMS	-	-	Tracked
2.2.2	Level of child malnutrition (3 sub-indicators - acute, chronic and underweight), disaggregated for girls and boys (new)	RIMS	-	-	Tracked
2.2.3	Length of hungry season (new)	RIMS	-	-	Tracked
2.3.	People moved out of poverty				
2.3.1	People moved out of poverty (new)	RIMS/ sample impact surveys	2010	-	80 million ^c

Note: RIMS: IFAD's project M&E indicators.

^a The PCR and RIMS figures are provisional estimates for 2010, to be reported in RIDE 2011, and are subject to change.

^b The percentages refer to IFAD projects rated moderately satisfactory or better at completion.

^c Cumulative from 2010 onwards

Level 3: IFAD's contribution to country programme and project outputs

	<i>Indicators</i>	<i>Source</i>	<i>Baseline year^a</i>	<i>Baseline value</i>	<i>Target for 2015</i>
<i>Natural resource management</i>					
3.1	Common-property-resource land under improved management practices (ha)	RIMS	2010	5.5 million	Tracked
3.2	Area under constructed/rehabilitated irrigation schemes (ha)	RIMS	2010	373 thousand	Tracked
<i>Agricultural technologies</i>					
3.3	People trained in crop production practices/technologies	RIMS	2010	4.51 million	Tracked
	Male:female ratio	RIMS		65:35	Tracked
3.4	People trained in livestock production practices/technologies	RIMS	2010	1.2 million	Tracked
	Male:female ratio (percentage)	RIMS	2010	44:56	Tracked
<i>Rural financial services</i>					
3.5	Voluntary savers (with male:female ratio)	RIMS	2010	7.86 million	Tracked
	Male:female ratio	RIMS		47:53	Tracked
3.6	Active borrowers (along with male:female ratio)	RIMS	2010	2.70 million	Tracked
	Male:female ratio	RIMS		43:57	Tracked
3.7	Value of loans and savings mobilized US\$ million (new)	RIMS	2009	US\$495.0	Tracked
3.8	Value of gross loan portfolio (new)	RIMS	2009	US\$338.0	Tracked
<i>Marketing</i>					
3.9	Roads constructed/rehabilitated (km)	RIMS	2009	18 thousand	Tracked
3.10	Marketing groups formed/strengthened	RIMS	2009	13 thousand	Tracked
<i>Microenterprise</i>					
3.11	People trained in business and entrepreneurship	RIMS		716 thousand	Tracked
	Male:female ratio (percentage)	RIMS	2010	39:61	Tracked
3.12	Enterprises accessing facilitated non-financial services	RIMS	2010	57 thousand	Tracked
<i>Policies and institutions</i>					
3.13	People trained in community management topics (with male:female ratio)	RIMS	2010	2.13 million	Tracked
	Male:female ratio (percentage)	RIMS	2010	33:67	Tracked
3.14	Village/community action plans prepared	RIMS	2010	28 thousand	Tracked
3.15	People receiving services from IFAD-supported projects (no.)	RIMS	2010	43.1 million	90 million ^b

^a The RIMS figures are provisional estimates for 2010, to be reported in RIDE 2011.

^b Cumulative from 2010 onwards.

Level 4: Operational effectiveness of country programmes and projects

<i>Indicators</i>		<i>Source</i>	<i>Baseline year</i>	<i>Baseline value (%)</i>	<i>Target for 2015 (%)</i>
4.1	Country programme quality at entry				
4.1.1	Percentage of RB-COSOPs rated 4 or better ^a	COSOP QA ^b	2010	100	100
4.2	Percentage of country programmes rated 4 or better during implementation for:				
4.2.1	Contribution to increased incomes, improved food security, and empowerment of poor rural women and men	Client survey	2011	78	90
4.2.2	Adherence to the aid effectiveness agenda	CPIS ^c	2011	93	100
4.2.3	Engagement in national policy dialogue (new)	Client survey	2011	55	70
4.2.4	Partnership-building (new)	Client survey	2012	TBD	TBD
4.3	Percentage of projects rated 4 or better at entry^b				
4.3.1	Overall average (new)	QA	2010/2011	79	85
4.3.2	Overall average for projects in fragile states only (new) ^d	QA	2010/11	n/a	80
4.3.3	Gender	QA	2010/11	86	90
4.3.4	Monitoring and evaluation (new)	QA	2010/2011	70	80
4.3.5	Percentage of projects receiving positive ratings on scaling up (modified)	QA	2010/2011	72	80
4.4	Portfolio management				
4.4.1	Time from project approval to first disbursement (months)	PPMS ^e	2010/2011	17	14
4.4.2	Proactivity index ^f	PPMS	2010/2011	50	75
4.4.3	Projects at risk	PPMS	2010/2011	18	Tracked
4.4.4	Project time overrun (percentage)	PPMS	2010/2011	22	18
4.4.5	Time for withdrawal application processing (days)	PPMS	2009/2010	28	20
4.4.6	Percentage disbursement ratio- overall portfolio (new)	PPMS	mid-2011	15.7	18
4.4.7	Percentage disbursement ratio – for countries in fragile situations (new) ^d	PPMS	Mid-2011	15	17
4.4.8	Gender focus in implementation	PSR/ PPMS	Mid-2011	88	90
4.4.9	Percentage of projects for which IFAD performance is rated moderately satisfactory or better	ARRI	2010/2011	71	80
4.5	Project monitoring and evaluation				
4.5.1	Percentage of projects with RIMS or equivalent baseline surveys (cumulative percentage) (new)	Office records	Mid-2011	23	40
4.5.2	Percentage of projects submitting RIMS impact survey (new)	Office records	Mid-2011	70	95
4.5.3	PCR quality (percentage rated 4 or better) (new)	PCR review	2010-2011	80	90
4.6	Cofinancing				
4.6.1	Cofinancing ratio	PPMS	2008-2010	1.34	1.6

^a Earlier score of 4 or better, converted into percentage positive taking a cut-off of 4 or above rating.

^b Quality assurance (QA) ratings provided for each project prior to submission to the Executive Board for review or approval, as applicable.

