



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

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



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.
- January 2022 – IFAD12 commences: Recovery. Rebuilding. Resilience.