Twelfth Replenishment

RECOVERY. REBUILDING. RESILIENCE.
Draft Resolution on the Twelfth Replenishment of IFAD’s Resources

Outline

December 2020
Office of the General Counsel

A. Key revisions
   1. ASAP+ and PSFP contributions
   2. Early Encashment Mechanism
   3. List of Additional Contributions
   4. Updated references to borrowing

B. Next steps
A.1 ASAP+ and PSFP contributions

- ASAP+ and PSFP contributions are no longer identified as additional replenishment contributions and would not attract voting rights.

- Member States encouraged to maximize their core contributions and provide additional funds to ASAP+ and PSFP as part of additional resource mobilization efforts.
A.2 Early Encashment Mechanism

- Voting rights will be attributed in relation to the discount or the credit.

- The draft resolution now includes references to clarify that the discount or credit will:
  - be counted as an additional contribution towards the achievement of the target;
  - generate commensurate contribution votes; and
  - will not be part of the Instrument of Contribution, and instead calculated by IFAD on the basis of the mechanism in the technical note attached to the IFAD12 Report.
## A.3 Additional contributions

<table>
<thead>
<tr>
<th>Contribution</th>
<th>Source</th>
<th>Creation</th>
<th>Restrictions on Use</th>
<th>Voting rights</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core contributions</td>
<td>Member States</td>
<td>IFAD1</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Grant element of concessional partner loans (CPL)</td>
<td>Member States</td>
<td>IFAD11</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Discount or credit generated from the early encashment of contributions*</td>
<td>Member States</td>
<td>IFAD12</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

*Subject to GC approval of the respective amendments to the Agreement Establishing IFAD and of the technical note attached to the IFAD12 Report*
A.4 Updated References to Borrowing

- The reference to the Sovereign Borrowing Framework and Concessional Partner Loan Framework has been deleted to leave only the reference to the Integrated Borrowing Framework approved by the Executive Board.

- Reference to market borrowing has been removed from the draft resolution, and a provision added to the Report that any future market borrowing will be decided by the Governing Council, after Executive Board review.
B. Next steps: From Pledges to Projects

- February 2021 – Adoption of the Resolution
- August 2021 – Cut-off date for the creation of new Replenishment Votes
- Effectiveness of the Replenishment - when 50% of pledges received by the cut-off date are paid or materialized into an instrument of contribution. Flexibility is provided to allow the Executive Board to declare the Replenishment effective if the threshold is not reached.