^c Country programme issue sheet.

^d In calculating this ratio IFAD will use the harmonised list of fragile situations FY 11, agreed among the multi-lateral development banks ([http://siteresources.worldbank.org/EXTLICUS/Resources/511777-1269623894864/Fragile_Situations_List_FY11_\(Oct_19_2010\).pdf](http://siteresources.worldbank.org/EXTLICUS/Resources/511777-1269623894864/Fragile_Situations_List_FY11_(Oct_19_2010).pdf)).

^e Generated by the Project Portfolio Management System (PPMS).

^f Percentage of problem projects for which corrective actions are taken.

Level 5: Institutional effectiveness and efficiency

	<i>Indicators</i>	<i>Source</i>	<i>Baseline year</i>	<i>Baseline value</i>	<i>Target for 2015</i>
5.1	Improved resource mobilization and management				
5.1.1	Percentage achieved of replenishment pledges	Office records	Mid-2011	NA	100
5.2	Improved human resources management				
5.2.1	Staff engagement index: percentage of staff positively engaged in IFAD objectives	Staff survey	2010	69.4	75
5.2.2	Percentage of workforce from Lists B and C Member States	Office records	2011	40	Tracked
5.2.3	Percentage of women in P5 posts and above	Office records	2011	28	35
5.2.4	Time to fill professional vacancies (days)	Office records	2011	144	100
5.3	Improved risk management				
5.3.1	Number of actions overdue on high-priority internal audit recommendations	Office records	2010	21	15
5.4	Improved administrative efficiency	Annual work programme and budget	2011	14.1	Tracked
5.4.1	Ratio of administrative budget to the planned POLG				
	New or revised (ex ante) indicators				
5.4.2	Share of budget allocations to: (baseline 2011)				
	Cluster 1			62	65
	Cluster 2			7	9
	Cluster 3			23	20
	Cluster 4 ^a			8	6
5.4.3	Ratio of budgeted staff positions to total budgeted positions in: (baseline 2011)				
	Cluster 1			57	61
	Cluster 2			7	9
	Cluster 3			25	22
	Cluster 4 ^a			11	8
5.4.4	Ratio of budgeted staff positions in ICOs to budgeted staff in Country Programme divisions (baseline 2011) (new)			38	45
	New or revised (ex post) indicators				
5.4.5.	Ratio of actual administrative expenditures (including expenditures financed by management fees) to the IFAD-funded annual POLG augmented by the value of the programmes and projects managed by IFAD but funded by other agencies	Office records	3-year average	14.7	12.5
5.4.6.	Ratio of actual administrative expenditures (including expenditures financed by management fees) less actual expenditures on "technical support" to developing Member States to the integrated POW	Office records	3-year average, 2008-2010	12.5	10.6
5.4.7.	Ratio of actual administrative expenditures (including expenditure financed by management fees) to annual disbursements.	Office records	3-year average, 2008-2010	22.1	18.8
5.4.8.	Ratio of actual costs of GS staff to total staff costs	Office records	2010	30	25

^a Reductions in cluster 4 budgets and staff positions will be identified and implemented in close consultation with the Executive Board.

Status of IFAD8 commitments

<i>Issue</i>	<i>Proposed actions</i>	<i>Target date</i>	<i>Delivery date</i>
IFAD's role in middle-income countries	Present a policy paper on IFAD's engagement in middle-income countries (MICs) to the Executive Board.	September 2010	Presented at December 2010 Executive Board. ¹⁴ Management to provide the Executive Board with an elaboration of the graduation approach and implementation modalities.
IFAD activities in fragile states	Introduce key issues relative to fragile states into relevant operational guidelines – including those for country strategic opportunities programmes (COSOPs), project design and supervision, and quality assurance and quality enhancement.	June 2010	<p>COSOPs: relevant findings from a review of experiences in fragile states are reflected in the updated COSOP guidelines.</p> <p>Supervision: the guidelines update is finalized and state fragility issues have been introduced.</p> <p>Project design: the project design report outline has been revised and became effective in January 2011. The outline takes into account state fragility issues.</p> <p>Quality assurance: state fragility issues (such as risks, implementation capacity and sustainability) are duly taken into consideration in QA reviews.</p> <p>Quality enhancement: the guidance notes for the application of key success factors (KSFs) for project design, which reflect those outlined in IFAD's Quality Enhancement for Project Design Guidelines, specifically refer to fragility issues under KSF 3.</p>
Country ownership	Measure performance on country ownership, and report to the Executive Board annually through the Report on IFAD's Development Effectiveness (RIDE).	December 2009 onwards	Presented every year from December 2009 session of Executive Board ¹⁵ onwards.
Collaboration and partnerships	Report to the Executive Board on the success of IFAD's efforts to develop a more selective approach to partnerships.	September 2011	Informal seminar in association with December 2011 session of Executive Board; strategy to be presented to the April 2012 session of the Executive Board.
	Establish targets for partnerships, and report results to the Executive Board annually through the RIDE.	December 2009 onwards	Presented from December 2009 session of Executive Board onwards every year.
Strengthening IFAD's engagement with the private sector	If the need is identified, present a proposal for IFAD's role and instruments relative to engagement with the private sector, fully consistent with IFAD's mandate, to the Executive Board.	December 2010	<p>The IOE corporate-level evaluation of IFAD's Private-Sector Development and Partnership Strategy presented to the Executive Board in May 2011.</p> <p>Grants to the private sector introduced in the Revised IFAD Policy for Grant Financing presented to the Executive Board in December 2009.</p> <p>Private sector strategy to be presented to December 2011 session of Executive Board.</p>
Gender equality and women's empowerment	The IOE will conduct an evaluation of IFAD's performance on gender equality and women's empowerment in 2009. Based on the findings of the evaluation, the Executive Board will consider the need to develop a corporate policy and implementation strategy on gender.	December 2009 onwards	IOE evaluation presented to the Executive Board in December 2010. ¹⁶
	Join the multilateral development bank working group on gender.		IFAD joined the multilateral working group on gender in June 2009.
	Report annually to the Executive Board on IFAD's performance on gender in its operations through the RIDE.		Presented every year from December 2009 session of Executive Board onwards.

