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Investing in rural people

## Final report of the international governance consultant

Ad Hoc Working Group on Governance — Fifth Meeting  
Rome, 12 April 2016

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For: **Information**

**REPORT**  
**to the Working Group on Governance Issues**  
**of the International Fund for Agricultural Development**  
**(IFAD)**

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**17 April 2016**

## REPORT TO IFAD's WORKING GROUP ON GOVERNANCE ISSUES

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**ACRONYMS**

AfDB	African Development Bank
ADF or AfDF	African Development Fund
AsDB	Asian Development Bank
AsDF	Asian Development Fund
EBRD	European Bank for Reconstruction and Development
EDF	European Development Fund
FSO	InterAmerican Development Bank's Fund for Special Operations
GEF	Global Environment Facility
GFATM	Global Fund to fight AIDS, tuberculosis, and malaria (GFATM)
IBRD	International Bank for Reconstruction and Development
IDB	InterAmerican Development Bank
IDA	International Development Association
IFIs	International Financial Institutions
IFC	International Finance Corporation
IFAD	International Fund for Agricultural Development

## Chapter 1. Executive summary

1.1 **Mandate of the Ad Hoc Working Group:** the Ad hoc Working Group on Governance Issues was established by the Governing Council at its thirty-eighth session in February 2015. The Working Group has been tasked with considering governance issues, in particular, reviewing and assessing the structure, appropriateness and relevance of the IFAD List system; and among others, reviewing and assessing the composition of the Replenishment Consultation and the length of replenishment cycles in IFAD11 and beyond.<sup>1</sup> In order to assist in its reflection, the Working Group has commissioned this report with the request to address more specifically two issues: (a) the appropriateness and relevance of the IFAD List system, and (b) the length of replenishment cycles.

1.2 **The List System:** in 1997, IFAD's representation and governance framework was reformed and the List system – by which IFAD Members are divided into three Lists - was introduced, replacing a previous system based on categories. The reform also provided for a mechanism by which additional voting rights could be created on the occasion of the replenishment of IFAD's resources. The List system has three main applications in the governance of IFAD. It is used to determine:

- how Members are represented on the Executive Board and its committees or groups;
- how new votes are allocated as a result of each successive replenishment; and
- which Members participate in the consultation meetings of the regular replenishment process.

Twenty years on, the question arises as to whether or not the List system is relevant and suitable to perform these functions.

1.3 **Representation:** based on the review of the List system at IFAD and similar arrangements in comparable IFIs, it is apparent that, while the principles on which the List system is based, are still relevant and appropriate to ensure a balanced representation of all in the governance of the institution, the current composition of the three Lists and their rules have become unclear and outdated. A number of options are proposed. A minimal reform (Option 1) would consist in keeping but clarifying the existing Lists and Sub-lists. An intermediate reform (Option 2) would consist in updating the composition of the existing Lists and Sub-lists (by transferring eight List B Members to List C). A more comprehensive reform (Option 3) would consist in the creation of a four-List system, including two Lists of recipients (with each being further divided into three Sub-lists) and two Lists of non-recipients. In each option, rules for joining Lists and transfers between Lists would be modified and Board seats would be reallocated in proportion to the voting power of each List and Sub-list.

1.4 **Creation of new votes:** the utilisation of the List system to allocate new votes among Members on the occasion of the successive replenishments of IFAD resources is adequate. Should the List system be clarified or amended to achieve a different representation framework, the List system or its replacement could still be utilised for the same purpose, with appropriate adjustments.

1.5 **Participation of Members in consultation meetings:** it appears that the use of the List system to determine who will participate in consultation meetings tends to result in the automatic selection of certain Members as participants and a disproportionate

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<sup>1</sup> The terms of reference of the Ad Hoc Working Group on governance issues are attached as Annex 1.

enlargement of the consultation meetings, neither of which is warranted. It is suggested to de-link this process from the List system and establish new criteria that will make the selection relevant again.

1.6           **Length of replenishments:** in order to streamline the replenishment process, the extension of the cycle from three years to four years is desirable and other improvements are needed as part of a broader agenda. However, there may be two alternative ways to make the reform of the cycle extension happen: the first option is based on the view that the lengthening of the replenishment process is more likely to succeed if it is adopted by AfDF, IDA and IFAD at the same time; the second option is based on the view that coordination with AfDF and IDA will make a global agreement more difficult to reach and therefore delay any decision in this respect: on this basis, it would be preferable for IFAD to push ahead on its own, making the extension case by reference to its smaller size and other specificities. In order to facilitate the choice between these options, a quick survey of relevant Members could be arranged.<sup>2</sup>

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<sup>2</sup> For this purpose, a draft questionnaire is attached as Annex 5.

## Chapter 2. The List system

2.1 **Membership and governance:** In accordance with Article 3, Section 1 of the Agreement Establishing the International Fund for Agricultural Development (IFAD)<sup>3</sup>, membership in the Fund<sup>4</sup> is “open to any State that is a member of the United Nations, any of its specialised agencies or the International Atomic Energy Agency”. Today IFAD has 176 Members. In accordance with Article 6, Section 2 of the Agreement, all the powers of the Fund are vested in the Governing Council where each Member is represented by a Governor and, in the Governor’s absence, an Alternate Governor. With a few exceptions, the powers of the Governing Council have been delegated to the Executive Board<sup>5</sup> and are exercised to conduct the general operations of IFAD. The President, who is responsible for conducting the business of the Fund, is appointed by the Governing Council (by a two-thirds majority of the total number of votes) and chairs the Executive Board.

2.2 **Lists and Sub-lists:** Pursuant to paragraph 3(a) of Schedule II to the Agreement, Members are divided into three lists:

- List A (primarily OECD members): 25 Countries;
- List B (primarily OPEC members): 12 Countries; and
- List C: 139 Countries, further divided into three Sub-lists
  - Sub-list C1 (countries in Africa): 50 Countries;
  - Sub-list C2 (countries in Europe, Asia and the Pacific): 57 Countries; and
  - Sub-list C3 (countries in Latin America and the Caribbean): 32 Countries.

As at 7 December 2015, the voting power was allocated as follows:

- List A: 47.3%
- List B: 13.6%
- List C: 39.1%.

2.3 **Membership in Lists:** In accordance with paragraph 3(a) of Schedule II to the Agreement, a new Member is required, upon joining the Fund, to decide on which List it wishes to be placed and, after consultation with the Members of that List, to inform the President of its decision in writing. In addition, any Member may decide to withdraw from the List to which it belongs and to join another List provided the Members of that List have approved such transfer.

2.4 **Applications:** The List system has three main applications in the governance of IFAD. It is used to determine:

- how Members are represented on the Executive Board and its committees or groups;
- how new votes are allocated as a result of each successive replenishment; and
- which Members participate in the consultation meetings of the regular replenishment process.

2.5 **Relevance of List system:** a 2013 corporate-level evaluation report stated that: “The relevance of the List system in today’s context deserves discussion in the future, considering the evolution in the profile of IFAD Member States over the last 35 years.”<sup>6</sup> In the context of a review of replenishments, a 2014 corporate-level evaluation report also

<sup>3</sup> In this report, references to the “Agreement” are references to the Agreement Establishing IFAD.

<sup>4</sup> In this report, references to the “Fund” are references to IFAD.

<sup>5</sup> Resolution 77/2, dated 16 December 1977, as amended by Resolution 86/XVIII, dated 26 January 1995.

<sup>6</sup> Corporate-level evaluation on IFAD’s institutional efficiency and efficiency of IFAD-funded operations (CLEE), July 2013, Appendix 1, Key points, page 88.



asked: “whether, in today’s geopolitical and global economic context, the List system (A, B and C) continues to remain a relevant and effective way of grouping IFAD member states. Any reconsideration of the List system is likely to also have consequences to other aspects of IFAD’s legal framework and governance and therefore should be initiated by the membership”<sup>7</sup>. It suggested that the List system should be re-examined to reflect changes in the international architecture.

**2.6 Ad Hoc Working Group on governance issues:** the suggestion was echoed in the IFAD10 Report: “While Consultation members noted that the current partnership between Lists is one of the unique characteristics of IFAD, they concurred that the time is opportune for a review and possible updating/amendment of the arrangements for ensuring effective representation of Member States in IFAD’s governing bodies, including the List system.”<sup>8</sup> “They expressed their support for the idea of setting up an inter-Consultation working group of members to consider governance issues, and in particular to review and assess the structure, appropriateness and relevance of the IFAD List system”.<sup>9</sup> As a result, the Governing Council established the Ad Hoc Working Group on governance issues.

**2.7 Appropriateness and relevance of List system:** given the three applications for which the List system is used, the question arises as to whether or not the List System is still appropriate and relevant to fulfill its expected objectives, more precisely whether or not the List system (a) ensures an adequate representation of IFAD Members on IFAD’s governing bodies, and particularly on its Executive Board, (b) constitutes a suitable mechanism to allocate the new votes created on the occasion of replenishments and may assist in incentivizing replenishment contributions and (c) provides an appropriate tool to determine who participates in replenishment consultations.

### *List System and representation*

**2.8 Representation:** In its first and main application, the List system has been established as an instrument to determine how the diverse groups of IFAD Members would be represented on the Executive Board.<sup>10</sup> Article 6, Section 5 of the Agreement provides that the Executive Board is composed of 18 members and up to 18 alternate members, elected from the Members of the Fund. Schedule II to the Agreement provides for a distribution of seats as follows:

- List A: eight Members and eight Alternate Members;
- List B: four Members and four Alternate Members; and
- List C: six Members and six Alternate Members, two each for the three Sub-Lists.

The seats may be re-distributed from time to time by the Governing Council by a two-thirds majority of the total votes, “taking into account: (i) the need to strengthen and safeguard the mobilisation of resources for the Fund; (ii) the equitable geographic distribution of the said seats; and (iii) the role of developing Member Countries in the governance of the Fund.”<sup>11</sup>

<sup>7</sup> Corporate-level evaluation on replenishments (CLER), April 2014, Appendix, paragraph 171.

<sup>8</sup> Report of the Consultation on the Tenth Replenishment of IFAD’s Resources, February 2015, paragraph 76.

<sup>9</sup> *Ibidem*, paragraph 77.

<sup>10</sup> The List system has no specific application in the Governing Council in which each Member is represented by a Governor and, in the Governor’s absence, by an alternate (there is no mention of the Lists in the Rules of Procedure of the Governing Council).

<sup>11</sup> Schedule II to the Agreement, paragraph 1.

2.9 **Election of members of Executive Board:** in accordance with Schedule II to the Agreement, each List is allowed to have its own arrangements for the appointment of its representatives on the Executive Board. Lists A and B's election arrangements are based on groups of Members (or constituencies) which each elect a member and an alternate member who represent their interests on the Executive Board and exercise the votes of the Members which elected them. There are no constituencies in List C's arrangements: each Sub-List elects two members and two alternate members who represent the interests of the whole Sub-list on the Executive Board, with each Board member exercising half of the total votes of the Members in that Sub-List. Of the two members and alternate members elected by each Sub-list, it is required that at least one member or one alternate member be from among the Members in that sub-List making the highest substantial contributions to the resources of the Fund. The election arrangements of each List may be amended:

- for List A, by a unanimous decision of the List Members;
- for List B, by a vote of the Governors representing two-thirds of the List Members whose contributions amount to 70% of the contributions of all List Members; and
- for List C, by a two-thirds majority of the List Members.

The List System is also used to determine how seats and/or responsibilities on the Emoluments Committee, the Audit Committee, the Evaluation Committee and various groups, including the List Convenors and Friends and the Working Group on Governance Issues, are allocated among Members.

2.10 **Reform in 1995:** it is worth recalling that the List system replaced a category system which, among others, played the same role in terms of Members representation on the Executive Board. Members were divided in three categories, each of which were entitled to appoint six members and six alternate members on the Executive Board and had been allocated the same number of votes, to be exercised on the Governing Council and the Executive Board. In 1995,<sup>12</sup> in view of the need to mobilise additional resources for IFAD and, for that purpose, to incentivise contributions, it was decided to reform the fixed distribution of voting rights and to create "replenishment votes". In that context, it was also decided to abolish the rigid category system altogether. However, it was recognised that the elimination of the category system would not obviate the need for Membership to continue "to work through groupings of like-minded countries for decisions on policy and operational matters, for the purpose of consultation over financial matters including fundraising and for other reasons related to the governance of IFAD, such as membership of governing bodies and committees, thus conserving the inter-relationships that are a special feature of the joint character of IFAD."<sup>13</sup> Regarding the composition of the Executive Board, the following principles were agreed:

- “(a) priority attention should be given to regional and sub-regional representation;
- (b) the structure of membership in the Executive Board should reflect the role of developing countries in the governance of IFAD;
- (c) Members' cumulative paid contributions should be given due weight; and
- (d) Members in contributions arrears against which provisions are made should not be eligible for Board membership or should cease to exercise the privilege of Board membership.”<sup>14</sup>

Accordingly, it was “recommended that the category system be abolished and that the seats in the Executive Board be apportioned among the three groupings of like-minded member

<sup>12</sup> The reform became effective in February 1997.

