



# Revised Draft Resolution

Wednesday, 8 October 2014

# Borrowing by the Fund



- In light of the discussions at the second session of the Replenishment Consultation in June, a new subsection, on borrowing by the Fund, has been added to section VIII of the draft resolution. Accordingly, this section, which also includes the prior section on cofinancing, has been renamed 'Additional Resource Mobilization'.

# Borrowing by the Fund



## (a) Borrowing by the Fund

(i) **Purpose of borrowing.** Whereas grant-based contributions made through replenishment are, and should remain, the basic source of the Fund's financing, it is recognized that borrowing by the Fund can provide an important way of furthering its objective of mobilizing additional resources to be made available on concessional terms for agricultural development in developing Member States.

# Borrowing by the Fund



- (ii) **Borrowing framework.** The Executive Board shall establish a general borrowing framework, which shall govern the arrangements for borrowing by the Fund. Within the scope of such framework, the President shall have the authority to enter into negotiations with eligible lenders and shall bring any resulting borrowing proposals to the Executive Board for approval.

# Borrowing by the Fund



- (iii) **Administration of borrowed resources.** Without prejudice to the above provisions, in administering the resources accruing to the Fund through borrowing, the Fund shall apply the same rules applicable to the operation of its other resources under article 4.1 of the Agreement.

# Contributions



- Minor changes have also been made to subsection II(a) of the draft resolution, reflecting the fact that, consistent with past practice, the pledges of Members to make additional contributions will be set out in an annex to the Consultation Report rather than in an annex to the resolution.

- (a) **Additional contributions.** During the Replenishment period, the Fund shall accept additional contributions from Members as follows:
- (i) **Core contributions** to the resources of the Fund (core contributions);
  - (ii) **DSF compensation contributions**, in addition to core contributions, to compensate the Fund for forgone principal reflows from the making of grants under the DSF in the amount of US\$ 3.4 million (DSF compensation contributions); and
  - (iii) **Complementary contributions** in addition to their core contributions and DSF compensation contributions (complementary contributions).