¹⁴ EB 2010/101/R.14.

¹⁵ EB 2009/98/R.10/Rev.1.

¹⁶ EB 2010/101/R.9/Rev.1.

<i>Issue</i>	<i>Proposed actions</i>	<i>Target date</i>	<i>Delivery date</i>		
			Gender policy to be presented at April 2012 session of Executive Board		
Environment and sustainable natural resource management	Present for the review of the Executive Board "IFAD Procedures for Environmental Management and Sustainable Development".	April 2009	Reviewed at April 2009 session of the Executive Board. ¹⁷		
	Present a policy on environment and natural resources, incorporating IFAD's climate change strategy, to the Executive Board.	December 2010	Informal seminar held in association with December 2010 session of Executive Board. Policy was approved by the Executive Board in May 2011. ¹⁸		
Climate change	Present a strategy on climate change to the Executive Board (see also "environment and sustainable natural resource management").	April 2010	Informal seminar held in association with December 2009 session of Executive Board. Strategy approved at April 2010 session of Executive Board. ¹⁹		
Sustainability	Report annually to the Executive Board on IFAD's performance with respect to sustainability through the RIDE.	December 2009 onwards	Presented every year from December 2009 session of Executive Board onwards.		
Management for development results	Update IFAD's guidelines for COSOPs, for project design and for grants, with minimum standards for results frameworks and logical frameworks for all three.		COSOPs: the COSOP guidelines were issued in early 2011; the updated guidelines provide a results management framework – also applicable to fragile states with necessary adjustments as warranted by country circumstances – aligning IFAD strategic objectives with country priorities, identifying expected results and corresponding indicators, as well as policy and institutional objectives. Project design: the project design report outline has been revised and became effective in early 2011. The outline prescribes the inclusion of a new IFAD template logical framework for which guidelines were developed in 2010. Grants: the Revised IFAD Policy for Grant Financing was approved by the Executive Board in December 2009. ²⁰ The procedures for grant financing and indicators for monitoring implementation of the policy were shared with the Executive Board in May 2011.		
			Present to the Executive Board a revised format for project documents submitted to the Board.	April 2011	A proposed new format for President's reports was approved by the Executive Board in May 2011 and will take effect as of the December 2011 session of the Executive Board.
			Report annually to the Executive Board on results achieved through the RIDE.	December 2009 onwards	Presented every year from December 2009 session of Executive Board onwards.
Consolidating the Action Plan reforms	Continue to report to the Executive Board on IFAD's operational and organizational reforms, principally through the RIDE.	December 2009 onwards	Presented every year from December 2009 session of Executive Board onwards.		
Human resources reform	Present to the Executive Board reports on the implementation of IFAD's human resources reform agenda.	December 2009, 2010	Progress report on human resources reform – a people strategy for IFAD presented at December 2009 session of Executive Board. ²¹ Human resources reform update presented at December 2010 session of Executive Board. ²²		

¹⁷ EB 2009/96/R.7.

¹⁸ EB 2011/102/R.9.

¹⁹ EB 2010/99/R.2/Rev.1.

²⁰ EB 2009/98/R.9/Rev.1.

²¹ EB 2009/98/R.18.

²² EB 2010/101/R.49.

<i>Issue</i>	<i>Proposed actions</i>	<i>Target date</i>	<i>Delivery date</i>
			Human resources reform update to be presented as part of Change and Reform: Consolidation paper at December 2011 session of Executive Board.
	Key performance indicators for the human resources reform will be reported annually to the Executive Board through the RIDE.	December 2009 onwards	Presented every year from December 2009 session of Executive Board onwards.
	Review the results-based incentive systems of other international institutions and report to the Executive Board with options to better align staff incentives with institutional performance.	September 2011	Report of external assessment of staff compensation and entitlements presented at December 2010 session of Executive Board. Human resources reform update to be presented as part of Change and Reform: Consolidation paper at December 2011 session of Executive Board.
Financial management, fiduciary and transparency issues	IFAD's administrative budget and Programme Development Financing Facility (PDFF): Engage with the Audit Committee of the Executive Board to integrate expenditures currently financed under the PDFF fully into the administrative budget.	IFAD's budget for 2010 onwards	Reviewed at December 2009 session of Executive Board and implemented in budgets for 2010, 2011, and 2012.
	Internal audit: take steps to continue enhancing the quality and independence of the internal audit function in line with evolving best practice.	[to be determined]	The Board reviewed and confirmed the Revised Charter of the IFAD Office of Audit and Oversight during the April 2010 session of the Executive Board. ²³
	Audit Committee: to present revised terms of reference and rules of procedure for the approval of the Executive Board.		Presented at September 2009 session of Executive Board. ²⁴
	Procurement: present the Executive Board with a review of IFAD's project procurement guidelines and their implementation, including a comparison with those of the World Bank and its reference guide to "Fiduciary Management for Community-driven Development Projects", and an assessment of their alignment with IFAD's anticorruption policy.	December 2009	Review of IFAD's project procurement guidelines presented at December 2009 session of Executive Board. ²⁵ Revised guidelines approved in September 2010. ²⁶
	Disclosure: Executive Board to amend the IFAD Policy on the Disclosure of Documents to allow for disclosure of project appraisal documents on IFAD's public website prior to the Executive Board session during which the project will be considered.	September 2009	Amendment to IFAD's Policy on the Disclosure of Documents approved at September 2009 session of Executive Board. ²⁷
	Executive Board to review policy provisions with regard to the disclosure of previously undisclosed documents.		Policy of "presumption of full disclosure of documents produced by IFAD" approved at the September 2010 session of Executive Board. ²⁸
	Risk management: the President to submit an annual report on IFAD's risk management activities to the Executive Board through the Audit Committee.	Ongoing	Presented every year from April 2009 session of Executive Board onwards. ²⁹
	Accountability and transparency: adopt an internal control framework and a financial disclosure policy for senior officers and relevant staff.	June 2009	Internal control framework: full attestation of objectives by external auditors on financial statements as at 2012.

