This handbook provides information on the following topics of the contributions stream within IFAD and has been updated in line with the provisions of the IFAD12 Resolution

A step-by-Step Guide to Replenishments
RESPONSIBILITY
FOR UPDATES

The Contributions Handbook is intended as a guide for IFAD’s Member States.

The Handbook was developed by the Financial Controller’s Division (FCD), with inputs from the Global Engagement, Partnership and Resource Mobilization Division (GPR), Office of the General Counsel (LEG), and Office of the Secretary (SEC).

The Handbook will be periodically updated. The Controller and Director, FCD, has the authority to amend and modify the Handbook as required, in consultation with GPR, LEG & SEC.
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PART 1 – Step-by-step guide to replenishments

I. INTRODUCTION

IFAD Membership

In accordance with the Agreement Establishing IFAD, “membership of the Fund shall be open to any State member of the United Nations, or of any of its specialized agencies, or of the International Atomic Energy Agency. Membership shall also be open to any grouping of States whose members have delegated to it powers in fields falling within the competence of the Fund, and which is able to fulfil all the obligations of a Member of the Fund” (Art. 3, sec. 1).

IFAD’s Member States are grouped as follows:

- **List A:** comprised of Member States that are contributors to IFAD’s resources who declare themselves ineligible for IFAD financing and services, and are not eligible for official development assistance (ODA) according to OECD definitions
- **List B:** comprised of Member States that are members of OPEC and are contributors to IFAD resources; some of these may also be eligible for IFAD financing and services
- **List C:** comprised of Member States that are “developing countries” and have not declared themselves ineligible for IFAD financing and services; many of these are also contributors to IFAD resources. List C is further divided into sub-Lists as follows:
  - **Sub-List C1:** countries in Africa
  - **Sub-List C2:** countries in Europe, Asia and the Pacific
  - **Sub-List C3:** countries in Latin America and the Caribbean

The governance structure of the Fund comprises two main governing bodies, each made up of Member State representatives:

(i) the Governing Council; and
(ii) the Executive Board.

(i) Governing Council

The Governing Council (GC) is IFAD’s principal governing body. All the powers of the Fund are vested in the GC, which may delegate any of its powers to the Executive Board except those to:

- adopt amendments to the Agreement Establishing IFAD;
- approve membership;
- suspend a Member;
- terminate the operations of the Fund and distribute its assets;
- decide appeals from decisions made by the Executive Board concerning the interpretation or application of the Agreement; and
- determine the remuneration of the President.

Further delegation to the EB has been approved by the GC through Resolution 77/2 amended by Resolution 86/XVIII.
The GC comprises all IFAD Member States and meets annually within the first quarter of the year, normally in February. GC sessions are chaired by the Chairperson of the Governing Council Bureau, which is composed of a Chairperson and two Vice-Chairpersons representing each of the three Lists of the Member States of the Fund.

(ii) **Executive Board**

The EB has full authority to decide on the programme of work, approve projects, programmes and grants and adopt/recommend action, pending the final approval of the GC on matters related to, inter alia, policy; the annual administrative budget; applications for membership and staffing within the Fund.

The EB consists of 18 members and 18 alternate members, elected by the GC for a 3-year term, and meets three times a year, usually in the months of April/May, September and December. The EB sessions are chaired by the President of IFAD.

**Resource Mobilization**

Resource mobilization is defined as the raising of financial resources to enable the Fund to fulfil its mandate. Adequate resource mobilization assures an appropriate level of operations in the field and a financially viable institution to carry out those operations.

*Resources of the Fund* are defined under Article 4 Section 1 of the Agreement Establishing IFAD as consisting of initial contributions, additional contributions, special contributions and funds derived or to be derived from operations or otherwise accruing to the Fund, including by borrowing from Members and other sources.

