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Enabling poor rural people
to overcome poverty

Draft resolution on the Ninth Replenishment of IFAD's resources

Note to Consultation members

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Consultation on the Ninth Replenishment of IFAD's Resources —
Second Session
Rome, 13-14 June 2011

For: **Review**

Note to the Representatives

Background

The attached draft resolution on the Ninth Replenishment of IFAD's resources has been prepared in response to requests made at the fourth session of the Consultation on the Eighth Replenishment of IFAD's Resources and the attendant Chairperson's conclusion (Rome, 21-22 October 2008). On that occasion, Cameroon and the Netherlands asked whether the draft resolution submitted for consideration by the Consultation could be shortened as it was deemed to be too lengthy and complex. Since there was not enough time for a thorough review, the Chairperson concluded that such review should be undertaken early in the next replenishment round.

Streamlining

For ease of reference, a table is attached comparing the draft resolution with the resolution adopted by the Governing Council for the Eighth Replenishment. Representatives will note from the table that the proposed draft resolution is much shorter and simpler and much more in tune with the replenishment resolutions of other institutions, such as the African Development Fund (AfDF) and the International Development Association (IDA). It consists of only 7 pages instead of 29 (including numerous attachments and annexes) in the case of the Eighth Replenishment resolution.

Retention of substance

The draft resolution does not intend to alter the substance of the matters dealt with in previous replenishment resolutions. In particular, it does not change how Members relate to the Fund with respect to the replenishment target, the types of contributions, the process of commitment to contribute, currency and modes of payment, encashment, the creation and allocation of replenishment votes, and the methods and requirements for replenishment monitoring and reporting to the Governing Council.

Invitation of comments

Members are invited to address their technical enquiries, comments and suggestions to the General Counsel (r.martha@ifad.org), preferably before 30 August 2011 and share these with the rest of the Consultation via _____).

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Draft resolution on the Ninth Replenishment of IFAD's resources

The Governing Council of IFAD,

Recalling the relevant provisions of the Agreement Establishing the International Fund for Agricultural Development (the Agreement), in particular articles 2 (Objective and Functions), 4.3 (Additional Contributions), 4.4 (Increases in Contributions), 4.5 (Conditions Governing Contributions), 4.6 (Special Contributions) and 7 (Operations) as well as Governing Council resolution 77/2 (1977), as amended by resolution 86/XVIII (1995) (Delegation of Powers to the Executive Board);

Having considered the conclusions and recommendations of the Report of the Consultation on the Ninth Replenishment of IFAD's Resources (____) regarding the need and desirability of additional resources for the operations of the Fund; and

Acting upon article 4.3 of the Agreement, which provides that, in order to assure continuity in the Fund's operations, the Governing Council shall periodically review the adequacy of the resources available to the Fund and, if necessary, invite Members to make additional contributions to the resources of the Fund,

Hereby decides:

I. Adequacy of the resources available to the Fund

- (a) **Total resource requirement.** In order to ensure the adequacy of the resources for the programme of work of the Fund over the three-year period commencing 1 January 2013 (the replenishment period), a total resource requirement of ____ United States dollars (US\$ ____) is to be met for the Ninth Replenishment.
- (b) **Available resources.** The resources available for commitment at the end of the Eighth Replenishment period are estimated at US\$ ____.
- (c) **Need for additional resources.** Considering the total resource requirement outlined in subsection (a) above and the available resources stated in subsection (b) above, there is a need for additional resources in the amount of up to US\$ ____.
- (d) **Call for additional contributions.** Taking into account the conclusions and recommendations of the Report of the Consultation on the Ninth Replenishment of IFAD's Resources (____) regarding the need and desirability of additional resources for the operations of the Fund, Members are hereby invited to make additional contributions to the resources of the Fund in accordance with the terms set forth below.
- (e) **Pledges.** The Fund acknowledges the announcements of the Members' intentions to make additional contributions to the resources of the Fund as set out in annex ____ to the Report of the Consultation on the Ninth Replenishment of IFAD's Resources. Members that have not yet formally announced their contributions are invited to do so preferably no later than the last day of the six-month period following the adoption of this resolution. The President shall communicate a revised annex ____ to the Report of the Consultation on the Ninth Replenishment of IFAD's Resources to all Members of the Fund no later than 15 days after the above-mentioned date.

II. Operational and organizational effectiveness and efficiency

In order to raise the capacity of the Fund to effectively and efficiently manage ongoing operations and deliver the programme of work, the Executive Board and the President shall adopt the measures and undertake the actions set forth in annex ___ to the Report of the Consultation on the Ninth Replenishment of IFAD's Resources (___).

III. Contributions

- (a) **Additional contributions.** With the objective of filling the financing gap, during the replenishment period, the Fund shall accept from Members:
- (i) **Core contributions.** Upon their core contributions to the Ninth Replenishment, Members shall receive commensurate contribution votes pursuant to article 6.3(a)(ii)(B) of the Agreement.
 - (ii) **Complementary contributions.** Members shall not receive commensurate contribution votes on complementary contributions. The usage of complementary contributions shall be approved by the Executive Board, unless otherwise determined in this resolution.
- (b) **Conditions governing additional contributions.** In conformity with article 4.5(a) of the Agreement, the foregoing additional contributions shall be made without restriction as to their use and shall be refunded to contributing Members only in accordance with article 9.4 of the Agreement.
- (c) **Denomination of additional contributions.** In accordance with article 5.2(a) of the Agreement, Members shall denominate their contributions in special drawing rights (SDR), in a currency used for the valuation of the SDR, or in the currency of the contributing Member if such currency is freely convertible and the Member did not experience, in the period from 1 January 2009 to 31 December 2010, a rate of inflation in excess of 10 per cent per annum on average, as determined by the Fund.
- (d) **Unpaid contributions.** Those Members that have not yet completed payment of their previous contributions to the resources of the Fund and that have not yet deposited an instrument of contribution or paid their contribution for the Eighth Replenishment are urged to make the necessary arrangements. Upon proposals by the President, the Executive Board shall adopt measures aimed at realizing the settlement of unpaid contributions.
- (e) **Special contributions**
- (i) During the replenishment period, the resources of the Fund may be increased by special contributions from non-Member States or other sources.
 - (ii) With respect to special contributions from intergovernmental organizations, in particular international financial institutions, the Executive Board shall approve related agreements with such organizations and adopt necessary measures to ensure the participation of these organizations in its meetings, when appropriate.
- (f) **Exchange rates.** Contributions and pledges made under this resolution shall be determined on the basis of the average month-end exchange rate of the International Monetary Fund over a six-month period preceding the adoption of this resolution between the currencies to be converted (dd/mm/yyyy–dd/mm/yyyy), rounded to the fourth decimal point, as set forth in annex ___ to the Report of the Consultation on the Ninth Replenishment of IFAD's Resources (___).

