

Document: GC 43/Resolutions  
Date: 12 February 2020  
Distribution: Public  
Original: English

**E**



Investing in rural people

## **Resolutions adopted by the Governing Council at its forty-third session**

### **Note to Governors**

#### Focal points:

#### Technical questions:

**Katherine Meighan**  
General Counsel  
Tel.: +39 06 5459 2496  
e-mail: k.meighan@ifad.org

**Sylvie Arnoux**  
Senior Legal Officer  
Tel.: +39 06 5459 2460  
e-mail: s.arnoux@ifad.org

#### Dispatch of documentation:

**Deirdre Mc Grenra**  
Chief  
Institutional Governance and  
Member Relations  
Tel: +39 06 5459 2374  
e-mail: gb@ifad.org

Governing Council — Forty-third Session  
Rome, 11-12 February 2020

---

**For: Information**

## **Resolutions adopted by the Governing Council at its forty-third session**

1. The Governing Council, at its forty-third session, adopted resolution 211/XLIII on 11 February 2020, and resolutions 212/XLIII, 213/XLIII, 214/XLIII and 215/XLIII on 12 February 2020.
2. These resolutions are transmitted for the information of all Members of IFAD.

## Resolution 211/XLIII

### Establishment of the Consultation on the Twelfth Replenishment of IFAD's Resources

#### The Governing Council of IFAD,

**Recalling** article 4, section 3, of the Agreement Establishing IFAD, which provides that, in order to assure continuity in the operations of the Fund, the Governing Council shall periodically review the adequacy of the resources available to the Fund;

**Further recalling** that the period established by Governing Council resolution 203/XLI for the Eleventh Replenishment of the IFAD's resources will conclude on 31 December 2021;

**Having considered** the statement of the President on the need for a review of the adequacy of the resources available to the Fund and document GC 43/L.4 thereon;

**Having further considered** the need for the establishment of a Consultation on the Twelfth Replenishment of IFAD's Resources;

**Noting** the report of the Ad Hoc Working Group on Governance and its recommendations and the approval of such recommendations by the Governing Council at its fortieth session (resolution 194/XL);

#### Decides that:

1. A Consultation on the Twelfth Replenishment of IFAD's Resources ("the Consultation") shall be established, to review the adequacy of the Fund's resources and to report to the Governing Council. Based on the favourable experience of having an External Chair during the IFAD9, IFAD10 and IFAD11 Consultations, the Governing Council selects Mr Kyle Peters as the External Chair of the Consultation. The tasks of the Chair are annexed to this resolution.
2. The first session of the Consultation shall be held on 13-14 February 2020.
3. The Consultation shall consist of 25 Member States from List A, 10 Member States from List B and 22 Member States from List C. The countries participating from each List should be determined by the Members of that List and communicated to the President no later than 11 February 2020. List A Members not designated as one of the 25 Members of the Consultation from that List shall be authorized to attend the sessions of the Consultation as silent observers. The Consultation may also subsequently invite such other Member States to participate in sessions of the Consultation as may facilitate its deliberations.
4. The Consultation shall submit a report on the results of its deliberations and any recommendations thereon to the forty-fourth session and, if required, subsequent sessions of the Governing Council, with a view to adopting such resolutions as may be appropriate.
5. The President is requested to keep the Executive Board informed of the progress of the deliberations of the Consultation.
6. The President and the staff are requested to provide such assistance to the Consultation as may be necessary for the effective and efficient discharge of its functions.

## **Annex to resolution 211/XLIII**

### **Tasks of the Chair of the Consultation**

Under the authority of the Consultation on the Twelfth Replenishment of IFAD's Resources, the Chair will:

- (i) Chair formal Consultation sessions;
- (ii) Oversee all aspects of the Consultation sessions, discussions and deliberations, providing guidance and support to the Secretariat;
- (iii) Critically review and comment on draft documentation and reports prepared for each Consultation, ensuring quality control and strategic coherence;
- (iv) With support from the Secretariat, synthesize discussions and prepare a summary of each session concisely and accurately, reflecting the status of negotiations;
- (v) Lead and facilitate discussions and negotiations among Member States, as well as between IFAD's leadership and Member States, to build consensus in order to achieve successful outcomes for reviewing the adequacy of the Fund's resources;
- (vi) Mobilize external support for IFAD, including at the political level, within Member States in collaboration with delegates and IFAD Management;
- (vii) Ensure that the final report and recommendations of the Consultation respond to the terms of reference of the Consultation and conform to the Agreement Establishing IFAD and other documents adopted by the Governing Council; and
- (viii) Work with the President and staff to prepare for sessions and negotiations in order to ensure that issues are presented effectively.