*Replenishment* means the periodic provision of contributions to the Fund by its Member States. The resources thus provided are referred to as *additional contributions*. Core Contributions constitute the backbone of the Fund’s resources, they finance IFAD’s PoLG and are allocated through the PBAS. Many sub-categories of additional contributions have been developed over the decades. Core contributions remain IFAD’s preferred option for replenishment, as they ensure long-term sustainability.

A replenishment cycle generally lasts three years, although this can vary.

**Initiating a Replenishment**

The Agreement Establishing IFAD establishes that the availability of IFAD’s resources is to be reviewed periodically by the GC, in order to assure continuity in the Fund’s operations. If the GC, as a result of such a review, deems it necessary or desirable, it invites Members to make additional contributions to the resources of the Fund. This process is usually undertaken every three years, through a year-long consultation which has three objectives:

- it is the process by which IFAD mobilizes its core resources.
- it is an exercise in accountability by which IFAD reports to its Member States on its strategy, reform, and performance.
- it provides an opportunity for feedback and strategic guidance from Member States.

The Consultation for each replenishment is established by a GC Resolution. The IFAD12 consultation is composed of 57 Representatives (25 Member States from List A, 10 Member States from List B and 22 Member States from List C). List A Members not designated as one of the 25 Members of the Consultation from that List shall be authorized to attend the sessions of
the Consultation as silent observers. The Consultation may also subsequently invite such other Member States to participate in sessions of the Consultation as may facilitate its deliberations.

An initial organizational meeting is convened with Consultation members to entertain proposals for the schedule of subsequent meetings and elicit topics for the discussions. A replenishment consultation exercise is ideally completed within a one-year period, i.e. preferably by the subsequent Governing Council session.

The consultation process concludes with a report outlining the commitments that IFAD has agreed to undertake, along with the pledges of contributions from Member States. The report is submitted to the GC for approval together with the replenishment Resolution, which constitutes a binding agreement for Member States and is adopted at the same session.

II. REPLENISHMENT EXERCISE

Pledges

A pledge represents the amount a Member State intends to contribute to the Fund’s resources for that replenishment period.

Inasmuch as pledges are not legally binding, they are not subject to the Fund's accounting policies.

Pledges may be announced at a session of the Governing Council, Executive Board or Consultation or communicated in writing to the Fund at any time during or after the replenishment negotiation phase. Pledges must always be made by an authorized representative of a Member State. A pledge may also be made orally, by a Member State’s authorized representative during a formal meeting with a senior official of the Fund, confirmation of which will be sought subsequently in writing.

Any pledges received during the negotiation stage of the replenishment are recorded in the resolution establishing the replenishment.

Any pledges communicated to the Fund after the negotiation phase and after finalization of the resolution establishing the replenishment are reported in governing body documentation on the status of replenishment contributions.
III. CONTRIBUTIONS

The Fund is authorized to accept **Additional** contributions from Member States as well as **Special** contributions from non-Member States and from other sources as follows:

1. **Under IFAD12 Additional Contributions** comprise the following:
   (i) Core contributions to the resources of the Fund
   (ii) The grant element of any concessional partner loan
   (iii) The discount or credit generated from **early encashment** of core contributions

2. **Conditions governing additional contributions**
   (i) Members shall receive commensurate contribution votes with respect to core contributions, the grant element of any concessional partner loan and the discount or credit generated from **early encashment** of core contributions;
   (ii) Core contributions, the grant element of any concessional partner loan and the discount or credit generated from **early encashment** of core contributions shall be made without restriction as to their use;
   (iii) Each of these types of contribution will give rise to voting rights to the Member and will be counted towards the replenishment target.
   (iv) In conformity with article 4.5 (a) of the Agreement, additional contributions shall be refunded to contributing Members only in accordance with article 9.4 of the Agreement.

3. **Special Contributions**

During a replenishment period, the Executive Board may accept, on behalf of the Fund, unrestricted special contributions to the resources of the Fund from non-Member States or other sources (special contributions).

