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Ad Hoc Working Group on Governance — Second Meeting
Rome, 17 June 2015

For: Information

Synthesis of deliberations at the second meeting of the Ad Hoc Working Group on Governance

1. The second meeting of the Ad Hoc Working Group on Governance was held on 17 June 2015 at IFAD headquarters. Members participated from Angola, Argentina, Denmark, Indonesia, Italy, Pakistan, the United Kingdom, the United States of America and the Bolivarian Republic of Venezuela. Representatives of Burkina Faso, Burundi, Cameroon, Canada, China, Colombia, Costa Rica, the Dominican Republic, France, Germany, Kenya, Liberia, Mexico, Netherlands, Norway, the Russian Federation, South Africa, Switzerland and Zimbabwe attended as observers.
- A. Opening of the meeting**
2. The Chair of the working group, His Excellency Claudio Rozenca of Argentina, gave an overview of decisions made during the first meeting of the working group and progress made during the intervening period. Reference was made to the informal consultative meetings that the Bureau of the Working Group would hold on 22 June with the Lists of IFAD's Member States: Lists A, B and C and countries for whom the List membership process was ongoing.
- B. Adoption of the agenda**
3. The agenda of the meeting was adopted without amendments.
 4. Following the request made by members at the first meeting of the working group, the Director of the Independent Office of Evaluation of IFAD made a presentation on governance-related main findings and recommendations of the corporate-level evaluations on efficiency (CLEE, 2013) and on IFAD's replenishments (2014). Members noted that some important measures had been taken since the CLE on efficiency, and that recommendations on governance focused mainly on the replenishment consultation.
- C. IFAD's List system**
5. Based on the review of document WGG 2015/2/L.2, a discussion was held on IFAD's List system and on ways to improve representation of Member States in IFAD's governing bodies. Numerous views were expressed and several options were raised, with the general understanding that this issue needed comprehensive analysis and extensive discussion.
 6. While some representatives differentiated the issue of representation from the issue of the List system, many highlighted that the two issues were closely related.
 7. Some members expressed the view that the IFAD List system did not reflect changes that had occurred since the establishment of the Fund, including with regard to financial contributions and the number of Member States.
 8. The number of countries in List C and the volume of financial contributions from List A Member States was noted. This should be taken into consideration during the discussion of a possible modification of the List system.
 9. Some representatives emphasized the need to balance past and current contributions made by Member States in the context of the voting system. On this issue, other members highlighted that all contributions – past, current, and future – were important in maintaining or augmenting IFAD's programme of work.
 10. Suggestions from members included: (a) increasing the participation and representation of List C in IFAD's governing bodies; (b) moving some of the List C countries to Lists A and B; and (c) subdividing List C based on levels of financial contribution. The need to create additional incentives for financial contributions to IFAD was highlighted. One option could be the possibility of increasing representation in IFAD's governing bodies.

11. Members commended the work carried out by the Office of the Secretary, and requested additional information regarding background documents and access to the Member States Interactive Platform. It was clarified that the documentation posted for the Working Group on Governance was accessible, with the exclusion of the invitation letters and the comment feature.

12. The possibility was raised of recruiting an international consultant to provide a broader analysis of the representation systems of IFAD and other organizations, such as global environmental funds and development banks, so as to explore options for the representation issue. Budgetary implications of any possible alternatives should also be considered.

D. Representation of Member States in IFAD's governing bodies

13. Members considered document WGG 2015/2/L.3 on the representation of Member States in IFAD's governing bodies.

14. There was general consensus on developing a more flexible mechanism to address representation, which, however, should not lead to cost increases for IFAD. In addition, the issues of representation and voting rights should remain distinct, while exploring any implications for the Executive Board.

15. It was agreed that the main underlying principles should be identified before considering additional options on representation. The informal consultative meetings, to be held on 22 June 2015, would focus on setting these principles. Some List A representatives noted that more effective use of existing mechanisms could be made, including constituency groups.

E. Other business

16. The Working Group agreed on the following dates for its third and fourth meetings in 2015:

(a) Third meeting: 1 October;

(b) Fourth meeting: during the week of the December Board session. The specific date would be selected at the October meeting.

17. Before closing, participants were reminded of the informal Bureau meetings with the different Lists, scheduled to take place on Monday, 22 June.