

Document: IFAD10/3/R.6/Add.4  
Date: 21 November 2014  
Distribution: Public  
Original: English

**E**



Investing in rural people

## **IFAD10 Consultation Intersessional Paper**

### **Trends in replenishment contributions and cofinancing**

#### **Note to Consultation members**

##### Focal points:

##### Technical questions:

##### **Mohamed Beavogui**

Director and Senior Adviser to the President  
Partnership and Resource Mobilization Office  
Tel.: +39 06 5459 2240  
e-mail: m.beavogui@ifad.org

##### Dispatch of documentation:

##### **Deirdre McGrenra**

Head, Governing Bodies Office  
Tel.: +39 06 5459 2374  
e-mail: gb\_office@ifad.org

Consultation on the Tenth Replenishment of IFAD's Resources — Pre-Fourth Session

---

**For: Information**

## Contents

<b>Abbreviations and acronyms</b>	<b>i</b>
<b>I. Summary</b>	<b>1</b>
<b>II. Trends in replenishment contributions</b>	<b>1</b>
A. Member States contributing to IFAD's replenishment resources	1
B. Level of replenishment contributions per list and within lists	2
C. Top 20 contributing Member States	4
D. Contributions from MICs	4
<b>III. Trends in cofinancing</b>	<b>5</b>

## Abbreviations and acronyms

AfDF	African Development Fund
IDA	International Development Association
IFAD10	Tenth Replenishment of IFAD's Resources
IFIs	international financial institutions
MICs	middle-income countries

Note: For the purposes of this paper low-income countries are defined as countries borrowing from IFAD at highly concessional rates and those that qualify for support under the Debt Sustainability Framework. Middle-income countries are defined as countries borrowing from IFAD at ordinary or blend terms.

## Trends in replenishment contributions and cofinancing

### I. Summary

1. Following discussion among the Membership and Management during the third session of the Consultation on the Tenth Replenishment of IFAD's Resources (IFAD10), this document provides an analysis of historical trends in replenishment contributions and general trends in cofinancing. The main findings are presented below.
2. The high number of Member States contributing to the Fund, especially as compared to other international financial institutions (IFIs), reflects a strong sense of ownership by the Membership of their institution and a vote of confidence in its mission and performance.
3. IFAD's replenishments have historically been a shared effort, characterized by steady and increasing levels of replenishment contributions from the vast majority of the Member States, especially over the past four replenishments.
4. Both in absolute and in relative terms, all three Lists have increased financial support during the last four replenishments. In relative terms, support from the Lists increased at an almost equal level. List A has cumulatively provided by far the largest amount of resources in both absolute and relative terms, increasing contributions steadily each replenishment.
5. Only one Member has withdrawn from IFAD. Several of those hardest hit by the financial crisis were absent from recent replenishments or had to lower their contributions.
6. Middle-income countries (MICs) doubled their contributions to IFAD in absolute terms during the last four replenishments. MICs have also strengthened cofinancing of IFAD-supported projects and programmes in their countries, in particular upper-MICs, which provided as much as twice the amount of IFAD financing in counterpart funds during the IFAD9 period.
7. Although cofinancing is generally volatile, it represents a major investment in IFAD-supported projects. Domestic cofinanciers are the largest contributors (approximately one third of the total project cost), followed by international cofinanciers (approximately one quarter).

### II. Trends in replenishment contributions<sup>1</sup>

#### A. Member States contributing to IFAD's replenishment resources

8. Since IFAD's establishment, the number of contributing Members to the replenishment of the Fund's resources has steadily grown. Between 1977 and 1980, the Fund's Membership grew from the original 90 to 127 Member States, of which 61 per cent (78) contributed in the form of initial contributions. Of the contributing Member States, List A constituted 26 per cent, List B made up 15 per cent and List C made up 59 per cent. By the time of the First Replenishment of IFAD's Resources in 1981, the number of Member States had already grown to 135, and the number of contributors had grown to 87. Of these, 23 per cent were from List A while 14 per cent and 63 per cent were List B and C Members, respectively.
9. During IFAD9, the Fund's Membership rose to 173, of which 62 per cent (107) were contributors. List A represented 19 per cent, List B 7 per cent and List C 74 per cent. Compared to other IFIs, the number of 107 contributors stands out: the International Development Association (IDA) had only 52 contributing countries and

---

<sup>1</sup> Replenishment contributions equate to core and complementary contributions.

the African Development Fund (AfDF) only 26 during the same period. List B and C Member States together represent 78 per cent of all contributors to IFAD9, as against an equivalent of 38 per cent for IDA16 and 37 per cent for AfDF13.