<sup>13</sup> Resolution 86/XVIII of IFAD's Governing Council, 1995, seventh recital.

<sup>14</sup> Document GC18/L.7, paragraph 12

countries in the ratio of 8:4:6.”<sup>15</sup> It should also be noted that the “groupings of like-minded member countries” (or Lists) instituted when the 1995 decision for reform became effective in 1997 were not, in their membership, different from the categories they replaced.

2.11 **Adequacy of representation:** when focusing on the question whether or not the List system ensures an adequate representation of IFAD Members on IFAD’s Executive Board, different pictures emerge depending on whether the focus is placed on the number of Members in each List or the respective voting power of the Lists, in relation to the 36 available seats.

2.11.1 **Number of Members per seat:** with 12 seats for 139 countries, a ratio of 0.08 seat per Member, List C is the most under-represented group, compared with a ratio of 0.64 for List A and 0.66 for List B. Within List C, Sub-list C2 has the lowest ratio (0.07), compared with Sub-list C1 (0.08) and Sub-list C3 (0.12). The situation in List C is compounded by the Schedule II rule that at least two of the four members representing the interests of Members in each Sub-list must be elected from among the highest contributors in that sub-List, which further reduces the chances of Members in those Sub-lists ever to secure a seat. Since 1978, only 48 out of 139 List C Members have held a seat on the Executive Board.

2.11.2 **Amount of voting power per seat:** the picture is different where voting power is concerned: with 36 seats available for 100% of the voting power, the average amount of voting power theoretically required to secure one seat would be 2.77%. Lists A and C are both above average (2.95% and 3.19% respectively) and therefore mathematically under-represented while List B is significantly below average (1.81%) and therefore mathematically over-represented.

2.11.3 **Higher relevance of voting power:** between the two measures set out in 2.11.1 and 2.11.2, the latter is the one that should be considered the most relevant to IFAD, as overhauled by the 1995 reform. Indeed, the reform introduced a variable voting power structure and governance, based on two main principles:

- “there should be a link between individual contributions and voting rights so as to provide an incentive to all Member Countries to increase their contributions to IFAD’s resources”; and
- “the important role of developing countries in the governance of IFAD should be preserved. This is done by dividing the total votes between membership votes and contribution votes so as to ensure that those Members of the current Category III always receive one-third of the total votes as membership votes.”<sup>16</sup>

The Executive Board seats were reallocated on the basis of these principles and the principles set forth in 2.10. Furthermore, in order to keep up with the new variable voting power structure, the Governing Council was empowered to modify the distribution of seats among Members (as explained in 2.8). This power has not been used to date.

2.11.4 **Representation in comparable IFIs – IDA and IBRD:** Table 1 identifies nine IFIs and two international entities, whose membership and governance have common features with those of IFAD. Of the nine IFIs, three (IBRD, IDA and IFC) have a global remit like IFAD, while the other six (AfDF, AsDB/AsDF, EBRD, IDB/FSO) have a regional

<sup>15</sup> Document GC 18/L.10/Rev.1, paragraph 17.

<sup>16</sup> Resolution 86/XVIII of IFAD’s Governing Council, 1995, paragraph I(i) and 1(iv).

remit. IDA, with which IFAD has the most in common, including a voting power structure that takes account of contribution votes, is not a pertinent model in terms of representation: it does not elect its own Board of Directors, which is ex officio composed of IBRD's Executive Directors. IBRD's board of 25 members has reserved seats for the five largest shareholders of the institution<sup>17</sup>, with the remaining seats being allocated through a constituency-based system of election that does not prescribe rules for ensuring diversity in the representation of shareholders on the board.

**2.11.5 Multilateral regional banks and funds:** the existing basic principle of IFAD's governance is more similar to those of the regional institutions insofar as it ensures that groups of Members meeting defined criteria (e.g., members from the same region; or donors as distinguished from recipients) are duly represented on the Board in proportion to their respective shareholding. This is also the case in the regional multilateral banks (AfDB, AsDB, EBRD and IDB)<sup>18</sup> where regional members of the institution have a guaranteed representation on the board<sup>19</sup> which roughly reflects their aggregate share of voting power. The link between voting power and representation is looser in the multilateral funds (AfDF,<sup>20</sup> AsDF,<sup>21</sup> FSO<sup>22</sup>) and in the international entities (GEF, GFATM), and more similar to IFAD before the 1995 reform (i.e., with a fixed allocation of board seats between donors and recipients) but with a qualified majority that ensures that the board will not make decisions without an appropriate involvement of those members which financially contribute to replenishments.<sup>23</sup>

**2.11.6 Number and composition of Lists:** while the principles (as set forth in 2.10 and 2.11.3) on which the List system is based continue to be relevant and comparatively appropriate in terms of Member representation, the existence of the three current Lists, their composition and their rules are unclear and outdated. Part of the lack of clarity comes from the fact that the distinguishing features or membership criteria of each List have not been spelled out.

- Until now, List A seems to have included donors only but could this change in the future? As for Lists B and C, they both include a mix of donors and recipients and countries which are both donors and recipients.
- The lack of clarity has been compounded by both laxity and rigidity in the rules provided in Schedule II to the Agreement: the rule that a new Member may choose to join any List after mere consultation with the relevant List Members seems to be unduly lax, while the rule that a Member may only transfer to another List with the consent of that List Members seems to be unduly rigid.

Furthermore, while it is recognised that the Agreement originally organised IFAD's "membership into three categories to reflect the special character of the institution, in

<sup>17</sup> In fact six, since France and the United Kingdom are equally the fifth largest shareholders.

<sup>18</sup> The capital and governance structures of these IFIs are shown in Table 1.

<sup>19</sup> There is no reserved seat for Borrowing Regional members at IDB/FSO but the size of their aggregate shareholding (50%) results in their being able to appoint a majority of the board members.

<sup>20</sup> AfDF is a separate organisation from the AfDB and its own governance structure consisting of a Board of Governors, a Board of Directors, and a President. Its capital and governance structure is shown in Table 1. Decisions at the AfDF Board are made by a 75% majority of total voting power.

<sup>21</sup> AsDF has no separate judicial personality and is administered by the AsDB, with decisions being made by the AsDB board by a majority of the voting power represented at the meeting.

<sup>22</sup> FSO has no separate judicial personality and is administered by the IDB, with decisions being made by the IDB board by a 75% majority of total voting power.

<sup>23</sup> For further comparisons, see last column of Table 1.

particular the contribution of oil producing and exporting countries”, List B now comprises Members that have significantly reduced their donations, with half of them providing no or symbolic contributions to IFAD9 and IFAD10. It is difficult to argue that this is a grouping of “like-minded” Members any longer.

In the last twenty years, contributions from Members of the two other Lists have also contributed to make the current List structure appear obsolete: although List A Members (but no longer all) have continued to provide individually significant contributions and collectively the largest share of each replenishment, contributions from List C Members have materially grown (albeit from a very low base). In addition, some List C Members have kept increasing their core contributions, which, at times, have been larger than those of several List A and List B Members. This follows the emergence of developing middle-income countries, which may have “like-minded” interests and whose particular role has not yet been reflected in IFAD’s governance.

Finally, the current arrangements in each of Sub-lists C1, C2 and C3, in which two Directors from different countries collectively represent the interests of a very large number of Members (50, 57, and 32 respectively) whose orientations and interests may diverge significantly, does not seem to optimise the representativeness of the List C Board members. Smaller groupings and/or the creation of constituencies (similar to those existing in Lists A and B) would permit improvements in this respect.

The combination of the List system weaknesses described in the foregoing results in a rather opaque representation and governance framework, in which “like-minded” Members are not free to regroup in a way that reflects the trends that have recently modified the composition of the international community. In order to correct these deficiencies, three options are suggested in the following paragraphs.

2.12 **Options:** building on the principles outlined in the foregoing and attempting to improve the List system without radically changing it or increasing the size of the Executive Board, three options could be considered:

- **Option 1:** A minimal reform would consist in retaining the existing Lists, with a clarification as to List A and List B. The composition of the three existing lists would remain the same for the time being, but it would be clarified that List A and List B Members are not eligible for IFAD financing, except those eight List B Members which are currently listed as being eligible for such financing on Ordinary or Blend Lending terms.
- **Option 2:** An intermediate reform would consist in retaining the existing Lists, with a clarification as to List A and List B, but also transferring a few Members from List B to List C. The delineation of the three existing lists would be clarified to provide that List A and List B Members are not eligible for IFAD financing and that List C includes all those Members, including those eight List B Members which are currently listed as being eligible for such financing on Ordinary or Blend Lending terms: this would require amending Schedule II, paragraph 1 by a decision of the Governing Council taken by a two-thirds majority of the total votes in accordance with Schedule II, paragraph 29.

- **Option 3:** A more comprehensive reform would consist in creating a four-List system. Lists A and B would only include Members that are not eligible for IFAD financing. A new List C would be created, comprising those Members which are eligible for IFAD financing on Ordinary Lending terms. In addition, a new List D would be created, comprising those Members which are eligible for IFAD financing on Highly Concessional or Blend Lending terms.

**2.13 Changes common to all three options:** in all three options, the following rules would be modified:

- Rules for joining and changing Lists would be amended e.g., by providing that initial choices have to be approved by the Governing Council at a qualified majority and that those Members which are no longer eligible for IFAD financing (by decision of the relevant governing body or by declaration) are automatically transferred to List A or B, they choose; in Option 3, Members could also be transferred between List C and List D, according to the Lending terms category to which they have been assigned: change the rules for joining and changing Lists would require amending Schedule II, paragraph 3(a) by a decision of the Governing Council taken by a two-thirds majority of the total votes in accordance with Schedule II, paragraph 29.
- Board seats would be initially and periodically (e.g., before each election) re-allocated between Lists and Sub-Lists in order to take account of transfers and the evolving voting power of each List and Sub-List: this would require amending Schedule II, paragraph 3(b) by a decision of the Governing Council taken by a two-thirds majority of the total votes in accordance with Schedule II, paragraph 29.
- In order to reduce tensions or stalemate that could arise if the Governing Council is free to make (or not to make) a decision to re-allocate Board seats, the periodical re-allocation of Board seats according to voting power would be made automatic, rather than optional: this would require amending Schedule II, paragraph 1 by a decision of the Governing Council taken by a two-thirds majority of the total votes in accordance with Schedule II, paragraph 29.
- In Options 2 and 3, in order to ensure that all Members in List C or Lists C and D benefit from the principle underpinning the “one-third rule”<sup>24</sup>, it would be appropriate to recalculate it taking account of the transfer of Members from the existing List B to List C or Lists C and D and to modify Article 6, Section 3(a)(iii) of the Agreement accordingly: such an amendment would require a decision of the Governing Council taken by a four-fifths majority of the total votes in accordance with Article 12(a)(ii) of the Agreement.
- In order to incentivise contributions, the principle set out in Schedule II, paragraph 27<sup>25</sup> could be expanded to provide that only those Members which have made substantial

<sup>24</sup> As explained in 2.11.3 and 2.15.1.

<sup>25</sup> Paragraph 27 reads as follows: “Notwithstanding anything to the contrary in paragraphs 5 to 25 above, at the time of each election, the Members of a List of Member Countries or the members of a constituency within a List may decide to appoint a specified number of Members making the highest substantial contribution to the Fund from that List as a member or alternate member of the Executive Board for that List of Member Countries in order to encourage Members to contribute to the resources of the Fund. In such event, the result of that decision shall be notified in writing to the President of the Fund.”

contributions in the most recently completed replenishment (e.g., 0.10% or more of the total paid-in amount of the replenishment) may be appointed as Directors or Alternates on the Executive Board. In a Sub-List where no Member reaches the threshold, the two highest contributors qualify.

2.14 **Simulations:** simulations for Options 1, 2 and 3 are attached as Annexes 2, 3 and 4 respectively.

In **Option 1**, based on the current voting power distribution, namely: List A: 47%, List B: 14%, List C: 39%, Board seats would be re-allocated as follows: List A: 18, List B: 4 and List C: 14, including 4 for Sub-List C1, 6 for Sub-list C2 and 4 for Sub-List C3.<sup>26</sup>

While preserving the current status quo in terms of institutional set up, this option would also maintain the irrelevance of the current groupings. However, it would clarify the system to some extent and would allow the composition of the Lists to evolve progressively.

The continued large number of Members in Sub-lists C1, C2 and C3 and the limited increase in Board seats allocated to List C (plus two) would not allow the improvement of the representation arrangements in List C.

