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IFAD
INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

GOVERNING COUNCIL

TWENTY-NINTH SESSION REPORT

ROME, 15-16 FEBRUARY 2006

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Bureau of the Governing Council



Outgoing Chairperson
H.E. José Carlos da Rocha Miranda,
Alternate Governor of the
Federative Republic of Brazil to IFAD



Newly-elected Chairperson
H.E. Matthew Wyatt,
Ambassador of the United Kingdom of
Great Britain and Northern Ireland to the
United Nations Food and Agriculture Agencies in Rome



Vice-Chairperson,
H.E. Sultan bin Hassan al-Dhabit al-Dousari
Minister for Municipal Affairs and Agriculture
of the State of Qatar



Vice-Chairperson,
H.E. Mohammad Makhles-ur-Rahman
Joint Secretary, Economic Relations Division,
Ministry of Finance and Planning
of the People's Republic of Bangladesh

CHAPTER 1

INAUGURATION AND PROCEEDINGS

1. The twenty-ninth session of the Governing Council of IFAD was held in Rome on 15-16 February 2006. The list of participants is attached as Annex I.

2. The Council held a total of four meetings, the summary records of which are contained in chapter 3, part A.

A. Opening of the session

3. The session was opened by Mr José Carlos da Rocha Miranda, Alternate Governor of IFAD for the Federative Republic of Brazil, on behalf of the outgoing Chairperson of the Council.

B. Agenda and documentation

4. At the request of several Member States from Lists B and C, an item on IFAD's response to the avian influenza crisis was included on the agenda of the twenty-ninth session of the Governing Council. The Governing Council adopted the revised agenda, shown together with the programme of events for the session in Annex II. The documents placed before the Council are listed in Annex III. The resolutions adopted by the Governing Council appear in Annex IV.

C. Election of the Bureau of the Governing Council

5. In accordance with Rule 12 of the Rules of Procedure of the Governing Council, an election was held by the Council from among its Governors for a new Bureau, for a term of office of two years, with results as follows:

Chairperson: His Excellency
Matthew Wyatt
Ambassador of the United Kingdom
of Great Britain and Northern Ireland
to the United Nations Food and
Agriculture Agencies in Rome

Vice-Chairpersons: His Excellency
Sultan bin Hassan al-Dhabit al-Dousari
Minister for Municipal Affairs
and Agriculture
of the State of Qatar

His Excellency
Mohammad Mokhles-ur-Rahman
Joint Secretary
Economic Relations Division
Ministry of Finance and Planning
of the People's Republic of Bangladesh

6. Prior to continuing with the business of the session, the newly elected Chairperson invited the Council to observe one minute's silence in memory of Mr Christian Codrai, General Counsel, a long-standing and valued staff member of IFAD, who died unexpectedly on 2 February.

D. Inaugural meeting of the session

7. The Governing Council was addressed by the Honourable Lyonpo Sangay Ngedup, Prime Minister and Minister for Agriculture of the Kingdom of Bhutan. The full text of Prime Minister Ngedup's inaugural address is reproduced in chapter 4.

8. A message from His Excellency Kofi Annan, Secretary-General of the United Nations, was delivered on his behalf by the Chairperson of the Governing Council, the full text of which is reproduced in chapter 4.

9. A message from the Government of Italy was conveyed to the Governing Council by the Honourable Michele Vietti, Undersecretary of State of the Ministry of Economy and Finance, and Governor of IFAD for the Republic of Italy. This statement is reproduced in full in chapter 4.

10. Mr David Harcharik, Deputy Director-General, delivered a message from Mr Jacques Diouf, Director-General of the Food and Agriculture Organization of the United Nations. A message from Mr James T. Morris, Executive Director of the World Food Programme, was delivered on his behalf by Mr Jean-Jacques Graisse, Senior Deputy Executive Director. These statements are reproduced in full in chapter 4.

E. Statement by the President of IFAD

11. The full text of President Båge's statement to the Governing Council appears in chapter 4.

F. General statements

12. The general statements delivered by Governors in the plenary session and the panel discussions are summarized in the summary records contained in chapter 3, part A; summaries of the three round-table discussions are given in chapter 3, part B; and general statements submitted in writing by Member State representatives who did not make oral presentations are reproduced in full in chapter 3, part C. A synthesis of the deliberations of the Farmers' Forum, a side event held on 13 and 14 February 2006, is included in chapter 4.

G. Closure of the session

13. The Chairperson summarized the results of the Council's main deliberations and then closed the twenty-ninth session of the Governing Council. The text of his statement is reproduced in full in chapter 4.

CHAPTER 2

DECISIONS OF THE GOVERNING COUNCIL

A. Application for non-original membership

14. The Governing Council considered document GC 29/L.2 and, on 15 February 2006, adopted Resolution 140/XXIX approving the membership of Niue.

15. The Council noted that Niue would be admitted as a non-original member in the Fund's List C (sub-List C2) Member States, as agreed upon with the members of that List.

B. Report on the Sixth Replenishment of IFAD's resources

16. The Governing Council reviewed the progress report on the Sixth Replenishment of IFAD's resources contained in documents GC 29/L.3 and GC 29/L.3/Add.1, noting that total pledges, including complementary contributions, amounted to USD 509.1 million equivalent, representing 91% of the target amount of USD 560 million. The aggregate amount of instruments of contribution deposited and payments not supported by instruments of contribution amounted to USD 451.7 million equivalent, or 89% of pledges. Payments in cash and promissory notes amounted to USD 354.4 million equivalent, or 70% of pledges.

17. The Council further noted that subsequent to the issuance of GC 29/L.3/Add.1, an additional payment for the Sixth Replenishment had been received from Portugal and that Germany had deposited a promissory note, effective 18 February 2006, in payment of its last instalment to the Sixth Replenishment, thus increasing the total amount of payments received as at 18 February to USD 368.6 million, or 72% of pledges. Out of the total pledges received for the Sixth Replenishment, pledges of complementary contributions amounted to USD 28.9 million equivalent, of which USD 18 million equivalent, or 62%, had been paid.

C. Seventh Replenishment of IFAD's resources

18. The Governing Council reviewed and approved document GC 29/L.4 entitled "IFAD's Contribution to Reaching the Millennium Development Goals: Report of the Consultation on the Seventh Replenishment of IFAD's Resources (2007-2009)", which would form the basis of the Fund's operations. The Council noted the specific policy issues identified by the Consultation that needed to be addressed during the Seventh Replenishment period and expressed its appreciation for the direction that the Consultation had provided with regard to these issues.

19. The Council also reviewed document GC 29/L.4/Add.1 and, on 16 February 2006, adopted Resolution 141/XXIX on the Seventh Replenishment of IFAD's Resources. It welcomed the timely completion of the negotiations for the Seventh Replenishment in less than one year. It was agreed that, while the target level of USD 800 million would be maintained for the Seventh Replenishment, the structural gap would not exceed 15% of the target level.

20. The Governing Council delegated to the President of IFAD the authority to adjust the target level at the end of the six-month period for the creation of new votes, so that the total amount of the pledges received as at that date represented 85% of the adjusted target. If such an adjustment were necessary, the President would communicate the new target level to the Governors and the replenishment resolution would be amended accordingly.

D. Audited financial statements of IFAD for 2004

21. The Governing Council considered and approved the financial statements showing the financial position of IFAD as at 31 December 2004 and the results of its operations for the year ended on that date, as contained in Appendixes A to H, inclusive, of document GC 29/L.5 and the report of the external auditor thereon.

E. Administrative budget of IFAD and its Office of Evaluation for 2006

22. After considering the proposed administrative budget of IFAD and its Office of Evaluation for 2006, as presented in document GC 29/L.6, the Governing Council adopted Resolution 142/XXIX relating thereto on 16 February 2006. The United States of America registered a negative vote on the Fund's administrative budget.

F. Election of members and alternate members of the Executive Board

23. In accordance with Rule 40.2 of the Rules of Procedure of the Governing Council, and after considering documents GC 29/L.7 and GC 29/L.7/Add.1, the Governing Council elected, on 16 February 2006, new members and alternate members to the Executive Board for terms of office of three years.