## B. Level of replenishment contributions per List and within Lists

10. The Membership has cumulatively contributed US\$7.7 billion in core and complementary contributions to the Fund, shown per List in the table below.

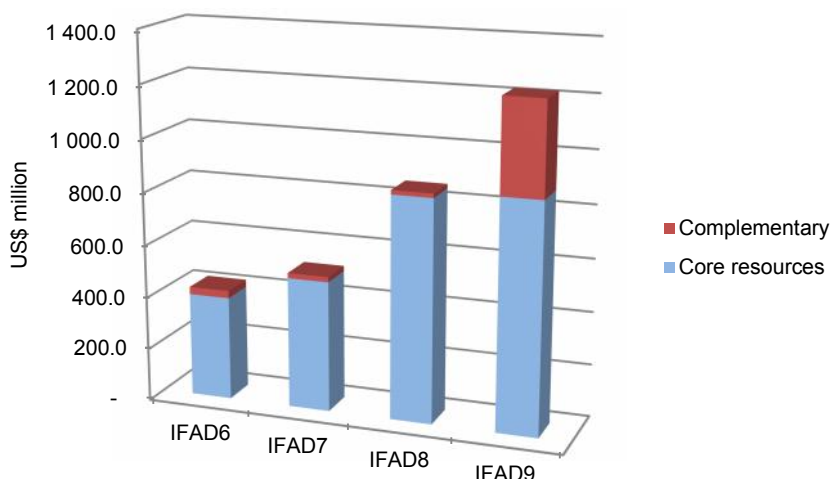
Table  
Replenishment pledges by List

	<i>Millions of United States dollars</i>				<i>Percentage</i>		
	<i>List A</i>	<i>List B</i>	<i>List C</i>	<i>Total</i>	<i>List A</i>	<i>List B</i>	<i>List C</i>
Initial	569.8	435.5	20.6	1 025.9	55.50	42.50	2.00
IFAD1	629.8	430.0	30.4	1 090.2	57.80	39.40	2.80
IFAD2	277.0	184.1	24.9	486.0	57.00	37.90	5.10
IFAD3	379.1	124.4	64.1	567.6	66.80	21.90	11.30
IFAD4	360.1	39.3	57.1	456.5	78.90	8.60	12.50
IFAD5	354.5	51.1	56.8	462.4	76.70	11.10	12.30
IFAD6	422.7	33.8	52.5	509.0	83.00	6.60	10.30
IFAD7	515.4	57.2	66.6	639.2	80.60	8.90	10.40
IFAD8	889.5	71.4	95.6	1 056.5	84.20	6.80	9.00
IFAD9	1 222.2	74.3	121.0	1 423.5	85.90	5.20	8.50
<b>Total</b>	<b>5 620.1</b>	<b>1 501.1</b>	<b>589.6</b>	<b>7 716.8</b>	<b>72.83</b>	<b>19.45</b>	<b>7.64</b>

\*The Russian Federation – yet to join a List – contributed US\$6 million to IFAD9.