In **Option 2**, after transferring eight List B Members currently eligible for IFAD financing to List C (including four to Sub-list C1, three to Sub-list C2 and one to Sub-list C3) and assuming no List C Member is declared ineligible for IFAD financing or declares that it no longer wishes to be eligible for such financing, the new voting power distribution would be as follows: List A: 47%, List B: 8%, and List C: 45%, (including Sub-list C1: 15%. Sub-list C2: 19% and Sub-list C3: 11%). Accordingly, Board seats would be re-allocated as follows: List A: 18, List B: 2 and List C: 16 (including 6 for Sub-List C1, 6 for Sub-list C2 and 4 for Sub-List C3).<sup>27</sup>

Maintaining List A and a reduced List B, and re-grouping all Members eligible for IFAD financing in List C and its Sub-lists would be consistent with the principle that “like-minded” Members are better off working together on a number of IFAD issues.

Despite the large number of Members in List C, it might be possible to create large constituencies in each of the Sub-lists, thereby improving the representation arrangements in List C.

In **Option 3**, assuming no List C or D Member is declared ineligible for IFAD financing or declares that it no longer wishes to benefit from IFAD financing, the new voting power distribution would be as follows: List A: 47%, List B: 8%, List C: 22% (including Sub-list C1: 5%. Sub-list C2: 9% and Sub-list C3: 8%) and List D: 23% (including Sub-list D1: 11%. Sub-list D2: 10% and Sub-list D3: 2%). Accordingly, Board seats would be re-allocated as follows: List A: 16, List B: 2, List C: 8 (including 2 for Sub-List C1, 4 for Sub-list C2 and 2

<sup>26</sup> Board seats are first allocated to Lists A and B and Sub-lists C1, C2 and C3 on the basis of 2 Board seats per 5.5% of voting power and 4 Board seats are then allocated according to the largest remainder method.

<sup>27</sup> Board seats are first allocated to Lists A and B and Sub-lists C1, C2 and C3 on the basis of 2 Board seats per 5.5% of voting power and 6 Board seats are then allocated according to the largest remainder method.

for Sub-List C3) and List D: 10 (including 4 for Sub-List D1, 4 for Sub-list D2 and 2 for Sub-List D3).<sup>28</sup>

Maintaining List A and a reduced List B, and grouping all Members eligible for IFAD financing on Ordinary Lending terms in List C and all the other Members eligible for IFAD financing in List D, would be highly consistent with the principle that “like-minded” Members are better off working together on a number of IFAD issues. It would also ensure a more balanced representation of groups at the Board.

Option 3 would also make it possible to create manageable constituencies in each of the six Sub-lists, thereby improving the representation arrangements of the recipient Members.

### *List system and votes*

2.15 **Allocation of new votes:** the List System is also used to determine how new votes are allocated on the occasion of each successive replenishment. The question arises as to whether or not it constitutes a suitable mechanism for such allocations and whether or not it may assist in incentivizing replenishment contributions.

2.15.1 **One-third rule:** the 1995 reform provided that all additional contributions made to the resources of the Fund would be rewarded with contribution votes that would increase the voting power of the contributing Members. While all Members were encouraged to make additional contributions, it was assumed that List C Members would not have the same financial capacity as List A and List B Members, to make such contributions. Accordingly, in order to avoid a disproportionate increase in the voting power of List A and List B Members, a safety mechanism was put in place which ensures that, in the allocation of replenishment votes, List C Members “receive one-third of the total votes as membership votes.”<sup>29</sup>

2.15.2 **IDA Precedent:** IDA has gone through a similar evolution in order to recognise additional contributions to the institution’s resources (mainly from Part I countries), while ensuring that the creation of new voting rights attached to such contributions were not going to result in an unbalanced voting power structure detrimental to the interests of the other members (mainly Part II countries). Whereas voting rights were not accorded in the first two replenishments, the issue arose in the context of the third replenishment and was resolved by realigning voting rights with relative contributions in accordance with three basic principles:

- the voting power of each Part I country should correspond (except for membership votes) to its share of total cumulative Part I resources contributed to IDA;
- the relative voting power of the Part II countries as a group should be maintained by conferring votes on Part II members at a nominal cost; and
- membership votes should be increased to preserve the voting share of the smaller countries.

In application of the second principle, non-contributing members are entitled to additional IDA votes following a replenishment but at a substantially lower cost (US\$25 per vote). The IDA system is similar to the IFAD system insofar as it ensures that the relative voting power

<sup>28</sup> Board seats are first allocated to Lists A and B and Sub-lists C2, C3, D1 and D2 on the basis of 2 Board seats per 5.5% of voting power, 2 of the remaining 10 Board seats are then allocated to Sub-list D3 (to ensure that it is represented on the Board) and the other 8 Board seats are allocated according to the largest remainder method.

<sup>29</sup> Article 6, Section 3(a)(iii) of the Agreement.



of Part II countries, the equivalent of List C Members, is maintained in successive replenishments, but the mechanism for allocation of the new votes to these countries differs.

**2.15.3 Suitability - Further incentives:** the utilisation of the List system to allocate replenishment votes appears to be a suitable mechanism for such allocations at IFAD. Should the List system be clarified or amended in accordance with one of the options set forth above, the List system or its replacement could still be utilised for that purpose, with appropriate adjustments. As to whether or not it may assist in incentivizing replenishment contributions, there is already such a mechanism in respect of each Sub-list of List C for which at least one member or one alternate member on the Executive Board are required to be from among the Members in that sub-List making the highest substantial contributions to the resources of the Fund (see 2.9). The List system, in its current or a revised form, could be further utilised for such purpose. For instance:

- in respect of certain Lists or across the board, additional member and alternate seats on the Executive Board (e.g., one of each) could reward contributors who increase their contributions by the highest percentages from one replenishment to the next, provided that the amounts contributed are above certain defined thresholds. If no contributor qualifies, the seats are not filled;
- in order to incentivize contributions from all members but reward those members which provide significantly increased funding year after year (in US Dollar terms or in terms of percentage of the total replenishment), the contributions of those members could be given a larger weight in the allocation of new contribution votes than the weight given to the others; and
- in order to incentivize contributions from members eligible for IFAD financing, the contributions of these members could be given a larger weight in the allocation of new contribution votes than the weight given to the contributions of non-recipients.

#### *List system and replenishment consultations*

**2.16 Participation in replenishment consultations:** lastly, the List System is used in the context of IFAD's replenishment reviews, to determine which Members will participate in the consultation meetings. The question arises as to whether or not the List system provides an appropriate tool to make such determination.

**2.16.1 Reference to Lists:** the decision is made by the Governing Council. For IFAD 9 and 10, the Governing Council decided that the following 55 Members would participate:

- List A: all 25 Members;
- List B: all 12 Members; and
- List C: 18 Members appointed by the Members of List C.<sup>30</sup>

**2.16.2 Comparison with other IFIs:** in comparison with IFIs with similar replenishment processes, IFAD is seen to be "ahead of peers in providing seats at the replenishment table to a larger group of both traditional and new donors, and to borrowing countries."<sup>31</sup> By contrast, the number of borrowing countries attending AfDF replenishment meetings is far more limited: AfDF-12 and 13 involved the participation of 27 contributor country delegations in the replenishment consultation meetings, including four regional

<sup>30</sup> The number was raised from 15 to 18 in 2011.

<sup>31</sup> Corporate-level evaluation on replenishments (CLER), April 2014, Executive summary, paragraph 13.

member countries delegations, and in each case delegates from four AfDF-eligible countries representing the four African sub-regions.<sup>32</sup> IDA's replenishments have been characterised by relatively limited involvement of beneficiary countries and IDA has only recently decided to increase their number from 9 to 14, with an appropriate regional breakdown. On the other hand, the mere number of participants at the replenishment table is not necessarily a guarantee that consultations will be productive or of a better quality. It may in fact have the opposite effect. It appears that the use of the List system to determine who will participate in consultation meetings tends to result in an automatic selection of Members by groups that may no longer be warranted, such as the inclusion of all Members of List A and List B (even those which have provided no or minimal contributions in the previous replenishment(s)), with the temptation to increase the number of List C Members if only to match the number of representatives from the other Lists. The experience of the other IFIs should be meditated and an attempt should be made at reducing the number of participants at the replenishment table to a level that is more consistent with the size of IFAD's replenishments compared with those of IDA and AfDF. Such a reduction could be offset by a decision to hold at least one consultation meeting in a List C Member where borrowing countries' needs and IFAD's activities can be showcased.

2.16.3 **Other avenues:** the idea of de-linking participation in replenishment consultations from the List System and substituting another selection method to determine who should attend the meetings should be explored. Other avenues could include:

- Establishing objective and subjective criteria for the selection of participants in replenishment consultations based on various relevant factors, e.g., (a) for contributing Members, their level of contributions in previous replenishments or their ability to provide firm funding undertakings for general or specific activities, and (b) for non-contributing recipient Members, a rule that their number will be limited and conditional on (i) their eligibility for Highly Concessional or Blend Lending terms and (ii) their ability to promote programmes of particular interest to IFAD (as determined by IFAD).

Assuming that only those contributing Members which have contributed 0.50% or more of the total paid-in amount of the most recently completed replenishment (i.e., IFAD9), and no more than six non-contributing recipient Members eligible for Highly Concessional or Blend Lending terms (i.e., two per sub-List), the number of participants in replenishment consultations would be reduced from 55 to 34, of which 15 are Members eligible for IFAD financing. Increasing the contribution threshold to 1% would further reduce the number of participants by eight, for a total of 26, of which 9 are members eligible for IFAD financing. Lowering the contribution threshold to 0.10% would add another six participants, for a total of 40, of which 19 are Members eligible for IFAD financing.

- Using IFAD's digital platforms more effectively (and creating new ones if appropriate) to carry out, between and during replenishment consultations, a substantive dialogue between IFAD Management and Members' capitals.

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<sup>32</sup>AfDB, "Independent Evaluation of General Capital Increase VI and African Development Fund 12 and 13 Commitments", September 2015, page 19.

### Chapter 3. The length of the replenishment cycle

3.1 **Review of IFAD's resources:** in accordance with Article 4, Section 3 of the Agreement, IFAD's Governing Council is required to review, from time to time, the adequacy of the resources available to the Fund, with a view to ensuring continuity in IFAD's operations. If, as a result of such a review, the Governing Council deems it necessary or desirable, it may invite Members to make additional contributions to the resources of the Fund. This process is called "replenishment", a word also utilised in those other IFIs and entities which provide concessional funding to States and public agencies for developmental purposes. Thus the replenishment process is first and foremost a process by which these organisations mobilise the resources necessary to the carrying out of their principal mission.

3.2 **Periodicity of reviews:** Article 4, Section 3 of the Agreement also provides that the review process must take place on a periodical basis and that "the first such review shall take place not later than three years after the Fund commences operations". Consistent with this obligation, the Governing Council completed its first review in 1980 (IFAD1) which was originally designed to cover a period of activity of three years (1981-1983) but was eventually extended for one year. The next three replenishments covered periods of 3 to 8 years. Since 2000, the Governing Council has completed another six reviews (IFAD5 to IFAD10), each covering a triennial period.

3.3 **Three-year cycle:** the notion that IFAD has a three-year cycle is now well ingrained. In reality, those three years are only the years during which the programmes agreed for the replenishment are implemented: the full replenishment cycle is longer, if account is taken of the two preparatory years (consultations during the first year, approval/effectiveness during the second year) which precede the three-year period of implementation. Admittedly, there is an overlap between the last two years of implementation of a replenishment period and the two preparatory years for the next replenishment, but the fact remains that programmes basically agreed at the end of Year One (when consultations are completed) will only start to be implemented at the beginning of Year Three and will continue until the end of Year Five.

3.4. **Other dimension of reviews:** while initially intended to satisfy the requirement of Article 4, Section 3 of the Agreement, and, if needed, mobilise additional core resources for the continuation of IFAD's activities, the replenishment review has also acquired another dimension in building up a direct dialogue mechanism between the institution and its Members, in addition to exchanges that the same parties have at the meetings of its official organs, the Governing Council and Executive Board: during the consultation phase of the replenishment process, IFAD reports to the Members on its past and current results, including the implementation of the then ongoing replenishment period, and seeks guidance from the Members in respect of the priorities, programmes and reforms that it should focus on in the next replenishment period, and possibly beyond.

3.5 **Consultation phase:** the consultation phase of the replenishment process includes four meetings, the first of which is used to present the Mid-Term Review (MTR) on the implementation of the then ongoing period. Since 2011, all consultation meetings are chaired by an external chair. Each consultation process concludes with the review of a draft report and resolution which are, within two months, submitted to the Governing Council at its annual meeting. Together the report and the resolution document an agreement on IFAD's strategic priorities, a programme of loans and grants, and funding modalities, including pledges, to finance IFAD's activities during the three-year implementation period of the

replenishment. The resolution contains a condition making the replenishment effectiveness subject to instruments or payments of additional contributions having been deposited or received that represent an aggregate amount equivalent to at least 50 per cent of the pledges made by the sixtieth day after the adoption of the resolution.

