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Enabling poor rural people
to overcome poverty

Resolutions adopted by the Governing Council at its thirty-fifth session

Note to Governors

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Governing Council — Thirty-fifth Session
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For: Information

Resolutions adopted by the Governing Council at its thirty-fifth session

1. The Governing Council, at its thirty-fifth session, adopted resolutions 164/XXXV, 165/XXXV, 166/XXXV, 167/XXXV, 168/XXXV, 169/XXXV and 170/XXXV.
2. These resolutions are transmitted for the information of all Members of IFAD.

Resolution 164/XXXV

Approval of the Republic of Estonia as a non-original Member of the Fund

The Governing Council of IFAD,

Taking into account articles 3.1(a), 3.2(b) and 13.1(c) of the Agreement Establishing IFAD and section 10 of the By-laws for the Conduct of the Business of IFAD;

Considering that non-original Members of the Fund shall be those other States members of the United Nations or any of its specialized agencies that, after the approval of their membership by the Governing Council, become parties to the Agreement Establishing the International Fund for Agricultural Development by depositing an instrument of accession with the Secretary-General of the United Nations;

Considering that the Republic of Estonia has been a member of the United Nations since 1991 and is a member of numerous of its specialized agencies;

Considering therefore that the Republic of Estonia is eligible for membership in the Fund;

Having considered the application for non-original membership by the Republic of Estonia transmitted to the Council in document GC 35/L.2, and the recommendation of the Executive Board that the Republic of Estonia should be admitted to membership in the International Fund for Agricultural Development;

Taking note of the initial contribution amount proposed by the Republic of Estonia, EUR 45,000, upon approval of its membership application;

Approves the membership of the Republic of Estonia; and

Tasks the President to notify the Secretary-General of the United Nations of this decision.

Resolution 165/XXXV

Approval of the Republic of South Sudan as a non-original Member of the Fund,

The Governing Council of IFAD,

Taking into account articles 3.1(a), 3.2(b) and 13.1(c) of the Agreement Establishing IFAD and section 10 of the By-laws for the Conduct of the Business of IFAD;

Considering that non-original Members of the Fund shall be those other States members of the United Nations or any of its specialized agencies that, after the approval of their membership by the Governing Council, become parties to the Agreement Establishing the International Fund for Agricultural Development by depositing an instrument of accession with the Secretary-General of the United Nations;

Considering that the Republic of South Sudan has been a member of the United Nations since July 2011 and is a member of several of its specialized agencies;

Considering therefore that the Republic of South Sudan is eligible for membership in the Fund;

Having considered the application for non-original membership by the Republic of South Sudan transmitted to the Council in document GC 35/L.2, and the recommendation of the Executive Board that the Republic of South Sudan should be admitted to membership in the International Fund for Agricultural Development;

Taking note of the initial contribution amount proposed by the Republic of South Sudan, US\$10,000, upon approval of its membership application;

Approves the membership of the Republic of South Sudan; and

Tasks the President to notify the Secretary-General of the United Nations of this decision.

Resolution 166/XXXV

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 (GC 35/L.4 + Add.1 + Add.2) 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\$2.03 billion.
- (b) **Target for contributions.** The target for additional contributions and special contributions from non-Member States is set at the amount of US\$1.5 billion.
- (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 (GC 35/L.4) ("the Ninth Replenishment report") 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 Ninth Replenishment report. 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 Ninth Replenishment report 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 15 per cent of such target level. In the event that the structural gap exceeds 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 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 Ninth Replenishment report 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 Ninth Replenishment report.

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 its 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 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.