Special contributions are funds received from non-Member States or other sources. They are included within the resources defined in Article 4 of the Agreement Establishing IFAD but do not grant voting rights to the contributor.
IV. ACHIEVEMENT OF THE COMMITMENTS AND TARGET LEVEL FOR IFAD12 SET IN THE REPLENISHMENT RESOLUTION

The Executive Board is tasked with reviewing the status of contributions under the replenishment and taking such actions, as may be appropriate, for the implementation of the provisions of the resolution. If the Executive Board deems it necessary, it may request the Chairperson of the GC to convene a meeting of the Consultation to review the status of implementation of IFAD12 and consider ways of fulfilling the conditions necessary for the continuation of the Fund's lending operations or for the substantial attainment of those goals.

V. INSTRUMENTS OF CONTRIBUTION

Replenishment resolutions call for pledges (other than in respect of the grant element of a concessional partner loan and of the discount or credit generated from early encashment of core contributions) to be supported by instruments of contribution.

An instrument of contribution specifies the amount of a Member State’s contribution under the terms and conditions of the replenishment resolution and constitutes a legally binding obligation of the Member State to IFAD to pay its contribution. Contributions made against instruments of contributions are subject to the Fund’s accounting policies (see section XII).

The acceptance for deposit of an instrument of contribution requires the clearance of the Office of the General Counsel. Payment schedules for instruments of contribution that differ from the provisions contained in the replenishment resolution require approval by the President of IFAD for acceptance.

Instruments of contribution can be unqualified or qualified.

Unqualified Instrument of Contribution

This is an unqualified commitment by a Member State to pay its contribution in the manner and on the terms stated in the replenishment resolution.

Qualified Instrument of Contribution

Where an unqualified contribution commitment cannot be made by a Member State because of national legislative procedures, the Fund may accept from that Member State an instrument of contribution that contains a formal notification that the Member State will pay the first instalment of its contribution without qualification, but that payment of the remaining instalments is subject to enactment of the necessary appropriation legislation and compliance with other legislative requirements. Qualified instruments, however, shall include an express undertaking on the part of the Member State to seek the necessary appropriations at a rate so as to complete payment of its total contribution no later than three years after the date of adoption of the replenishment resolution, except as the President shall otherwise determine.
VI. EFFECTIVENESS OF THE REPLENISHMENT

Up through the Fifth Replenishment, the resources under any given replenishment became available for commitment only when the replenishment came into effect.

A change was made to this policy under the Sixth Replenishment, where it was resolved that advance contributions (i.e., contribution payments received prior to the effective date of the replenishment) could be used by the Fund for its operations, unless a Member State specifies otherwise in writing. Commitments made by the Fund against such advance contributions are treated as part of the Fund’s operational programme.

For the Fund to fully benefit from a replenishment, Member States are urged to deposit their instruments of contribution ideally within the six-month period following the date upon which the resolution is adopted.

The Replenishment comes into effect on the date upon which instruments of contribution or payments made without an instrument of contribution relating to the additional contributions from Members referred to in section I above, have been deposited or received by the Fund in an aggregate amount - in United States dollar (USD) - equivalent — to at least 50% of total the pledges as communicated by the President to the Member States no later than 6 months and 15 days after the adoption of the replenishment resolution.

The IFAD12 Replenishment Resolution introduced a new feature to provide flexibility: If after nine months after the adoption of the Resolution, the 50% target has not been reached, the Executive Board may decide to declare the replenishment effective, upon recommendation of the President, to ensure effectiveness as of 1 January of the first year of the Replenishment.

Even after the replenishment becomes effective, it is still crucial that Member States, who have not already done so, deposit their instruments of contribution.

VII. CURRENCY OF CONTRIBUTIONS

The Fund was authorized to accept contributions in convertible and non-convertible currencies for its initial resources and the First and Second Replenishments. Non-convertible currency contributions were received mostly from List C Member States under these replenishments.

The restrictions associated with the use of non-convertible currency contributions meant that the Fund’s holdings of this type were exclusively disbursed for grants and other purposes in the countries of origin of these currencies.