²³ EB 2010/99/R.49/Rev.1.

²⁴ EB 2009/97/R.50/Rev.1.

²⁵ EB 2009/98/R.12.

²⁶ EB 2010/100/R.27/Rev.1.

²⁷ EB 2009/97/R.33.

²⁸ EB 2010/100/R.3/Rev.1.

²⁹ EB 2009/96/R.28.

<i>Issue</i>	<i>Proposed actions</i>	<i>Target date</i>	<i>Delivery date</i>
			Management assertion on financial statements as at 2011: steps already taken in 2009-2011: process mapping and documentation of all key financial processes; external review of the processes mapped and gap analysis; reviewing and testing the mapped key controls related to financial reporting for financial year 2011.
			Financial disclosure policy: a financial disclosure policy applicable to all IFAD staff was implemented through the "Certification of compliance with IFAD's Code of Conduct". ³⁰
Improving the implementation of the performance-based allocation system (PBAS)	Executive Board to mandate the PBAS working group to continue its functions and, as well, review the best practices of other IFIs and identify improvements to the system.	Ongoing	Ongoing
Achieving and measuring results	Present the final Results Measurement Framework for the approval of the Executive Board, prior to the start of the Eighth Replenishment period.	September 2009	Approved at September 2009 session of Executive Board. ³¹
	Report to the Executive Board on achievements against the IFAD8 Results Measurement Framework through the RIDE.	December 2010 onwards	Presented every year from December 2009 session of Executive Board onwards.
Grants	Present a revised policy on grants to the Executive Board.	December 2009	Revised IFAD Policy for Grant Financing approved at December 2009 session of Executive Board. ³²
Strategic Framework	Present to the Executive Board a new strategic framework to guide IFAD's activities in the period 2011 onwards.	December 2010	Presented at December 2010 session of Executive Board. ³³

³⁰ President's bulletin PB/2010/08 and Information Circular of the Office of Audit and Oversight IC/AOU/10/01.

³¹ EB 2009/97/R.2.

³² EB 2009/98/R.9/Rev.1.

³³ EB 2010/101/R.12.

List of documents provided to the Consultation and other reference documents made available

REPL.IX/1/R.2	IFAD at the Midterm of the Eighth Replenishment
Support documentation	Results Measurement Framework for the Eighth Replenishment period (2010-2012) [Document approved by IFAD's Executive Board in September 2009] Report on IFAD's Development Effectiveness (2010) [Report presented to IFAD's Executive Board in December 2010] Global Economy and Development at Brookings, Working Paper 43: Scaling Up the Fight Against Rural Poverty: an Institutional Review of IFAD's Approach
REPL.IX/1/R.3	Report on the status of donor contributions to the Eighth Replenishment of IFAD's Resources
REPL.IX/1/R.4	Sessions, workplan and themes of the Consultation on the Ninth Replenishment of IFAD's Resources
REPL.IX/1/INF.2	Chairperson's summary - First session of the Consultation on the Ninth Replenishment of IFAD's Resources
REPL.IX/2/R.2	IFAD's Strategic Vision to 2015
REPL.IX/2/R.3	IFAD's business model in IFAD9 Managing for Impact and Improved Performance since IFAD8 (Presentation by Independent Office of Evaluation of IFAD)
REPL.IX/2/R.4	Programme of loans and grants for IFAD9
REPL.IX/2/R.5	Financing requirements and modalities for IFAD9
REPL.IX/2/R.6	Draft resolution on the Ninth Replenishment of IFAD's Resources
REPL.IX/2/INF.2/Rev.1	Chairperson's summary - Second session of the Consultation on the Ninth Replenishment of IFAD's Resources
REPL.IX/2/R.5/Add.1	IFAD9 Consultation Intersessional Paper
REPL.IX/3/R.6	Examination of the assumptions and projections contained within the papers: "Financing requirements and modalities for IFAD9" and "ACA implications for future replenishments"
REPL.IX/3/R.2	Managing for efficiency in IFAD: Progress under IFAD8 and proposals for IFAD9
REPL.IX/3/R.3	South-South cooperation in IFAD's business model
REPL.IX/3/R.4	Results Measurement Framework 2013-2015
REPL.IX/3/R.5	Draft Report of the Consultation on the Ninth Replenishment of IFAD's Resources
REPL.IX/3/R.7	Exchange rates for the Ninth Replenishment of IFAD's Resources

- REPL.IX/3/INF.2/REV.1 Chairperson's summary – Third session of the Consultation on the Ninth Replenishment of IFAD's Resources
- REPL.IX/4/R.2/Rev.2 Draft Report of the Consultation on the Ninth Replenishment of IFAD's Resources
- REPL.IX/4/INF.2 Comments and Responses Matrix on the Pre-Fourth Session Draft Report of the Consultation on the Ninth Replenishment of IFAD's Resources
- REPL.IX/4/R.3/Rev.4 Draft Resolution on the Ninth Replenishment of IFAD's Resources
- REPL.IX/4/INF.3 Chairperson's summary – Fourth session of the Consultation on the Ninth Replenishment of IFAD's Resources

Draft resolution on the Ninth Replenishment of IFAD's Resources

The Governing Council of IFAD,

Recalling the relevant provisions of the Agreement Establishing the International Fund for Agricultural Development (the Agreement), in particular articles 2 (Objective and Functions), 4.3 (Additional Contributions), 4.4 (Increases in Contributions), 4.5 (Conditions Governing Contributions), 4.6 (Special Contributions) and 7 (Operations) as well as Governing Council resolution 77/2 (1977), as amended by resolution 86/XVIII (1995) (Delegation of Powers to the Executive Board);

Further recalling Governing Council Resolution 160/XXXIV (2011) on the Establishment of the Consultation on the Ninth Replenishment of IFAD's resources, whereby the thirty-fourth session of the Governing Council, in accordance with article 4.3 of the Agreement, set the Consultation the task of reviewing the adequacy of the Fund's resources and reporting to the Governing Council, **and**, in particular, the requirement for the Consultation to submit a report on the results of its deliberations and any recommendations thereon to the thirty-fifth session and, if required, subsequent sessions of the Governing Council, with a view to adopting such resolutions as may be appropriate;