24. Within List A countries: Canada, France, Germany, Italy, Japan, Norway, the United Kingdom of Great Britain and Northern Ireland, and the United States of America were elected as members; and as alternate members, respectively, Finland, Belgium, Switzerland, Greece, Denmark, Sweden, the Netherlands and Spain. The Governing Council further decided that the Netherlands and the United Kingdom would alternate seats, i.e. the Netherlands would be member and United Kingdom alternate member for the last two years of the term of office, i.e. 2007-2008.

25. Within List B countries, Kuwait, Nigeria, Saudi Arabia and the Bolivarian Republic of Venezuela were elected as members and the following as alternate members, respectively: the United Arab Emirates, Qatar, Indonesia and Algeria. It was agreed that this composition would be effective for a one-year period. Any changes to or confirmation of this composition for the second and third year of the term would be submitted to the relevant session of the Governing Council for election.

26. Within sub-List C1 countries in the Africa region: Egypt and South Africa were elected as members; and as alternate members, respectively, Mali and Cameroon.

27. Within sub-List C2 countries in the Europe, Asia and the Pacific region, China and India were elected as members and the following countries as alternate members: Pakistan as alternate member to China; and Turkey as alternate to India for the first year, to be replaced by Yemen in 2007 and the Republic of Korea in 2008.

28. Within sub-List C3 countries in the Latin America and the Caribbean region: Brazil and Mexico were elected as members; and as alternate members, respectively, Guatemala and Argentina.

29. Accordingly, the composition of the Executive Board elected at the Governing Council is as follows:

**EXECUTIVE BOARD COMPOSITION
FOR THE THREE-YEAR TERM 2006-2008**

Member	Alternate Member
LIST A	
Canada	Finland
France	Belgium
Germany	Switzerland
Italy	Greece
Japan	Denmark
Norway	Sweden
Netherlands (2007-2008)	United Kingdom of Great Britain and Northern Ireland (2007-2008)
United Kingdom of Great Britain and Northern Ireland (2006)	Netherlands (2006)
United States of America	Spain

(The Netherlands and the United Kingdom will alternate seats for the years 2007-2008.)

LIST B

Kuwait	United Arab Emirates
Nigeria	Qatar
Saudi Arabia	Indonesia
Venezuela (Bolivarian Republic of)	Algeria

(The Governing Council agreed that this composition would be effective for a one-year period. It further decided that any changes to or confirmation of the above composition for the second and third year of the term would be submitted to the relevant session of the Governing Council for election.)

LIST C

SUB-LIST C1

Africa

Egypt	Mali
South Africa	Cameroon

SUB-LIST C2

Europe, Asia and the Pacific

China	Pakistan
India	Turkey (2006)
	Yemen (2007)
	Republic of Korea (2008)

SUB-LIST C3

Latin America and the Caribbean

Brazil	Guatemala
Mexico	Argentina

G. Report and recommendation of the Executive Board on supervision

30. The Council considered the report and recommendation of the Executive Board on supervision as contained in document GC 29/L.8 and, recognizing the benefits of IFAD's increased involvement in the supervision of its projects and programmes, adopted Resolution 143/XXIX on 16 February 2006 enabling the Fund to engage in the direct supervision of project implementation upon the authorization of the Board.

H. Progress report on implementation of the Performance-Based Allocation System

31. The Governing Council took note of documents GC 29/L.9 and GC 29/L.9/Add.1 providing a report on the implementation of the Performance-Based Allocation System, which became fully operational in 2005, together with the results of the performance assessment and resource-allocation cycle, 2005 country scores and 2006 annual allocations.

I. Report on the implementation of phase I of the Process Re-Engineering Programme (Strategic Change Programme)

32. The Governing Council took note of the report on the implementation of phase I of the Process Re-Engineering Programme (Strategic Change Programme [SCP]) contained in document GC 29/L.10 and urged the Fund to build on the SCP in the implementation of its Action Plan for Improving its Development Effectiveness.

J. Progress report on the International Land Coalition

33. The Governing Council took note of the report contained in document GC 29/L.11, summarizing the International Land Coalition's efforts to improve the secure access by rural poor households to natural resources, especially land.

K. Progress report on the Global Mechanism of the United Nations Convention to Combat Desertification

34. The Council took note of the report, contained in document GC 29/L.12, on the Global Mechanism's operating activities in 2005, outlining its consolidated strategy and enhanced approach, as endorsed by the Conference of the Parties to the United Nations Convention to Combat Desertification. A statement was made on behalf of the Group of Latin American and Caribbean Countries (GRULAC) to voice the group's concern at the decision to eliminate the programme position for the Latin American and the Caribbean region. Both GRULAC and the Global Mechanism were open to further discussions in this regard.

L. Other Business

(a) Report on IFAD's response to the avian influenza crisis

35. The Governing Council noted the oral report provided on IFAD's response to the avian influenza crisis and welcomed the initiatives that had already been taken by the Fund in partnership with other organizations.

(b) Approval of disclosure of documents

36. The Governing Council approved the disclosure of all the documents submitted to the session and noted that they would subsequently be posted on IFAD's public website.

CHAPTER 3

A. SUMMARY RECORDS

(including a summary of general statements delivered by Governors)

- (i) Summary Record of the First meeting of the Twenty-ninth Session held on Wednesday, 15 February 2006, at 10.00 hours

OUTGOING CHAIRPERSON: **JOSÉ CARLOS DA ROCHA MIRANDA (BRAZIL)**
CHAIRPERSON **MATTHEW WYATT (UNITED KINGDOM OF GREAT
BRITAIN AND NORTHERN IRELAND)**

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37. **The meeting was called to order at 10.20 hours.**

OPENING OF THE SESSION (agenda item 1)

38. **Mr DA ROCHA MIRANDA** (Brazil), speaking on behalf of the outgoing Chair, declared open the twenty-ninth session of the Governing Council and welcomed participants. Referring to the theme of the current session's panel discussion, he stressed the need to find innovative ways of overcoming the obstacles to poverty eradication and to use the opportunity offered by the session for Member States to learn from each other's experience. The Governing Council had a responsibility to IFAD and its beneficiaries, and he urged all the Governors to ensure that the session was a successful and productive one. He drew attention to three important issues for the future of the Fund's work. First, IFAD could attain its objective of enabling the rural poor to overcome poverty and achieve food security only if it maintained its very specific character as a multilateral and universal cooperation fund. Second, the Performance-Based Allocation System (PBAS) should be understood as a country's system of comparison and allocation across the lending programme as a whole, with priorities reflected in the regional distribution of assistance: hasty measures might prove unconstructive. Third, globalization excluded the rural poor from its benefits and exacerbated environmental problems. More than 100 million people around the world, including in Latin America and the Caribbean, were at risk of forced migration because of desertification. IFAD must continue its commitment to combating desertification and supporting related projects.

ADOPTION OF THE AGENDA (agenda item 2) (GC 29/L.1)

39. **Mr DA ROCHA MIRANDA** (Brazil) said that a number of countries from Lists B and C had requested the inclusion of an item on avian influenza. He took it that the Governing Council agreed to that request, in accordance with Rule 9.3 of the Rules of Procedure.

40. **The agenda (GC 29/L.1), as orally amended, was adopted.**

ELECTION OF THE BUREAU OF THE GOVERNING COUNCIL (agenda item 3)

41. **Mr DA ROCHA MIRANDA** (Brazil) announced that, pursuant to Rule 12 of the Rules of Procedure, the Governing Council should elect a Bureau consisting of a Chair and two Vice-Chairs to serve for a period of two years. He had been informed of the nomination of Mr Matthew Wyatt, Governor for the United Kingdom of Great Britain and Northern Ireland, for the office of Chair.

42. **Mr Matthew Wyatt (United Kingdom of Great Britain and Northern Ireland) was elected Chair of the Governing Council by acclamation.**

43. **Mr DA ROCHA MIRANDA** (Brazil) said that he had been informed of the nomination of Mr Sultan bin Hassan al-Dhabit al-Dousari, Governor for Qatar, and Mr Mohammad Makhles-ur-Rahman, Acting Governor for Bangladesh, for the offices of Vice-Chair.

