



IFAD
INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT
Consultation on the Sixth Replenishment of IFAD's Resources – Third Session

Rome, 2-3 July 2002

CONCLUDING STATEMENT BY THE CHAIRMAN

Distinguished Delegates,

We have now completed two days of what have been very fruitful and productive discussions. Let me try to capture the main elements and results of these two days.

Members of the Consultation expressed their appreciation for the External Review on the Results and Impact of IFAD Operations and further expressed their appreciation for the excellent work that had been done by the External Review Team. The Consultation noted the External Review's positive assessment of IFAD's relevance, innovations and impact on poverty and its contribution towards the achievement of the Millennium Summit poverty goal.

The External Review also noted a number of challenges before the Fund to enhance its impact and become *the premier institution influencing the thinking and activities for overcoming rural poverty*. In this respect the Consultation was provided with a summary by the Chairman, at the conclusion of the deliberations on the External Review, which considered the four sets of issues raised by the review, and the processes under way or being established, to address these issues. These will be incorporated into the Action Plan. The Chairman's summary is being circulated separately as document REPL.VI/3/INF.5.

The Consultation welcomed the strong support expressed by members of all three Lists of IFAD Member States and the commitment they stated in working towards a substantial Sixth Replenishment. The Member States of Lists B and C expressed their commitment to work for an increase in the replenishment and some countries gave a specific indication in this regard.

While noting that List A was not yet in a position to make an overall pledge, the Convenor of List A expressed the commitment of the members of his list to work for "a mutually satisfactory replenishment level". Several members of List A stated their willingness to participate in a substantially higher Sixth Replenishment and maintain their share of the replenishment, and a few specifically urged an increase of at least 25%. Other members expressed their expectation of being able to make announcements regarding their contributions at the Consultation's Fourth Session in October.



The Consultation reviewed the draft Consultation report and the other documents before it on field presence, the performance-based resource allocation system, resource scenarios and notes on IFAD's programme of work, the Advance Commitment Authority (ACA), the Debt Initiative for Heavily Indebted Poor Countries (HIPC) and a technical note on exchange rates to be applied for the Sixth Replenishment.

The Consultation also had before it policy proposals presented by the United States.

Following its review of these documents, the Consultation proposed a number of key policy and financial issues. Apart from the challenges and issues raised by the External Review referred to earlier, these issues are: field presence, a performance-based resource allocation system, a comprehensive external evaluation of IFAD, an independent monitoring and evaluation function in IFAD and focus on measurable results. With regard to all these proposals, it was emphasized that they had been put forward with the intention to strengthen IFAD further and enhance its impact.

The Consultation had an extremely rich exchange of views on these issues, particularly on the issues of field presence and that of the performance-based resource allocation system and agreed to a process for addressing them.

As regards the issue of field presence, it was agreed that IFAD needs to strengthen its field presence in cost-effective ways. There is furthermore a clear recognition that this result can be achieved through a variety of modalities, not only through the presence of IFAD staff. We will now revise the document on field presence, taking into account the discussion at the Consultation and develop more specific options for enhancing the Fund's field presence, with cost estimates attached to them.

This revised document would provide the basis of a discussion at an informal seminar on field presence, which will be held before the next Consultation session. On the basis of those discussions, the Consultation will then be able to provide guidelines on how it wants the field presence issue to be dealt with, allowing the Executive Board to pursue the issue at a later stage.

On the performance allocation issue, management will prepare a paper providing the main criteria and principles for a performance-based resource allocation system in IFAD. This will form the basis for further deliberations by Consultation members.

There was considerable support for a comprehensive external evaluation of IFAD and there will be further discussions to finalize the proposal, draw up the terms of reference, set the timing of the evaluation and review other related issues. The final Consultation report will include a decision on how to proceed.

On the fourth issue of setting up an independent monitoring and evaluation function, it was agreed that the proposal needs to be discussed further, which will be done by October, and that a future course of action will be determined thereafter.

There was strong support on the proposal to strengthen IFAD's capacity to measure the results of its programmes. It was noted in this regard that a new impact assessment methodology has been developed over the last year, which will improve the Fund's capacity to assess the impact and results of its operations. The Executive Board will be provided in future with an annual report on IFAD's impact and development effectiveness. We will continue through our internal processes to see how this methodology for measuring results can continue to be strengthened. The next draft of the report of the Consultation will propose additional language regarding this matter.



There were also some other policy proposals before the Consultation and these include the Fund's catalytic role with the other international financial institutions and with the private sector as well as one for a non-governmental organization (NGO) observer to attend Executive Board sessions. It was noted that strengthening the Fund's catalytic role is one of the major aims of the *Strategic Framework for IFAD 2002-2006* and we will continue our efforts in this direction. It was agreed that further consultations are required on this matter, as they are for the proposal on the NGO observer.

The Consultation also reviewed a proposal presented by the United Kingdom on policy issues relating to corporate planning in IFAD.

The Consultation took note of the document on IFAD's participation in the HIPC Debt Initiative and further agreed that it would continue its consideration of the resource and ACA issues.

Distinguished Delegates,

This summarizes the results of our deliberations at this Third Consultation Session. I would like to express my appreciation for the strong support that members of all three Lists have given to IFAD's work and the recognition of its impact on poverty.

As the External Review emphasized, IFAD has an even stronger relevance with the greater attention and priority now being given to reducing poverty. Moreover, together with this greater priority for poverty reduction, after the Monterrey Conference, there is the promise of substantially greater resources to achieve the Millennium Summit goal on poverty.

The External Review has further clearly recognized IFAD's effectiveness and impact. Internally we have a new strategic framework for the next four years and have launched a number of reform processes to improve further the efficiency of our work processes and cost-effectiveness.

For their part, our borrowing member countries have shown their strong desire for a higher lending programme and a higher Sixth Replenishment. They have also expressed their own willingness to make larger contributions to the Sixth Replenishment. In this context I would particularly like to note the observation made by the Convenor of List B, when referring to the substantial developing countries' contributions to IFAD. He underlined that IFAD represents a *true partnership* between all Member States. This sentiment was fully endorsed by the Convenors of the other Lists.

With this strong foundation, I am sure that this Consultation will work hard to complete its work by October and achieve a mutually acceptable and satisfactory outcome for the level of the Sixth Replenishment. With the renewed attention to overcoming poverty, perhaps the most important challenge before human society today, we can accept no less.

In closing, may I express my deep appreciation for the great efforts you have all made over these last two days and wish you all a safe return home.