

THE REVIEW OF IFAD'S RESOURCE REQUIREMENTS
AND RELATED GOVERNANCE ISSUES

Resolution 80/XVII

The Review of IFAD's Resource Requirements and Related Governance Issues

The Governing Council of IFAD,

Reaffirming its unanimous support for IFAD and its mandate to fight hunger and alleviate poverty and noting with great satisfaction IFAD's continued progress in discharging effectively that mandate;

Noting with great concern the increased difficulties which IFAD has faced in mobilizing resources for replenishment, particularly for the Fourth Replenishment of IFAD's Resources, which seriously affects IFAD's ability to maintain its operations at an appropriate level;

Bearing in mind Article 4, Section 3, of the Agreement Establishing IFAD, which provides that, in order to assure continuity in IFAD's operations, the Governing Council shall periodically review the adequacy of the resources available to IFAD;

Having considered the Report of the Consultation on the Fourth Replenishment of IFAD's Resources, contained in document GC 17/L.6;

Having considered the President's Memorandum on a Review of IFAD's Resource Requirements and Related Governance Issues, contained in document GC 17/L.7;

Taking into account the views expressed by Member States at the Seventeenth Session of the Governing Council on IFAD's resource requirements and related governance issues;

Decides that:

1. A Special Committee of the Governing Council (hereinafter referred to as "the Special Committee") shall be established, consisting of twelve (12) Members from each of Categories I, II and III, respectively, and be under the joint chairmanship of the Chairman of the Governing Council and the President of IFAD.
2. The Terms of Reference of the Special Committee shall be as outlined in the attachment to this Resolution (Attachment).
3. The Special Committee shall transmit its report and recommendations (hereinafter referred to as "the Report") to the Governing Council at its Eighteenth Session, through the Executive Board. Upon the completion of its substantive work, the joint Chairmen of the Special Committee shall prepare and transmit a summary of the conclusions thereon to the Consultation on the Fourth Replenishment of IFAD's Resources, so as to enable the Consultation to complete its work prior to the Eighteenth Session of the Governing Council. To that end, decisions on issues which may affect the Fourth Replenishment of IFAD's Resources shall be completed as expeditiously as possible so as to enable decisions on the Fourth Replenishment to be taken by the Eighteenth Session of the Governing Council.

4. The President of IFAD shall, inter alia, decide the dates and venue of each session of the Special Committee, so that the work of the Special Committee can be completed expeditiously. In order to proceed efficiently, the Chairman of the Governing Council, the Convenors of each Category and the President of IFAD are requested to put forward concrete proposals based on the outcome of the previous session of the Special Committee for consideration at its next session.
5. The Special Committee shall hold its first session as promptly as possible and thereafter shall meet as frequently as may be necessary to complete its work.
6. The Executive Board, in transmitting the Report, shall also transmit proposals for the amendment, if any, of the Agreement Establishing IFAD to the Governing Council.
7. The President of IFAD shall be requested to keep the Executive Board informed on the progress of the deliberations of the Special Committee.
8. The President of IFAD shall be requested to provide such assistance to the Special Committee as may be necessary for the effective and efficient discharge of its functions.
9. The Executive Board shall be requested to review the following programme and operational matters:
 - (a) the possible involvement of IFAD in the supervision of the implementation of projects which it has financed;
 - (b) the relationship between IFAD and institutions with which it cooperates in undertaking projects; and
 - (c) country eligibility and concentration, and sectoral and sub-sectoral concentration, with emphasis on the poorest countries and related matters.

To that end, the Executive Board shall submit its recommendations thereon, including such amendments to the Agreement Establishing IFAD as it may deem necessary, to the Eighteenth Session of the Governing Council. Concurrently, the Executive Board shall transmit the report to the Special Committee as soon as it has been prepared, so as to enable the Special Committee to take any action which may be relevant to its recommendations to the Governing Council.
10. The Executive Board shall, in proposing amendments to the Agreement Establishing IFAD in accordance with paragraphs 6 and 9 of this Resolution, consolidate such proposed amendments into a single document for submission to the Governing Council at its Eighteenth Session.

ATTACHMENT

TERMS OF REFERENCE OF THE SPECIAL COMMITTEE OF THE
GOVERNING COUNCIL ON THE REVIEW OF IFAD'S RESOURCE
REQUIREMENTS AND RELATED GOVERNANCE ISSUES

1. Under the joint chairmanship of the Chairman of the Governing Council and the President of IFAD, the Special Committee shall review the following issues relating to IFAD's resource requirements and related governance issues:

- (a) the modalities of financing IFAD's operations;
- (b) the voting rights of Member States; and
- (c) the composition of the Executive Board.

2. The Special Committee shall examine the current modalities of financing IFAD's operations and suggest, if necessary, a new framework therefor, giving due consideration to the following:

- (a) IFAD's effectiveness in terms of minimum annual lending levels and the implications of these lending levels for replenishments, and, in particular, the prospects for providing funds for the Fourth Replenishment of IFAD's Resources; and
- (b) policies on liquidity and loan reflows, and their relationship to IFAD's replenishment requirements.

3. In reviewing the voting rights of Member States, the Special Committee shall address the following questions:

- (a) the appropriate relationship between contributions and voting rights;
- (b) incentives for individual contributions to IFAD by Member Countries, especially developing countries;
- (c) the important role of developing countries in the governance of IFAD; and
- (d) the problem of arrears in the payment of contributions, as well as against drawdown calls and mechanisms for adjusting the votes of Members in arrears.

4. On the question of the composition of the Executive Board, the Special Committee shall, in particular, examine the following aspects:

- (a) the appropriate relationship between voting rights and Executive Board representation; and
- (b) the degree to which voting rights/contributions should be a consideration in the membership of the Executive Board.

5. In carrying out its work, the Special Committee shall give due attention to those issues which have a bearing on the Fourth Replenishment of IFAD's Resources with a view to formulating its recommendations thereon for consideration by the Governing Council at its Eighteenth Session.

Upon adopting Resolution 80/XVII, the Governing Council decided to appoint the following Members to the Special Committee:

Composition of the Special Committee of the Governing Council
on the Review of IFAD's Resource Requirements and Related Governance Issues

Category I

Canada
Denmark
France
Germany
Italy
Japan
Netherlands
Norway
Sweden
Switzerland
United Kingdom
United States

Category II

Algeria
Gabon
Indonesia
Iran
Iraq
Kuwait
Libyan Arab Jamahiriya
Nigeria
Qatar
Saudi Arabia
United Arab Emirates
Venezuela

Category III

Africa:

Cameroon
Egypt
Kenya
Senegal

Asia:

India
Pakistan
Philippines
Turkey

Latin America and the Caribbean:

Brazil
Costa Rica
Mexico
Panama