44. **Mr Sultan bin Hassan al-Dhabit al-Dousari (Qatar) and Mr Mohammad Makhles-ur-Rahman (Bangladesh) were elected Vice-Chairs of the Governing Council by acclamation.**

45. **Mr Wyatt (United Kingdom of Great Britain and Northern Ireland) took the Chair.**

46. **The Chair** said that he was truly honoured to take up the office of Chair of the Governing Council and grateful for the confidence placed in him and indeed in the other members of the Bureau.

47. The year 2005 had been a pivotal one in terms of assessing the progress made by the international community in promoting sustainable development and the next steps to be taken to accelerate that process in the 10 years remaining for attainment of the Millennium Development Goals (MDGs), which would require progress simultaneously on many fronts. All countries must deliver on the commitments made, not only by providing the promised extra USD 50 billion per year but by redoubling their efforts to improve aid effectiveness.

48. Each Governor must deal with those issues in the specific context of IFAD and ensure that the Fund had the resources and tools to carry out its mandate. He therefore joined the outgoing Chair in calling on the Governing Council to make the session a successful and productive one.

TRIBUTE TO THE MEMORY OF MR CHRISTIAN CODRAI

49. **Mr BÅGE** (President of IFAD) paid tribute to the memory of Mr Christian Codrai, General Counsel, a long-standing and valued staff member of IFAD, who had died unexpectedly on 2 February, and extended deepest sympathy to his family, friends and colleagues.

50. **The CHAIR** invited the Governing Council to observe one minute's silence in memory of Mr Christian Codrai.

51. **The Governing Council observed one minute's silence in memory of Mr Christian Codrai.**

APPLICATION FOR NON-ORIGINAL MEMBERSHIP (agenda item 4) (GC 29/L.2)

52. **The CHAIR** invited the Governing Council to adopt the draft resolution contained in document GC 29/L.2, approving the non-original membership of Niue.

53. **Resolution 140/XXIX was adopted.**

54. **The CHAIR** asked the Governing Council to note that Niue would be admitted as a non-original member in the Fund's List C Member States, as agreed with the members of that List.

INAUGURAL ADDRESS BY THE PRIME MINISTER OF THE KINGDOM OF BHUTAN

55. **The Right Honourable Lyonpo Sangay Ngedup, Prime Minister and Minister for Agriculture of the Kingdom of Bhutan, was conducted to his seat.**

56. **Mr BÅGE** (President of IFAD) said that it was a great privilege to welcome Prime Minister Ngedup to the twenty-ninth session of the Governing Council. IFAD had been active in Bhutan for over 25 years in pursuit of the common goal of eradicating rural poverty. Prime Minister Ngedup had always underlined the importance of conserving natural resources and local traditions; he had also been an advocate of indigenous issues and the empowerment of women, areas of emphasis in the Fund's work in Asia. The Prime Minister had first addressed the Governing Council, as Minister for Agriculture and Governor for Bhutan, at its twenty-seventh session, when he had expressed a strong hope for his country's development. He had worked tirelessly to find sustainable solutions to problems and by his words and actions had encouraged the rural poor to look to their own potential.

57. **Mr NGEDUP** (Prime Minister and Minister for Agriculture of the Kingdom of Bhutan) delivered an inaugural address, the full text of which is reproduced in chapter 4. On concluding his address, he invited the Governing Council to view a video documentary on Bhutan's Triple Gem approach to the fight against rural poverty.

58. **A video documentary was screened.**

59. **The CHAIR** thanked Prime Minister Ngedup for his address and wished the Government of Bhutan every success in achieving its goals.

MESSAGE OF THE SECRETARY-GENERAL OF THE UNITED NATIONS

60. **The CHAIR** read out a message from Mr Kofi Annan, Secretary-General of the United Nations, the full text of which is reproduced in chapter 4.

MESSAGE FROM THE GOVERNMENT OF THE REPUBLIC OF ITALY

61. **Mr VIETTI** (Undersecretary of State, Ministry of Economy and Finance of the Republic of Italy) read out a message on behalf of the Government of Italy, the full text of which is reproduced in chapter 4.

62. **The CHAIR** thanked the Undersecretary of State on behalf of the Governing Council for a message which had reconfirmed yet again Italy's steadfast support for the Fund and its mandate.

STATEMENT BY THE PRESIDENT OF IFAD (agenda item 5)

63. **Mr BÅGE** (President of IFAD) made a statement, the full text of which is reproduced in chapter 4.

64. **The CHAIR** offered the Governing Council's thanks to Mr Båge for his management of the Fund and for his excellent account of its work, which had highlighted once again the dedication of the staff, the changing development context and the need to respond to new challenges. The members of the Governing Council looked forward to helping Mr Båge and his colleagues to realize the bold and demanding vision which he had outlined.

MESSAGE OF THE DIRECTOR-GENERAL OF THE FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS

65. **Mr HARCHARIK** (Deputy Director-General of the Food and Agriculture Organization of the United Nations) read out a message from Mr Jacques Diouf, Director-General of the Food and Agriculture Organization of the United Nations (FAO), the full text of which is reproduced in chapter 4.

66. **The CHAIR** thanked Mr Harcharik and asked him to convey the Governing Council's appreciation to Mr Diouf for his message and for the spirit of cooperation prevailing between IFAD and FAO.

MESSAGE OF THE EXECUTIVE DIRECTOR OF THE WORLD FOOD PROGRAMME

67. **Mr GRAISSE** (Senior Deputy Executive Director of the World Food Programme) delivered a message on behalf of Mr James Morris, Executive Director of the World Food Programme (WFP), the full text of which is reproduced in chapter 4.

68. **The CHAIR** thanked Mr Graisse and asked him to express the Governing Council's gratitude to Mr Morris for his message, which too had emphasized the importance of close collaboration among the Rome-based agencies.

GENERAL STATEMENTS (agenda item 6)

69. **Mr KRISTIADI** (Indonesia) said that IFAD tackled poverty not just as a lender but as an advocate of a better future for the rural poor, and had unique responsibilities in that regard. As the Convenor of List B he assured the Governing Council that the Member States of the Organization of the Petroleum Exporting Countries (OPEC) had been following closely the progress made by the Fund and were pleased that it had now firmly positioned itself as a pro-poor and pro-development institution. Indonesia continued to support reforms to enable IFAD to adapt to new challenges and maintain the principle of equitable distribution of resources and staffing composition among the regions. IFAD must now take the reform further and become more transparent and democratic. By eliminating any discontent among its Member States with regard to its performance the new IFAD would contribute to its own sustainability. The List B countries were committed to that endeavour.

70. The panel discussion theme was well chosen, for IFAD must champion new ideas to eliminate poverty and hunger. In terms of innovation, Indonesia emphasized the priority need to expand agricultural insurance, develop a warehouse receipts system, integrate border-area rural development programmes into a regional project, and optimize capacity-building programmes and representation among developing Member States. It was committed to supporting the Fund's effort to achieve the MDG of halving world poverty by 2015. His Government would welcome a commitment from the Governing Council to participate actively in programmes to combat the problem of avian influenza.

71. Through the Indonesian Technical Cooperation Programme, Indonesia had been sharing its development expertise and vision with other developing countries, but the programme could not be continued because of Indonesia's economic crisis. A solution might be to establish a tripartite mechanism, under which IFAD would provide the funds and a Member State its expertise, while other countries became the beneficiaries. In June 2005 his Government had initiated a revitalization programme targeted on the agriculture, fisheries and forestry sectors as part of a community-focused plan to stimulate economic growth and reduce poverty. Over the previous 28 years efforts had focused on the development of agricultural infrastructure and community empowerment and had produced many tangible benefits; Indonesia was grateful to IFAD for its partnership role.