IV. Instruments of contribution

- (a) **General clause.** Members making contributions under this resolution shall deposit with the Fund, preferably no later than the last day of the six-month period following the adoption of the resolution, an instrument of contribution formally committing to make additional contributions to the Fund in accordance with the terms of this resolution and specifying the amount of their contribution in the applicable currency of denomination.
- (b) **Unqualified contribution.** Except as specified in subsection (c) below, such instrument of contribution shall constitute an unqualified commitment by the concerned Member to pay its payable contribution in the manner and on the terms set forth in this resolution, or as otherwise approved by the Executive Board. For the purpose of this resolution, such contribution shall be called an **"unqualified contribution"**.
- (c) **Qualified contribution.** As an exceptional case, where an unqualified commitment cannot be given by a Member due to its legislative practice, the Fund may accept from that Member an instrument of contribution that expressly contains the qualification that payment of all instalments of its payable contribution, except for the first one, is subject to subsequent budgetary appropriation. Such an instrument of contribution shall, however, include an undertaking by the Member to exercise its best efforts to: (i) arrange such appropriation for the full amount specified by the payment dates indicated in section VII, and (ii) notify the Fund as soon as the appropriation relative to each instalment is obtained. For the purpose of this resolution, a contribution in this form shall be called a **"qualified contribution"**, but shall be deemed to be unqualified to the extent that appropriation has been obtained.
- (d) **Contingent contributions.** The Fund may accept contributions that, in part or in whole, may be contingent upon the completion of specific measures and actions referred to in section II of this resolution.
- (e) **Commensurate modification.** In the case of an undue delay in the deposit of an instrument of contribution or in payment, or of substantial reduction in its contribution by a Member, any other Member that has not waived the right to avail itself of the option of commensurate modification in its instrument of contribution, may, notwithstanding any provision to the contrary in this resolution, at its option, after consultation with the Executive Board, make a commensurate modification, ad interim, in its schedule of payment or amount of contribution. The option of commensurate modification may be exercised with the sole purpose of safeguarding the objectives of the replenishment and avoiding any significant disparity between the relative proportion of Members' total contributions until such time that the Member whose conduct caused the option to be exercised has acted to remedy the situation on its part or the Member exercising the option revokes its decision taken under this provision.

V. Effectiveness

- (a) **Effectiveness of the replenishment.** The replenishment shall come into effect on the date upon which instruments of contribution or payments made without an instrument of contribution relating to the additional contributions referred to in section III of this resolution have been deposited with or received by the Fund in an aggregate amount equivalent to at least 50 per cent of the pledges as communicated by the President to Members pursuant to section I(e).
- (b) **Effectiveness of individual contributions.** Instruments of contribution deposited on or before the effective date of the replenishment shall take

effect on that date, and instruments of contribution deposited after such date shall take effect on their respective dates of deposit.

- (c) **Effectiveness of replenishment votes.** The distribution of the Ninth Replenishment votes, as specified in the provisions of section IX below, shall enter into effect six months after the adoption of this resolution. The President shall communicate the distribution of the Ninth Replenishment membership and contribution votes to all Members of the Fund no later than 15 days after the date specified above.
- (d) **Availability for commitment.** As of the effective date of the replenishment, all additional contributions paid to the resources of the Fund shall be considered available for operational commitment under article 7.2(b) of the Agreement and other relevant policies of the Fund.

VI. Advance contribution

Notwithstanding the provisions of section V above, all contributions or parts thereof paid prior to the effective date of the replenishment may be used by the Fund for its operations, in accordance with the requirements of the Agreement and other relevant policies of the Fund, unless a Member specifies otherwise in writing. Any loan and grant commitments made by the Fund on such advance contributions shall for all purposes be treated as part of the Fund's operational programme before the effective date of the replenishment.

VII. Payment of contributions

(a) Unqualified contributions

- (i) **Payment of instalments.** Each contributing Member shall, at its option, pay its unqualified payable contribution in a **single sum** or in **two** or maximum **three** instalments. Instalment payments in respect of each unqualified contribution shall be, at the option of the Member, either in **equal** amounts or in **progressively graduated** amounts, with the first instalment amounting to at least 30 per cent of the contribution, the second instalment amounting to at least 35 per cent and the third instalment, if any, covering the remaining balance.

(ii) Payment dates

Single-sum payment

Payment in a single sum shall be due on the thirtieth day after the Member's instrument of contribution enters into effect.

Instalment payments

Payment in instalments shall be made according to the following schedule:

The first instalment shall be due on the thirtieth day after the Member's instrument of contribution enters into effect. Any other instalment shall be due on the first anniversary of the effective date of the replenishment and the balance, if any, shall be paid no later than the last day of the three-year period following the adoption of this resolution.

- (iii) **Early payment.** Any Member may pay its contribution at earlier dates than those specified in subsection (a)(ii) above.
- (iv) **Alternative arrangements.** The President may, upon the request of a Member, agree to a variation in the prescribed payment dates, percentages or number of instalments of the contribution, provided that such a variation shall not adversely affect the operational needs of the Fund.

- (b) **Qualified contributions.** Qualified contributions shall be paid within 90 days after the Member's instrument of contribution enters into effect, as and to the extent that the relative contribution becomes unqualified and, where possible, in accordance with the annual payment dates specified in subsection (a)(ii) above. A Member that has deposited an instrument of contribution for a qualified contribution shall inform the Fund of the status of the qualified instalment of its contribution no later than 30 days after the annual payment date specified in subsection (a)(ii) above.
- (c) **Currency of payment**
- (i) All contributions made under this resolution shall be paid in SDR, in a currency used for the valuation of the SDR, or in the currency of the contributing Member if such currency is acceptable.
- (ii) In accordance with article 5.2(b) of the Agreement, the value of the payment shall be determined on the basis of the rate of exchange used by IFAD for translation purposes in its books of account at the time of payment.
- (d) **Mode of payment.** In conformity with article 4.5(c) of the Agreement, payments in respect to the payable contribution shall be made in cash or, at the option of the Member, by the deposit of non-negotiable, irrevocable and non-interest-bearing notes or similar obligations of the Member, encashable on demand by the Fund at their par value in accordance with the terms of subsection (e) below. To the extent possible, Members may favourably consider payment of their contributions in cash.
- (e) **Encashment of promissory notes or similar obligations.** In conformity with the provisions of article 4.5(c)(i) of the Agreement and regulation V of the Financial Regulations of IFAD, promissory notes or similar obligations of Members shall be encashed in accordance with the 100 per cent drawdown policy approved by the Executive Board at its seventy-first session or otherwise agreed upon by the President and concerned contributing Members.
- (f) **Payment modalities.** At the time of depositing its instrument of contribution, each Member shall indicate to the Fund its proposed schedule and mode of payment on the basis of the arrangements set forth in subsections (a), (b), (c) and (d) above.

VIII. Exercise of the advance commitment authority (*pro memoria*)

When authorizing advance commitment funds to be derived from operations pursuant to its power under article 7.2(b) of the Agreement, in order to fill shortfalls in the amount of committable resources that may arise in a particular year, the Executive Board shall ensure that the amount committed remains within the limits of financial prudence, using conservative assumptions and including a margin for expected loan repayment arrears. Advance commitment authority should not exceed seven years of future reflows, as deemed to be within the limits of financial prudence during the replenishment period.

IX. Allocation of new votes for the replenishment

Replenishment votes. New replenishment votes shall be created (Ninth Replenishment votes). The total amount of Ninth Replenishment votes shall be calculated by dividing the total amount of pledges to core contributions, which have been received as of the date six months after the date of adoption of this resolution, by one million five hundred and eighty thousand United States dollars (US\$1,580,000). The Ninth Replenishment votes thus created shall be distributed in accordance with section 3(a)(ii) and (iii) of article 6 of the Agreement as follows:

- (i) **Membership votes.** Membership votes shall be distributed equally among all Members in conformity with article 6.3(a)(i)(A) and (ii)(A) of the Agreement.
- (ii) **Contribution votes.** In conformity with article 6.3(a)(ii)(B) of the Agreement, contribution votes shall be distributed among all Members in the proportion that each Member's paid-up contribution for the Ninth Replenishment bears to the aggregate of the paid core contributions specified in section III above.
- (iii) The allocation and distribution of the original, Fourth Replenishment, Fifth Replenishment, Sixth Replenishment, Seventh Replenishment and Eighth Replenishment votes shall continue irrespective of the entry into force of this resolution.

X. Cofinancing and miscellaneous operations

During the replenishment period, the Executive Board and the President are encouraged to take necessary measures to strengthen the Fund's catalytic role in raising the proportion of national and international funding directed at improving the well-being and self-reliance of rural poor people, and to supplement the resources of the Fund by using the Fund's power to perform financial and technical services, including the administration of resources and acting as trustee, that are consistent with the objective and functions of the Fund. Operations involved in the performance of such financial services shall not be on the account of the Fund.