## Resolution 212/XLIII

### **Administrative budget comprising the regular budget, capital budget and an Independent Office of Evaluation of IFAD budget for 2020, and a targeted capacity investment of IFAD for 2020**

#### **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 128<sup>th</sup> session, the Executive Board reviewed and agreed upon a programme of work of IFAD for 2020 at a level of SDR 760 million (US\$1,062 million), which comprises a lending programme of SDR 719 million (US\$1,004 million) and a gross grant programme of US\$58 million;

**Further noting** that, at its 128<sup>th</sup> session, the Executive Board reviewed and approved the appropriation for the replenishment special expenditure budget for the IFAD12 replenishment exercise in the amount of US\$1.1 million;

**Having considered** the review of the 128<sup>th</sup> session of the Executive Board concerning the proposed regular budget, capital budget and the Independent Office of Evaluation of IFAD budget for 2020, and a targeted capacity investment of IFAD for 2020;

**Aware** that, in 2004, Governing Council resolution 133/XXVII authorized the amendment of 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;

**Conscious** that the aforementioned 3 per cent carry-forward currently applies to the administrative budget, and noting the need for a 5 per cent cap for carrying forward unspent balances arising from savings achieved in 2019 into the 2020 financial year to support delivery of certain corporate priorities;

**Approves** the administrative budget, comprising: first, the regular budget of IFAD for 2020 in the amount of US\$157.9 million; second, the capital budget of IFAD for 2020 in the amount of US\$4.445 million; third, the budget of the Independent Office of Evaluation of IFAD for 2020 in the amount of US\$6.055 million. In addition, the Board agrees to a set-aside reserve budget of up to US\$12 million for the targeted capacity investment and reform as set forth in document GC 43/L.6, determined on the basis of a rate of exchange of EUR 0.885:US\$1. Access to the set-aside reserve budget will be subject to the Executive Board's approval in April 2020 of a detailed two-year implementation plan for the targeted capacity investment, indicating specific actions expected to take place in 2020 and 2021 or crossing both years. The Executive Board will then decide the exact amount that can be drawn down from the set-aside reserve funds for 2020. At the 131<sup>st</sup> session of the Executive Board in December 2020, the Board will review the progress of the implementation plan, decide on possible revisions, and reassess funding needs for 2021 within the set-aside reserve budget. Staff posts and any other recurrent costs will not be funded by the targeted capacity investment. *Carry-forward funding sources will be used to the extent possible.* The targeted capacity investment will be re-examined by the Board in 2021.

**Determines** that, in the event the average value of the United States dollar in 2020 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 2020 bears to the budget exchange rate; and

**Further** approves that unobligated appropriations at the close of the financial year 2019 may be carried forward into the 2020 financial year up to an amount not exceeding 5 per cent of the corresponding appropriations.

## Resolution 213/XLIII

### Revision of the Policies and Criteria for IFAD Financing

#### The Governing Council of IFAD,

**Recalling** resolution 178/XXXVI, in which it decided upon the proposal of the Executive Board to approve the Policies and Criteria for IFAD Financing;

**Having reviewed** the proposed revisions to the Policies and Criteria for IFAD Financing submitted by the Executive Board as contained in document GC 43/L.9;

**Adopts** the proposed revisions to the Policies and Criteria for IFAD Financing, which shall take effect on 1 January 2022; and

**Hereby** decides:

Section I, paragraph 3 is hereby amended to read as follows (added text is underlined):

3. The Lending Policies and Criteria were amended by the Governing Council several times between 1994 and 1998, but the document was not updated or reviewed thereafter. In 2010, the Governing Council instructed the Executive Board to "submit to the thirty-fourth session of the Governing Council in 2011 revised Lending Policies and Criteria that shall take into account all developments since the last revision of the Lending Policies and Criteria in 1998 and express concisely and clearly the broad policies and criteria applicable to financing by the Fund." As a result, the Policies and Criteria for IFAD Financing were adopted by the Governing Council in February 2013. In 2018 and in 2019, the Policies and Criteria for IFAD Financing were amended to reflect changes required to give effect to the transition framework, to reflect IFAD's engagement with the private sector and to update the financing terms. In 2020, the Policies and Criteria for IFAD Financing were amended to reflect changes required to give effect to the new Debt Sustainability Framework measures.