72. The Indonesian Government reaffirmed its support for IFAD and called on Member States to help the Fund meet the target for the Seventh Replenishment of IFAD's resources. Despite the hardship resulting from the tsunami disaster it had decided to maintain a contribution of USD 5 million to that replenishment.

73. **Mr TABONG KIMA** (Cameroon) said that the panel discussion would be important for the continuing internal effort to redefine IFAD, and its conclusions would facilitate the preparation of the revised strategic framework. In most developing countries family farms had been working for generations without regard to sophisticated technological changes but in harmony with their level of development. However, their responses to the new environment of a globalizing world were not sufficient; hence the need for more creative and innovative solutions to the new economic challenges, to climate change and natural disasters, to pandemics such as HIV/AIDS, and now to the problem of avian influenza.

74. In the context of the report on the Seventh Replenishment, Cameroon applauded the completion of the Independent External Evaluation of IFAD and the Action Plan. The plan warranted support, for it identified ways for IFAD to enhance its country presence with a view to a constructive dialogue and improved support of project implementation and knowledge management.

75. Cameroon welcomed the Fund's commitment to participate in the Heavily Indebted Poor Countries (HIPC) Debt Initiative, especially in Africa, and it called on the international financial community to work with countries to achieve their completion points. IFAD should adopt a debt

sustainability framework for resource allocation; that would mean the revision of its grant financing policy, which should be entrusted to the Executive Board.

76. **Mr ZEON** (Republic of Korea) said that the community movement for rural development known as the “Saemaul Movement”, introduced by the Government in the 1970s, had become the foundation of his country’s remarkable economic growth. In the light of that approach the Republic of Korea had striven to help the Fund to attain its goals ever since its inception in 1978. The scale of recent natural disasters, the spread of infectious diseases such as HIV/AIDS and avian influenza, and the poverty caused by racial and regional conflicts required attention from the international community. Accordingly, his Government had provided aid totalling USD 78 million to affected countries in 2005. International expectations of IFAD had risen in step with the increased global interest in poverty and hunger reduction following the adoption of the MDGs. His Government had decided to contribute USD 3 million to the Seventh Replenishment, an increase of 20%.

77. IFAD differed from other international organizations in that it specialized in poverty reduction. It had indeed produced substantial results but needed to improve its operations. The expected increase of 42% in the Seventh Replenishment would provide a sound basis for the Fund’s work, but he cautioned against unnecessary budget increases and imprudent management of projects following budget expansion. IFAD must devise ways to make projects sustainable and measures to develop effective project administration.

78. The assistance afforded to tsunami-stricken countries demonstrated the possibilities of cooperation to eliminate poverty and hunger. The Republic of Korea had successful experience in overcoming its own poverty and was committed to the international cooperative effort.

79. **Mr MALTEZ** (Panama), speaking on behalf of the Group of Latin American and Caribbean Countries (GRULAC), said with reference to the Consultation on the Seventh Replenishment that the highest possible level of financing should be secured with a view to expansion of the Fund’s operations. The Independent External Evaluation had identified the main challenges and ways to improve the Fund’s functioning, and the Action Plan reflected its recommendations in several respects, including the validity of the Fund’s mandate. IFAD must continue to help all developing countries attain the MDGs.

80. However, the Fund was faced with several serious challenges. First, it must be determined whether the PBAS was consistent with the Fund’s objectives and functions, for it seemed that the smallest countries were suffering a drastic reduction of financial aid from IFAD. Many of the Latin American and Caribbean countries now had serious reservations about the PBAS. IFAD should not operate according to exclusively financial criteria: its purpose was to help poor farmers to break free from poverty and it should not be managed as a profit-making lending organization. Artificial criteria should not be used to promote the concentration and/or regionalization of resources, and mechanisms that established a kind of competition between the poor of different countries were not acceptable. The Group promoted solidarity among developing countries in all United Nations forums. In the case of IFAD that solidarity meant a net transfer of resources from the Latin America and the Caribbean region to other regions in an effective demonstration of the South/South cooperation principle. The Fund’s main assets were its multiregional character and its comparative advantage in terms of diversity. The experience of the GRULAC countries was highly positive and diversified and should be shared with other regions.

81. The Latin America and the Caribbean region strongly supported the proposals for a review of the voting system in IFAD and the functioning and composition of its governing bodies in order to enhance the Fund’s transparency and democracy. Countries large and small should have a voice in the decision-making process, especially in two critical areas. First, all the Members States should be supplied with up-to-date information on internal administrative processes. Secondly, the governing

bodies should be routinely open to scrutiny, with all Member States entitled to attend the Executive Board as observers with the right to speak on all agenda items. The Fund's managers must proceed with care when taking actions which might endanger its financial stability, such as those affecting grant arrangements and debt-repayment support. The best use must be made of available resources and the level of liquidity was adequate, but there were no guarantees concerning compensatory mechanisms to recover the flow of resources, especially those to be used on a non-reimbursable basis.

82. **Mr AL-DOUSARI** (Qatar) said that concrete measures were needed to speed up implementation of the development agenda set by the United Nations, including the MDGs, in particular those relating to hunger and poverty. Qatar had always attached particular importance to assistance for agricultural, economic and social development, as affirmed in such international forums as the Second South Summit, at which the Emir of Qatar had donated USD 20 million to establish a fund designed to achieve sustainable development in the countries of the South and had called on other countries to provide funding. The capacity of United Nations funds, programmes and agencies, including IFAD, should be increased with a view to providing a response to priorities and development needs in the developing countries. IFAD was currently in an important transition phase designed to further its contribution to achievement of the MDGs, particularly those relating to rural poverty.

83. From the outset, the OPEC countries which now constituted List B had supported the establishment of the Fund. In a spirit of partnership he therefore hoped that the Fund would continue to maintain the balance between the countries on the three lists in terms of recruitment, for instance, and take a more positive approach towards the List B countries in connection with general policymaking and preservation of the organizational and administrative balance, as well as the rights of the donor list countries to voting and to membership of the Executive Board. The OPEC countries would thus have an additional incentive to continue their outstanding and growing support for the Fund.

84. The agenda of the present session required more concerted efforts to achieve better outcomes. It was vital to ensure coordination at all levels and establish information-exchange mechanisms to give early warning of such dangerous new diseases as avian influenza, which could spread quickly and adversely affect social and economic development. In conclusion, he endorsed IFAD's programme of work for 2006 and affirmed full support for its President and staff.

85. **Mr IBÁÑEZ LÓPEZ-DÓRIGA** (Spain) said that his Government was making a great effort to increase its development cooperation in both quantity and quality and was committed to targets of 0.5% of GDP by 2008 and 0.7% by 2012. Since Spain's first priority in fulfilment of the MDGs was the eradication of poverty, IFAD naturally had its full support. Poverty should be tackled wherever it existed and should not be identified with specific regions: many of the poorest people lived in middle-income countries, notably in Latin America and North Africa.

86. Innovation, the theme of the session, was the means of halting the trend towards impoverishment of rural areas. The Seventh Replenishment must provide the Fund with sufficient resources for that purpose. All countries should fulfil their commitments under the Sixth Replenishment and consider increasing their contributions. Spain would be augmenting its own contribution under the Seventh Replenishment by 140% and would consider further voluntary contributions, for it was determined that poverty must be eradicated once and for all. Spain's position was also a token of its trust in IFAD's President and staff, who must in turn persevere in their efforts to improve the management of the Fund.

87. **Mr TRAORÉ** (Mali), after commending IFAD on its assistance to the countries suffering natural disasters throughout the world, including Mali in its fight against the desert locust, said that the theme of innovation challenges for the rural poor was intended to highlight the urgent need to

create a framework for helping the poorest people to keep step with globalization, and rightly focused on the institutional and organizational dimensions and on partnerships. That approach had in fact been taken at the twenty-fourth Regional Conference for Africa held recently in Bamako, which had agreed that attention should be given to security of land tenure and to access to markets and financing.