3.6 **Issue of cycle length:** over IFAD 7, 8 and 9, the Fund has successfully introduced a number of major innovations designed to improve the replenishment process, the most significant of which are: the holding of fewer consultation meetings, the appointment of an external chair for consultation meetings, the use of a results framework to facilitate discussions on results, the setting up of a formal MTR and the establishment of an on-line membership platform. As a consequence, the process is perceived as being both efficient and effective. However, it is felt that there are still some issues to be addressed. The issue of the length of the replenishment cycle has been identified by a 2014 corporate level evaluation report as one of those issues which needed further study. According to that report: “The three-year replenishment cycle has never been seriously questioned; yet a four-year cycle, as that used in the AsDF, might have some advantages. [...] Judging by responses to interviews and the survey for this evaluation, several respondents from all three Lists felt their government would not have strong reservations to a possible four year replenishment.”<sup>33</sup> It is indeed to review, among others, “the length of replenishment cycles in IFAD11 and beyond”<sup>34</sup> that the Governing Council, at its thirty-eighth session in February 2015, resolved to establish the Ad Hoc Working Group on governance issues.<sup>35</sup>

3.7 **Time to face the issue:** this is an issue common to other IFIs. Based on his experience with replenishments at the AfDF, IDA and IFAD, Johannes F. Linn<sup>36</sup> wrote in a recent article<sup>37</sup> that it was “time for multilateral development banks to fix their concessional resource replenishment process”. Having diagnosed a number of problems with such processes as currently conducted, he recommends four measures, the third of which reads in part: “[...] lengthen the replenishment period from three to four years or more.”

3.8 **Comparable IFIs:** as noted in Chapter 2, IFAD has a large peer group of twelve IFIs and other international funding entities, which are listed in Table 1. However, for the purposes of this chapter, only six, i.e., those with a replenishment process similar to that of IFAD,<sup>38</sup> are relevant: they include AfDF, AsDF, GEF, GFATM, IDB’s FSO and IDA.<sup>39</sup> A seventh one, EDF, is also of interest for the reasons set forth in paragraph 3.12.2. As Table 2 shows, out of the seven more relevant entities, only three (AfDF, GFATM and IDA) have a three-year replenishment cycle like IFAD and the other four have either a four-year cycle (AsDF and GEF) or a seven-year cycle (EDF) or irregular cycles (IDB’s FSO). Two have decided to extend their cycle: AsDF in 1979 from three to four years and EDF from five to six years in 2008 and from six to seven years in 2014.

<sup>33</sup> Corporate level evaluation on replenishments (CLER), 2014, Appendix, paragraph 89.

<sup>34</sup> Terms of Reference of the Ad Hoc Working Group on governance issues, paragraph 4.

<sup>35</sup> See also paragraph 2.6 above.

<sup>36</sup> Johannes F. Linn, a former World Bank vice president for Europe and Central Asia, has been the external chair for IFAD 9 and IFAD 10. He co-authored the article with Anil Sood, an emerging markets consultant.

<sup>37</sup> [www.brookings.edu](http://www.brookings.edu), 9 September 2015.

<sup>38</sup> As noted in column 2 of Table 1.

<sup>39</sup> The other six IFIs, namely AfDB, AsDB, EBRD, IBRD, IDB and IFC, provide little or no concessional funding, and are structured as capitalised entities. Their resources are supplemented through market and private borrowings and through capital increases. The latter take place only when needed and are achieved through much less frequent and burdensome processes than replenishments.

3.9 **IDA has not extended its cycle:** two of those three entities which have a three-year cycle like IFAD have considered extending their cycle to four years and have rejected the idea. The question was investigated by IDA in 2000 through a consultation process in which “IDA donors were sent a set of questions to solicit their views and guidance on the possibility raised at the Lisbon meeting that IDA replenishments might cover a four-year period, with a mid-term review after two years.”<sup>40</sup> This resulted in a one-page report concluding that “The balance of opinion seemed to be that retaining the three-year cycle in IDA13 was the preferred course at this time.”<sup>41</sup> The issue has been unofficially raised from time to time in the context of later replenishments but not otherwise acted upon.

3.10 **Nor has AfDF:** AfDF has looked into the extension issue twice. For the Mid-Term Review meeting of AfDF 11 held in October 2009, AfDF produced a comprehensive document that looked into the concerns raised in connection with their current replenishment process and explored various options to remedy those concerns, including a possible extension of the process to four years. After an examination of the advantages and disadvantages of each such option, Management concluded with, among others, a proposal “to maintain the 3-year replenishment cycle for ADF-12 (2011-2013) but to consider introducing a 4-year cycle as of ADF-13 (2014-2017), to be discussed and confirmed during the ADF-12 or ADF-13 replenishment discussions.”<sup>42</sup> The issue was reopened by the Independent Development Evaluation of the African Development Bank group, whose September 2015 report made four recommendations in order to simplify the replenishment process, in particular a recommendation to consider: “Moving to a longer replenishment cycle, drawing on the experience of AsDB.”<sup>43</sup> Management Response that: “there currently are different perspectives on lengthening ADF replenishment cycles from three to four years. [...] Management’s view at this time is to retain the 3-year cycle for at least ADF-14”.<sup>44</sup>

3.11 **Considerations:** In order to explore whether the lengthening of the replenishment cycle would further improve its efficiency and/or effectiveness, and serve IFAD’s interests as well as possible, it is necessary to analyse its advantages and disadvantages, mainly by determining whether such a change might have a positive, negative or neutral effect on various key aspects of replenishments, in particular (a) the level of replenishments, (b) the adequacy and predictability of funding for development programmes, (c) the efficiency and cost of the process, (d) the frequency of the dialogue between IFAD and its Members, and (e) the alignment and coordination with replenishments in other comparable institutions.

3.12 **Level of replenishments:** while it seems crucial to determine the potential consequences that a longer cycle might have on the size of replenishments, it is difficult to make such an assessment with a reasonable degree of certainty. Assuming that donors would at least increase the aggregate nominal pledge they make for an entire replenishment period of four years so that the amount of their average pledge per year remains at the same level as before, the change would have a neutral effect on the level of replenishments. Conversely, it would have a negative effect if donors’ pledges on an annualised basis were not scaled up proportionally.

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<sup>40</sup> “Three-Year or Four-Year Replenishment Cycle, Results of Consultation with Donors”, IDA, January 2001.

<sup>41</sup> *Ibidem*.

<sup>42</sup> AfDF, “Options to improve the cost-effectiveness of the replenishment process”, October 2009.

<sup>43</sup> AfDB, “Independent Evaluation of General Capital Increase VI and African Development Fund 12 and 13 Commitments”, September 2015, Executive Summary.

<sup>44</sup> *Ibidem*, Management Response.

3.12.1 **IDA and AfDF precedents:** This potential effect was considered at IDA and AfDF when they considered the extension of their cycle to 4 years. For IDA: “Most donors took the view that the key consideration for changing the replenishment cycle would be the likely effect on the level and stability of IDA resources. [...] Some donors were unsure that a change to a longer cycle would in practice be accompanied by a fully proportional increase in budgetary allocations and hence in the volume of IDA replenishments; for these donors a change in the replenishment cycle could carry the risk of a relatively lower volume of IDA resources on a per annum basis.”<sup>45</sup> In AfDF’s most recent review of the issue, Management noted that: “Some donors have indicated that increasing the length of the ADF cycle to four years might lead to lower resources on an annual basis.”<sup>46</sup> It seems to be based mainly on these donor statements, the validity of which has been neither proved or disproved, that both institutions have concluded that time was not ripe for such a change. In neither case, however, was the issue definitely closed: IDA noted the views of some donors that “there could be merit in revisiting the issue later in the replenishment process”<sup>47</sup> (which IDA has not done so far) and AfDB Management stated at the end of the two reviews that the issue should be revisited later.

3.12.2 **AsDF and EDF precedents:** yet, in the only two cases where institutions in the peer group decided to extend their cycle, the risk that donors downscale their contributions on an annualised basis did not materialise. As noted in Table 2, the annualised level of AsDF’s replenishments increased by 20% in the first replenishment with a longer cycle. Likewise, the annual level of EDF’s replenishments rose each time its cycle was extended, by 37% the first time and 15% the second time. Thus, at this stage, there is no hard evidence or strong indication that extending a replenishment cycle by one year may have a negative effect on the level of replenishments. Admittedly, however, a longer cycle might increase the unpredictability of funding as IFAD’s donors are less disciplined in respect of amounts and burden-sharing than in such other comparable institutions as IDA, AfDF or AsDF.<sup>48</sup>

3.13 **Adequacy and predictability of funding for development programmes:** a three-year cycle may not be the most effective way to support development programmes with a longer term horizon, which ideally should be matched by funding of a comparable duration. Furthermore, as the focus of IFAD’s activities may change from a replenishment period to the next in response to different priorities being preferred by donors, the predictability of funding for these programmes is diminished. A longer replenishment cycle would have positive effects on the provision of adequate and predictable funding for development programmes, making it easier to match funding with the requirements of country programmes and ensuring the stability of IFAD’s priorities for a longer period. A positive side effect would be that, as IFAD’s recipient countries are not allowed to carry over unused allocations from one replenishment period to the next, a longer cycle would allow more time for the countries concerned to explore appropriate venues for the use of uncommitted funds by the deadline.

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<sup>45</sup> IDA, “Three-Year or Four-Year Replenishment Cycle, Results of Consultation with Donors”, January 2001.

<sup>46</sup> AfDB, “Independent Evaluation of General Capital Increase VI and African Development Fund 12 and 13 Commitments”, September 2015, Management Response, page 6.

<sup>47</sup> *Ibidem*

<sup>48</sup> These institutions may also be somewhat less dependent on donors than IFAD in the sense that they benefit from transfers of retained earnings from sister organisations in their respective groups.

3.14 **Efficiency and cost of the process:** there is a perception that the repetition, at short intervals of three years, of the extensive consultation phase and the subsequent approval and effectiveness phases is not warranted. These phases together last two years while the replenishment period which is only one year longer. The consultation phase typically involves four two-day meetings, the preparation and holding of which involve many Member representatives and Fund staff producing and/or reviewing a large number of papers. Additional work is also performed in-between meetings with the preparation of intersessional papers to deal with issues raised during the meetings and further exchanges between the parties involved. It is noteworthy that all consultation meetings are held at headquarters in Rome, which minimise their cost and the associated logistical efforts. Still a consultation meeting costs IFAD approximately US\$250,000. Table 3 shows that, over 12 years, three replenishments of four years, instead of four replenishments of three years, would enable IFAD to save \$1million or 25% of the total cost. Should the number of consultation meetings be reduced from four to three (as is the case at AfDF and AsDF), the savings would amount to \$1,750,000 or 45% of the total cost.

3.14.1 **Cost for IFAD Members:** in terms of cost for IFAD members, a four-year replenishment cycle would also represent a saving in reducing the expenses of their Deputies travelling to Rome to attend consultation meetings. In terms of efficiency, it is likely that a longer replenishment cycle can be accommodated by donors' budgetary and legislative procedures, as was IDA's conclusion when they consulted donors: "No issue was raised with respect to donors' budgetary and legislative procedures. Most donors would have no difficulty of this type in moving to a four-year cycle. For some, the budgetary and legislative processes are on a yearly cycle while for others, there is flexibility in their internal processes to accommodate a change to a four-year cycle."<sup>49</sup>

3.15 **Frequency of dialogue between IFAD and its Members:** as noted before, the replenishment process is seen by both IFAD and its members as an accountability mechanism, which enables IFAD to report on its results and seek guidance for the future and for Members, through their Deputies, to exercise their oversight over the Fund, its policies and programmes, and their implementation. There is no doubt that the replenishment dialogue drives change at IFAD in a very effective manner. There could be a concern that a lengthening of the replenishment cycle, by impacting the frequency of the dialogue that takes place on the occasion of consultation meetings, might lead to fewer exchanges and a less thorough oversight. Indeed, the number of opportunities for direct, face-to-face communications and for the provision of information and guidance would be somewhat reduced, as consultation meetings would take place at intervals of four years instead of three. However, no adverse effect has been observed in those institutions of the peer group which have adopted a four-year or longer replenishment cycle (AsDF, EDF, GEF). Furthermore, there would still be, in those intervals, a wide range of opportunities for exchange of information and oversight, through the numerous channels that IFAD and its Members have to interact, including the annual meeting of the Governing Council, the regular sessions of the Executive Board, the meetings of List Convenors and Friends and the Member States Interactive Platform. In addition, the remit and operation of these bodies or systems could be adjusted to the new four-year cycle. A positive effect of a four-year replenishment cycle would be to increase the meaningfulness of the MTR which would be based on two years of implementation (i.e., 50%) of the ongoing replenishment, rather than one year of implementation (i.e., 33%) as is the case today with a three-year cycle.