From 1989 onwards (i.e. commencing with the Third Replenishment), acceptance of contributions to the Fund’s resources has been limited to freely convertible currencies, as selected by each Member State. However, it was not until the Fourth Replenishment that an amendment to the Agreement Establishing IFAD formally endorsed this policy. Since then, pledges from List A Member States are generally made in their national currency, while those from List B and C Member States are made usually in United States dollars or another freely convertible currency.
VIII. CONTRIBUTION PAYMENT OPTION

The replenishment resolution typically allows Member States the option of paying contributions in cash and/or in promissory notes.

While cash received is held and administered directly in the Fund’s operational cash accounts, promissory notes are issued by Member States and held in safe-custody securities accounts, usually with the central bank of the Member State. The Fund may also receive promissory notes from the Member State for safe keeping. In both cases, promissory notes require clearance for acceptance by the Financial Controller’s Division (FCD).

A promissory note is a non-negotiable, irrevocable and non-interest-bearing written obligation by a Member State to make a specified sum available to the Fund upon demand, i.e. payable to IFAD upon its request to the Member State for drawdown (encashment) of funds from the promissory note.

Where a promissory note is received from a Member State who requests a specific encashment schedule so that the promissory note is technically and/or legally not payable on demand, the President’s approval is requested as specified in section XII.

A promissory note may be drawn down in its entire amount or in part. When a promissory note has not been fully drawn down, an endorsement is made by the bank or by IFAD (if it is held by the Fund) on the reverse side of the promissory note, noting the balance available for future encashment.

The date of deposit of a promissory note is the date of the promissory note itself, irrespective of the date when the promissory note receives clearance for acceptance by FCD.
A sample of the text of a promissory note is provided below:

To: The President

INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

Rome, Italy

PROMISSORY NOTE

For value received, the Government of (Member State) hereby promises to pay to the International Fund for Agricultural Development (IFAD), on demand, the sum of (amount) without interest.

All or any part of the sum aforesaid shall be paid, upon demand, made in writing to (Ministry) or by SWIFT to (name of promissory note depository bank) and the credit of the amount so demanded to the account of said IFAD with (name of IFAD bank).

If payment of a part only of said sum shall be demanded and made, a notation of such part payment shall be endorsed on the reverse of this note or, at the option of said IFAD, a new note, in substantially the same form as this note, for the sum remaining unpaid thereon shall be executed and delivered in exchange for this note.

This note is non-negotiable.

(signed: relevant authority of Member State)
IX. EARLY ENCASHMENTS

Notwithstanding section VIII above, contributions to the Fund may also be made in the form of the discount or the credit generated from the early encashment of contributions in accordance with the mechanism approved by the Governing Council¹.

Any Member may pay its contribution on dates earlier than those specified in the Resolution. Members that pay their core contribution within one year after the adoption of this Resolution shall be entitled to receive a discount or credit calculated on the basis of the mechanism approved by the Governing Council.

For IFAD12, the Fund will grant a discount or credit to the full nominal amount of the core contribution pledge or, if the Member State has deposited an Instrument of Contribution (IOC) – from the full nominal amount of the IOC, provided that the Member pays the discounted or full amount (i) in cash, (ii) in the form of one lump sum payment and (iii) within 31 December 2022. No discount or credit will be offered in case of partial early encashment (e.g. if a subsequent instalment is anticipated).

In order to limit transaction costs, a discount or credit will only be applied in cases where the amount of the contribution is at least US$10 million. For the avoidance of doubt, the full nominal amount of the contribution – inclusive of credit generated, if applicable - will count toward the replenishment target.

Voting rights will be attributed to the full nominal amount of the core contribution (pledge or IOC), in the event of application of a discount, or to the full nominal amount inclusive of the credit generated, as applicable.