88. The main goal of Mali's agricultural policy was to alleviate the lot of the rural poor. The innovative approaches taken in recent years, with the support of such partners as IFAD, had focused on the participation of rural communities and decentralized programme management, and significant improvements had been achieved in food security and farm output, with a consequent improvement in the living conditions of 30 million people. Partly as a result of innovation, Mali was developing a modern agricultural sector that was economically competitive and based on community participation.

89. Despite its economic difficulties Mali would commit itself to increasing substantially its contribution to the Seventh Replenishment to mark the importance that it attached to the work of IFAD.

90. **Mr PERERA** (Sri Lanka) commended IFAD on its commitment to poverty alleviation. Noting that IFAD was reaching more rural people than ever before, Sri Lanka welcomed the target of USD 800 million set for the Seventh Replenishment: such a remarkable increase indicated the path of growth that the Fund must follow. The Independent External Evaluation was also welcome, for it had identified several key changes that would enhance the Fund's performance. The IFAD management had responded positively to the recommendations and had committed itself to an Action Plan that would clarify the Fund's role and focus. The effective implementation of that plan was in the interest of the whole membership.

91. In December 2005 Sri Lanka had signed two financing agreements with IFAD for a total of USD 16.55 million for two post-tsunami programmes that would benefit a million people and enable many of them to re-establish stable livelihoods. IFAD had responded with remarkable speed to the disaster, providing an excellent example of fulfilment of the mandate of a donor agency at a time when such agencies were often criticized for failing to provide swift and meaningful responses.

92. Sri Lanka pledged USD 1 001 000 to the Seventh Replenishment and looked forward to working even closer with IFAD on the implementation of programmes to improve the lives of the rural poor in Sri Lanka and throughout the world.

93. **Mr LI** (China) said that the international community would have to persevere in its efforts to find a more consistent strategy for global poverty reduction, a more effective development assistance mechanism and broader strategic partnerships for action against poverty. Since innovation was the essence and the engine of development, IFAD was right to make innovation a part of institutional capacity-building, thereby increasing the efficiency of its programme implementation and resource utilization. The Fund must continue to improve its contribution to the attainment of the MDGs, accelerate the development of innovative anti-poverty initiatives, harmonize development strategies, promote information-sharing and strengthen cooperation with other international agencies, but it should also give more attention to improving its operating mechanisms.

94. Hundreds of thousands of poor farmers had benefited from China's cooperation with IFAD, and the Fund's development strategy was fully consistent with China's specific needs in terms of its anti-poverty programmes. China had indeed made significant progress in poverty reduction by promoting local self-dependence and participation but many challenges remained in the fight against absolute rural poverty. Accordingly, China still needed the assistance of the international community, including IFAD.

95. China wished to strengthen its collaboration with IFAD in the effort to reduce global poverty. As a mark of its trust in the Fund it pledged USD 16 million for the Seventh Replenishment, an increase of 52.4%.

96. **The meeting rose at 13.30 hours.**

Moderator and Panellists



Moderator: Ms Mishal Husain,
Presenter, BBC World



Mr Makanjuola Olaseinde Arigbede,
National Coordinator, USMEFAN



Mr Julio Berdegué,
President, RIMISP



Mr Ravi Kanbur,
T.H. Lee Professor of World Affairs; International
Professor of Applied Economics and Management;
Professor of Economics, Cornell University



Ms Reema Nanavaty,
Director of Economic and Rural Development, SEWA



Mr Matthew Wyatt,
Chairperson of the Governing Council

- (ii) Summary Record of the Second meeting of the Twenty-ninth Session held on Wednesday, 15 February 2006, at 15.00 hours

CHAIRPERSON: MATTHEW WYATT (UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND)

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97. **The meeting was called to order at 15.25 hours.**

PANEL DISCUSSION ON “INNOVATION CHALLENGES FOR THE RURAL POOR”
(GC 29/L.13; GC 29/INF.8)

98. **Mr BÅGE** (President of IFAD) said that the theme of innovation was not new to IFAD. In fact, in its work with the rural poor the Fund was often the first to arrive in remote areas with development programmes which of necessity required new approaches. For example, the Fund had supported the development of extension services tailored to the particular needs of very poor and marginalized groups in terms of microfinance and linking self-help groups to commercial banks. But while IFAD could be proud of its achievements where innovation was concerned, the rural poor were confronted by an increasing number of daunting challenges that required new and more effective responses.

99. The poor had to innovate every day just to survive, but IFAD had to devise solutions that went beyond survival and created better lives over the long term. IFAD was not complacent: it had indeed promoted innovation but had not been systematic enough in terms of replication and scaling-up; it needed to make a much larger impact and mainstream innovation in its institutional processes. The Initiative for Mainstreaming Innovation was a good basis to build on, and IFAD was grateful to the United Kingdom of Great Britain and Northern Ireland for its support for that initiative. Innovation was also a major theme of the Action Plan which many Governors had referred to at the preceding meeting. The Fund had much to learn from its Member States’ experience with innovation as it sought to promote innovative solutions to the severe problems of poverty among the rural poor.

100. **Ms HUSAIN** (Moderator) introduced the members of the Panel. Mr Julio Berdegú was President of the Latin American Center for Rural Development (RIMISP), which was based in Chile and focused its work on innovations to help rural dwellers. Mr Makanjuola Olaseinde Arigbede, National Coordinator of the Union of Small and Medium-Scale Farmers of Nigeria (USMEFAN), was a well-known advocate of human rights and poverty reduction. Ms Reema Nanavaty was Director of Economic and Rural Development for the Self Employed Women’s Association (SEWA), an organization which had become a byword for women’s empowerment in India. Mr Ravi Kanbur held several professorships at Cornell University and had also served on the staff of the World Bank. Mr Matthew Wyatt, Governor for the United Kingdom of Great Britain and Northern Ireland and current Chair of the Governing Council, had many years’ experience in international development. The United Kingdom had of course provided strong leadership in the field of innovation.

101. The initial question for discussion was how innovation could benefit the rural poor and why such a process was not yet happening in terms of innovation imposed from the outside.

102. **Mr BERDEGUÉ** said that the Independent External Evaluation (IEE) had concluded that IFAD should become a more systematic promoter of innovations that could be scaled up and replicated by others, but the real issue was what an organization such as IFAD could do to help people who were already engaged in innovative processes. If IFAD was to improve its capacity to enable and support rural innovation, it must in fact build stronger and clearer links with the new engines of rural innovation that were already bringing about huge changes in rural societies: for example, the large-scale transformation of agrifood systems driven by new agricultural processes, and the diversification of rural economies, which meant that 40% of rural income in developing countries now came from non-agricultural sources. Or IFAD could choose the safer but from the perspective of rural innovators less relevant option of continuing to work with well-known partners on well-known issues.

103. A second issue was the extent to which IFAD could embrace an adaptive management approach at the project level which would require new project design, implementation and evaluation technologies. Alternatively, the Fund could continue to operate with such tools as the Performance-

Based Allocation System (PBAS) and others, which facilitated its work in Rome but stifled innovation in the field.

104. A third issue was whether IFAD was going to encourage risk-taking and experimentation, and accept possible failure, or continue to work on the basis of predefined goals and measurable impacts – again a safer but less relevant approach in terms of innovation.

105. The fourth issue was that innovation was concerned with changing organizations and policies and with building trust and new partnerships, all processes that took time. Could IFAD really engage with innovation networks in medium- to long-term processes or would it continue with a short-term “hit-and-run” approach?

106. The last issue was whether IFAD could establish an effective in-house knowledge management system. A number of attempts had already been made, but the results had been less good than hoped. But there was no alternative, except to renounce the role of innovator.

107. **Mr ARIGBEDE**, after speaking of the people he called “innovators for life”, the poor farmers who had to innovate daily just to survive, gave some examples of the innovative capacity of the farmers’ federations in Nigeria and the Niger. Nigeria had land but insufficient labour and the Niger had labour but insufficient jobs, so in 1993 a group of farmers from the Niger had gone to work in Nigeria, and production in Nigeria that year had greatly increased. However, on their return, all their earnings had been stolen from them by immigration officers at the border, bringing the programme to near destruction. Farmers in the Niger could not buy maize because of the high market price, so Nigerian farmers had agreed to ship their maize as a gesture of farmer-to-farmer solidarity and take their cowpeas and some sheep in exchange. But again government had intervened: they could not get the necessary permits to transfer food from food-sufficient Nigeria to the food-deficient Niger. If support had been given to the innovative solutions the farmers had found, the recent famine in the Niger might have been mitigated.