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<sup>49</sup> IDA, "Three-Year or Four-Year Replenishment Cycle, Results of Consultation with Donors", January 2001

**3.16 Alignment and coordination with replenishments in other comparable institutions:** Table 4 shows that IFAD’s replenishment consultation usually takes place in the year following the completion of IDA and AfDF’s own consultation processes. This timing has advantages and disadvantages. As there tends to be, among donors, an alignment of policy priorities among the three IFIs, it allows IFAD to be aware, in advance, of the new directions the Fund may be requested to take; on the other hand, it does not necessarily allow IFAD to participate in the early discussions of those orientations. In terms of pledges, there is a risk that higher commitments to IDA and AfDF may lead to lower commitments; conversely, the fact that pledges for IFAD are considered in a different budgetary year than those made to IDA and AfDF may be an advantage. On this issue, the CLER report concluded: “It is an open question to what extent an individual donors’ increased contribution in one replenishment may be offset by a smaller allocation to another replenishment – are they ‘communicating vessels’? Allocation decisions are made based on many different factors, and approaches to how funds are allocated vary across donor governments.”<sup>50</sup>

**3.17 Broader reform agenda for comparable IFIs:** there is no doubt that replenishment processes in those IFIs that are most comparable to IFAD (i.e., AfDF, AsDF and IDA) have many common features. Innovation in one IFI soon spreads to the next: the most recent evidence of this tendency is the IDA Working Group on Governance and Reform’s decision to have IDA’s consultation meetings co-chaired by an external expert, following in the footsteps of AfDF, AsDF and IFAD (which have gone even further with the appointment of a single external chair). The processes can be harmonised further as part of a broader agenda of reform that could be adopted by all, which would include:

- reducing the number of consultation meetings for each replenishment round to no more than three (including the MTR meeting);
- focusing on fewer strategic issues and reducing the number of commitments which Management is required to implement and report on in the MTR;
- preparing a more limited number of documents for each consultation process; and
- using existing digital platforms more effectively (and creating new ones if appropriate) where a substantive dialogue between the institutions and their members can be carried out between and during replenishment consultations.

**3.18 Timing of reforms:** it is not necessary that all proceed at the same pace and IFAD could lead the way in showing the immediate benefit derived from some of these reforms for both the institution and its Members. By contrast, the lengthening of replenishment processes to four years, as advocated by Johannes Linn for all IFIs with replenishment processes, is perceived in some quarters as only likely to succeed if it is adopted by AfDF, IDA and IFAD at the same time. AfDB’s Management finds it convenient and efficient that AfDF’s replenishment process be contemporaneous to that of IDA and is reluctant to lengthen the cycle at the risk of it being de-synchronised from IDA’s. AfDF’s latest view on the issue is therefore that: “As an observer of the IDA working group on Governance and Reform, the Bank monitors progress and reforms discussed in this forum and guides Management’s work in streamlining resources mobilisation processes. Management will ensure that the Bank continues to be represented or informed on the content of these discussions.”<sup>51</sup> Although IFAD’s cycle is somewhat de-linked from IDA’s replenishment process, IFAD’s Management is also reluctant to change the duration of the replenishment unless the extension is coordinated with AfDB and IDA (with possibly IDA taking the lead).

<sup>50</sup> Corporate-level evaluation on replenishments (CLER), April 2014, Appendix, paragraph 41.

<sup>51</sup> AfDB, “Independent Evaluation of General Capital Increase VI and African Development Fund 12 and 13 Commitments”, September 2015, Management Response.



In its view, this would minimise the risk of reduction in the level of replenishments in anyone of the three institutions. However, a contact at IDA indicates that IDA's Management does not seem to consider the length of the cycle a key issue and feels that it has no reason to make it one of its priorities as long as members, in particular donors, are not keen to raise it themselves as a crucial issue or prepared to discuss it. If IFAD's Working Group on Governance Issues, adopts the view that a synchronised cycle extension in all three IFIs provides the better chance of success, it should establish contact with appropriate counterparties at AfDF and IDA to put the reform on the active agenda of their next replenishment consultations.

3.19 **IFAD on its own:** on the other hand, it can be argued that "syndicating" the cycle extension issue in this manner will in fact have the opposite effect and reduce the chances that the reform will be adopted. This is because donors of large contributions to IDA and AfDF may find it more difficult to have larger amounts approved in the internal processes: e.g., US\$1,200 million every four years compared with US\$900 million every three years. For these donors, whose contribution to IFAD is probably much smaller, e.g., one tenth of the latter amount or \$90 million, it may be easier to favour an extension of the cycle at IFAD, without a necessary link being established with the extension of the AfDF and IDA cycles. If that is the case, it is preferable for IFAD to proceed on its own, placing the emphasis on its specificity rather than the features that it has in common with AfDF and IDA and arguing, for instance, that, for a smaller institution like IFAD, the three-year cycle is a disproportionate process in terms of the efforts that it represents at short intervals for all parties concerned. To determine which of the options presented in this and the preceding paragraphs is to be preferred, it is suggested that the Working Group on Governance Issues survey relevant Members by sending them a short questionnaire as provided in Annex 5.

**Annex 1****Ad hoc Working Group on governance issues: Terms of Reference****Background**

1. IFAD's Executive Board considered the findings of the corporate-level evaluation on IFAD replenishments (CLER) at its 111th session in April 2014. During discussions on IFAD's governance structure and on participation and representation of IFAD's Member States in governance processes and replenishment consultations, it was agreed that it would be opportune to review the List system, particularly with respect to effective representation of Member States in IFAD's governing bodies. The length of replenishment cycles was also considered as an issue for review.
2. The CLER was also considered by the IFAD10 Consultation at its second session in June 2014 and both the Executive Board and the IFAD10 Consultation members expressed their broad support for the proposal of setting up an inter-Consultation working group of members to address these governance issues.
3. It was agreed at the second session of the IFAD10 Consultation that Management would prepare the draft terms of reference for the working group, and that these would be discussed at the third session of the IFAD10 Consultation in October. On this basis, the following draft terms of reference, mode of operation and composition are proposed:

**Establishment and responsibilities**

4. An inter-Consultation working group will be established to consider governance issues. In particular, the working group will:
  - (a) review and assess the governance-related recommendations arising from the CLER, particularly with regard to the structure, appropriateness and relevance of the IFAD List system. The group will also review and assess the implications and potential impact on all IFAD governing bodies with regard to any changes to the List system as well as Member State representation;
  - (b) review and assess the composition and representation of the replenishment consultation and the length of replenishment cycles in IFAD11 and beyond; and
  - (c) make proposals on (a) and (b) above for consideration by the Executive Board for submission to the Governing Council, as appropriate.
5. In so doing, the working group may also review current practices of other international financial institutions (IFIs) and consult with relevant experts, with respect to governance structure, replenishment procedures and composition.

**Composition**

6. The working group shall be composed of nine Members as follows:
  - List A: 4 Members: Denmark, Italy, United Kingdom and the United States;
  - List B: 2 Members: Indonesia and the Bolivarian Republic of Venezuela; and
  - List C: 3 Members: Sub-List C1 – Angola; Sub-List C2 – Pakistan; Sub-List C3 - Argentina.
7. IFAD Members who are not Members of the working group may also participate in meetings as observers with the right to speak.

8. In the event that a Member should withdraw from participation in the working group, the List to which the Member belongs will nominate a replacement from that List and communicate the new Member to the Secretary of IFAD.

### **Decision-making**

9. The group will make decisions on the basis of consensus.

### **Mode of operation and time frame**

10. At its first meeting, the working group will elect ad personam one chairperson from List C and two vice-chairpersons, one from List A and one from List B. Management shall provide support to the working group, including with respect to interpretation and translation.

11. The working group, thus established, will brief the Executive Board regularly on progress. It will submit a report on the results of its deliberations and any recommendations thereon to the Executive Board in December 2016 for submission to the fortieth session of the Governing Council in February 2017 for endorsement, and with a view to adopting such resolutions as may be appropriate. Upon adoption by the Governing Council, any changes to the List system would come into force and effect after the IFAD10 period.

## SIMULATION FOR OPTION 1

OPTION 1							
Country	Current List	Current Sub-list	New List or Sub-list	2016 Lending Terms	Total Votes	Board Members & Alternates from 1 March 2016	
United States	A		A		321.530	D	
Japan	A		A		279.629	D	
Canada	A		A		182.553	D	
Germany	A		A		178.245	D	
Norway	A		A		174.591	A	
Italy	A		A		162.036	D	
Netherlands	A		A		148.100	D	
United Kingdom	A		A		145.904	A	
Sweden	A		A		133.332	D	
France	A		A		131.995	D	
Belgium	A		A		67.043	A	
Denmark	A		A		66.704	A	
Switzerland	A		A		65.476	A	
Finland	A		A		62.305		
Spain	A		A		47.288	A	
Austria	A		A		44.674	A	
Ireland	A		A		23.672	A	
New Zealand	A		A		16.820		
Luxembourg	A		A		14.956		
Russian Federation	A		A		14.238		
Portugal	A		A		13.625		
Greece	A		A		13.571		
Iceland	A		A		12.201		
Hungary	A		A		12.107		
Estonia	A		A		12.070		
<b>Total List A</b>				<b>47.26%</b>	<b>2 344.668</b>		
Saudi Arabia	B		B		250.924	D	
Venezuela (Bolivarian Republic of)	B		B	O	80.928	D	
Kuwait	B		B		78.461	D	
Nigeria	B		B	B	57.608	D	
Algeria	B		B	O	37.580	A	
United Arab Emirates	B		B		34.485	A	
Indonesia	B		B	O	34.459	A	
Libya	B		B	O	28.112		
Qatar	B		B		26.024	A	
Iran (Islamic Republic of)	B		B	O	16.901		
Iraq	B		B	O	15.316		
Gabon	B		B	O	13.374		
<b>Total List B</b>				<b>13.59%</b>	<b>674.172</b>		

OPTION 1							
Country	Current List	Current Sub-list	New List or Sub-list	2016 Lending Terms	Total Votes	Board Members & Alternates from 1 March 2016	
Egypt	C	C1	C1	O	20.341	D	
Morocco	C	C1	C1	O	14.770		
Kenya	C	C1	C1	HC	13.705	A	
Tunisia	C	C1	C1	O	13.679		
Angola	C	C1	C1	O	13.597	D	
Sudan	C	C1	C1	HC	13.428		
Cameroon	C	C1	C1	HC	13.220		
Ghana	C	C1	C1	B	12.907	A	
Zimbabwe	C	C1	C1	HC	12.817		
South Africa	C	C1	C1	O	12.762		
Democratic Republic of the Congo	C	C1	C1	HC	12.729		
Côte d'Ivoire	C	C1	C1	HC	12.690		
United Republic of Tanzania	C	C1	C1	HC	12.684		
Niger	C	C1	C1	HC	12.633		
Senegal	C	C1	C1	HC	12.523		
Guinea	C	C1	C1	HC	12.389		
Congo	C	C1	C1	B	12.388		
Rwanda	C	C1	C1	HC	12.356		
Botswana	C	C1	C1	O	12.320		
Mauritania	C	C1	C1	HC	12.304		
Madagascar	C	C1	C1	HC	12.293		
Lesotho	C	C1	C1	B	12.279		
Zambia	C	C1	C1	HC	12.278		
Mozambique	C	C1	C1	HC	12.276		
Togo	C	C1	C1	HC	12.247		
Burkina Faso	C	C1	C1	HC	12.246		
Uganda	C	C1	C1	HC	12.224		
Benin	C	C1	C1	HC	12.224		
Chad	C	C1	C1	HC	12.221		
Gambia (The)	C	C1	C1	HC	12.216		
Mali	C	C1	C1	HC	12.207		
Namibia	C	C1	C1	O	12.204		
Liberia	C	C1	C1	HC	12.188		
Swaziland	C	C1	C1	O	12.177		
Ethiopia	C	C1	C1	HC	12.174		
Mauritius	C	C1	C1	O	12.173		
Burundi	C	C1	C1	HC	12.143		
Malawi	C	C1	C1	HC	12.114		
Djibouti	C	C1	C1	B	12.104		
Eritrea	C	C1	C1	HC	12.096		
Seychelles	C	C1	C1	O	12.095		
Cabo Verde	C	C1	C1	HC	12.087		
Guinea-Bissau	C	C1	C1	HC	12.081		
Comoros	C	C1	C1	HC	12.079		