In section IV, paragraph 15.A(a)(iii) is hereby amended to read as follows (added text is underlined):

- (iii) The conditions for super highly concessional, highly concessional, blend and ordinary lending terms shall be as follows:

In section IV, a new subparagraph (1) is added under paragraph 15.A(a)(iii) and reads as follows (added text is underlined):

- (1) Loans granted on super highly concessional terms shall be free of interest but bear a service charge on the principal amount outstanding of a tenth of one per cent (0.1 per cent) per annum for loans expressed in special drawing rights (SDR) and as determined by the Executive Board for other currencies on a financial equivalence basis, and have a maturity period of fifty (50) years (unless a shorter maturity is requested by the borrower), including a grace period of ten (10) years starting from the date of approval by the Executive

Board. Loans on super highly concessional terms shall be granted exclusively to countries eligible for the debt sustainability mechanism;

The subsequent subparagraphs are renumbered accordingly.

In section IV, paragraph 15.A(a)(iv) is hereby amended to read as follows (added text is underlined):

- (iv) The Executive Board shall:
  - (1) Determine the service charge and related interest applicable to loans on super highly concessional terms, on highly concessional terms and on blend terms expressed in a unit of denomination other than special drawing rights.

Section IV, paragraph 15.C is hereby amended to read as follows (added text is underlined and deleted text is shown in strikethrough):

- C. Debt sustainability mechanism.** Financing under the debt sustainability mechanism is provided to eligible Member States in the form of grants or a combination of ~~a grant and a loans~~ on super highly concessional terms and highly concessional terms, in accordance with arrangements for implementation of a debt sustainability framework at the Fund established by the Executive Board. Eligible Member States are also subject to the Non-Concessional Borrowing Policy and the associated remedies.

## **Resolution 214/XLIII**

### **Re-establishment of a committee to review the emoluments of the President**

#### **The Governing Council of IFAD,**

**Considering** that, at its fortieth session in February 2017, the Governing Council decided that the salary, allowances and other entitlements specified in resolution 192/XL shall apply to the person appointed as President of IFAD at the fortieth session of the Governing Council, and that the present incumbent of the office of the President will complete his term of office on 31 March 2021;

**Considering therefore** that it is advisable to revisit the emoluments of the President;

**Having considered** document GC 43/L.7, the proposal therein and the Executive Board's recommendation thereon, and acting under rule 15 of the Rules of Procedure of the Governing Council,

#### **Decides:**

- (a) To re-establish an emoluments committee to review the overall emoluments and other conditions of employment of the President of IFAD. The committee shall submit to the forty-fourth session of the Governing Council, through the Executive Board, a report thereon together with a draft resolution on the subject for adoption by the Governing Council;
- (b) The committee shall consist of nine Governors (four from List A, two from List B and three from List C) or their representatives who may be nominated by the Chairperson pursuant to rule 15.2 of the Rules of Procedure of the Governing Council; and
- (c) The committee shall be provided with specialist staff to offer such support and advice as the committee may require.

## **Resolution 215/XLIII**

### **Proposal for an Automated Voting System at IFAD**

#### **The Governing Council of IFAD,**

**Recalling** resolution 202/XLI and the Council's decision that "the current established practice for the process leading to the appointment of the President of IFAD be continued subject to the improvements recommended by the Bureau" as contained in document GC 41/L.9 entitled "Report of the Governing Council Bureau on the Review of the Established Practice for the Process Leading to the Appointment of the President of IFAD";

**Noting** that by virtue of the decision above, the Secretariat was tasked with exploring electronic voting or other forms of automated processes, with a view to reporting to the Executive Board for possible submission of recommendations to the Governing Council in 2019;

**Further recalling** its decision at its forty-second session that the Secretariat further pursue the process of assessing the feasibility of an automated voting system based on the principles contained in document GC 42/L.5/Rev.1.

**Having considered** the review by the Executive Board of the update on a proposal for an automated voting system at IFAD at its 128<sup>th</sup> session, as contained in document GC 43/L.8

**Delegates** authority to the Executive Board to decide, on the basis of information that Management would provide, following a successful outcome of the negotiated procedure, whether the Secretariat should pursue the development and implementation of an automated voting system, for potential use in conjunction with the appointment of the President in 2021.