108. One of the reasons farmers remained poor was that they retained perhaps one tenth of their output, much of which was creamed off by middlemen, so they had got together and established a direct relationship with the consumers, setting up a committee to determine the necessary level of production to produce money in advance, thereby eliminating the need to borrow. That had been another example of innovation that could have been scaled up and had not been.

109. Microfinancing made farmers remain micro for ever; they could not scale up and move away from subsistence farming. Farmers’ leaders therefore offered them what they termed appropriate production finance, or “approfinance”. His organization was preparing documents enabling farmers to add value to their products, to become better negotiators with the market, to have greater control over what they produced and to receive a larger percentage of the fruits of their labour. That was possible on a small scale, and organizations like IFAD were being asked to give farmers a chance to do it on a larger scale. Finally, in order to secure the future of agriculture – which was a problem in Africa and probably other parts of the developing world where young people were increasingly reluctant to become farmers – Nigerian farmers had taken the initiative and encouraged agriculture students in the universities to remain in agriculture.

110. **Mr DOGRA** (India) said that the need for rural poverty to be reduced and eventually eliminated was a challenge for leadership at both the global and the national levels. Sections of the community could not be left behind. It was the necessity of change that should be focused upon, rather than merely enabling, which did not have a positive connotation in a globalized world.

111. **Mr WILKINSON** (International Federation of Agricultural Producers) said that the question of how innovative ideas could be scaled up was a very critical issue that needed to be addressed. In the

developed world, a good idea could usually be scaled up because it had resources behind it, because government tended to be sympathetic, and because there was access to credit and to a host of institutional items. In the developing world, a good idea often ended when a programme was over or when the first problem was encountered, failing resources to enable the obstacles to be overcome; or it ended because a national or state government did not change the rules and become supportive, or because an aid agency did not have a strategy to ramp up good concepts. It was something which IFAD, in particular, as well as FAO and the World Bank, should look at very seriously. If an idea had been a good one, with real buy-in by farmers at the local level, why had the resources disappeared once the programme was over? How could the programme be made a nationwide one? It was a case of applying the resources that existed rather than simply moving from one programme to the next.

112. **Ms NANAVATY** explained that the Self Employed Women's Association (SEWA) represented 800 000 informal-sector women workers in India, two thirds of whom were rural poor. For them, innovation was a day-to-day survival strategy: if they did not innovate in processes and programmes, they could not feed their families and would receive no income. Innovation empowered them. Since it had been established in 1972, SEWA had been using its members' powers of innovation to make the innovations sustainable. The SEWA Bank was the cooperative bank of its members and provided them with innovative financial services. The SEWA trade facilitation centre linked rural producers to global markets at sustainable costs. SEWA had a unique partnership with IFAD in scaling up to address the issue of poverty. In its Jeevika programme IFAD had an institutionalized innovation that was developing a series of innovative processes. There were ten vibrant community learning and business resource centres building on traditional skills and knowledge and also bringing in newer skills and technologies, through which 15 000 households were getting work and income through tele-agriculture, tele-medicine, tele-education and e-governance. Farmers produced their own brand of agricultural commodities, forging partnerships with the private sector and tripling their incomes. The poor and the women took ownership of the Jeevika programme.

113. Innovations flourished and could be sustained only with the right resources at the right time. One could not leave the poor to innovate on their own; the risks they were taking had to be shared. Unless and until the donors and the financial institutions recognized the risk-taking in innovation, the innovations would not be sustained or go to scale. Innovations, which were by their very nature new, different and unique, did not fit easily into project cycle management or rigid government bureaucratic procedures. But when large programmes were managed by communities themselves, investment had to be made in the design of innovative financial, monitoring and evaluation systems. Investing in risk called for great trust and patience on the part of donors and financial institutions. It was necessary to build the strength to engage in dialogue and negotiate with governments and policymakers to ensure that innovations really succeeded and flourished. The biggest challenge was that innovations could not be left to the poor themselves to sustain; it was necessary to share the risk, which might include changing mindsets and partnership approaches. The challenge for governments and for IFAD was to innovate in terms of legal, financial, management and technical methods and approaches so as to enable innovations to survive and succeed. In the Jeevika programme, the innovation SEWA had embarked upon had continued irrespective of the various problems and difficulties simply because there was the sense of the poor owning it. The result was that it had become self-sustaining in just four years, and that was an innovation in which all should take pride.

114. **Ms HUSAIN** (Moderator) noted that one of the key points raised was how effective local organizations might scale up and expand while still remaining true to their roots.

115. **Mr AYAZI** (Afghanistan) raised a question about the role of multinationals – they were usually geared towards exploiting the labour of the poor, and it was therefore pertinent to question whether they were pro-poor. Secondly, it was important to remember that innovation was only one of the triggers that could help the poor. Thirdly, in the context of IFAD's role in providing access to the

means for innovation, he asked whether a working group on innovation for the poor existed within the United Nations system.

116. **Mr BERDEGUÉ** commented that the majority of multinationals were probably not pro-poor. Most importantly, however, the role of the private sector in rural development had grown over the past 20 years and many of the options open to the poor were now therefore dependent on decisions taken by large corporations. In the interest of rural development, it was therefore vital for bodies such as IFAD and farmers' organizations to engage with private companies.

117. **Mr CELLOU DIALLO** (Guinea) said that the strength ratio between the rural poor and the environment was usually unequal to the detriment of the former. Important points had been raised by the representatives of India and Nigeria. The problem was to ensure national support for governmental interventions aimed at appropriating and improving the innovation of which the rural poor were capable. Enrichment of the poor, however, would not be an end result of globalization; in most developing countries, for instance, agricultural activities were already being abandoned for work in sectors that were more economically productive. It was indeed important to know how innovations truly helped the rural poor. Something needed to change. Government policies would certainly be improved with input from farmers' organizations. Farmers should also receive direct financing.

118. **Mr ARIGBEDE** said that little would be achieved in the long term unless governments effectively discharged their responsibility of enabling farmers to innovate and sustain innovative practices by providing them with necessary restitution. Bearing in mind that the food markets in developing countries were still dependent on produce from small-scale farms, necessary restitution was not a subsidy as was thought by some, but a right.

119. **Mr TABONG KIMA** (Cameroon) said that, in the case of farmers, innovation should go hand in hand with decentralization. In other words, organizations such as IFAD and FAO should establish a stronger presence in the field. In that context, the current FAO reform efforts were encouraging. Moreover, working directly with farmers would promote their involvement in the technological revolution, which was now long overdue in the developing countries owing to the problems entailed in the transfer of appropriate technology. The grass roots were a crucial part of the equation in any country, yet it had become extremely difficult for farmers to earn a living; working conditions were very poor and the prices paid for the resulting produce were fixed elsewhere.

120. **Mr KANBUR** said that he wished to focus specifically on organizational innovation, by which he meant change and innovation in membership-based organizations of the poor that would empower them to meet new challenges. The role of such organizations in demanding their rights was extremely important to ensuring that governments became pro-poor, which, on the available evidence, they were not. The challenges faced by such organizations were twofold: the scaling-up of their activities and the increased complexity of the new issues arising from globalization. In that situation, the central question was how to maintain accountability to the members of such organizations as they scaled up their activities and faced increasingly complex demands. That question was related to training and capacity-building, but was in fact a different issue. He cited as a potential model the example of SEWA which had successfully expanded from its base in Gujarat to a number of Indian states through what might be called a "franchising operation". Moreover, in order to maintain contact between professionals and the grass roots, SEWA had had the brilliant idea of instituting a simple immersion programme in which its professionals spent a few days of each year living in the homes of its rural members and experiencing the realities on the ground. Lastly, ideology also mattered; in the broader context of its operation, the Gandhian philosophy adopted by SEWA provided a framework of values that kept it grounded as it expanded and dealt with the increasingly complex issues surrounding globalization, new technology and so on.