XI. Reporting to the Governing Council

The President shall submit to the thirty-sixth Governing Council session and subsequent sessions of the Governing Council reports on the status of commitments, payments, borrowing and other relevant matters concerning the replenishment. The reports shall be submitted to the Governing Council together with the Executive Board's comments, if any, and its recommendations thereon.

XII. Review by the Executive Board

- (a) The Executive Board shall periodically review the status of contributions under the replenishment and shall take such actions, as may be appropriate, for the implementation of the provisions of this resolution.
- (b) If, during the replenishment period, delays in the making of any contributions cause or threaten to cause a suspension in the Fund's lending operations or otherwise prevent the substantial attainment of the goals of the replenishment, upon the request of the Executive Board the Chairperson of the Governing Council may convene a meeting of the Consultation established by resolution 160/XXXIV (2011) to review the situation 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.

XIII. Midterm review

A midterm review of the implementation of the measures and actions referred to in section II of this resolution will be undertaken and its findings presented at an early meeting of the Consultation on the Tenth Replenishment of IFAD's Resources.

Eighth and Ninth Replenishment resolutions comparison table

<i>Eighth Replenishment resolution</i>	<i>Ninth Replenishment resolution</i>	<i>Comments</i>
<p>The Governing Council of IFAD,</p> <p>Recalling Article 4.3 of the Agreement Establishing the Fund, which provides that, in order to assure continuity in the Fund's operations, the Governing Council shall periodically review the adequacy of the resources available to the Fund and, if necessary, invite Members to make additional contributions to the resources of the Fund;</p> <p>Further recalling Governing Council Resolution 147/XXXI, adopted on 13 February 2008, establishing a Consultation on the Eighth Replenishment of IFAD's Resources;</p> <p>Urging those Members which have not yet paid the full share of their previous contributions to the resources of the Fund and those which have not yet deposited their Instruments of Contribution for the Seventh Replenishment to adopt effective measures to complete such payments and deposit such Instruments of Contribution as soon as possible;</p> <p>Reaffirming its unanimous support for the Fund and its mandate to combat poverty and hunger and noting with great satisfaction the Fund's continued progress in discharging effectively that mandate;</p> <p>Noting the desire of its Members to maintain an adequate level of annual loan and grant commitments in order to enable the Fund to fulfil its mandate;</p> <p>Further recalling its Resolution 100/XX on the Provision of Advance Commitment Authority during the Fourth Replenishment Period, adopted on 21 February 1997;</p> <p>Having considered the Report of the Consultation on the Eighth Replenishment of IFAD's Resources (2010-2012), contained in document GC 32/L.5 and the draft resolution on the Eighth Replenishment of IFAD's Resources attached thereto;</p>	<p>The Governing Council of IFAD,</p> <p>Recalling the relevant provisions of the Agreement Establishing the International Fund for Agricultural Development (the Agreement), in particular articles 2 (Objective and Functions), 4.3 (Additional Contributions), 4.4 (Increases in Contributions), 4.5 (Conditions Governing Contributions), 4.6 (Special Contributions) and 7 (Operations) as well as Governing Council resolution 77/2 (1977), as amended by resolution 86/XVIII (1995) (Delegation of Powers to the Executive Board);</p> <p>Having considered the conclusions and recommendations of the Report of the Consultation on the Ninth Replenishment of IFAD's Resources (_____) regarding the need and desirability of additional resources for the operations of the Fund; and</p> <p>Acting upon article 4.3 of the Agreement, which provides that, in order to assure continuity in the Fund's operations, the Governing Council shall periodically review the adequacy of the resources available to the Fund and, if necessary, invite Members to make additional contributions to the resources of the Fund,</p> <p>Hereby decides:</p>	

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<i>Eighth Replenishment resolution</i>	<i>Ninth Replenishment resolution</i>	<i>Comments</i>
<p>Taking into account the statements made in the Consultation on the Eighth Replenishment of IFAD's Resources indicating that a number of Members intend to contribute to the resources of the Fund through pledges of contributions under the Eighth Replenishment, in accordance with the arrangements set forth in this Resolution, it being understood that no commitment in that regard will arise for any Member until the Member concerned has deposited an Instrument of Contribution and that such instrument takes effect in accordance with its terms and conditions consistent with this Resolution and the Agreement Establishing the Fund; and</p> <p>Acting upon the conclusions of the Consultation on the Eighth Replenishment of IFAD's Resources, which has recommended that, in view of the needs of the developing Member States of the Fund in regard to their continued development in the agricultural and rural sectors, the resources of the Fund are in vital need of replenishment so as to enable the Fund to carry out its programme of work for the replenishment period, the Members should be invited to make additional contributions to the resources of the Fund,</p> <p>Decides:</p> <p>I. Report of the Consultation on the Eighth Replenishment of IFAD's Resources (2010-2012)</p> <p>1. Document GC 32/L.5, containing the Report of the Consultation on the Eighth Replenishment of IFAD's Resources (2010-2012), is hereby approved and shall form the basis of the Fund's operations. Accordingly, the Governing Council has decided to authorize the replenishment of the resources of the Fund.</p> <p>2. Definitions The terms used in this Resolution have the meanings herein set forth: (a) (b) (c) ...</p>		<p>See below.</p> <p>Definitions suppressed.</p>

<i>Eighth Replenishment resolution</i>	<i>Ninth Replenishment resolution</i>	<i>Comments</i>
<p>II. Contributions</p> <p>3. General Clause</p> <p>(a) The Governing Council accepts the Report of the Consultation on the Eighth Replenishment of IFAD's Resources (document GC 32/L.5) and invites Members to make additional contributions to the resources of the Fund under the Replenishment.</p> <p>(b) The target level of the Replenishment is established at one billion and two hundred million United States dollars (US\$1,200,000,000), which amount shall be contributed in freely convertible currencies. In seeking that objective, the Replenishment has been accomplished through the good will of all Members in making an effort to ensure the availability of a sufficient level of resources to the Fund. In this respect, the Member States shall endeavour to ensure that the target level of the Replenishment is achieved, if necessary, by an increase in their additional contributions.</p> <p>(c) While maintaining the target level of the Eighth Replenishment as specified in paragraph II.3(b), the structural gap for the Eighth Replenishment may not exceed fifteen per cent (15 per cent) of the target level. In the event that the structural gap exceeds fifteen per cent (15 per cent) at the end of the six-month period for the creation of new votes specified in paragraph II.4(b) of the Resolution, the target level specified in paragraph II.3(b) shall be adjusted so that the total amount of the pledges received at that date represents at least eighty five per cent (85 per cent) of the target level. If such an adjustment becomes necessary, the President will immediately communicate the new target level to the Governors, after which paragraph II.3(b) of the present Resolution shall be deemed to have been amended accordingly.</p>	<p>I. Adequacy of the resources available to the Fund</p> <p>(a) Total resource requirement. In order to ensure the adequacy of the resources for the programme of work of the Fund over the three-year period commencing 1 January 2013 (the replenishment period), a total resource requirement of ____ United States dollars (US\$____) is to be met for the Ninth Replenishment.</p> <p>(b) Available resources. The resources available for commitment at the end of the Eighth Replenishment period are estimated at US\$ ____.</p> <p>(c) Need for additional resources. Considering the total resource requirement outlined in subsection (a) above and the available resources stated in subsection (b) above, there is a need for additional resources in the amount of up to US\$ ____.</p> <p>(d) Call for additional contributions. Taking into account the conclusions and recommendations of the Report of the Consultation on the Ninth Replenishment of IFAD's Resources (____) regarding the need and desirability of additional resources for the operations of the Fund, Members are hereby invited to make additional contributions to the resources of the Fund in accordance with the terms set forth below.</p> <p>(e) Pledges. The Fund acknowledges the announcements of the Members' intentions to make additional contributions to the resources of the Fund as set out in annex ____ to the Report of the Consultation on the Ninth Replenishment of IFAD's Resources. Members that</p>	<p>This provision contains an actual review of the adequacy of the resources, namely: a calculation of the available resources (i.e. the internal resources); a statement of the total resource requirements in light of the part of the programme of work that will have to be financed with IFAD loans and grants during the replenishment period; and the resulting difference (i.e. the financing gap). Based on this financing gap, It calls upon Members to make additional contributions to the Fund. It also acknowledges the pledges already made and encourages Member States that have not yet pledged to do so as soon as possible.</p>