Having considered that for the purpose of reviewing the adequacy of the Fund's resources, account has been taken of the urgent need to alleviate food insecurity by increasing the flow of external resources for food production, particularly on concessional terms, as well as the Fund's special mandate and operational capacity to effectively channel additional resources to eligible Members;

Having further considered that in determining the level at which the resources of the Fund should be replenished by additional contributions of Members, account has been taken of the announcements of Members' intentions to make additional contributions to the resources of the Fund and the President's undertaking to make every effort to explore the scope for increasing financing from alternative sources and to submit any resulting proposals to the Executive Board for approval;

Having taken into account and agreed on the conclusions and recommendations of the Report of the Consultation on the Ninth Replenishment of IFAD's Resources (_____) regarding the need and desirability of additional resources for the operations of the Fund; and

Acting upon article 4.3 of the Agreement,

Hereby decides:

I. The level of replenishment and call for additional contributions

(a) **Available resources.** The Fund's resources at the end of the Eighth Replenishment period and the funds to be derived from operations or otherwise accruing to the Fund during the three-year period commencing 1 January 2013 (the replenishment period) are estimated at US\$ ____.

(b) **Target for contributions.** The target for additional contributions and special contributions from non-Member States is set at the amount of US\$ ____.

(c) **Call for additional contributions.** Taking into account the conclusions and recommendations of the Report of the Consultation on the Ninth Replenishment of IFAD's Resources (____) regarding the need and desirability of additional resources for the operations of the Fund, Members are hereby invited to make additional contributions to the resources of the Fund in accordance with the terms set forth below.

(d) **Pledges.** The Fund acknowledges the announcements of the Members' intentions to make additional contributions to the resources of the Fund as set out in annex VI to the Report of the Consultation on the Ninth Replenishment of IFAD's Resources. Members that have not yet formally announced their contributions are invited to do so preferably no later than the last day of the six-month period following the adoption of this resolution. The President shall communicate a revised annex VI to the Report of the Consultation on the Ninth Replenishment of IFAD's Resources (____) to all Members of the Fund no later than 15 days after the above-mentioned date.

(e) **Structural gap.** While maintaining the target level as specified in subsection I(b), the structural gap may not exceed fifteen per cent (15 per cent) of such target level. In the event that the structural gap exceeds fifteen per cent (15 per cent) at the end of the six-month period for the creation of new votes specified in subsection IX(a) of this resolution, the target level specified in subsection I(b) shall be adjusted so that the total amount of the pledges received at that date represents at least eighty-five per cent (85 per cent) of the target level. If such an adjustment becomes necessary, the President will immediately communicate the new target level to the Governors, after which subsection I(b) shall be deemed to have been amended accordingly.

II. Measuring results, effectiveness and efficiency

(a) During the replenishment period, the Results Measurement Framework set forth in annex II to the Report of the Consultation on the Ninth Replenishment of IFAD's Resources (____) shall constitute a systematic approach to management, monitoring and measurement to ensure that the intended results have the greatest likelihood of being achieved.

(b) In order to raise the capacity of the Fund to effectively and efficiently manage ongoing operations and deliver the programme of work, the Executive Board and the President shall adopt the measures and undertake the actions set forth in annex I to the Report of the Consultation on the Ninth Replenishment of IFAD's Resources (____).

III. Contributions

(a) **Additional contributions.** During the replenishment period, the Fund shall accept from Members:

(i) **Core contributions.** Upon their core contributions to the Ninth Replenishment, Members shall receive commensurate contribution votes pursuant to article 6.3(a)(ii)(B) of the Agreement.

- (ii) **Complementary contributions.** Members shall not receive commensurate contribution votes on complementary contributions.
- (b) **Special contributions**
 - (i) During the replenishment period, the resources of the Fund may be increased by special contributions from non-Member States.
 - (ii) The Executive Board may approve related agreements with such States and allow their participation in its meetings, when appropriate.
 - (iii) Special contributions made by any State after the adoption of this resolution shall be converted into additional contributions upon the contributor's accession to the Fund during the replenishment period.
 - (iv) With respect to special contributions from sources other than States, the Executive Board may review and approve related agreements with the contributors. Based on its review of the potential implications, the Executive Board may also consider adopting measures to enable such contributors' participation in its meetings on an ad hoc basis, provided that these measures have no consequences for the governance of the Fund.
- (c) **Conditions governing contributions.**
 - (i) In conformity with article 4.5(a) of the Agreement, the foregoing contributions shall be made without restriction as to their use and shall be refunded to contributing Members only in accordance with article 9.4 of the Agreement.
 - (ii) The Governing Council will, if and when proposed, decide upon the use to be made of complementary contributions. When the Governing Council is not in session, the Executive Board shall be allowed to make such decisions.
 - (iii) In application of subsection (c)(ii) above, and without prejudice to the authority to decide on the use of complementary contributions for other purposes, during the replenishment period, the Fund shall accept complementary contributions to support the Fund's adaptation for smallholder agriculture programme.
- (d) **Denomination of contributions.** In accordance with article 5.2(a) of the Agreement, Members shall denominate their contributions in special drawing rights (SDR), in a currency used for the valuation of the SDR, or in the currency of the contributing Member if such currency is freely convertible and the Member did not experience, in the period from 1 January 2009 to 31 December 2010, a rate of inflation in excess of 10 per cent per annum on average, as determined by the Fund.
- (e) **Unpaid contributions.** Those Members that have not yet completed payment of their previous contributions to the resources of the Fund and that have not yet deposited an instrument of contribution or paid their contribution for the Eighth Replenishment are urged to make the necessary arrangements. Upon proposals by the President, the Executive Board shall adopt measures aimed at realizing the settlement of unpaid contributions.
- (f) A Member may increase the amount of any of its contributions at any time.
- (g) **Exchange rates.** For the purposes of section I(b), commitments and pledges made under this resolution shall be valued on the basis of the average month-end exchange rate of the International Monetary Fund over a six-month period preceding the adoption of this resolution between the currencies to be

converted into United States dollars (1 April–30 September 2011), rounded to the fourth decimal point.