OPTION 1							
Country	Current List	Current Sub-list	New List or Sub-list	2016 Lending Terms	Total Votes	Board Members & Alternates from 1 March 2016	
Central African Republic	C	C1	C1	HC	12.078		
Sierra Leone	C	C1	C1	HC	12.077		
South Sudan	C	C1	C1	HC	12.074		
Somalia	C	C1	C1	HC	12.074		
Equatorial Guinea	C	C1	C1	O	12.070		
Sao Tome and Principe	C	C1	C1	HC	12.070		
<b>Total Sub-list C1</b>				<b>12.72%</b>	<b>631.113</b>		
India	C	C2	C2	B	106.895	D	
China	C	C2	C2	O	50.011	D	
Pakistan	C	C2	C2	HC	22.672	A	
Republic of Korea	C	C2	C2	O	21.419	A	
Turkey	C	C2	C2	O	18.882		
Sri Lanka	C	C2	C2	B	15.511		
Bangladesh	C	C2	C2	HC	13.830		
Cambodia	C	C2	C2	HC	13.641		
Yemen	C	C2	C2	HC	13.632		
Viet Nam	C	C2	C2	B	13.045		
Philippines	C	C2	C2	O	12.793		
Syrian Arab Republic	C	C2	C2	B	12.628		
Thailand	C	C2	C2	O	12.605		
Malaysia	C	C2	C2	O	12.503		
Nepal	C	C2	C2	HC	12.451		
Timor-Leste	C	C2	C2	B	12.449		
Jordan	C	C2	C2	O	12.446		
Lao People's Democratic Republic	C	C2	C2	HC	12.430		
Lebanon	C	C2	C2	O	12.247		
Israel	C	C2	C2	O	12.237		
Oman	C	C2	C2	O	12.194		
Georgia	C	C2	C2	O	12.184		
Cyprus	C	C2	C2		12.182		
Azerbaijan	C	C2	C2	O	12.178		
Fiji	C	C2	C2	O	12.169		
Myanmar	C	C2	C2	HC	12.160		
Romania	C	C2	C2	O	12.159		
Bosnia and Herzegovina	C	C2	C2	O	12.146		
Democratic People's Republic of Korea	C	C2	C2	HC	12.146		
Maldives	C	C2	C2	HC	12.146		
Bhutan	C	C2	C2	B	12.141		
Papua New Guinea	C	C2	C2	B	12.130		
Kazakhstan	C	C2	C2	O	12.115		
Armenia	C	C2	C2	O	12.105		
Republic of Moldova	C	C2	C2	B	12.097		
Albania	C	C2	C2	O	12.092		

OPTION 1							
Country	Current List	Current Sub-list	New List or Sub-list	2016 Lending Terms	Total Votes	Board Members & Alternates from 1 March 2016	
Malta	C	C2	C2		12.091		
Tonga	C	C2	C2	HC	12.090		
Samoa	C	C2	C2	HC	12.088		
Uzbekistan	C	C2	C2	B	12.079		
Kiribati	C	C2	C2	HC	12.077		
Mongolia	C	C2	C2	B	12.076		
Solomon Islands	C	C2	C2	HC	12.074		
Micronesia (Federated States of)	C	C2	C2	HC	12.072		
Cook Islands	C	C2	C2	O	12.072		
Tajikistan	C	C2	C2	HC	12.072		
Afghanistan	C	C2	C2	HC	12.070		
Croatia	C	C2	C2		12.070		
Kyrgyzstan	C	C2	C2	HC	12.070		
Marshall Islands	C	C2	C2	HC	12.070		
Montenegro	C	C2	C2	O	12.070		
Nauru	C	C2	C2		12.070		
Niue	C	C2	C2	O	12.070		
Palau	C	C2	C2		12.070		
The former Yugoslav Republic of Macedonia	C	C2	C2	O	12.070		
Tuvalu	C	C2	C2	HC	12.070		
Vanuatu	C	C2	C2	HC	12.070		
<b>Total Sub-list C2</b>				<b>17.38%</b>	<b>862.236</b>		
Brazil	C	C3	C3	O	41.032	D	
Mexico	C	C3	C3	O	31.810	D	
Argentina	C	C3	C3	O	19.210	A	
Guyana	C	C3	C3	B	13.638		
Guatemala	C	C3	C3	O	12.921		
Peru	C	C3	C3	O	12.660		
Bolivia (Plurinational State of)	C	C3	C3	B	12.613		
Paraguay	C	C3	C3	O	12.562		
Ecuador	C	C3	C3	O	12.520		
Colombia	C	C3	C3	O	12.446		

OPTION 1							
Country	Current List	Current Sub-list	New List or Sub-list	2016 Lending Terms	Total Votes	Board Members & Alternates from 1 March 2016	
Chile	C	C3	C3	O	12.384		
Nicaragua	C	C3	C3	HC	12.375		
Honduras	C	C3	C3	B	12.362		
Uruguay	C	C3	C3	O	12.330		
Cuba	C	C3	C3	O	12.295		
Jamaica	C	C3	C3	O	12.188		
Panama	C	C3	C3	O	12.160		
Belize	C	C3	C3	O	12.145		
Haiti	C	C3	C3	HC	12.140		
El Salvador	C	C3	C3	O	12.105		
Dominican Republic	C	C3	C3	O	12.102	A	
Grenada	C	C3	C3	HC	12.098		
Dominica	C	C3	C3	HC	12.090		
Saint Lucia	C	C3	C3	HC	12.078		
Saint Kitts and Nevis	C	C3	C3	O	12.078		
Barbados	C	C3	C3	O	12.074		
Antigua and Barbuda	C	C3	C3	O	12.070		
Bahamas (The)	C	C3	C3		12.070		
Costa Rica	C	C3	C3	O	12.070		
Saint Vincent and the Grenadines	C	C3	C3	HC	12.070		
Suriname	C	C3	C3	O	12.070		
Trinidad and Tobago	C	C3	C3	O	12.070		
<b>Total List C3</b>				<b>9.05%</b>	<b>448.837</b>		
	<b>TOTAL</b>				<b>4961.026</b>		
List or Sub-list	Voting power %	Voting power % times 36	1st alloc.	Remainder	2nd alloc.	Board Seats	Members
A	47.26%	17.014234	16	1.01423392	2	18	25
B	13.59%	4.8921705	4	0.89217053		4	12
C1	12.72%	4.5797099	4	0.57970989		4	50
C2	17.38%	6.2568687	6	0.25686867		6	57
C3	9.05%	3.257017	2	1.25701699	2	4	32
			32		4	36	176



## SIMULATION FOR OPTION 2

OPTION 2							
Country	Current List	Current Sub-list	2016 Lending terms	New List or Sub-list	Total Votes	Board Members & Alternates from 1 March 2016	One third rule recalculated
United States	A			A	321.530	D	
Japan	A			A	279.629	D	
Canada	A			A	182.553	D	
Germany	A			A	178.245	D	
Norway	A			A	174.591	A	
Italy	A			A	162.036	D	
Netherlands	A			A	148.100	D	
United Kingdom	A			A	145.904	A	
Sweden	A			A	133.332	D	
France	A			A	131.995	D	
Belgium	A			A	67.043	A	
Denmark	A			A	66.704	A	
Switzerland	A			A	65.476	A	
Finland	A			A	62.305		
Spain	A			A	47.288	A	
Austria	A			A	44.674	A	
Ireland	A			A	23.672	A	
New Zealand	A			A	16.820		
Luxembourg	A			A	14.956		
Russian Federation	A			A	14.238		
Portugal	A			A	13.625		
Greece	A			A	13.571		
Iceland	A			A	12.201		
Hungary	A			A	12.107		
Estonia	A			A	12.070		
<b>Total List A</b>				<b>47.26%</b>	<b>2 344.668</b>		
Saudi Arabia	B			B	250.924	D	
Kuwait	B			B	78.461	D	
United Arab Emirates	B			B	34.485	A	
Qatar	B			B	26.024	A	
<b>Total List B</b>				<b>7.86%</b>	<b>389.894</b>		
Nigeria	B		B	C1	57.608	D	12.070
Algeria	B		O	C1	37.580	A	12.070
Libya	B		O	C1	28.112		12.070
Egypt	C	C1	O	C1	20.341	D	12.070
Morocco	C	C1	O	C1	14.770		12.070

OPTION 2							
Country	Current List	Current Sub-list	2016 Lending terms	New List or Sub-list	Total Votes	Board Members & Alternates from 1 March 2016	One third rule recalculated
Kenya	C	C1	HC	C1	13.705	A	12.070
Tunisia	C	C1	O	C1	13.679		12.070
Angola	C	C1	O	C1	13.597	D	12.070
Sudan	C	C1	HC	C1	13.428		12.070
Gabon	B		O	C1	13.374		12.070
Cameroon	C	C1	HC	C1	13.220		12.070
Ghana	C	C1	B	C1	12.907	A	12.070
Zimbabwe	C	C1	HC	C1	12.817		12.070
South Africa	C	C1	O	C1	12.762		12.070
Democratic Republic of the Congo	C	C1	HC	C1	12.729		12.070
Côte d'Ivoire	C	C1	HC	C1	12.690		12.070
Untied Republic of Tanzania	C	C1	HC	C1	12.684		12.070
Niger	C	C1	HC	C1	12.633		12.070
Senegal	C	C1	HC	C1	12.523		12.070
Guinea	C	C1	HC	C1	12.389		12.070
Congo	C	C1	B	C1	12.388		12.070
Rwanda	C	C1	HC	C1	12.356		12.070
Botswana	C	C1	O	C1	12.320		12.070
Mauritania	C	C1	HC	C1	12.304		12.070
Madagascar	C	C1	HC	C1	12.293		12.070
Lesotho	C	C1	B	C1	12.279		12.070
Zambia	C	C1	HC	C1	12.278		12.070
Mozambique	C	C1	HC	C1	12.276		12.070
Togo	C	C1	HC	C1	12.247		12.070
Burkina Faso	C	C1	HC	C1	12.246		12.070
Uganda	C	C1	HC	C1	12.224		12.070
Benin	C	C1	HC	C1	12.224		12.070
Chad	C	C1	HC	C1	12.221		12.070
Gambia (The)	C	C1	HC	C1	12.216		12.070
Mali	C	C1	HC	C1	12.207		12.070
Namibia	C	C1	O	C1	12.204		12.070
Liberia	C	C1	HC	C1	12.188		12.070
Swaziland	C	C1	O	C1	12.177		12.070
Ethiopia	C	C1	HC	C1	12.174		12.070
Mauritius	C	C1	O	C1	12.173		12.070
Burundi	C	C1	HC	C1	12.143		12.070
Malawi	C	C1	HC	C1	12.114		12.070
Djibouti	C	C1	B	C1	12.104		12.070

OPTION 2							
Country	Current List	Current Sub-list	2016 Lending terms	New List or Sub-list	Total Votes	Board Members & Alternates from 1 March 2016	One third rule recalculated
Eritrea	C	C1	HC	C1	12.096		12.070
Seychelles	C	C1	O	C1	12.095		12.070
Cabo Verde	C	C1	HC	C1	12.087		12.070
Guinea-Bissau	C	C1	HC	C1	12.081		12.070
Comoros	C	C1	HC	C1	12.079		12.070
Central African Republic	C	C1	HC	C1	12.078		12.070
Sierra Leone	C	C1	HC	C1	12.077		12.070
South Sudan	C	C1	HC	C1	12.074		12.070
Somalia	C	C1	HC	C1	12.074		12.070
Equatorial Guinea	C	C1	O	C1	12.070		12.070
Sao Tome and Principe	C	C1	HC	C1	12.070		12.070
<b>Total Sub-list C1</b>				<b>15.48%</b>	<b>767.788</b>		
India	C	C2	B	C2	106.895	D	12.070
China	C	C2	O	C2	50.011	D	12.070
Indonesia	B		O	C2	34.459	A	12.070
Pakistan	C	C2	HC	C2	22.672	A	12.070
Republic of Korea	C	C2	O	C2	21.419	A	12.070
Turkey	C	C2	O	C2	18.882		12.070
Iran (Islamic Republic of)	B		O	C2	16.901		12.070
Sri Lanka	C	C2	B	C2	15.511		12.070
Iraq	B		O	C2	15.316		12.070
Bangladesh	C	C2	HC	C2	13.830		12.070
Cambodia	C	C2	HC	C2	13.641		12.070
Yemen	C	C2	HC	C2	13.632		12.070
Viet Nam	C	C2	B	C2	13.045		12.070
Philippines	C	C2	O	C2	12.793		12.070
Syrian Arab Republic	C	C2	B	C2	12.628		12.070
Thailand	C	C2	O	C2	12.605		12.070
Malaysia	C	C2	O	C2	12.503		12.070
Nepal	C	C2	HC	C2	12.451		12.070
Timor-Leste	C	C2	B	C2	12.449		12.070
Jordan	C	C2	O	C2	12.446		12.070
Lao People's Democratic Republic	C	C2	HC	C2	12.430		12.070
Lebanon	C	C2	O	C2	12.247		12.070
Israel	C	C2	O	C2	12.237		12.070
Oman	C	C2	O	C2	12.194		12.070
Georgia	C	C2	O	C2	12.184		12.070

