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IFAD

INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

Consultation on the Seventh Replenishment of IFAD's Resources – Second Session

Rome, 21-22 April 2005

PROPOSALS OF LISTS B AND C

Attached are the proposals of Lists B and C to the Consultation on the Seventh Replenishment of IFAD's Resources, as submitted by the Convenor of List C on behalf of both Lists.

CONSULTATION ON THE SEVENTH REPLENISHMENT OF IFAD'S RESOURCES

Proposals of Lists B and C

1. Being “the only international organisation established to focus exclusively on the situation of the rural poor”, IFAD has a special role in meeting the Millennium Development Goals of reducing hunger and alleviating poverty in the world. “Reaching the un-reached and amplifying the voice of the voiceless is IFAD’s unique role in the development system.” In the global development dialogue, IFAD must strongly and consistently advocate the needs and concerns of the rural poor, even at the cost of being at odds with policies of other international institutions and donors. IFAD’s broad membership and the active role traditionally played by developing country members in its governance distinguish it from other institutions. Its uniqueness is underscored by the significant proportion of its financial resource that is contributed by developing countries. In recent years, however, this unique aspect of IFAD – as spokesperson of the poor – has been compromised. This imbalance must be corrected through the following **governance-related measures**:
 - a) The **distribution of votes among members and the respective share of the Lists should be reviewed**. This is essential because successive replenishments have skewed the distribution of votes in favour of more affluent countries. Unless this trend – which is a natural consequence of the existing system of vote allocation – is checked, developing countries will get increasingly marginalized.
 - b) The **representation of developing countries on the Executive Board must be expanded**. Governance structures of IFAD must reflect the unique characteristics of the institution. Representation of developing countries must be based not only on the fact that they are significant donors – some of them contribute more than members of List A – but because they speak for IFAD’s target groups. There should be opportunities of Executive Board membership for marginalized countries and for re-inclusion of excluded countries.
 - c) The Executive Board needs an appropriate instrument to scrutinize work programmes and budgets more effectively and to review development effectiveness. At present, the Executive Board has little time or inclination to review the formulation, implementation and outcomes of projects, programmes and policies. This essential governance function will be strengthened by establishing a **Committee for Development Effectiveness**.
 - d) The **principle of equitable geographical distribution in appointment of professional staff** must be rigorously observed, at all levels (including at the level of the President and Vice President(s)). While considerations of merit are important, geographical and cultural diversity and breadth of experience are essential value additions to the institution’s human resource.
 - e) In order to encourage competent **young professionals from developing countries**, the APO programme needs to be reworked to ensure that at least a third of the positions are filled by candidates from poor countries.

2. Its unique developmental experience enables IFAD to be the spokesperson of the poor and it should influence the international policy environment accordingly. IFAD should use its comparative advantage to position itself as a front-line development agency for the rural poor. In developing its strategic niche, IFAD must focus sharply on the needs of the most marginalised and on application of innovative means to enable them to overcome their poverty. This will necessitate social and geographic targeting of families and communities that are socially, politically, economically and ecologically disadvantaged. To strengthen its capacity to meet its objectives, the following **strategic modifications** to its operating model are proposed:
 - a) Evaluations have shown that the absence of in-country presence adversely affects the implementation and impact of IFAD projects, results in poor visibility and limits ability to influence local policies. Review of the present CPM model and establishment of **flexible field presence arrangements** adapted to local conditions is important for enhancing IFAD's overall impact and effectiveness.
 - b) The restriction on **direct project supervision** needs to be lifted. Possible cost increases will be offset by efficiency gains, as well as improved impact and effectiveness.
 - c) IFAD should aim at a **significantly expanded programme of activities** both in terms of the amount of loan and grant financing and the number of projects.
 - d) The **performance based allocation system** must be reviewed in the context of IFAD's objective of targeting the poorest and in light of the findings of the IEE.