IV. Instruments of contribution

- (a) **General clause.** Members making contributions under this resolution shall deposit with the Fund, preferably no later than the last day of the six-month period following the adoption of the resolution, an instrument of contribution formally committing to make additional contributions to the Fund in accordance with the terms of this resolution and specifying the amount of their contribution in the applicable currency of denomination.
- (b) **Unqualified contribution.** Except as specified in subsection (c) below, such instrument of contribution shall constitute an unqualified commitment by the concerned Member to pay its payable contribution in the manner and on the terms set forth in this resolution, or as otherwise approved by the Executive Board. For the purpose of this resolution, such contribution shall be called an **“unqualified contribution”**.
- (c) **Qualified contribution.** As an exceptional case, where an unqualified commitment cannot be given by a Member due to its legislative practice, the Fund may accept from that Member an instrument of contribution that expressly contains the qualification that payment of all instalments of its payable contribution, except for the first one, is subject to subsequent budgetary appropriation. Such an instrument of contribution shall, however, include an undertaking by the Member to exercise its best efforts to:
 - (i) arrange such appropriation for the full amount specified by the payment dates indicated in section VII, and (ii) notify the Fund as soon as the appropriation relative to each instalment is obtained. For the purpose of this resolution, a contribution in this form shall be called a **“qualified contribution”**, but shall be deemed to be unqualified to the extent that appropriation has been obtained.
- (d) **Contingent contributions.** The Fund may accept contributions that, in part or in whole, may be contingent upon the completion of specific measures and actions referred to in section II of this resolution.
- (e) **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 that has not waived the right to avail itself of the option of commensurate modification in its instrument of contribution, 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. The option of commensurate modification may be exercised with the sole purpose of 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 conduct caused the option to be exercised has acted to remedy the situation on its part or the Member exercising the option revokes its decision taken under this provision.

V. Effectiveness

- (a) **Effectiveness of the replenishment.** The replenishment shall come into effect on the date upon which instruments of contribution or payments made without an instrument of contribution relating to the additional contributions and special contributions from States referred to in section III of this resolution have been deposited with or received by the Fund in an aggregate amount equivalent to at least 50 per cent of the pledges as communicated by the President to Members pursuant to section I(e).
- (b) **Effectiveness of individual contributions.** Instruments of contribution deposited on or before the effective date of the replenishment shall take effect on that date, and instruments of contribution deposited after such date shall take effect on their respective dates of deposit.
- (c) **Effectiveness of replenishment votes.** The distribution of the Ninth Replenishment votes, as specified in the provisions of section IX below, shall enter into effect six months after the adoption of this resolution. The President shall communicate the distribution of the Ninth Replenishment membership and contribution votes to all Members of the Fund no later than 15 days after the date specified above.
- (d) **Availability for commitment.** As of the effective date of the replenishment, all additional contributions paid to the resources of the Fund shall be considered available for operational commitment under article 7.2(b) of the Agreement and other relevant policies of the Fund.

VI. Advance contribution

Notwithstanding the provisions of section V above, all contributions or parts thereof paid prior to the effective date of the replenishment may be used by the Fund for its operations, 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 before the effective date of the replenishment.

VII. Payment of contributions

- (a) **Unqualified contributions**
 - (i) **Payment of instalments.** Each contributing Member shall, at its option, pay its unqualified payable contribution in a **single sum** or in **two** or maximum **three** instalments. Instalment payments in respect of each unqualified contribution shall be, at the option of the Member, either in **equal** amounts or in **progressively graduated** amounts, with the first instalment amounting to at least 30 per cent of the contribution, the second instalment amounting to at least 35 per cent and the third instalment, if any, covering the remaining balance.
 - (ii) **Payment dates**
 - Single-sum payment**
Payment in a single sum shall be due on the thirtieth day after the Member's instrument of contribution enters into effect.
 - Instalment payments**
Payment in instalments shall be made according to the following schedule:

The first instalment shall be due on the thirtieth day after the Member's instrument of contribution enters into effect. Any other instalment shall be due on the first anniversary of the effective date of the replenishment

and the balance, if any, shall be paid no later than the last day of the three-year period following the adoption of this resolution.

- (iii) **Early payment.** Any Member may pay its contribution at earlier dates than those specified in subsection (a)(ii) above.
 - (iv) **Alternative arrangements.** The President may, upon the request of a Member, agree to a variation in the prescribed payment dates, percentages or number of instalments of the contribution, provided that such a variation shall not adversely affect the operational needs of the Fund.
- (b) **Qualified contributions.** Qualified contributions shall be paid within 90 days after the Member's instrument of contribution enters into effect, as and to the extent that the relative contribution becomes unqualified and, where possible, in accordance with the annual payment dates specified in subsection (a)(ii) above. A Member that has deposited an instrument of contribution for a qualified contribution shall inform the Fund of the status of the qualified instalment of its contribution no later than 30 days after the annual payment date specified in subsection (a)(ii) above.
- (c) **Currency of payment**
- (i) All contributions made under this resolution shall be paid in SDR, in a currency used for the valuation of the SDR, or in the currency of the contributing Member if such currency is acceptable.
 - (ii) In accordance with article 5.2(b) of the Agreement, the value of the payment shall be determined on the basis of the rate of exchange used by IFAD for translation purposes in its books of account at the time of payment.
- (d) **Mode of payment.** In conformity with article 4.5(c) of the Agreement, payments in respect to the payable contribution shall be made in cash or, at the option of the Member, by the deposit of non-negotiable, irrevocable and non-interest-bearing notes or similar obligations of the Member, encashable on demand by the Fund at their par value in accordance with the terms of subsection (e) below. To the extent possible, Members may favourably consider payment of their contributions in cash.
- (e) **Encashment of promissory notes or similar obligations.** In conformity with the provisions of article 4.5(c)(i) of the Agreement and regulation V of the Financial Regulations of IFAD, promissory notes or similar obligations of Members shall be encashed in accordance with the drawdown policy approved by the Executive Board at its seventy-first session or as agreed between the President and a contributing Member.
- (f) **Payment modalities.** At the time of depositing its instrument of contribution, each Member shall indicate to the Fund its proposed schedule and mode of payment on the basis of the arrangements set forth in subsections (a), (b), (c) and (d) above.