OPTION 2							
Country	Current List	Current Sub-list	2016 Lending terms	New List or Sub-list	Total Votes	Board Members & Alternates from 1 March 2016	One third rule recalculated
Cyprus	C	C2		C2	12.182		12.070
Azerbaijan	C	C2	O	C2	12.178		12.070
Fiji	C	C2	O	C2	12.169		12.070
Myanmar	C	C2	HC	C2	12.160		12.070
Romania	C	C2	O	C2	12.159		12.070
Bosnia and Herzegovina	C	C2	O	C2	12.146		12.070
Democratic People's Republic of Korea	C	C2	HC	C2	12.146		12.070
Maldives	C	C2	HC	C2	12.146		12.070
Bhutan	C	C2	B	C2	12.141		12.070
Papua New Guinea	C	C2	B	C2	12.130		12.070
Kazakhstan	C	C2	O	C2	12.115		12.070
Armenia	C	C2	O	C2	12.105		12.070
Republic of Moldova	C	C2	B	C2	12.097		12.070
Albania	C	C2	O	C2	12.092		12.070
Malta	C	C2		C2	12.091		12.070
Tonga	C	C2	HC	C2	12.090		12.070
Samoa	C	C2	HC	C2	12.088		12.070
Uzbekistan	C	C2	B	C2	12.079		12.070
Kiribati	C	C2	HC	C2	12.077		12.070
Mongolia	C	C2	B	C2	12.076		12.070
Solomon Islands	C	C2	HC	C2	12.074		12.070
Micronesia (Federated States of)	C	C2	HC	C2	12.072		12.070
Cook Islands	C	C2	O	C2	12.072		12.070
Tajikistan	C	C2	HC	C2	12.072		12.070
Afghanistan	C	C2	HC	C2	12.070		12.070
Croatia	C	C2		A	12.070		12.070
Kyrgyzstan	C	C2	HC	C2	12.070		12.070
Marshall Islands	C	C2	HC	C2	12.070		12.070
Montenegro	C	C2	O	C2	12.070		12.070
Nauru	C	C2		C2	12.070		12.070
Niue	C	C2	O	C2	12.070		12.070
Palau	C	C2		C2	12.070		12.070
The former Yugoslav Republic of Macedonia	C	C2	O	C2	12.070		12.070
Tuvalu	C	C2	HC	C2	12.070		12.070
Vanuatu	C	C2	HC	C2	12.070	12.070	12.070
<b>Total Sub-list C2</b>				<b>18.72%</b>	<b>928.911</b>		

OPTION 2							
Country	Current List	Current Sub-list	2016 Lending terms	New List or Sub-list	Total Votes	Board Members & Alternates from 1 March 2016	One third rule recalculated
Venezuela (Bolivarian Republic of)	B		O	C3	80.928	D	12.070
Brazil	C	C3	O	C3	41.032	D	12.070
Mexico	C	C3	O	C3	31.810	D	12.070
Argentina	C	C3	O	C3	19.210	A	12.070
Guyana	C	C3	B	C3	13.638		12.070
Guatemala	C	C3	O	C3	12.921		12.070
Peru	C	C3	O	C3	12.660		12.070
Bolivia (Plurinational State of)	C	C3	B	C3	12.613		12.070
Paraguay	C	C3	O	C3	12.562		12.070
Ecuador	C	C3	O	C3	12.520		12.070
Colombia	C	C3	O	C3	12.446		12.070
Chile	C	C3	O	C3	12.384		12.070
Nicaragua	C	C3	HC	C3	12.375		12.070
Honduras	C	C3	B	C3	12.362		12.070
Uruguay	C	C3	O	C3	12.330		12.070
Cuba	C	C3	O	C3	12.295		12.070
Jamaica	C	C3	O	C3	12.188		12.070
Panama	C	C3	O	C3	12.160		12.070
Belize	C	C3	O	C3	12.145		12.070
Haiti	C	C3	HC	C3	12.140		12.070
El Salvador	C	C3	O	C3	12.105		12.070
Dominican Republic	C	C3	O	C3	12.102	A	12.070
Grenada	C	C3	HC	C3	12.098		12.070
Dominica	C	C3	HC	C3	12.090		12.070
Saint Lucia	C	C3	HC	C3	12.078		12.070
Saint Kitts and Nevis	C	C3	O	C3	12.078		12.070
Barbados	C	C3	O	C3	12.074		12.070
Antigua and Barbuda	C	C3	O	C3	12.070		12.070
Bahamas (The)	C	C3		C3	12.070		12.070
Costa Rica	C	C3	O	C3	12.070		12.070
Saint Vincent and the Grenadines	C	C3	HC	C3	12.070		12.070
Suriname	C	C3	O	C3	12.070		12.070
Trinidad and Tobago	C	C3	O	C3	12.070		12.070
<b>Total New Sub-list C3</b>				<b>10.68%</b>	<b>529.765</b>		1 774.347
	TOTAL				<b>4961.026</b>		<b>35.77%</b>

List or Sub-list	Voting power %	Voting power % times 36	1st alloc.	Remainder	2nd alloc.	Board Seats	Members
A	47.26%	17.014234	16	1.01423392	2	18	25
B	7.86%	2.8292879	2	0.8292879		2	4
C1	15.48%	5.5715014	4	1.5715014	2	6	54
C2	18.72%	6.7407022	6	0.74070225		6	60
C3	10.68%	3.8442745	2	1.84427453	2	4	33
			30		6	36	176

## SIMULATION FOR OPTION 3

OPTION 3							
Country	Current List	Current Sub-list	2016 Lending terms	New List or Sub-list	Total Votes	Board Members & Alternates from 1 March 2016	
United States	A			A	321.530	D	
Japan	A			A	279.629	D	
Canada	A			A	182.553	D	
Germany	A			A	178.245	D	
Norway	A			A	174.591	A	
Italy	A			A	162.036	D	
Netherlands	A			A	148.100	D	
United Kingdom	A			A	145.904	A	
Sweden	A			A	133.332	D	
France	A			A	131.995	D	
Belgium	A			A	67.043	A	
Denmark	A			A	66.704	A	
Switzerland	A			A	65.476	A	
Finland	A			A	62.305		
Spain	A			A	47.288	A	
Austria	A			A	44.674	A	
Ireland	A			A	23.672	A	
New Zealand	A			A	16.820		
Luxembourg	A			A	14.956		
Russian Federation	A			A	14.238		
Portugal	A			A	13.625		
Greece	A			A	13.571		
Iceland	A			A	12.201		
Hungary	A			A	12.107		
Estonia	A			A	12.070		
<b>Total List A</b>	<b>A</b>			<b>47.26%</b>	<b>2 344.668</b>		
Saudi Arabia	B			B	250.924	D	
Kuwait	B			B	78.461	D	
United Arab Emirates	B			B	34.485	A	
Qatar	B			B	26.024	A	
<b>Total List B</b>	<b>A</b>			<b>7.86%</b>	<b>389.894</b>		
Algeria	C	C1	O	C1	37.580	A	
Libya	C	C1	O	C1	28.112		
Egypt	C	C1	O	C1	20.341	D	
Morocco	C	C1	O	C1	14.770		
Tunisia	C	C1	O	C1	13.679		

OPTION 3							
Country	Current List	Current Sub-list	2016 Lending terms	New List or Sub-list	Total Votes	Board Members & Alternates from 1 March 2016	
Angola	C	C1	O	C1	13.597	D	
Gabon	C	C1	O	C1	13.374		
South Africa	C	C1	O	C1	12.762		
Botswana	C	C1	O	C1	12.320		
Namibia	C	C1	O	C1	12.204		
Swaziland	C	C1	O	C1	12.177		
Mauritius	C	C1	O	C1	12.173		
Seychelles	C	C1	O	C1	12.095		
Equatorial Guinea	C	C1	O	C1	12.070		
<b>Total List C1</b>	<b>A</b>			<b>4.58%</b>	<b>227.256</b>		
China	C	C2	O	C2	50.011	D	
Indonesia	C	C2	O	C2	34.459	A	
Republic of Korea	C	C2	O	C2	21.419	A	
Turkey	C	C2	O	C2	18.882		
Iran (Islamic Republic of)	C	C2	O	C2	16.901		
Iraq	C	C2	O	C2	15.316		
Philippines	C	C2	O	C2	12.793		
Thailand	C	C2	O	C2	12.605		
Malaysia	C	C2	O	C2	12.503		
Jordan	C	C2	O	C2	12.446		
Lebanon	C	C2	O	C2	12.247		
Israel	C	C2	O	C2	12.237		
Oman	C	C2	O	C2	12.194		
Georgia	C	C2	O	C2	12.184		
Azerbaijan	C	C2	O	C2	12.178		
Fiji	C	C2	O	C2	12.169		
Romania	C	C2	O	C2	12.159		
Bosnia and Herzegovina	C	C2	O	C2	12.146		
Kazakhstan	C	C2	O	C2	12.115		
Armenia	C	C2	O	C2	12.105		
Albania	C	C2	O	C2	12.092		
Cook Islands	C	C2	O	C2	12.072		
Montenegro	C	C2	O	C2	12.070		
Niue	C	C2	O	C2	12.070		
The former Yugoslav Republic of Macedonia	C	C2	O	C2	12.070		
Cyprus	C	C2		C2	12.182		
Malta	C	C2		C2	12.091		



OPTION 3							
Country	Current List	Current Sub-list	2016 Lending terms	New List or Sub-list	Total Votes	Board Members & Alternates from 1 March 2016	
Croatia	C	C2		C2	12.070		
Nauru	C	C2		C2	12.070		
Palau	C	C2		C2	12.070		
<b>Total List C2</b>	A			<b>9.07%</b>	<b>449.929</b>		
Venezuela (Bolivarian Republic of)	C	C3	O	C3	80.928	D	
Brazil	C	C3	O	C3	41.032	D	
Mexico	C	C3	O	C3	31.810	D	
Argentina	C	C3	O	C3	19.210	A	
Guatemala	C	C3	O	C3	12.921		
Peru	C	C3	O	C3	12.660		
Paraguay	C	C3	O	C3	12.562		
Ecuador	C	C3	O	C3	12.520		
Colombia	C	C3	O	C3	12.446		
Chile	C	C3	O	C3	12.384		
Uruguay	C	C3	O	C3	12.330		
Cuba	C	C3	O	C3	12.295		
Jamaica	C	C3	O	C3	12.188		
Panama	C	C3	O	C3	12.160		
Belize	C	C3	O	C3	12.145		
El Salvador	C	C3	O	C3	12.105		
Dominican Republic	C	C3	O	C3	12.102	A	
Saint Kitts and Nevis	C	C3	O	C3	12.078		
Barbados	C	C3	O	C3	12.074		
Antigua and Barbuda	C	C3	O	C3	12.070		
Costa Rica	C	C3	O	C3	12.070		
Suriname	C	C3	O	C3	12.070		
Trinidad and Tobago	C	C3	O	C3	12.070		
Bahamas (The)	C	C3		C3	12.070		
<b>Total List C3</b>	A			<b>8.43%</b>	<b>418.301</b>		
Nigeria	C	C1	HC or B	D1	57.608	D	
Kenya	C	C1	HC or B	D1	13.705	A	
Sudan	C	C1	HC or B	D1	13.428		
Cameroon	C	C1	HC or B	D1	13.220		
Ghana	C	C1	HC or B	D1	12.907	A	
Zimbabwe	C	C1	HC or B	D1	12.817		
Democratic Republic of Congo	C	C1	HC or B	D1	12.729		
Côte d'Ivoire	C	C1	HC or B	D1	12.690		