<i>Eighth Replenishment resolution</i>	<i>Ninth Replenishment resolution</i>	<i>Comments</i>
<p>4. Additional, Increase in and Complementary Contributions The Fund is authorized, in accordance with the Agreement and the provisions of this Resolution, to accept from Members for the resources of the Fund:</p> <p>(a) additional contributions in freely convertible currencies from all Members contributed in sums as indicated for the respective Members, in terms of the applicable unit of obligation, as set out in Columns B-1 and B-2 of Attachment A to this Resolution;</p> <p>(b) with the objective of attaining and supplementing the target level of the Replenishment referred to in paragraph II.3(b) of this Resolution, additional contributions in freely convertible currencies from all Members that increase the additional contributions of Members shown in Columns B-1 and B-2 of Attachment A to this Resolution and pledged in accordance with paragraph II.4(a) above, if the said</p>	<p>have not yet formally announced their contributions are invited to do so preferably no later than the last day of the six-month period following the adoption of this resolution. The President shall communicate a revised annex ___ to the Report of the Consultation on the Ninth Replenishment of IFAD's Resources to all Members of the Fund no later than 15 days after the above-mentioned date.</p> <p>II. Operational and organizational effectiveness and efficiency</p> <p>In order to raise the capacity of the Fund to effectively and efficiently manage ongoing operations and deliver the programme of work, the Executive Board and the President shall adopt the measures and undertake the actions set forth in annex ___ to the Report of the Consultation on the Ninth Replenishment of IFAD's Resources (___).</p> <p>III. Contributions</p> <p>(a) Additional contributions. With the objective of filling the financing gap, during the replenishment period, the Fund shall accept from Members:</p> <p>(i) Core contributions. Upon their core contributions to the Ninth Replenishment, Members shall receive commensurate contribution votes pursuant to article 6.3(a)(ii)(B) of the Agreement.</p> <p>(ii) Complementary contributions. Members shall not receive commensurate contribution votes on complementary contributions. The usage of complementary contributions shall be approved by the Executive Board, unless otherwise determined in this resolution.</p>	<p>Section III deals with the different types of contributions. Under article 4 of the Agreement Establishing IFAD, all non-initial contributions made by IFAD Members fall into the category of "additional contributions". Of the two forms of additional contributions (namely core and complementary contributions), however, only the former are considered when assigning contribution votes. IFAD Members may choose the form of their additional contributions.</p>

<i>Eighth Replenishment resolution</i>	<i>Ninth Replenishment resolution</i>	<i>Comments</i>
<p>increase in additional contributions is notified in writing to the Fund no later than a date six months after the date upon which the Governing Council adopted this Resolution. Upon receipt of formal pledges of further additional contributions, the President of the Fund shall communicate a revised Attachment A to all Members of the Fund no later than fifteen days after the above-mentioned date. In order to assist this process, the President of IFAD is requested to take such steps as may be necessary to ensure that the target level of the Replenishment specified in paragraph II.3(b) of this Resolution is attained;</p> <p>(c) an increase in contribution to the resources of the Fund for the Replenishment; and</p> <p>(d) complementary contributions, not forming part of the pledged contributions included in Columns B-1 and B-2 of Attachment A to this Resolution.</p>	<p>(b) Conditions governing additional contributions. In conformity with article 4.5(a) of the Agreement, the foregoing additional contributions shall be made without restriction as to their use and shall be refunded to contributing Members only in accordance with article 9.4 of the Agreement.</p> <p>(c) Denomination of additional contributions. In accordance with article 5.2(a) of the Agreement, Members shall denominate their contributions in special drawing rights (SDR), in a currency used for the valuation of the SDR, or in the currency of the contributing Member if such currency is freely convertible and the Member did not experience, in the period from 1 January 2009 to 31 December 2010, a rate of inflation in excess of 10 per cent per annum on average, as determined by the Fund.</p>	<p>Denomination of contributions: In order to avoid the volatile exchange rate movements that IFAD experiences during the replenishment periods, it is proposed that the Fund adopt the same approach as, inter alia, IDA and AfDF do with respect to the currency for the dominations of contributions, i.e. to link it to the SDR. Members will be allowed to denominate their contributions in the SDR, in one of the currencies used to value the SDR and in their own currency (if that currency is convertible). It is noted that a convertible currency is defined as a currency of any country that has accepted the obligations of article VIII of the International Monetary Fund (IMF) Articles of Agreement, which nowadays most countries have done. Therefore, to ensure that IFAD does not end up with contribution commitments in currencies subject to high depreciation, this provision contains a mechanism to prevent such currencies from being used to denominate IFAD contributions. This clause is taken from the AfDF 11th and 12th replenishment resolutions. It more accurately fences off currencies that are convertible but whose value is subject to inflationary erosion.</p>

<i>Eighth Replenishment resolution</i>	<i>Ninth Replenishment resolution</i>	<i>Comments</i>
<p>5. Special and Complementary Contributions</p> <p>(a) Special Contributions. During the Replenishment Period, the President may accept special contributions from non-Member States or other sources to the Fund.</p> <p>(b) Complementary Contributions. During the Replenishment Period, the Fund may accept complementary contributions from Member States. Complementary contributions shall not form part of the pledged contributions included in columns B-1 and B-2 of Attachment A to this Resolution and, accordingly, shall not entitle the said contributing Member State to receive Contribution Votes under paragraph IV.20(b) of this Resolution. After the adoption of this Resolution, the Executive Board may, from time to time, decide upon the use to be made of the complementary contributions so received.</p>	<p>(d) Unpaid contributions. Those Members that have not yet completed payment of their previous contributions to the resources of the Fund and that have not yet deposited an instrument of contribution or paid their contribution for the Eighth Replenishment are urged to make the necessary arrangements. Upon proposals by the President, the Executive Board shall adopt measures aimed at realizing the settlement of unpaid contributions.</p> <p>(e) Special contributions</p> <p>(i) During the replenishment period, the resources of the Fund may be increased by special contributions from non-Member States or other sources.</p> <p>(ii) With respect to special contributions from intergovernmental organizations, in particular international financial institutions, the Executive Board shall approve related agreements with such organizations and adopt necessary measures to ensure the participation of these organizations in its meetings, when appropriate.</p>	<p>The exact amount of the unpaid contributions is to be provided.</p> <p>Special contributions: According to article 4.6 of the Agreement Establishing IFAD, the resources of the Fund may be increased by special contributions from non-Member States or other sources on such terms and conditions, consistent with article 4.5, as shall be approved by the Governing Council on the recommendation of the Executive Board. Section III(f) of the draft resolution purports to provide in the <i>ex ante</i> authority to receive such special contributions. As the legal representative of the Fund, the President shall be responsible for receiving the special contributions.</p>