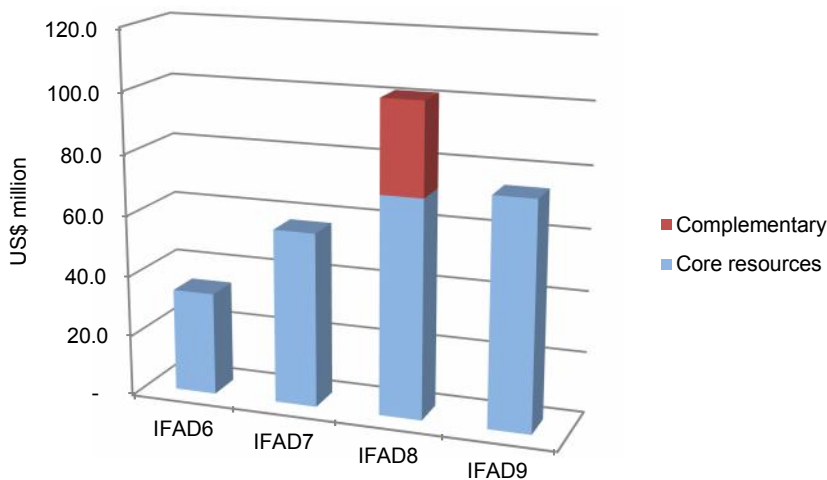
11. During the last four replenishment cycles, from IFAD6 to IFAD9, all three Lists more than doubled their replenishment contributions. List A's contribution rose from US\$422.7 million to US\$1,222.2 million (increasing by 189 per cent); List B from US\$33.8 million to US\$74.3 million (increasing by 120 per cent), and List C from US\$52.5 million to US\$121 million (increasing by 130 per cent).
12. Since IFAD's establishment, List A countries have demonstrated a consistent level of commitment to the Fund's replenishments and the majority have steadily increased their contributions in both relative and absolute terms. The relative cumulative contribution of List A to IFAD is 72.83 per cent. Only one List A member withdrew from the Fund during IFAD6. A few others were unable to continue contributing to the Fund's replenishment resources due to severe fiscal austerity in recent years.
13. In the past, List A members also made available complementary contributions, as shown in graph 1.

**Graph 1: List A replenishment pledges from IFAD6 to IFAD9**



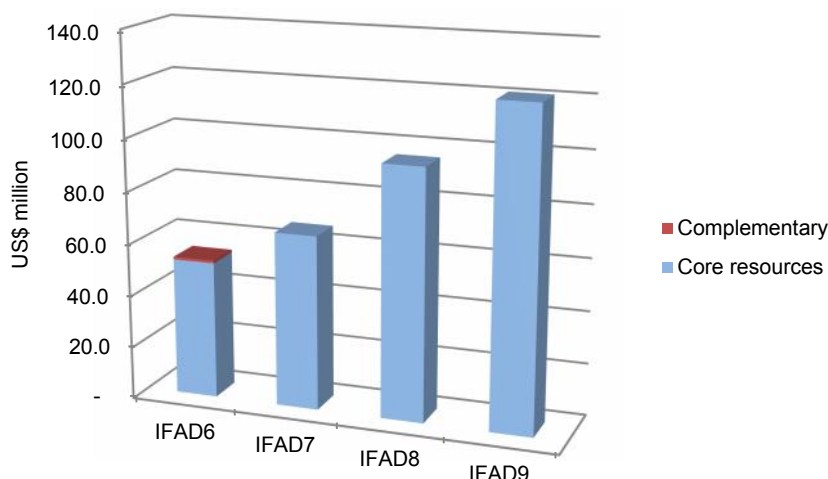
14. **List B** countries were among the largest contributors in IFAD’s early years. They have increased contributions steadily since IFAD6, in spite of the financial challenges faced by some. List B cumulative contribution to IFAD accounts for 19.45 per cent of overall cumulative contributions. A number of prominent List B countries in one region have been less engaged since IFAD3, leaving only a handful of active members. One List B country made a significant cumulative pledge of which, however, a large part remains to be paid.
15. One country made an unrestricted complementary contribution for the programme of loans and grants in IFAD8.

**Graph 2: List B replenishment pledges from IFAD6 to IFAD9**



16. **List C** Members have demonstrated steady growth in ownership of IFAD, with the number of contributing Members increasing from an initial 46 (59 per cent of total contributors) to 79 (74 per cent of total contributors) in IFAD9. All regions are well represented among the top 20 List C donors and all List C Members except for nine have made a contribution to at least one replenishment cycle. A fact, as detailed in paragraph 9, that is unique to IFAD among other IFIs.
17. Contributions from List C Members have been exclusively in the form of core resources, apart from one restricted complementary contribution of US\$1 million to IFAD6.