VIII. Exercise of the advance commitment authority

Effective 1 January 2013, when the Executive Board authorizes advance commitment funds to be derived from operations pursuant to its power under article 7.2(b) of the Agreement, the Fund's commitment capacity shall be assessed and determined in accordance with the sustainable cash flow methodology by matching financial obligations (cash outflows) arising from commitments against current resources and projected cash inflows.

IX. Allocation of new votes for the replenishment

- (a) **Replenishment votes.** New replenishment votes shall be created (Ninth Replenishment votes). The total amount of Ninth Replenishment votes shall be calculated by dividing the total amount of pledges to core contributions, which have been received as of the date six months after the date of adoption of this resolution, by one million five hundred and eighty thousand United States dollars (US\$1,580,000).
- (b) The Ninth Replenishment votes thus created shall be distributed in accordance with section 3(a)(ii) and (iii) of article 6 of the Agreement as follows:
 - (i) **Membership votes.** Membership votes shall be distributed equally among all Members in conformity with article 6.3(a)(i)(A) and (ii)(A) of the Agreement.
 - (ii) **Contribution votes.** In conformity with article 6.3(a)(ii)(B) of the Agreement, contribution votes shall be distributed among all Members in the proportion that each Member's paid-up contribution for the Ninth Replenishment bears to the aggregate of the paid core contributions specified in section III above.
 - (iii) The allocation and distribution of the original, Fourth Replenishment, Fifth Replenishment, Sixth Replenishment, Seventh Replenishment and Eighth Replenishment votes shall continue irrespective of the entry into force of this resolution.
- (c) **Communication of votes.** The amount and allocation of votes created in accordance with subsection (a) above shall be communicated to all Members and reported to the Governing Council at its thirty-sixth session.

X. Cofinancing and miscellaneous operations

During the replenishment period, the Executive Board and the President are encouraged to take necessary measures to strengthen the Fund's catalytic role in raising the proportion of national and international funding directed at improving the well-being and self-reliance of rural poor people, and to supplement the resources of the Fund by using the Fund's power to perform financial and technical services, including the administration of resources and acting as trustee, that are consistent with the objective and functions of the Fund. Operations involved in the performance of such financial services shall not be on the account of the Fund.

XI. Reporting to the Governing Council

The President shall submit to the thirty-sixth Governing Council session and subsequent sessions of the Governing Council reports on the status of commitments, payments, borrowing 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.

XII. Review by the Executive Board

- (a) 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.
- (b) 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, upon the request of the Executive Board the Chairperson of the Governing Council may convene a meeting of the Consultation established by resolution 160/XXXIV (2011) 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.

XIII. Mid-term review

A mid-term review of the implementation of the measures and actions referred to in section II of this resolution will be undertaken and its findings presented at an early meeting of the Consultation on the Tenth Replenishment of IFAD's Resources.

Ninth Replenishment Contributions of Member States at 16 January 2012

Member State	Regular Resources in US\$ ¹	Complementary Contributions in US\$ ¹	Total Amount in US\$ ¹	Unit of obligation ²	Total contribution in unit of obligation	Equivalent in SDR ³
Afghanistan				US\$		
Albania				US\$		
Algeria				US\$		
Angola				US\$		
Antigua and Barbuda				US\$		
Argentina	7 500 000		7 500 000	US\$	7 500 000	4 692 000
Armenia				US\$		
Austria	22 889 843		22 889 843 ⁴	EUR	16 000 000	14 319 886
Azerbaijan				US\$		
Bahamas (The)				US\$		
Bangladesh	650 000		650 000	US\$	650 000	406 640
Barbados				US\$		
Belgium				EUR		
Belize				US\$		
Benin				US\$		
Bhutan				US\$		
Bolivia				US\$		
Bosnia and Herzegovina				US\$		
Botswana				US\$		
Brazil	16 700 000		16 700 000	US\$	16 700 000	10 447 520
Burkina Faso				US\$		
Burundi	10 000		10 000	US\$	10 000	6 256
Cambodia				US\$		
Cameroon				US\$		
Canada				CAD		
Cape Verde				US\$		
Central African Republic				US\$		
Chad				US\$		
Chile				US\$		
China	27 000 000		27 000 000	US\$	27 000 000	16 891 200
Colombia				US\$		
Comoros				US\$		
Congo				US\$		
Cook Islands				US\$		
Costa Rica				US\$		
Côte d'Ivoire				US\$		
Croatia				US\$		
Cuba				US\$		
Cyprus				US\$		
Democratic People's Republic of Korea				US\$		
Democratic Republic of the Congo	289 921		289 921	US\$	289 921	181 375
Denmark	16 317 911		16 317 911 ⁴	DKK	85 000 000	10 208 485
Djibouti				US\$		
Dominica				US\$		
Dominican Republic				US\$		
Ecuador	400 000		400 000	US\$	400 000	250 240
Egypt				US\$		
El Salvador				US\$		
Equatorial Guinea				US\$		
Eritrea				US\$		
Ethiopia				US\$		
Fiji				US\$		
Finland	17 167 382		17 167 382	EUR	12 000 000	10 739 914
France	50 071 531		50 071 531	EUR	35 000 000	31 324 750
Gabon	327 144		327 144 ⁵	US\$	327 144	204 661
Gambia (The)				US\$		
Georgia				US\$		
Germany	70 000 000		70 000 000 ⁶	US\$	48 930 000	43 792 000
Ghana				US\$		
Greece				EUR		