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<p>(c) Contingent Contributions. During the Replenishment Period, the Fund may accept additional contributions under paragraph II.4(a), II.4(b) and II.4(c) of this Resolution from Member States, part of which contributions may be contingent upon the completion of specific actions as agreed on in the Replenishment Consultation Report with regard to the introduction of Human Resources Reform, policies on fragile states, climate change and gender, as well as enhanced cooperation and partnership. Contingent contributions shall form part of the pledged contributions included in columns B-1 and B-2 of Attachment A to this Resolution and shall entitle the said contributing Member State to receive Contribution Votes under paragraph IV.19(b) of this Resolution. Such contingent contributions shall not be deemed as receivables for the purpose of accounting provisions until such time as the contingent action shall have occurred.</p> <p>6. Miscellaneous operations During the Replenishment period, the Executive Board and the President are encouraged to examine opportunities to supplement the resources of the Fund by using the Fund's power to perform financial and technical services, including the administration of resources and acting as trustee, that are consistent with the objective and functions of the Fund. Operations involved in the performance of such financial services shall not be on the account of the Fund.</p> <p>7. Instrument of Contribution</p> <p>(a) General Clause</p> <p>(i) Members making contributions under this Resolution shall deposit with the Fund, not later than a date six months after the date of the adoption of this Resolution, an Instrument of Contribution¹ specifying therein the amount of its contribution in the applicable unit of obligation as set forth in Columns B-1 and B-2 of Attachment A to this Resolution.</p>	<p>(f) Exchange rates. Contributions and pledges made under this resolution shall be determined on the basis of the average month-end exchange rate of the International Monetary Fund over a six-month period preceding the adoption of this resolution between the currencies to be converted (dd/mm/yyyy-dd/mm/yyyy), rounded to the fourth decimal point, as set forth in annex ___ to the Report of the Consultation on the Ninth Replenishment of IFAD's Resources (___).</p> <p>IV. Instruments of contribution</p> <p>(a) General clause. Members making contributions under this resolution shall deposit with the Fund, preferably no later than the last day of the six-month period following the adoption of the resolution, an instrument of contribution formally committing to make additional contributions to the Fund in accordance with the terms of this resolution and specifying the amount of their contribution in the applicable currency of denomination.</p>	<p>For "exchange rates", see paragraph 16 of the Eighth Replenishment resolution.</p> <p>For "contingent contributions", see section IV(d) of the Ninth Replenishment resolution.</p>

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<p>[FN 1: An illustrative format of an Instrument of contribution is given in Attachment D to this Resolution, which a Member may follow in preparing its Instrument of Contribution.]</p> <p>(ii) Any Member which has not been able to make a pledge of its contribution under this Resolution may deposit its Instrument of Contribution in accordance with the requirements of provision (i) of this paragraph. The President of the Fund shall take such steps as may be necessary for the implementation of this provision and shall keep the Executive Board informed, in accordance with paragraph II.17 of this Resolution.</p> <p>(b) Unqualified Contribution. Except as provided in paragraph II.7(c) below, the Instrument of Contribution shall constitute an unqualified commitment by the Member to make payment of the contribution in the manner and on the terms set forth in or contemplated by this Resolution.</p> <p>(c) Qualified Contribution. As an exceptional case, where an unqualified contribution commitment cannot be given by a Member due to its legislative procedures, the Fund may accept from that Member an Instrument of Contribution that contains a formal notification by that Member that it will pay the first instalment of its contribution without qualification but that payment of the remaining instalments is subject to the enactment of the necessary appropriation legislation and compliance with other legislative requirements. Such a qualified Instrument, however, shall include an express undertaking on the part of the Member to seek the necessary appropriations at a rate so as to complete payment of its total contribution not later than a date three years after the date of adoption of this Resolution, except as the President shall otherwise determine. The Fund shall be notified as soon as possible after such appropriation has</p>	<p>(b) Unqualified contribution. Except as specified in subsection (c) below, such instrument of contribution shall constitute an unqualified commitment by the concerned Member to pay its payable contribution in the manner and on the terms set forth in this resolution, or as otherwise approved by the Executive Board. For the purpose of this resolution, such contribution shall be called an “unqualified contribution”.</p> <p>(c) Qualified contribution. As an exceptional case, where an unqualified commitment cannot be given by a Member due to its legislative practice, the Fund may accept from that Member an instrument of contribution that expressly contains the qualification that payment of all instalments of its payable contribution, except for the first one, is subject to subsequent budgetary appropriation. Such an instrument of contribution shall, however, include an undertaking by the Member to exercise its best efforts to: (i) arrange such appropriation for the full amount specified by the payment dates indicated in section VII, and (ii) notify the Fund as soon as the appropriation relative to each instalment is obtained. For the purpose of this resolution, a contribution in this form shall be called a “qualified contribution”, but shall be deemed to be unqualified to the extent that appropriation has been</p>	

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<p>been obtained and such other legislative requirements have been fulfilled. For the purposes of this Resolution, a qualified contribution shall be deemed to be unqualified to the extent that appropriations have been obtained, other legislative requirements have been met and the Fund has been notified.</p> <p>8. Effectiveness</p> <p>(a) Effectiveness of the Replenishment. The Replenishment shall come into effect on the date upon which the Instruments of Contribution relating to contributions from all the Members have been deposited with the Fund in the aggregate total amount equivalent to at least fifty per cent (50 per cent) of the total contribution to the Replenishment of all such Members as set forth in Column B-3 of Attachment A to this Resolution.</p>	<p>obtained.</p> <p>(d) Contingent contributions. The Fund may accept contributions that, in part or in whole, may be contingent upon the completion of specific measures and actions referred to in section II of this resolution.</p> <p>(e) Commensurate modification. In the case of an undue delay in the deposit of an instrument of contribution or in payment, or of substantial reduction in its contribution by a Member, any other Member that has not waived the right to avail itself of the option of commensurate modification in its instrument of contribution, may, notwithstanding any provision to the contrary in this resolution, at its option, after consultation with the Executive Board, make a commensurate modification, ad interim, in its schedule of payment or amount of contribution. The option of commensurate modification may be exercised with the sole purpose of safeguarding the objectives of the replenishment and avoiding any significant disparity between the relative proportion of Members' total contributions until such time that the Member whose conduct caused the option to be exercised has acted to remedy the situation on its part or the Member exercising the option revokes its decision taken under this provision.</p> <p>V. Effectiveness</p> <p>(a) Effectiveness of the Effectiveness of the replenishment. The replenishment shall come into effect on the date upon which instruments of contribution or payments made without an instrument of contribution relating to the additional contributions referred to in section III of this resolution have been deposited with or received by the Fund in an aggregate amount equivalent to at least 50 per cent of the pledges as communicated by the President to Members pursuant to section I(e).</p>	<p>For "contingent contributions", see paragraph 5(c) of the Eighth Replenishment resolution.</p> <p>For "commensurate modification", see paragraph 14(a) of the Eighth Replenishment resolution.</p> <p>Effectiveness: Unlike in previous replenishment resolutions where the meaning of "effectiveness" was not specified, here this concept is explained as implying two legal consequences: (i) determining when the replenishment votes become effective; and (ii) determining on what date the replenishment contributions can be considered available for operational commitment by the Executive Board.</p> <p>This change reflects the practice to</p>

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<p>(b) Effectiveness of Individual Instruments of Contribution. Instruments of Contribution deposited on or before the effective date of the Replenishment shall take effect on the date the Replenishment becomes effective and Instruments of Contribution deposited after that date shall take effect on their respective dates of deposit.</p> <p>9. Advance Contribution Notwithstanding the provisions of paragraph II.8(a) above, all contributions or parts thereof paid to the resources of the Fund prior to the date for the effectiveness of the Replenishment may be used by the Fund for its operations, if necessary, in accordance with the requirements of the Agreement and other relevant policies of the Fund, unless a Member specifies otherwise in writing. Any loan and grant commitments made by the Fund on such advance contributions shall for all purposes be treated as part of the Fund’s operational programme.</p>	<p>(b) Effectiveness of individual contributions. Instruments of contribution deposited on or before the effective date of the replenishment shall take effect on that date, and instruments of contribution deposited after such date shall take effect on their respective dates of deposit.</p> <p>(c) Effectiveness of replenishment votes. The distribution of the Ninth Replenishment votes, as specified in the provisions of section IX below, shall enter into effect six months after the adoption of this resolution. The President shall communicate the distribution of the Ninth Replenishment membership and contribution votes to all Members of the Fund no later than 15 days after the date specified above.</p> <p>(d) Availability for commitment. As of the effective date of the replenishment, all additional contributions paid to the resources of the Fund shall be considered available for operational commitment under article 7.2(b) of the Agreement and other relevant policies of the Fund.</p> <p>VI. Advance contribution Notwithstanding the provisions of section V above, all contributions or parts thereof paid prior to the effective date of the replenishment may be used by the Fund for its operations, in accordance with the requirements of the Agreement and other relevant policies of the Fund, unless a Member specifies otherwise in writing. Any loan and grant commitments made by the Fund on such advance contributions shall for all purposes be treated as part of the Fund’s operational programme before the effective date of the replenishment.</p>	<p>include the contributions received without instruments of contribution in the calculation for establishing the effectiveness of the replenishment.</p>