X. VALUATION OF CURRENCIES

In keeping with the option for Member States to contribute in the freely convertible currency of their choice, the Fund employs two sets of exchange rates – resolution rates and historical/current market exchange rates – to translate contributions into the reporting currency of the Fund, i.e. the United States dollar (USD).

Both types of translation of contributions into the USD equivalents are necessary and equally important, as explained below.

Replenishment Resolution Exchange Rates (Resolution Rates)

Resolution rates are based on the average month-end exchange rates of the International Monetary Fund for a six-month period agreed by the Consultation during the replenishment negotiation phase. These rates are incorporated into the replenishment resolution and are applied in transcribing the US$ equivalents of pledges, instruments of contribution and payments, including the relative drawdowns of promissory notes under the replenishment.

The use of resolution rates safeguards the value of the Member State’s participation versus the replenishment level of the replenishment in question and thereby acts as a mechanism for Member States to balance the pledges made against each other. It also facilitates monitoring of the completion of replenishment pledges, if this is necessary, and of replenishment effectiveness.

¹ GC44-L-6-Rev-1
Resolution rates are used in updated status reports of contributions presented to governing bodies and also for monitoring and reviewing purposes where accounting implications are not relevant.

Resolution rates are also used in the calculation and distribution of Member States’ voting rights.

**Historical/Current Market Exchange Rates**

The Fund’s accounting records, and financial statements are reported in United States dollar terms based on Reuter’s market exchange rates.

Translation of contributions at their US$ equivalent is undertaken as described below:

- The value of the Fund’s receivables deriving from instruments of contribution and promissory notes that are not yet drawn down are valued and revalued periodically in US$ equivalent at the prevailing market exchange rates (referred to as the *current rate*).

- Cash received as payment of a contribution is translated and fixed at the US$ equivalent using the market rate of exchange prevailing on the date of its receipt (referred to as the *historical rate*).

- Similarly, proceeds from the drawdown of promissory notes, i.e. cash, are translated and fixed at the US$ equivalent using the prevailing market exchange rate at the date of receipt (i.e. the historical rate).

- While the US$ cash equivalent paid against an instrument of contribution and/or promissory note is fixed at the historical rate, the unpaid portion of an instrument of contribution and/or promissory note continues to revalue at the current rate of exchange.

**XI. DRAWDOWNS**

*Article 4, Section 5(c), of the Agreement Establishing IFAD provides that:*

“(c) Contributions to the Fund shall be made in cash or, to the extent that any part of such contributions is not needed immediately by the Fund in its operations, such part may be paid in the form of non-negotiable, irrevocable, non-interest-bearing promissory notes or obligations payable on demand. In order to finance its operations, the Fund shall draw down all contributions (regardless of the form in which they are made) as follows:

(i) contributions shall be drawn down on a pro rata basis over reasonable periods of time as determined by the Executive Board;

(ii) where a contribution is paid partly in cash, the part so paid shall be drawn down, in accordance with paragraph (i), before the rest of the contribution. Except to the extent that the part paid in cash is thus drawn down, it may be deposited or invested by the Fund to produce income to help defray its administrative and other expenditures;

(iii) all initial contributions, as well as any increases in them, shall be drawn down before any additional contributions are drawn down. The same rule shall apply to further additional contributions.”
IFAD draws down funds annually to meet its forecasted loan and grant disbursement needs. The annual amount called for each year is adjusted to reflect the difference between the total amount drawn down and the amount disbursed in the previous year.

From IFAD12 replenishment periods (2022) onwards, contributions drawdowns are aligned to clauses defined in the related Replenishment Resolution.

XII. SPECIAL ARRANGEMENTS

Instruments of Contribution

In order to expedite the processing of instruments of contribution, the Governing Council has authorized the President of IFAD to accept instruments of contribution with payment schedules differing from the provisions of the respective resolution. Such special payment schedules must not adversely affect the operational needs of the Fund.

