



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

Rome, 12-13 December 2002

**ENABLING THE RURAL POOR TO OVERCOME THEIR POVERTY:
REPORT OF THE CONSULTATION ON THE SIXTH REPLENISHMENT
OF IFAD'S RESOURCES (2004-2006)**

The Consultation is hereby requested to consider the proposed additional final paragraph to the text on the Lending Programme Structure by Terms and Conditions and by Region, of Section C, Part IV "The Strategic Context for IFAD", presently found on pages 8 and 9 of the Report.

41. The Consultation recalled that, according to Article 7, Section 2(b) of the Agreement Establishing IFAD, financing by the Fund shall take the form of loans and grants, to which the Fund's resources shall be committed with due regard to the long-term viability of the Fund and the need for continuity in its operations. The Article further states that the proportion of grants shall not normally exceed one eighth (or 12.5%) of the resources committed in any financial year, and the Consultation recalled that the Executive Board has currently set a lower ceiling for grant assistance of 7.5%. In this context, the Consultation agreed that the Grant Programme would be raised to 10% of the annual Programme of Work, beginning with the Sixth Replenishment in 2004. A Grant Policy Paper, to be submitted to the Executive Board in September 2003, will propose guidelines for the use of grant funding, taking into account an examination of the potential consequences of this new level of grant assistance.