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<p>10. Instalment Payments² [FN 2: Payments from all Members shall be consistent with the provisions of Section 5(c) of Article 4 of the Agreement.]</p> <p>(a) Payment of an Unqualified Contribution</p> <p>(i) Each contributing Member shall, at its option, pay its unqualified contribution in a single sum, in two or in no more than three instalments, as specified in the Instrument of Contribution. The single sum or the first instalment shall be due on the thirtieth day after the Member's Instrument of Contribution enters into effect, and any other instalment shall be due on the first anniversary of the entry into effect of the Replenishment but the balance, if any, of the payment shall be made no later than a date three years after the adoption of this Resolution, except as the President of the Fund shall otherwise determine.</p> <p>(ii) Instalment payments in respect of each unqualified contribution shall be, at the option of the Member, either (A) in equal amounts or (B) in progressively graduated amounts with the first instalment amounting to at least thirty per cent (30 per cent) of the contribution, the second instalment amounting to at least thirty five per cent (35 per cent) and the third instalment, if any, covering the remaining balance. In special circumstances, the President of the Fund may, upon the request of a Member, agree to vary the prescribed percentages or number of instalments of a Member subject to the requirement that such a variation shall not affect adversely the operational needs of the Fund.</p>	<p>VII. Payment of contributions</p> <p>(a) Unqualified contributions</p> <p>(i) Payment of instalments. Each contributing Member shall, at its option, pay its unqualified payable contribution in a single sum or in two or maximum three instalments. Instalment payments in respect of each unqualified contribution shall be, at the option of the Member, either in equal amounts or in progressively graduated amounts, with the first instalment amounting to at least 30 per cent of the contribution, the second instalment amounting to at least 35 per cent and the third instalment, if any, covering the remaining balance.</p> <p>(ii) Payment dates</p> <p><i>Single-sum payment</i> Payment in a single sum shall be due on the thirtieth day after the Member's instrument of contribution enters into effect.</p> <p><i>Instalment payments</i> Payment in instalments shall be made according to the following schedule:</p> <p>The first instalment shall be due on the thirtieth day after the Member's instrument of contribution enters into effect. Any other instalment shall be due on the first anniversary of the effective date of the replenishment and the balance, if any, shall be paid no later than the last day of the three-year period following the adoption of this resolution.</p> <p>(iii) Early payment. Any Member may pay its contribution at earlier dates than those specified in subsection (a)(ii) above.</p>	<p>Payments by all Members shall be consistent with the provisions of section 5(c) of article 4 of the Agreement Establishing IFAD.</p>

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<p>(b) Payment of a Qualified Contribution. Payment in respect of a qualified contribution shall be made within ninety (90) days as and to the extent each instalment has become unqualified and becomes due in accordance with provision (a)(i) of this paragraph.</p> <p>(c) Payment of an Advance Contribution and Amount of Instalments. A Member who shall make advance contribution of no less than forty per cent (40 per cent) of its total contribution may, in consultation with the President of the Fund, vary the amounts of the second and third instalments free of any restriction on the size of such instalments prescribed in provision (a)(ii) above, subject to the total amount of its contribution.</p> <p>(d) Special Schedule of Payments. To the extent that the payments are to depart from the requirements of provision (a)(i) and percentages of instalments specified in provision (a)(ii) of this paragraph, at the time of depositing its Instrument of Contribution, each Member shall indicate to the Fund its proposed schedule of instalment payments.</p> <p>(e) Optional Arrangements. A Member may at its option pay its contribution in fewer instalments or in larger percentage portions or at earlier dates than those specified in this paragraph, provided that such payment arrangements are no less favourable to the Fund.</p>	<p>(iv) Alternative arrangements. The President may, upon the request of a Member, agree to a variation in the prescribed payment dates, percentages or number of instalments of the contribution, provided that such a variation shall not adversely affect the operational needs of the Fund.</p> <p>(b) Qualified contributions. Qualified contributions shall be paid within 90 days after the Member's instrument of contribution enters into effect, as and to the extent that the relative contribution becomes unqualified and, where possible, in accordance with the annual payment dates specified in subsection (a)(ii) above. A Member that has deposited an instrument of contribution for a qualified contribution shall inform the Fund of the status of the qualified instalment of its contribution no later than 30 days after the annual payment date specified in subsection (a)(ii) above.</p> <p>(c) Currency of payment</p> <p>(i) All contributions made under this resolution shall be paid in SDR, in a currency used for the valuation of the SDR, or in the currency of the contributing Member if such currency is acceptable.</p> <p>(ii) In accordance with article 5.2(b) of the Agreement, the value of the payment shall be determined on the basis of the rate of exchange used by IFAD for translation purposes in its books of account at the time of payment.</p>	<p>For "currency of payment", see also paragraph 13 of the Eighth Replenishment resolution. What is new in this provision is that like IDA, IFAD will now also accept payments of contributions in SDR. This offers Members an additional means to discharge their financial commitments to the Fund. Since 1980 when it was named as a holder of SDRs by the IMF, IFAD has been able to accept, hold and use SDRs in its operations. There are currently 15 international organizations named as holders of SDRs, among which international financial institutions such as IDA have accepted SDRs from contributing Members in a number of replenishment cycles.</p>

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<p>11. Mode of Payment</p> <p>(a) Form of Payment. All payments in respect of each contribution shall be made in cash or, at the option of the Member, by the deposit of non-negotiable, irrevocable, non-interest-bearing promissory notes or other similar obligations of the Member, encashable by the Fund at par on demand in accordance with paragraph II.12 of this Resolution and time schedules agreed with the Fund.</p> <p>(b) Freedom from Restriction of Use. In accordance with the requirements of Section 5(a) of Article 4 of the Agreement, all freely convertible currency contributions shall be made free of any restriction as to their use by the Fund.</p> <p>(c) Increase in Cash Payment. To the extent possible, the Members may favourably consider payment of larger portions of their contributions in cash.</p> <p>12. Encashment of Promissory Notes or Similar Obligations</p> <p>(a) The Fund shall encash promissory notes or other similar obligations made as payment of contributions under this Resolution within the Replenishment period or as shall be agreed between the President of the Fund and the Member making such contribution.</p> <p>(b) Accelerated Encashments. A Member State making a contribution may request at the time of the deposit of the Instrument of Contribution or thereafter to pay part of its contribution through the investment income derived from accelerated encashment of its instalment payments, subject to terms and conditions to be agreed with the Fund.</p> <p>13. Currency of Payment All contributions referred to in Columns B-1 and B-2 of Attachment A to this Resolution shall be paid in freely</p>	<p>(d) Mode of payment. In conformity with article 4.5(c) of the Agreement, payments in respect to the payable contribution shall be made in cash or, at the option of the Member, by the deposit of non-negotiable, irrevocable and non-interest-bearing notes or similar obligations of the Member, encashable on demand by the Fund at their par value in accordance with the terms of subsection (e) below. To the extent possible, Members may favourably consider payment of their contributions in cash.</p> <p>(e) Encashment of promissory notes or similar obligations. In conformity with the provisions of article 4.5(c)(i) of the Agreement and regulation V of the Financial Regulations of IFAD, promissory notes or similar obligations of Members shall be encashed in accordance with the 100 per cent drawdown policy approved by the Executive Board at its seventy-first session or otherwise agreed upon by the President and concerned contributing Members.</p> <p>(f) Payment modalities. At the time of depositing its instrument of contribution, each Member shall indicate to the Fund its proposed schedule and mode of payment on the basis of the arrangements set forth in subsections (a), (b), (c) and (d) above.</p>	