OPTION 3							
Country	Current List	Current Sub-list	2016 Lending terms	New List or Sub-list	Total Votes	Board Members & Alternates from 1 March 2016	
United Republic of Tanzania	C	C1	HC or B	D1	12.684		
Niger	C	C1	HC or B	D1	12.633		
Senegal	C	C1	HC or B	D1	12.523		
Guinea	C	C1	HC or B	D1	12.389		
Congo	C	C1	HC or B	D1	12.388		
Rwanda	C	C1	HC or B	D1	12.356		
Mauritania	C	C1	HC or B	D1	12.304		
Madagascar	C	C1	HC or B	D1	12.293		
Lesotho	C	C1	HC or B	D1	12.279		
Zambia	C	C1	HC or B	D1	12.278		
Mozambique	C	C1	HC or B	D1	12.276		
Togo	C	C1	HC or B	D1	12.247		
Burkina Faso	C	C1	HC or B	D1	12.246		
Uganda	C	C1	HC or B	D1	12.224		
Benin	C	C1	HC or B	D1	12.224		
Chad	C	C1	HC or B	D1	12.221		
Gambia (The)	C	C1	HC or B	D1	12.216		
Mali	C	C1	HC or B	D1	12.207		
Liberia	C	C1	HC or B	D1	12.188		
Ethiopia	C	C1	HC or B	D1	12.174		
Burundi	C	C1	HC or B	D1	12.143		
Malawi	C	C1	HC or B	D1	12.114		
Djibouti	C	C1	HC or B	D1	12.104		
Eritrea	C	C1	HC or B	D1	12.096		
Cabo Verde	C	C1	HC or B	D1	12.087		
Guinea-Bissau	C	C1	HC or B	D1	12.081		
Comoros	C	C1	HC or B	D1	12.079		
Central African Republic	C	C1	HC or B	D1	12.078		
Sierra Leone	C	C1	HC or B	D1	12.077		
South Sudan	C	C1	HC or B	D1	12.074		
Somalia	C	C1	HC or B	D1	12.074		
Sao Tome and Principe	C	C1	HC or B	D1	12.070		
<b>Total List D1</b>	<b>A</b>			<b>10.90%</b>	<b>540.532</b>		
India	C	C2	HC or B	D2	106.895	D	
Pakistan	C	C2	HC or B	D2	22.672	A	
Sri Lanka	C	C2	HC or B	D2	15.511		
Bangladesh	C	C2	HC or B	D2	13.830		
Cambodia	C	C2	HC or B	D2	13.641		
Yemen	C	C2	HC or B	D2	13.632		

OPTION 3							
Country	Current List	Current Sub-list	2016 Lending terms	New List or Sub-list	Total Votes	Board Members & Alternates from 1 March 2016	
Viet Nam	C	C2	HC or B	D2	13.045		
Syrian Arab Republic	C	C2	HC or B	D2	12.628		
Nepal	C	C2	HC or B	D2	12.451		
Timor-Leste	C	C2	HC or B	D2	12.449		
Lao People's Democratic Republic	C	C2	HC or B	D2	12.430		
Myanmar	C	C2	HC or B	D2	12.160		
Democratic People's Republic of Korea	C	C2	HC or B	D2	12.146		
Maldives	C	C2	HC or B	D2	12.146		
Bhutan	C	C2	HC or B	D2	12.141		
Papua New Guinea	C	C2	HC or B	D2	12.130		
Republic of Moldova	C	C2	HC or B	D2	12.097		
Tonga	C	C2	HC or B	D2	12.090		
Samoa	C	C2	HC or B	D2	12.088		
Uzbekistan	C	C2	HC or B	D2	12.079		
Kiribati	C	C2	HC or B	D2	12.077		
Mongolia	C	C2	HC or B	D2	12.076		
Solomon Islands	C	C2	HC or B	D2	12.074		
Micronesia (Federated States of)	C	C2	HC or B	D2	12.072		
Tajikistan	C	C2	HC or B	D2	12.072		
Afghanistan	C	C2	HC or B	D2	12.070		
Kyrgyzstan	C	C2	HC or B	D2	12.070		
Marshall Islands	C	C2	HC or B	D2	12.070		
Tuvalu	C	C2	HC or B	D2	12.070		
Vanuatu	C	C2	HC or B	D2	12.070		
<b>Total List D2</b>	A			<b>9.65%</b>	<b>478.982</b>		
Guyana	C	C3	HC or B	D3	13.638		
Bolivia (Plurinational State of)	C	C3	HC or B	D3	12.613		
Nicaragua	C	C3	HC or B	D3	12.375		
Honduras	C	C3	HC or B	D3	12.362		
Haiti	C	C3	HC or B	D3	12.140		
Grenada	C	C3	HC or B	D3	12.098		
Dominica	C	C3	HC or B	D3	12.090		
Saint Lucia	C	C3	HC or B	D3	12.078		
Saint Vincent and the Grenadines	C	C3	HC or B	D3	12.070		
<b>Total List D3</b>				<b>2.25%</b>	<b>111.464</b>		
	TOTAL				<b>4961.026</b>		

List or Sub-list	Voting power %	Voting power % times 36	1st alloc.	Remainder	2nd alloc.	Board Seats	Members
A	47.26%	17.0142339	16	1.0142339		16	25
B	7.86%	2.8292879	2	0.8292879		2	4
C1	4.58%	1.64909491	0	1.6490949	2	2	14
C2	9.07%	3.26493705	2	1.2649371	2	4	30
C3	8.43%	3.0354262	2	1.0354262		2	24
D1	10.90%	3.9224065	2	1.9224065	2	4	40
D2	9.65%	3.47576519	2	1.4757652	2	4	30
D3	2.25%	0.80884833	0	0.8088483	2	2	9
			26		10	36	176

## Annex 5

**DRAFT QUESTIONNAIRE**

**To survey members on whether or not to extend replenishment cycle from three years to four years**

**Purpose of this questionnaire: IFAD's Working Group on Governance Issues is considering whether or not to recommend that the replenishment cycle of IFAD be extended from three years to four years. An extension would have a number of benefits for Members (e.g., providing funding for longer development programmes) and for IFAD (e.g., reducing the administrative burden and cost of such an extensive process for a comparatively small institution). In order to test the interest of such a reform, the Working Group is kindly requesting you to answer this short questionnaire. **Your answers are purely for indicative purposes and do not constitute a vote or an undertaking on the part of the IFAD Member State you represent to adopt such a position when this issue is discussed at IFAD.****

**Name of IFAD Member State:**

**Aggregate amount of contributions in IFAD10:**

**Aggregate amount of contributions in IDA17:**

**Aggregate amount of contributions in AfDF13:**

**1. Do you think that the Member would be in favour of extending the replenishment cycle from three years to four years:**

**YES          NO                  INDIFFERENT                  I DON'T KNOW**

**2. Do you think that the extension of the IFAD replenishment cycle might cause serious problems from an administrative, budgetary and parliamentary point of view?**

**YES                                  NO                                  I DON'T KNOW**

**3. Do you think that, if the IFAD replenishment cycle was extended from three years to four years, the Member would be likely to provide at least the same amount of contribution PER YEAR as was contributed in IFAD10?**

**YES                                  NO                                  I DON'T KNOW**

**4. If you have answered NO to question 3, would the reason for such reduction in the annual amount contributed be due to the extension of the IFAD replenishment cycle?**

**YES                                  NO**

5. If you have answered NO to question 3, would the reason for such reduction in the annual amount contributed be due to other reasons such as:

- ADMINSTRATIVE, BUDGETARY & PARLIAMENTARY PROCESSES
- INSUFFICIENT AMOUNT OF RESOURCES TO CONTRIBUTE
- LACK OF INTEREST IN IFAD'S PROGRAMMES
- OTHER (specify)

6. Would your answer to question 1 be different if AfDF, IDA and IFAD all extended their replenishment cycle from three years to four years in a coordinated manner?

YES

NO

NOT NECESSARILY

7. If the IFAD replenishment cycle was extended from three years to four years, do you think the Member would be in favour of a similar reform?

- AT AfDF AND IDA
- AT AfDF ONLY
- NEITHER AT AfDF NOR AT IDA

8. If you have answered "AT AfDF ONLY" or "NEITHER AT AfDF NOR AT IDA" to question 7, would the reason for such difference of treatment be:

- ADMINSTRATIVE, BUDGETARY & PARLIAMENTARY PROCESSES
- LARGER AMOUNTS OF CONTRIBUTIONS TO AfDF/IDA MAKE IT MORE APPROPRIATE NOT TO EXTEND AfDF/IDA CYCLES
- OTHER (specify)

Form filled in by:

Full Name of Official:

Title of Official:

Work email address of Official:

**Table 1 - Voting power and representation of member groups at the Board of Directors of IFAD and IFIs in peer group**

Name	Funding	Members	Groups of Members	Voting power	Total Board	Charter allocation of Board seats	Majority for Board's ordinary decisions
IFAD	Replenishment	176	A 25 B 12 C 139	47.2% 14.5% 38.3%	18 members & 18 alternates with speaking rights	8 members & 8 alternates 4 members & 4 alternates 6 members & 6 alternates	60% of votes cast if more than 50% of total voting power
AfDF	Replenishment	81	A AfDB B 27 State Participants (Non-Regional)	50% 50%	14	7 Regional EDs of AfDB 7 State Participants	75% of total voting power
AsDB AsDF	Capitalisation Replenishment	67	A 48 Regional members B 19 Non-Regional members	65% 35%	12	8 4	Majority of voting power represented at meeting
EBRD	Capitalisation	67	A 13 EU members B 9 Non-EU European members C 37 Recipient members D 8 Non-European members	51% 10% 15% 24%	23	11 4 4 4	Majority of votes cast
GEF	Replenishment	183	A Non-Recipient members B Africa C Asia & Pacific D Latin America E C&E Europe & FSU		32	14 4 6 6 2	60% of voting members of Council representing 60% of the voting power
GFATM	Replenishment		A Implementing countries B Donor countries C NGOs		20	7 8 3 (with A) and 2 (with B)	2/3 of members in each of 2 groups of 10 members (1: 7A+3C) - (2: 8B+2C)
IBRD	Capitalisation	188	A Members with 5 largest shareholdings B All others	40% 60%	25	6 19	Majority of votes cast
IDA	Replenishment	173	A Members with 5 largest shareholdings B All others	34% 56%	25	6 same as IBRD EDs 19 same as IBRD EDs	Majority of votes cast
IDB FSO	Capitalisation Replenishment	44	A 26 Borrowing Regional members. B 2 Non-Borrowing Regional members C 16 Non-Regional members	50% 34% 16%	14	None (in fact 9) 1 for largest shareholder B+C: at least 3 (in fact 4)	IDB: Majority of total voting power FSO: 75% of total voting power
IFC	Capitalisation	184	A Members with 5 largest shareholdings B All others	43% 57%	25	6 same as IBRD EDs 19 same as IBRD EDs	Majority of votes cast

**Table 2 - Extensions of replenishment cycles at IFAD and IFIs in peer group**

<b>Name</b>	<b>Cycle</b>	<b>Extension</b>	<b>When</b>	<b>Annualised volume of replenishment before and after cycle extension</b>	<b>Percentage increase</b>
<b>International Fund for Agricultural Development (IFAD)</b>	3 years	Under review	2015	n/a	n/a
<b>African Development Fund (AfDF)</b>	3 years	Considered and rejected	2009	n/a	n/a
<b>Asian Development Fund (AsDF)</b>	3 years (AsDF 2)	4 years (AsDF 3)	1979	AsDF 2: US\$0.415 billion AsDF 3: US\$0.5 billion	+20%
<b>European Development Fund (EDF)</b>	5 years (EDF 9)	6 years (EDF 10)	2008	EDF 9: €2.76 billion EDF 10: €3.78 billion	+37%
<b>European Development Fund (EDF)</b>	6 years (EDF 10)	7 years (EDF11)	2014	EDF 10: €3.78 billion EDF 11: €4.35 billion	+15%
<b>Global Environment Facility (GEF)</b>	4 years	–	–	n/a	n/a
<b>Global Fund to fight AIDS, tuberculosis, and malaria (GFATM)</b>	3 years	–	–	n/a	n/a
<b>InterAmerican Development Bank's Fund for Special Operations</b>	irregular	–	–	n/a	n/a
<b>International Development Association (IDA)</b>	3 years	Considered and rejected	2001	n/a	n/a



**Table 3 - Comparison of cost per IFAD replenishment depending on length of cycle and number of meetings**

Cycle	Over 12 Years	No. of Meetings p.a.	Direct costs per replenishment	Total direct costs over 12 years	Savings over 12 years
3 years	4 replenishments	4	US\$ 1,000,000	US\$ 4,000,000	<b>0%</b>
3 years	4 replenishments	3	US\$ 750,000	US\$ 3,000,000	<b>25%</b>
4 years	3 replenishments	4	US\$ 1,000,000	US\$ 3,000,000	<b>25%</b>
4 years	3 replenishments	3	US\$ 750,000	US\$ 2,250,000	<b>45%</b>

**Table 4 – Coordination of replenishment cycles of IFAD and IFIs in peer group**

	Replenishment period		When negotiations took place	Number of meetings
<b>IFAD</b>	IFAD 10	2016 to 2018	Feb. 2014 to Dec. 2014	4
<b>AfDF</b>	AfDF 13	2014 to 2016	Feb. 2013 to Dec. 2013	3
<b>AsDF</b>	AsDF 11	2013 to 2016	Sep. 2011 to May 2012	3
<b>EDF</b>	EDF 11	2014 to 2020	June 2011 to June 2013	–
<b>GEF</b>	GEF 6	July 2014 to June 2018	Apr. 2013 to Apr. 2014	4
<b>GFATM</b>	GF4	2014 to 2016	Mar. 2013 to Dec. 2013	2
<b>IDA</b>	IDA 17	July 2014 to June 2017	Mar. 2013 to Dec. 2013	4