Encashment of Promissory Notes

Notwithstanding its current 100% pro-rata drawdown policy, the Executive Board also decided in December 2000 to permit Member States to enter into separate arrangements for individual encashment schedules as long as these did not adversely affect the operational needs of the Fund. Special encashment schedules must be approved by the President of IFAD.

President's approval of special arrangements

The Financial Controller's Division (FCD) prepares recommendations to the President for his approval or otherwise of requests for special arrangements for payment schedules or encashment of promissory notes. The recommendations are based on an evaluation of financial impact (in consultation with the Treasury Division), in addition to information concerning previously agreed arrangements with the Member State and a review of arrangements agreed with other Member States for this replenishment.
XIII. OVERDUE PAYMENTS

A. ACCOUNTING PROVISIONS AGAINST OVERDUE PAYMENTS

In the case of pledges supported by the deposit of an instrument of contribution, overdue payment leads to an accounting provision being established against a Member State. Provision status is also applied to Member States failing to encash promissory notes deposited.

The policy on provisions against overdue contributions by Member States covers the following scenarios:

(i) 24-month rule
Whenever a payment of an instalment against an instrument of contribution or a payment of a drawdown against a promissory note becomes overdue by 24 months, a provision will be made equal to the value of the overdue contribution payment or of the unpaid drawdown(s) on the promissory note.

(ii) 48-month rule
Whenever a payment of an instalment against an instrument of contribution or a payment of a drawdown against a promissory note becomes overdue by 48 months or more, a provision will be made against the total value of the unpaid contribution or partially unpaid contribution of the Member State or the total value of all the undrawn promissory notes of that Member State related to the particular replenishment period.

The following procedures are used for calculating payment due dates with regard to instruments of contribution and drawdowns.

Timing of Payments of Instruments of Contribution

Generally, the instalment dates of instruments of contribution are mapped to time frames stipulated in replenishment resolutions. In special cases, instalment schedules may be aligned to due dates as agreed in the respective special arrangement with the Member State.

The sanctions against a Member State falling into provision status for failure to pay an instalment specified in its instrument of contribution or to encash its promissory note on demand are:

- loss of eligibility for appointment or election to membership of the Executive Board (Rule 40.1 of the Rules of Procedure of the Governing Council);
- a reduction in contribution voting rights commensurate with the amount entering into provision status if that amount has already been paid in a promissory note.

B. UNPAID PLEDGES NOT SUPPORTED BY DEPOSIT OF INSTRUMENT OF CONTRIBUTION

Although not legally binding, pledges not supported by instruments of contribution have legal and political implications, as they form the basis for the determination of the target for the replenishment, therefore, IFAD pursues these commitments with Member States. A number of unpaid pledges to early replenishments remain on record, and IFAD continues to follow up on these pledges.
XIV. VOTING RIGHTS

During the negotiations for the Fourth Replenishment of IFAD's Resources, a Special Committee was formed to discuss various governance issues, one of which was a new voting system for IFAD. It was recommended that IFAD’s vote allocation system be changed based on a set of working principles, including:

a. There should be a link between individual contributions and voting rights so as to provide an incentive to all Member States to increase their contributions to IFAD's resources.

b. The total votes should be divided into two parts; membership and contribution votes.
   - **Membership votes** would be distributed equally among all Member States, regardless of their level of contribution, “...with each IFAD Member State receiving an equal number of the said votes. Upon any change in the number of Members of the Fund, votes shall be redistributed upon the same basis”. (Resolution 87/XVIII).
   - **Contribution votes** would be distributed in accordance with cumulative payment of contributions as outlined in the relevant replenishment resolution.

c. The important role of developing countries in the governance of IFAD should be preserved, therefore the total votes should be divided between membership and contribution votes in such a way as to ensure that **List C always have at least one-third of total votes as membership votes**.

The Governing Council in adopting the recommendation by the Special Committee, also decided to distribute the 1 800 votes by allocating 5 votes to each member as membership votes and the remaining votes be distributed according to paid cumulative contributions. These votes were called the Original votes. It was also decided that from the fourth replenishment onwards at each replenishment, new replenishment votes would be created and allocated according to the new methodology, which is still applicable today.