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<p>convertible currencies or in SDRs as specified in the respective Instruments of Contribution.</p> <p>14. Delay in Deposit of an Instrument of Contribution and/or Reduction in Payment</p> <p>(a) Option of Commensurate Modification. In the case of an undue delay in the deposit of an Instrument of Contribution or in payment or of substantial reduction in its contribution by a Member, any other Member may, notwithstanding any provision to the contrary in this Resolution, at its option, after consultation with the Executive Board, make a commensurate modification, ad interim, in its schedule of payment or amount of contribution. In exercising this option, a Member shall act solely with a view to safeguarding the objectives of the Replenishment and avoiding any significant disparity between the relative proportion of Members' total contributions until such time that the Member whose delay in the deposit of an Instrument of Contribution and/or payment or reduction in its share causing such a move by another Member has acted to remedy the situation on its part or the Member exercising the option revokes its decision taken under this provision.</p> <p>(b) Member not Modifying Commitment. Members that do not wish to exercise their option referred to in paragraph II.14(a) above may indicate so in their respective Instruments of Contribution.</p> <p>15. Meeting of the Consultation If, during the Replenishment Period, delays in the making of any contributions cause or threaten to cause a suspension in the Fund's lending operations or otherwise prevent the substantial attainment of the goals of the Replenishment,</p>		<p>For "commensurate modification", see section IV(e) of the Ninth Replenishment Resolution.</p>

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<p>the Fund may convene a meeting of the Consultation to review the situation 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.</p> <p>16. Fixed Reference Exchange Rates For the purposes of freely convertible currency contributions and pledges under this Resolution, the rate of exchange to be applied to convert the unit of obligation into the dollar shall be the average month-end exchange rate of the IMF over a six-month period preceding the adoption of this Resolution between the currencies to be converted (1 April 2008 - 30 September 2008), rounded to the fourth decimal point. The said exchange rates are set out in Attachment E to this Resolution.</p> <p>17. Review by the Executive Board The Executive Board shall periodically review the status of contributions under the Replenishment and shall take such actions, as may be appropriate, for the implementation of the provisions of this Resolution.</p> <p>III. Advance Commitment Authority</p> <p>18. The Executive Board may, from time to time and having regard to the resources of the Fund available for commitment to loans and grants, including investment income and payments and repayments under loans provided by the Fund net of administrative costs, employ an ACA in a prudent and cautious manner. ACA should not exceed seven (7) years of future reflows, as deemed to be within the limits of financial prudence during the Replenishment period. The procedures for the use of ACA during the Replenishment Period are set out in Attachment B to this Resolution and form an integral part thereof. ACA shall come into effect</p>	<p>VIII. Exercise of the advance commitment authority (<i>pro memoria</i>) When authorizing advance commitment funds to be derived from operations pursuant to its power under article 7.2(b) of the Agreement, in order to fill shortfalls in the amount of committable resources that may arise in a particular year, the Executive Board shall ensure that the amount committed remains within the limits of financial prudence, using conservative assumptions and including a margin for expected loan repayment arrears. Advance commitment authority should not exceed seven years of future reflows, as deemed to be within the limits of financial prudence during the replenishment period.</p>	<p>The proposed text is in line with Governing Council resolution 100/XX ("Provision of Advance Commitment Authority" during the Fourth Replenishment period), which amended both article 4.1(iv) of the Agreement and regulation IV.1 of the Financial Regulations in order to permit IFAD to commit against future reflows (see GC 20/L.9/Rev.1 of 20 February 1997 and EB 96/58/R.40). By virtue of this amendment, the advance commitment authority became inherent in the commitment authority accorded to the</p>

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<p>upon the adoption of this Resolution and shall terminate upon a date one year after the end of the Replenishment Period.</p> <p>IV. Voting Rights</p> <p>19. Distribution of Original Votes, Fourth Replenishment Votes, Fifth Replenishment Votes, Sixth Replenishment and Seventh Replenishment Votes</p> <p>(a) Original Votes. The one thousand eight hundred (1 800) Original Votes shall continue to be distributed in accordance with Sections 3(a)(i) and (iii) of Article 6 of the Agreement and paragraphs II.16 and II.18 of Resolution 87/XVIII of the Governing Council on the Fourth Replenishment of IFAD's Resources. Column A-1 of Attachment C to this Resolution, as it may be amended from</p>		<p>Executive Board by article 7.2(b) of the Agreement Establishing IFAD. Since the amendment, the resources referred to in the said provision are defined in article 4, and includes under section 1(iv) "funds ... to be derived from operations". According to article 7.2(a) of the Agreement, IFAD's financing operations shall take the form of loans and grants. Hence, the "funds ... to be derived from operations" referred to in article 4.1(iv) are the loan reflows. Therefore it is not necessary for the Governing Council to keep repeating the authorization in the replenishment resolutions.</p> <p>For "voting rights", see section IX of the Ninth Replenishment resolution.</p>

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<p>time to time, specifies the current distribution of the seven hundred and ninety (790) Original Membership Votes. Column A-2 of Attachment C to this Resolution, as it may be amended from time to time, specifies the current distribution of the one thousand and ten (1 010) Original Contribution Votes.</p> <p>(b) Fourth Replenishment, Fifth Replenishment, Sixth Replenishment and Seventh Replenishment Votes. The two hundred and sixty-five point fifty-five (265.55) Fourth Replenishment Votes, the two hundred and seventy-three point nine five five (273.955) Fifth Replenishment Votes, the two hundred and ninety-four point nine six zero (294.960) Sixth Replenishment Votes and the three hundred and seventy-one point two three zero (371.230) Seventh Replenishment Votes shall continue to be distributed in accordance with Sections 3(a)(ii) and (iii) of Article 6 of the Agreement, paragraphs II.17 and II.18 of Resolution 87/XVIII of the Governing Council on the Fourth Replenishment of IFAD's Resources, paragraph IV.19 of Resolution 119/XXIV of the Governing Council on the Fifth Replenishment of IFAD's Resources, paragraph IV.19 of Resolution 130/XXVI of the Governing Council on the Sixth Replenishment of IFAD's Resources and paragraph IV.19 of Resolution 141/XXIX/Rev.1 of the Governing Council on the Seventh Replenishment of IFAD's Resources, respectively. Column B-1 of Attachment C to this Resolution, as it may be amended from time to time, specifies the current distribution of the Fourth Replenishment Membership Votes, the Fifth Replenishment Membership Votes, the Sixth Replenishment Membership Votes and the Seventh Replenishment Membership Votes. Column B-2 of Attachment C to this Resolution, as it may be amended from time to time, specifies the current distribution of the Fourth Replenishment Contribution Votes, the Fifth Replenishment Contribution Votes, the Sixth Replenishment Contribution Votes and the Seventh Replenishment Contribution Votes.</p> <p>(c) Effectiveness. The allocation and distribution of the Original, Fourth Replenishment, Fifth Replenishment, Sixth</p>		