Ninth Replenishment Contributions of Member States at 16 January 2012

Member State	Regular Resources in US\$ ¹	Complementary Contributions in US\$ ¹	Total Amount in US\$ ¹	Unit of obligation ²	Total contribution in unit of obligation	Equivalent in SDR ³
Grenada				US\$		
Guatemala				US\$		
Guinea				US\$		
Guinea-Bissau				US\$		
Guyana				US\$		
Haiti				US\$		
Honduras				US\$		
Hungary				US\$		
Iceland				US\$		
India	30 000 000		30 000 000	US\$	30 000 000	18 768 000
Indonesia	10 000 000		10 000 000	US\$	10 000 000	6 256 000
Iran (Islamic Republic of)				US\$		
Iraq				US\$		
Ireland	8 583 691		8 583 691	EUR	6 000 000	5 369 957
Israel				US\$		
Italy	83 000 000		83 000 000	EUR	58 017 000	51 924 800
Jamaica				US\$		
Japan	75 000 000		75 000 000	JPY	5 930 002 500	46 920 000
Jordan				US\$		
Kazakhstan				US\$		
Kenya				US\$		
Kiribati				US\$		
Kuwait				US\$		
Kyrgyzstan				US\$		
Lao People's Democratic Republic				US\$		
Lebanon				US\$		
Lesotho				US\$		
Liberia				US\$		
Libya				US\$		
Luxembourg	2 400 000		2 400 000	EUR	1 677 600	1 501 440
Madagascar				US\$		
Malawi				US\$		
Malaysia				US\$		
Maldives				US\$		
Mali	101 423		101 423	EUR	70 894	63 450
Malta				US\$		
Marshall Islands				US\$		
Mauritania				US\$		
Mauritius				US\$		
Mexico	5 000 000		5 000 000	US\$	5 000 000	3 128 000
Mongolia				US\$		
Morocco				US\$		
Mozambique				US\$		
Myanmar				US\$		
Namibia				US\$		
Nepal				US\$		
Netherlands	75 000 000		75 000 000	EUR	52 425 000	46 920 000
New Zealand				NZD		
Nicaragua	150 000		150 000	US\$	150 000	93 840
Niger				US\$		
Nigeria				US\$		
Niue				US\$		
Norway	49 628 704		49 628 704	NOK	270 000 000	31 047 717
Oman				US\$		
Pakistan	8 000 000		8 000 000	US\$	8 000 000	5 004 800
Panama				US\$		
Papua New Guinea				US\$		
Paraguay				US\$		
Peru				US\$		
Philippines				US\$		

Ninth Replenishment Contributions of Member States at 16 January 2012

Member State	Regular Resources in US\$ ¹	Complementary Contributions in US\$ ¹	Total Amount in US\$ ¹	Unit of obligation ²	Total contribution in unit of obligation	Equivalent in SDR ³
Portugal				EUR		
Qatar				US\$		
Republic of Korea	6 900 000		6 900 000 ⁷	US\$	6 900 000	4 316 640
Republic of Moldova				US\$		
Romania				US\$		
Rwanda				US\$		
Saint Kitts and Nevis				US\$		
Saint Lucia				US\$		
Saint Vincent and the Grenadines				US\$		
Samoa				US\$		
Sao Tome and Principe				US\$		
Saudi Arabia				US\$		
Senegal				US\$		
Seychelles				US\$		
Sierra Leone	60 000		60 000	US\$	60 000	37 536
Solomon Islands				US\$		
Somalia				US\$		
South Africa	500 000		500 000	US\$	500 000	312 800
Spain				EUR		
Sri Lanka				US\$		
Sudan				US\$		
Suriname				US\$		
Swaziland	20 000		20 000	US\$	20 000	12 512
Sweden	72 600 000		72 600 000	SEK	460 559 880	45 418 560
Switzerland	25 228 000		25 228 000 ⁸	CHF	21 300 000	15 782 637
Syrian Arab Republic				US\$		
Tajikistan				US\$		
Thailand				US\$		
The Former Yugoslav Republic of Macedonia				US\$		
Timor-Leste				US\$		
Togo	109 048		109 048	US\$	109 048	68 220
Tonga				US\$		
Trinidad and Tobago				US\$		
Tunisia				US\$		
Turkey	1 200 000		1 200 000	US\$	1 200 000	750 720
Uganda	50 000		50 000	US\$	50 000	31 280
United Arab Emirates				US\$		
United Kingdom	82 900 000		82 900 000	GBP	51 132 720	51 862 240
United Republic of Tanzania	61 746		61 746	US\$	61 746 [*]	38 628
United States	90 000 000		90 000 000 ⁹	US\$	90 000 000	56 304 000
Uruguay				US\$		
Uzbekistan						
Venezuela (Bolivarian Republic of)				US\$		
Viet Nam				US\$		
Yemen				US\$		
Zambia				US\$		
Zimbabwe				US\$		
Total Replenishment**	855 816 342**	00 000 000**	855 816 342**			535 398 704**

¹ Converted to US\$ amount by applying the average exchange rate as described in paragraph of resolution

² The following abbreviations are used for currencies:

CAD: Canadian dollar

CHF: Swiss franc

DKK: Danish krone

EUR: euro

³ Converted from US\$ amount by applying the average International Monetary Fund (IMF) US\$/SDR exchange rate for the period 1 April to 30 September 2011.

⁴ Subject to parliamentary approval.

⁵ Exact amount in US\$ to be confirmed.

⁶ Germany's contribution depends on the following: (i) subject to entry into force of the 2012 federal budget law and parliamentary approval; (ii) the unit of obligation will be decided by the German Government at the time of deposit of its Instrument of Contribution at the latest (iii) the amount of US\$ 70 million is capped however at a maximum of the US\$ equivalent of €52.389 million at the official exchange rate on the day of commitment.

⁷ Subject to ministerial approval.

⁸ Based on 4.84% of IFAD9 target.

⁹ Subject to approval through the budget process and congressional appropriation.

* This amount has been paid as an advance contribution, but no pledge has yet been received.

** The totals for the Ninth Replenishment reflect the pledges made to date. However, a number of countries have yet to announce their pledges. A number of countries also gave indications of their pledges pending formal confirmation of their precise contribution. This table will be updated periodically to reflect the additional pledges.