It is to be noted that contribution votes allocated to a Member State for its promissory note payment are deducted if drawdown of the promissory note is not honoured within the time frame established by the Fund (described in section XIII) and the Member State hence enters provision status. The contribution votes so deducted are then recalculated and redistributed among Member States in proportion to their paid contributions.

The overall distribution of contribution votes is recalculated each time there is a change in the status of payments to a replenishment.

**Original Votes (Initial Resources and the First to Third Replenishments)**

As a consequence of the above, Original votes are calculated as follows:

(i) **Membership votes**

790 votes are membership votes divided equally among all Member States and re-distributed each time a new Member State joins IFAD.
(ii) Contribution votes

After subtracting the membership votes from the original 1,800 votes, the remaining 1,010 contribution votes are distributed among Member States according to their paid share of cumulative convertible-currency contributions up to and including the Third Replenishment, excluding any contributions against which accounting provisions have been imposed.

New Replenishment Votes (Fourth Replenishment Onwards)

New replenishment votes are created on the basis of pledges to make additional contributions received upon the date stipulated in each respective Replenishment Resolution (usually 6 months after the adoption of said resolution). A ratio of 100 votes to US$ 158 million of replenishment contributions equivalent in freely convertible currencies is used to determine the number of new replenishment votes created.

The formula used to calculate membership votes and contribution votes is shown below:

(i) Calculation of total new replenishment votes

\[
\text{fixed ratio } 158,000,000 \div 100 = 1,580,000 \\
\text{level of pledges}^2 \div 1,580,000 = \text{Total number of new replenishment votes (a)}
\]

(ii) Apportionment of total new replenishment votes (a)

\[
= \text{one third of (a) } = \text{total List C membership votes (b)}
\]

- **Membership votes**

\[
= (b) \div \text{total number of List C Member States} = \text{membership votes per Member State (c)}
\]

- **Contribution votes**

\[
= (a) - (d) = \text{contribution votes}
\]

Contribution votes are distributed according to each Member’s percentage share of paid contributions\(^3\) to the respective replenishment.

The distribution of Replenishment Votes usually enters into effect six months after the adoption of the relevant replenishment resolution. The President communicates the distribution of the Replenishment membership and contribution votes to all Members of the Fund no later than 15 days after such date, and to the Governing Council thereafter.

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\(^2\) Including the total amount of pledges of core contributions, the grant element of any concessional partner loan, and the discount or credit generated from early encashment of core contributions, in each case received as at the cut-off date established by the relevant Resolution adopted by the Governing Council.

\(^3\) In accordance with the Resolutions adopted by the Governing Council at its 44th session, the grant element of a concessional partner loan and the discount or the credit generated from the early encashment of contributions shall be considered as “paid contributions” and contributions votes shall be distributed accordingly.
XV. REPORTING TO GOVERNING BODIES

IFAD’s governing bodies are kept informed on replenishment contributions through various reports:

(i) **Status of contributions**

The status of contributions is reported to each Executive Board and Governing Council session, using US$ values calculated at resolution rate equivalents.

(ii) **Annual financial statements**

The annual financial statements provide a summary of total cumulative contributions received and/or receivable, including an appendix detailing the status of individual contributions of each Member State for more recent replenishments and the total contribution of each Member State for previous replenishments. The US$ values are calculated at the current rate rather than at the resolution rate. The notes to the statements specify the Member States in provision status as at the reporting date.

(iii) **Statement of resources available for commitment**

At the December EB session, a statement of resources available for commitment is presented for the Board’s approval, prior to the approval of the following year’s POLG. This statement shows total contributions received during the year, as well as Member States in provision status as at the reporting date and provides a long-term financial projection to ensure financial sustainability of the Fund.
## XVI. SCHEDULE OF IFAD REPLENISHMENTS

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