<i>Eighth Replenishment resolution</i>	<i>Ninth Replenishment resolution</i>	<i>Comments</i>
<p>Replenishment and Seventh Replenishment Votes referred to in provisions (a) and (b) above shall continue irrespective of the entry into force of this Resolution.</p> <p>20. Allocation of New Votes for the Replenishment³ [FN 3: To be inserted by the Secretariat six months after the date of the adoption of this Resolution (see paragraph II.4 (b) above)]</p> <p>In accordance with Section 3(a)(ii) of Article 6 of the Agreement, six hundred and sixteen point one five five⁴ (616.155⁴) new votes are hereby created for the Replenishment ("Eighth Replenishment Votes"). Those votes shall be distributed as follows:</p> <p>(a) Membership Votes. Two hundred and fifty eight point six nine one⁴ (258.691⁴) votes shall be allocated as membership votes, with each Member receiving an equal number of the said votes. Upon any change in the number of Members of the Fund, the two hundred and fifty eight point six nine one⁴ (258.691⁴) votes shall be redistributed upon the same basis. Column D-1 of Attachment C to this Resolution, as it may be amended from time to time, specifies the current distribution of Eighth Replenishment Membership Votes.</p> <p>(b) Contribution Votes. The remaining three hundred and fifty seven point four six four⁴ (357.464⁴) votes shall be allocated as contribution votes to each Member in the proportion that each Member's paid contribution, valued in</p>	<p>IX. Allocation of new votes for the replenishment</p> <p>Replenishment votes. New replenishment votes shall be created (Ninth Replenishment votes). The total amount of Ninth Replenishment votes shall be calculated by dividing the total amount of pledges to core contributions, which have been received as of the date six months after the date of adoption of this resolution, by one million five hundred and eighty thousand United States dollars (US\$1,580,000). The Ninth Replenishment votes thus created shall be distributed in accordance with section 3(a)(ii) and (iii) of article 6 of the Agreement as follows:</p> <p>(i) Membership votes. Membership votes shall be distributed equally among all Members in conformity with article 6.3(a)(i)(A) and (ii)(A) of the Agreement.</p> <p>(ii) Contribution votes. In conformity with article 6.3(a)(ii)(B) of the Agreement, contribution votes shall be distributed among all Members in the proportion that each Member's paid-up contribution for the Ninth</p>	<p>Unlike the Eighth Replenishment resolution where the amounts of replenishment votes were left blank at the time of the adoption of the Resolution and were inserted by the Secretariat six months later (see paragraph 20, footnotes 3 and 4), the present resolution does not take the blank-resolution approach but clearly states the formula to be used in calculating replenishment votes.</p>

<i>Eighth Replenishment resolution</i>	<i>Ninth Replenishment resolution</i>	<i>Comments</i>
<p>US\$ at the effective rate for the Replenishment, to the additional contributions made under the Replenishment, as specified in paragraph II.4(a) of this Resolution and as amended by paragraph II.4(b) of this Resolution, bears to the aggregate of the total contributions made by all Members to the Replenishment. For that purpose, a paid contribution shall be deemed to be only the part of a contribution of a Member actually paid to the Fund, in accordance with paragraph IV.21 of this Resolution. Column D-2 of Attachment C to this Resolution, as it may be amended from time to time, specifies the potential Eighth Replenishment Contribution Votes for each Member if all Members pay the pledges specified in Column B-2 of Attachment A to this Resolution. Column D-3 of Attachment C to this Resolution, as it may be amended from time to time, specifies the actual Eighth Replenishment Contribution Votes of each Member.</p> <p>(c) Effectiveness. The allocation of the six hundred and sixteen point one five five⁴ (616.155⁴) votes, as specified in provisions (a) and (b) above, shall enter into effect upon the date on which the period specified in paragraph II.4(b) of this Resolution shall come to an end. [FN 4: Inserted by the Secretariat pursuant to footnote 3 above.]</p> <p>21. For the purpose of the allocation of the contribution votes in paragraphs IV.19(b) and IV.20(b) of this Resolution, a paid contribution shall mean a contribution paid, in a freely convertible currency, in cash or by deposit of promissory notes or similar obligations, with the exception of those promissory notes or other obligations against which an accounting provision is made.</p>	<p>Replenishment bears to the aggregate of the paid core contributions specified in section III above.</p> <p>(iii) The allocation and distribution of the original, Fourth Replenishment, Fifth Replenishment, Sixth Replenishment, Seventh Replenishment and Eighth Replenishment votes shall continue irrespective of the entry into force of this resolution.</p> <p>X. Cofinancing and miscellaneous operations</p> <p>During the replenishment period, the Executive Board and the President are encouraged to take necessary measures</p>	<p>Cofinancing in IFAD projects and programmes is required and encouraged by various IFAD legal documents, in particular the Lending</p>

<i>Eighth Replenishment resolution</i>	<i>Ninth Replenishment resolution</i>	<i>Comments</i>
	<p>to strengthen the Fund's catalytic role in raising the proportion of national and international funding directed at improving the well-being and self-reliance of rural poor people, and to supplement the resources of the Fund by using the Fund's power to perform financial and technical services, including the administration of resources and acting as trustee, that are consistent with the objective and functions of the Fund. Operations involved in the performance of such financial services shall not be on the account of the Fund.</p>	<p>Policies and Criteria, which provide that:</p> <p>IFAD will play a catalytic role in raising the proportion of national and international funding directed at improving the well-being and self-reliance of the rural poor (paragraph 6).</p> <p>IFAD will in no case finance the entire cost of a project. ... but will encourage governments to increase their allocations of budgetary and human resources for agricultural and rural development (paragraph 40).</p> <p>See paragraph 6 of the Eighth Replenishment resolution. The purpose of section XI is to encourage the Executive Board and the President to actively seek to supplement the replenishment resources in order to increase the Fund's development impact and allow it to develop additional financing tools. Article 7.3 of the Agreement Establishing IFAD provides that, in addition to the operations specified elsewhere in the Agreement, the Fund may undertake such ancillary activities and exercise such powers incidental to its operations as shall be necessary in furtherance of its objective. Based on this provision, the Fund operates supplementary funds, trust funds, etc. During the Ninth Replenishment, this provision will play an important role in the context of developing new financing tools.</p>

<i>Eighth Replenishment resolution</i>	<i>Ninth Replenishment resolution</i>	<i>Comments</i>
<p>V. Reporting to the Governing Council 22. The President of the Fund shall be requested to submit to the thirty-third session and subsequent sessions of the Governing Council reports on the status of commitments, payments and other relevant matters concerning the Replenishment. The reports shall be submitted to the Governing Council together with the Executive Board's comments, if any, and its recommendations thereon.</p> <p>VI. Revision of the Lending Policies and Criteria 23. Upon proposal of the President, the Executive Board shall submit to the thirty-third session of the Governing Council proposals for amendments to the Lending Policies and Criteria in order to further differentiate between the various levels of concessionality of Fund financing and strengthen the partnership relations between the Fund and the Member States that use its resources.</p>	<p>XI. Reporting to the Governing Council The President shall submit to the thirty-sixth Governing Council session and subsequent sessions of the Governing Council reports on the status of commitments, payments, borrowing and other relevant matters concerning the replenishment. The reports shall be submitted to the Governing Council together with the Executive Board's comments, if any, and its recommendations thereon.</p> <p>XII. Review by the Executive Board</p> <p>(a) The Executive Board shall periodically review the status of contributions under the replenishment and shall take such actions, as may be appropriate, for the implementation of the provisions of this resolution.</p> <p>(b) If, during the replenishment period, delays in the making of any contributions cause or threaten to cause a suspension in the Fund's lending operations or otherwise prevent the substantial attainment of the goals of the replenishment, upon the request of the Executive Board the Chairperson of the Governing Council may convene a meeting of the Consultation established by resolution 160/XXXIV (2011) to review the situation 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.</p> <p>XIII. Midterm review A midterm review of the implementation of the measures and actions referred to in section II of this resolution will be undertaken and its findings presented at an early meeting of the Consultation on the Tenth Replenishment of IFAD's Resources.</p>	<p>See paragraph 17 of the Eighth Replenishment resolution.</p> <p>See paragraph 15 of the Eighth Replenishment resolution.</p>