Resolution 167/XXXV

Administrative and capital budgets of IFAD for 2012 and administrative budget of the Independent Office of Evaluation of IFAD for 2012

The Governing Council of IFAD,

Bearing in mind article 6.10 of the Agreement Establishing IFAD and regulation VI of the Financial Regulations of IFAD;

Noting that, at its 104th session, the Executive Board reviewed and agreed upon a programme of work of IFAD for 2012 at a level of SDR 739 million (US\$1,155 million), which comprises a lending programme of SDR 691 million (US\$1,080 million) and a gross grant programme of US\$75 million;

Having considered the review of the 104th session of the Executive Board concerning the proposed administrative and capital budgets of IFAD for 2012 and the administrative budget of the Independent Office of Evaluation of IFAD for 2012;

Approves, firstly, the administrative budget of IFAD for 2012 in the amount of US\$144.14 million, secondly, the capital budget of IFAD for 2012 in the amount of US\$3.5 million, and thirdly, the budget of the Independent Office of Evaluation of IFAD for 2012 in the amount of US\$6.02 million, as they are set forth in document GC 35/L.6, determined on the basis of a rate of exchange of EUR 0.72/US\$1.00; and

Determines that in the event the average value of the United States dollar in 2012 should change against the euro rate of exchange used to calculate the budget, the total United States dollar equivalent of the euro expenditures in the budget shall be adjusted in the proportion that the actual exchange rate in 2012 bears to the budget exchange rate.

Resolution 168/XXXV

Revisions to the Financial Regulations of IFAD

The Governing Council of IFAD,

Acting under article 6, section 2(f) of the Agreement Establishing IFAD;

Recalling resolution 133/XXVII adopted by the Governing Council at its twenty-seventh session in 2004 amending regulation VI, paragraph 2 of the Financial Regulations of IFAD, to allow unobligated appropriations at the close of the financial year to be carried forward into the following financial year up to an amount not exceeding 3 per cent of the said financial year;

Recalling that the Governing Council at its twenty-third session in 2001 approved, in its resolution 116/XXIII, the introduction of the capital budget into the administrative budget;

Further recalling that the Executive Board at its seventy-eighth session in April 2003 approved the IFAD Evaluation Policy, which established the principle of a separate annual budget as part of the administrative budget;

Aware that a final investment policy statement would be submitted to the Audit Committee for its review prior to submission to the Executive Board for approval at its December session in 2011;

Having considered resolution 77/2 whereby the Governing Council delegated its authority to the Executive Board in matters relating to the appointment of the external auditor;

Having considered resolution 16/IV and resolution 111/XXII whereby a General Reserve was established;

Decides that:

- I. Regulation II of the Financial Regulations of IFAD shall be amended to read as follows:

Regulation II

- (h) "Administrative budget" means the annual administrative budget of the Fund referred to in article 6, section 10 of the Agreement Establishing IFAD, which shall consist of a regular budget, a capital budget and an Independent Office of Evaluation of IFAD budget;
 - (i) "Regular budget" means the category of the administrative budget voted by the Governing Council for the administration of the Fund, excluding the Independent Office of Evaluation of IFAD and the capital budget;
 - (j) "Capital budget" means the category of the administrative budget voted by the Governing Council for commitments and payments to finance capital items, the cost of which are normally written off over a number of financial years making up the estimated useful life of the asset;
 - (k) "Independent Office of Evaluation of IFAD budget" means the category of the administrative budget voted by the Governing Council for the administration of the Independent Office of Evaluation of IFAD.
- II. Regulation VI of the Financial Regulations of IFAD shall be amended to read as follows:

Regulation VI

1. The President shall submit an annual administrative budget estimate to the Executive Board for transmission to the Governing Council for approval by a two-thirds majority of the total number of votes.
 2. The appropriations for the regular budget and for the Independent Office of Evaluation of IFAD budget voted by the Governing Council for the ensuing financial year shall constitute an authorization to the President to incur obligations and make payments for the purpose for which the appropriations were voted. All unobligated appropriations under the regular budget and the Independent Office of Evaluation of IFAD budget, respectively, at the close of the financial year may be carried forward into the following financial year up to an amount not exceeding 3 per cent.
 3. To meet the Fund's requirements the President may, with the approval of the Executive Board, reallocate funds between categories of the administrative budget.
 4. Without prejudice to paragraph 3 above, the appropriations for the capital budget voted by the Governing Council for the ensuing financial year shall constitute an authorization to the President to incur obligations and make payments for the purpose for which the appropriations were voted.
 - (i) The appropriations for the capital budget voted by the Governing Council shall be used exclusively for commitments and payments to finance long-term outlays.
 - (ii) All unobligated appropriations under the capital budget voted by the Governing Council at the close of the third financial year shall be cancelled unless the Governing Council decides otherwise.
- III. Regulation VIII.2 of the Financial Regulations of IFAD shall be amended to read as follows:

Regulation VIII.2

In investing the resources of the Fund, the President shall be guided by the paramount considerations of security and liquidity. Within these constraints, and subject to the policy statement laid down by the Executive Board, the President shall seek the highest possible return in a non-speculative manner.

- IV. Regulation XII.1 of the Financial Regulations of IFAD shall be amended to read as follows:

Regulation XII.1

The accounts of the Fund shall be audited at least once a year by a qualified and independent external auditor appointed by the Executive Board.

- V. A new regulation "Financial Regulation XIII – General Reserve" is created to reflect the establishment of the General Reserve:

Regulation XIII – General Reserve

A General Reserve shall be established to cover the Fund's potential overcommitment risk as a result of exchange rate fluctuations and possible delinquencies in receipt of loan service payments or in the recovery of amounts due to the Fund from the investment of its liquid assets.

The following dispositions shall be implemented with respect to the General Reserve:

- (a) Annual transfers from the accumulated surplus to the General Reserve shall be determined by the Executive Board after taking into account the Fund's financial position;
- (b) The adequacy of the General Reserve shall be periodically reviewed by the Executive Board;
- (c) Subject to the above, the ceiling of the General Reserve may be amended from time to time by the Executive Board;
- (d) Withdrawals from the General Reserve shall be subject to the prior approval of the Executive Board.

VI. Former regulation XIII will now become regulation XIV.

VII. This resolution and the revisions to the Financial Regulations of IFAD shall enter into force upon the adoption of this resolution and shall have effect from financial year 2012.

Resolution 169/XXXV

Repurposing of the balance from the special expenditure for the Voluntary Separation Programme for reform actualization

The Governing Council of IFAD,

Bearing in mind article 6, section 10, of the Agreement Establishing IFAD and regulation VI of the Financial Regulations of IFAD;

Recalling resolutions 156/XXXII and 162/XXXIV, adopted by the Governing Council respectively at its thirty-second and thirty-fourth sessions, approving the special expenditure and its extension of the appropriation for the Voluntary Separation Programme for IFAD;

Having considered the recommendation of the 104th session of the Executive Board concerning the repurposing of the balance remaining under the special appropriation for the Voluntary Separation Programme to finance implementation of the outcomes of the major human resources reform initiatives;

Decides that:

The repurposing of the balance of the appropriation for the special expenditure for the Voluntary Separation Programme as a special expenditure for reform actualization to finance implementation of the outcomes of the major human resources reform initiatives, as set forth in document GC 35/L.8, is approved; and requests the President to submit a final report including expenditures to the Governing Council in February 2014.

Resolution 170/XXXV

Endorsement of the Istanbul Programme of Action for the Least Developed Countries for the Decade 2011-2020

The Governing Council of IFAD,

Taking into account articles 2 and 7.1(e) of the Agreement Establishing IFAD;

Welcoming the endorsement of the Istanbul Declaration and the Programme of Action for the Least Developed Countries (LDCs) for the Decade 2011-2020 by the United Nations General Assembly on 17 June 2011 and the Economic and Social Council on 7 July 2011;

Recalling paragraph 153 of the Istanbul Programme of Action, which invites international organizations to contribute to its implementation and integrate it into their work programmes, as appropriate and in accordance with their respective mandates;

Noting the resources allocated to LDCs on highly concessional terms and the various initiatives undertaken so far by IFAD to assist LDCs;

Endorses the Istanbul Programme of Action and decides to integrate it into the work of the Fund; and

Invites the President to report on IFAD's work in LDCs and contribute to relevant policy forums for poverty and hunger reduction in rural areas of LDCs.