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Draft Report of the Consultation on the Tenth Replenishment of IFAD's Resources - Ad hoc Working Group on governance issues: Terms of Reference

Addendum

Note to Consultation members

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Consultation on the Tenth Replenishment of IFAD's Resources —
Third Session

Rome, 7-8 October 2014

For: Review

Draft Report of the Consultation on the Tenth Replenishment of IFAD's Resources

Addendum

The attention of the members of the IFAD10 Consultation is drawn to the attached amended annex IV (Draft – **Ad hoc** Working Group on governance issues: Terms of Reference) of the Draft Report of the Consultation on the Tenth Replenishment of IFAD's Resources (IFAD10/3/R.6), reflecting the addenda and modifications as follows:

Agreed to by the Convenors of the three Lists: in green font

Annex IV

DRAFT**~~Draft terms of reference for working group on IFAD's governance~~****Ad hoc Working Group on governance issues: Terms of Reference****~~Working Group on governance issues~~****Background**

1. IFAD's Executive Board considered the findings of the corporate-level evaluation on IFAD replenishments (CLER) at its 111th session in April 2014. During discussions on IFAD's governance structure and on participation and representation of IFAD's Member States in governance processes and replenishment consultations, it was agreed that it would be opportune to review the List system, particularly with respect to effective representation of Member States in IFAD's governing bodies. The length of replenishment cycles was also considered as an issue for review.
2. The CLER was also considered by the IFAD10 Consultation at its second session in June 2014 and both the Executive Board and the IFAD10 Consultation members expressed their broad support for the proposal of setting up an inter-Consultation working group of members to address these governance issues.
3. It was agreed at the second session of the IFAD10 Consultation that Management would prepare the draft terms of reference for the working group, and that these would be discussed at the third session of the IFAD10 Consultation in October. On this basis, the following draft terms of reference, mode of operation and composition are proposed:

Terms of reference Establishment and responsibilities

4. An inter-Consultation working group will be established to consider governance issues. In particular, the working group will:
 - (a) review and assess the governance-related recommendations arising from the CLER, particularly with regard to the structure, appropriateness and relevance of the IFAD List system. **The group will also review and assess the implications and potential impact on all IFAD governing bodies with regard to any changes to the List system as well as Member State representation;**
 - (b) review and assess the composition and representation of the replenishment consultation and the length of replenishment cycles in IFAD11 and beyond; and
 - (c) make proposals on (a) and (b) above for consideration by the **Executive Board for submission to** the Governing Council, as appropriate.
5. In so doing, the working group may also review current practices of other international financial institutions (IFIs) **and consult with relevant experts**, with respect to governance structure, replenishment procedures and composition.

Composition

{TBD}

6. The working group shall be composed of nine Members as follows:
List A: 4 Members;
List B: 2 Members; and
List C: 3 Members.
7. IFAD Members who are not Members of the working group may also participate in meetings as observers with the right to speak.
8. In the event that a Member should withdraw from participation in the working group, the List to which the Member belongs will nominate a replacement from that List and communicate the new Member to the Secretary of IFAD.

Decision-making

9. The group will make decisions on the basis of consensus.

Mode of operation and time frame

10. ~~The draft proposal will be considered by the IFAD10 Consultation at its third session in October 2014.~~ Subsequent to endorsement by the IFAD10 Consultation, this proposal will be included in the final report of the Consultation which will be submitted to the Governing Council in February 2015 for approval. List Convenors should provide the Secretary of IFAD with nominations for working group members from their respective Lists before the December session of the IFAD10 Consultation, so that these may be included in the final report of the Consultation. The Governing Council will thus approve the terms of reference and composition of the inter-Consultation Working Group. At its first meeting, the working group will elect ~~ad personam~~ one chairperson from List C and two vice-chairpersons, one from List A and one from List B. Management shall provide support to the working group, including with respect to interpretation and translation.
11. The working group, thus established, will brief the Executive Board regularly on progress. It will submit a report on the results of its deliberations and any recommendations thereon to the Executive Board in December 2016 for submission to the ~~thirty-ninth~~fortieth session of the Governing Council in February 2016-2017 for endorsement, and with a view to adopting such resolutions as may be appropriate. Upon adoption by the Governing Council, any changes to the List system would come into force and effect after the IFAD10 period.