121. **Ms HUSAIN** (Moderator) said that she wondered whether something would always be lost as a result of attempts to institutionalize innovation. She would turn to Mr Wyatt for an answer, for the United Kingdom of Great Britain and Northern Ireland was the key mover behind the Initiative for Mainstreaming Innovation.

122. **Mr WYATT** said that there was indeed a risk that something would be lost, but the alternative, which was to say that innovation could just happen on an ad hoc basis, was unacceptable. The real challenge was to establish structures, incentives and institutions that were able to be creative. The mainstreaming initiative had shown that it was possible to rise to the challenge. But the need was for innovation at scale so that all people could innovate for themselves across the board.

123. **Mr CELLOU DIALLO** (Guinea) said that he believed that farmers' organizations should be autonomous. Of course, as they grew larger they would have to deal with more complicated problems, including the asymmetry between the poor and their environment. But the main thing was to guarantee their autonomy and have governments and donors speak directly to them.

124. **Mr ARIGBEDE** said that the issue of autonomy was a decisive one. Nigeria, for example, had non-autonomous farmers' organizations that swung whichever way their political party swung and ceased to exist if that party fell out of power. Autonomy implied keeping your ideology intact and healthy, but autonomous organizations did not find favour with governments, which were in fact the real problem. Even intergovernmental development agencies might have difficulties when dealing with an organization that openly challenged the government. It was to be hoped that IFAD would be able to overcome that problem: the solution lay in a give-and-take attitude, with reasonable latitude for criticism being left to the farmers' organizations.

125. **Ms HUSAIN** (Moderator) invited the panel to respond to the question raised by the representative of Afghanistan as to how the poor could be expected to innovate when they had so few resources. Clearly there were examples of revolutionary ideas conceived by individuals that had been tremendously successful.

126. **Mr BERDEGUÉ** said that small farmers were very important and that the rural poor must be the focus of innovation activities. However, significant innovation processes required networks that included small farmers and the rural poor but went beyond them. Small farmers and the rural poor could not solve their problems on their own. Innovation required networks that bridged the divides between small and large farmers, farmers and urban centres, and multinationals and rural communities.

127. **Mr KANBUR** said that there was no contradiction: at the individual level poor farmers could be incredibly innovative; the real issue was scaling-up and how to aggregate individual examples of innovation into a benefit for the whole group. Organizations of the poor were vitally important in that connection even if, as Mr Berdegué had said, they could not solve their problems on their own. It was the old issue of how the poor could interact with the larger world – of necessity through collective organizations.

128. **Mr WYATT** said that the rural poor were the most likely to be excluded from the benefits of innovation. Innovation was increasingly driven by the private sector, to which the rural poor were least likely to offer profits. The digital divide was the most famous example of that situation. Poor farmers were also the most vulnerable to the negative effects of innovation elsewhere.

129. There were four reasons why IFAD was particularly well placed to help the rural poor capture more of the benefits and avoid more of the negative effects. Firstly, IFAD had a global presence and was plugged in to global knowledge networks, so it could analyse new challenges and opportunities of relevance to small farmers. Secondly, IFAD was integrated into the international system and enjoyed

the legitimacy conferred by its status as a United Nations agency. It could therefore influence scaling-up, for example, through other international financial institutions and the use of domestic resources. Thirdly, the Fund enjoyed very good relations with many governments of developing countries. Very often governments were not pro-poor, and IFAD could play a small but important part in changing their attitude. Lastly and most importantly, IFAD dealt directly with small farmers to find innovative solutions and create the networks mentioned by Mr Berdegué.

130. The Fund had indeed scored a number of successes in innovation, but there were two problems. It was not systematic enough in mainstreaming innovation in its work; and it did not capture the knowledge in its own and others' hands in such a way that it could be used elsewhere. IFAD must build on its comparative advantage in finding effective ways of reaching poor communities and helping them to innovate so that they could secure sustainable incomes in a fast changing world. The new Action Plan encapsulated the commitment of the President and his team in that regard, and he was proud of the United Kingdom's role in financing the Initiative for Mainstreaming Innovation.

131. He agreed with Mr Kanbur's point about how difficult it was for big organizations to innovate, a point especially true of bureaucratic international institutions. But the innovation mainstreaming initiative was showing that IFAD could rise to what was a massive challenge requiring consistent leadership from the President and from the Governing Council, flexibility and a willingness to take risks. There was really no choice in the matter: the private sector might be pro-poor or not pro-poor but it was innovating very rapidly, for its shareholders were just as keen on profits as the Governing Council was on good performance for IFAD loans. The most successful companies were ruthless innovators.

132. **Mr SISSOKO** (Burkina Faso) said it was now clear that the modernization solutions adopted by African governments 30 or 40 years previously had not been the very best ones, since little in the way of development had been achieved. In order to introduce innovation into the rural areas a new approach was needed, as well as more knowledge and know-how. Capital resources were also needed. But young people from the rural areas finished their schooling and migrated to the towns and cities, leaving only the older people behind, so the problem was to link the cities with the rural world, to develop a synergy for innovation in the towns that would be transferred to the rural world. Institutions such as IFAD needed to give thought to such matters.

133. **Mr HOFMANN** (Germany) said that the discussion had clearly shown that IFAD's clients felt the need to work together with the Organization. That feeling was important because it would create the kind of trust that was necessary to increase the room for manoeuvre to work in an innovative modern style. In development assistance there was a constant element of mistrust which generated constraints of all kinds. It was necessary, therefore, to revitalize the partnership that had been expressed in the creation of IFAD and build a new climate of trust that would make it much easier to work together and find ways and means of innovating, even if that meant taking risks. Innovation should be thought of not in the sense of knowing how to survive but in the sense of helping people really to improve their lives. That was possible only if people in urban and rural areas worked together and were able to use the modern techniques that were available in the financial, technical and other sectors. If that kind of trust was built and the financial means were made directly available to the poor, they could improve their lives in the way they saw fit to do so.

134. **Mr BERDEGUÉ** agreed that there could be no innovation without building relationships of trust and cooperation among different sectors that were necessary for those processes to take place. That required approaches to rural development that were very different from those currently being pursued. People were more used to indicators of development that had to do with asphalt, bridges, numbers of cows and litres of milk than with such outcomes and results as trust, cooperation, dialogue and understanding. Also, not all innovations were useful in reducing rural poverty. It was necessary to be able to understand which innovations an organization like IFAD was talking about, and to take a

fresh look at all the issues in order to understand the new drivers of those processes. Mention had been made of migration being a problem of loss of intellectual capital, but what if one regarded it as the source of USD 151 billion of remittances to poor rural areas in 2004 and return migration as perhaps today's main source of intellectual capital for the rural areas in terms of people with new skills? Such issues needed to be looked at afresh in order to understand what drove innovation today.

135. **Mr BIN ABDUL AZIZ** (United Arab Emirates) said innovation had to involve the participation of the private market as well as public institutions; there had to be a culture of innovation that was shared by all. There had to be a general framework for it within institutions such as IFAD. That did not mean there was a need to restructure IFAD. Certain changes were needed, but innovation must also apply to the content of all the activities of IFAD. There must be a strong overall movement for innovation on the part of all the financing institutions, as well as the private sector, that together contributed to attaining the desired objectives. When IFAD launched a programme in a country there had to be cooperation with all the donors, investors and private institutions in order to develop truly innovative approaches, and that meant re-examining the methods that had been used in the past, new guidelines and a new framework for cooperation between the private sector and all the financial institutions. Radical change was required.

136. **Mr BRUBAKER** (United States of America) said that he endorsed Mr Wyatt's comments. It had been good to learn from the Independent External Evaluation that the IFAD mandate remained highly relevant to poverty reduction and that IFAD was on a par with other financial institutions. The Fund should in fact exceed the performance of such other institutions where its niche role and mandate were concerned and it must mark itself out by its innovative approach. The question was how to achieve innovation.