**Graph 3: List C replenishment pledges from IFAD6 to IFAD9**



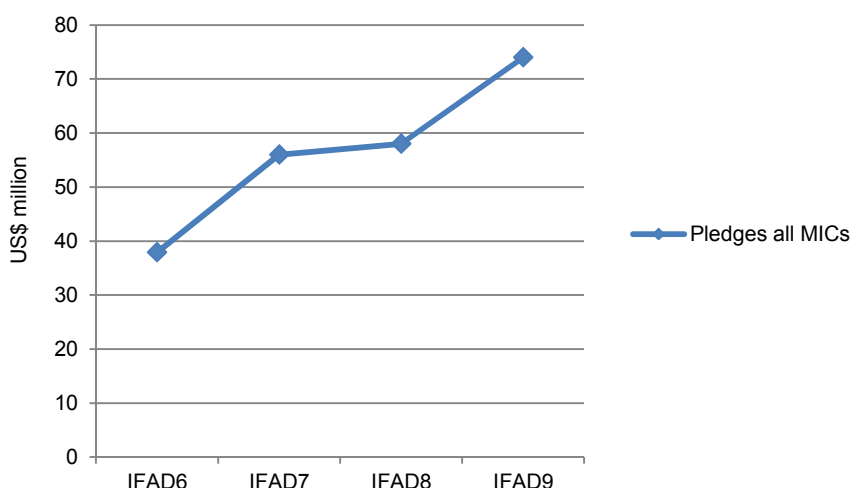
**C. Top 20 contributing Member States**

18. The top 20 donors account for 85 per cent of total cumulative pledges of replenishment contributions. This includes 78 per cent from 13 List A Members, 18 per cent from five List B Members, and 4 per cent from two List C Members. Among these, the largest donor has provided 11 per cent of total cumulative contributions to IFAD, and the rest between 1 per cent and 6 per cent.

**D. Contributions from MICs**

19. Over the last four replenishments, pledges of Member States borrowing on ordinary and blend terms, classified as middle-income countries (MICs),<sup>2</sup> have increased considerably in absolute terms, as shown in graph 4. Relative to all other donors, contributions from MICs ranged between 5.7 per cent and 9 per cent of the total over the last decade.

**Graph 4: Pledges of MIC contributors from IFAD6 to IFAD9**



<sup>2</sup> Member States borrowing on ordinary or blend terms during IFAD9 as at 31 October 2014.

### III. Trends in cofinancing

20. For the last decade, beginning in 2004, cofinancing<sup>3</sup> has been the largest source of funding for IFAD-supported projects with a 1:1.23 ratio between the investment made by IFAD and that made by cofinanciers. Since 2004, IFAD has provided financing for 322 projects with a total cost of US\$15.9 billion. Of this, 44 per cent was invested by IFAD, 33 per cent was contributed through domestic cofinancing, and 23 per cent was mobilized from other international cofinanciers.
21. Projects approved in MICs generate the highest ratio of domestic cofinancing to IFAD investment, and this is particularly the case for upper-MICs (1:2.11 in IFAD9).
22. Among the international cofinanciers are other financial institutions and global funds, Member States and their development agencies.
23. As shown in graph 5, the ratio in low-income countries (LICs) shows some volatility, while there is a steady increase in domestic cofinancing over the last four replenishments in lower- and upper-MICs.<sup>4</sup> During IFAD9, MICs have been, on average, investing more than IFAD to support smallholder agriculture in their countries, demonstrating strong ownership and strong commitment.

---

<sup>3</sup> Cofinancing are funds provided in addition to IFAD's own resources for IFAD-supported projects approved by IFAD's Executive Board, that are managed by or whose use is influenced by the project coordination unit. This includes funds from other multilateral organizations, bilateral donors, aid organizations, beneficiaries, recipient governments and/or domestic or international partners, and the private sector. Cofinancing can include resources mobilized at any point during the project cycle.

<sup>4</sup> Lower MICs and upper MICs are categorized by matching the IFAD ordinary and blend term borrowers with the same countries as sub-classified as lower MICs and upper MICs by the World Bank.

**Graph 5.**  
**Financing sources for borrowing countries**  
 (United States dollar amount of cofinancing to US\$1 of IFAD financing)