137. He would like to ask the panel about what was happening in the global context. It was true that the field in which IFAD worked was not a crowded one, but there were vast numbers of rural poor, and many other donors were entering that field and saying that they wanted to innovate and do more work in the rural sector. How did the panel think that IFAD, as a small institution, should differentiate itself from other institutions and how should it interface with them?

138. The evaluation had also referred to some human resources problems. What in that connection were the internal cultural issues that the Fund would have to address if it was to be an innovative institution?

139. **Mr KANBUR** said that he knew of an academic study on some very successful self-help groups in Kenya that had eventually needed to scale up. They had obtained funding from an international non-governmental organization (NGO) which came with all kinds of reporting requirements. They had accordingly had to hire highly professional staff to meet those requirements, and that had led to problems of inequality within the groups. Moving from that one example to the wider issue of interacting with membership-based organizations of the poor, he said that, when he had worked at the World Bank, the constant refrain from the staff was that they would like to be more flexible but Bank rules prevented them. No doubt the IFAD staff recognized that syndrome. Many of the issues arose in fact at the level of the Executive Board because its members, who had to report back to their taxpayers, wanted procedures in place in case something went wrong. That situation, while the result of legitimate concerns, was not consistent with a flexible approach to innovation. The task of the Governing Council was how to blend prudence with flexibility in order to avoid such a situation.

140. He was not sure what the answer was, but IFAD might pick up on a suggestion made at the World Bank and try ring-fencing certain innovation funds, as a temporary experiment, and operate them on a flexible basis.

141. **Mr WYATT** agreed with Mr Kanbur. There was room for more flexibility in the Executive Board, provided that trust could be built up between it and the Fund's staff through good performance. It was possible to accept a certain failure rate for projects or innovations, but rigorous and transparent risk-management policies were vital to the building of that trust. However, there was always the problem of corruption: taxpayers could accept some project failures but would not accept the theft of funds by corrupt elites in the recipient countries. Unlike the private sector, the Executive Board could not simply write off a certain amount of money as stolen.

142. **Mr KANBUR** said that a ring-fencing experiment should be conducted over a minimum of, say, five years and not written off if it did not prove immediately successful. After all, three failures might be followed by five successes.

143. **Ms HUSAIN** (Moderator) suggested that Mr Arigbede and Ms Nanavaty might comment on the point from the grass-roots standpoint. No doubt grass-roots organizations wanted as much money as possible for their members' innovations, but they could not simply be given carte blanche.

144. **Mr ARIGBEDE** said that it would be irresponsible to expect carte blanche, but reporting and other requirements must not be so heavy as to stifle an organization's activities. Serious organizations wanted to be accountable and transparent, and those qualities could be built up over time through training, management information systems, etc. Donors must collaborate with the recipient organizations, patiently, to build up trust and help them to develop a "reporting culture".

145. **Ms NANAVATY** said that IFAD was in a position to innovate by designing different kinds of reporting and financial systems for grass-roots organizations. But she agreed with what Mr Arigbede had said about the need for patient building up of trust in a true spirit of partnership. With regard to Mr Wyatt's last point she could add that corruption was a problem faced by the rural poor every day; they needed help to build up the strength to fight corruption. The priority should perhaps be to focus on innovative changes to legal, technical and financial structures, especially where grass-roots organizations were concerned. Immersions were also a powerful tool which fostered a deeper understanding of the realities faced by the rural poor.

146. **Mr BERDEGUÉ** agreed that it was crucial to focus on the grass roots in the sense that innovation took place in the field, whereas in fact many of the funding systems were designed to satisfy the needs of the international organizations themselves. The question was how IFAD could make things simpler for people in the recipient countries. The attitudes of taxpayers should not be used as an excuse for not taking risks. Many donors in fact invested much larger sums than IFAD in much riskier undertakings. The taxpayer angle merely meant that the use of the funds must be transparent. He would personally like to see IFAD operating as a kind of venture capitalist for rural development by backing the riskier ideas that other organizations did not want to back but which, if successful, would have a big impact on poverty reduction. That role could certainly be played with taxpayers' money.

147. **Mr AYAZI** (Afghanistan) said that there was no shortage of innovations. What was lacking was innovations useful to the poor. It might be useful for IFAD to determine which technologies were pro-poor and whether the poor could use them. Successful use implied access to resources and capacity-building and thus turned on the issue of the empowerment of the poor. But lack of access to markets rendered resources and capacity, and indeed innovation, useless.

148. IFAD should concentrate in its work on helping the poor in ways that improved their livelihoods, either by increasing productivity or by improving product quality. It should also focus on asset creation to enable the poor to make maximum use of innovations, on the introduction of legal measures to eradicate exploitation of the rural poor and measures to expand their market access, and on the promotion of technologies catering to the specific needs of small farmers.

149. **Ms GLAD** (Norway) said she was not sure that she fully understood the concept of innovation, but what she did understand was that it implied taking risks. So, who should be taking those risks? Was it IFAD, the poor or governments? And how was that risk-taking to be reflected in evaluating impact and success? When there was so much talk of results-based management and results on the ground, how was credit to be given for being innovative? She would like to hear from borrowing member countries of their own experience with innovation, and whether they felt that the public institutions in their countries had a good framework and regulations for fostering innovation.

150. **Mr ZADY** (Côte d'Ivoire) said innovation was what made it possible to move forward, but the real question was how and in what way. That prompted many other questions. Innovation had to go further; it had to change perception. The question was whether the rural poor could afford innovation. They did not have the money, the means or the room for manoeuvre. It was the person with a little room for manoeuvre who could afford to innovate and to contribute to casting about for new solutions. When one was really very poor, one's imagination was also depressed. It was a matter of transforming perceptions among the rural poor.

151. **Ms MUCHADA** (Zimbabwe) took up the point about innovation as risk-taking, and said she believed that an organization like IFAD should share those risks with its partner farmers and governments. But if there was such concern for taxpayers' money some risks would never be taken and one would never know which innovations might be successful. Farmers were a continuous subject for researchers to experiment with: no sooner had farmers grasped a new methodology than the researchers came up with another one. She expressed the hope that, when such experiments were embarked upon, organizations like IFAD would assist farmers at least to see through the gestation of one proposal before researchers came along with a new one, and the first was put on the back burner. Too many innovations and proposals were being placed before farmers, and an attempt should be made to help them so that they were addressing one item at a time and seeing it through its full gestation period.

152. **Ms HUSAIN** (Moderator) asked the panellists to provide some of the best examples of pro-poor innovation they had come across, so that something might be learned from what had worked in different parts of the world.

153. **Mr BERDEGUÉ** said that, in a number of projects in Brazil, Chile and Guatemala, IFAD had been innovative in promoting the role of municipal administrations in managing and allocating project funds. That had had a tremendous impact beyond the IFAD projects. In Chile, that was now the normal way of doing business in rural development projects, and it had all started with a small IFAD project. In Peru and Bolivia, IFAD had been very successful in developing new approaches to the old issue of agricultural extension and technical assistance, focusing on the development of the technical assistance market. The network of regional programmes IFAD had put in place in the areas of monitoring and evaluation and knowledge management were also good examples of what the Fund could do.

154. **Mr ARIGBEDE** said that the development of the Farmers' Forum was the kind of major innovation that needed to be supported and taken forward. It had a long way to go, but its progress was very encouraging.

155. **Ms NANA VATY** said IFAD had been very innovative in its direct partnership with SEWA; it had been a major innovation of which her country's Government and IFAD itself were rightly proud. The second innovation that was pro-poor was the whole exposure and dialogue programme and immersion programme. An innovative IFAD approach to assessment, evaluation, understanding and learning could make a difference to the lives of the poor, and needed to be institutionalized and scaled up. One important example of how to link producers directly to markets through the Jeevika programme was the SEWA trade facilitation centre and grass-roots training networks that connected

small and marginal farmers and grass-roots producers directly to markets. There was a need to analyse such innovations, in terms of reporting requirements, technical restructuring and necessary adjustments, and learn from them. In response to the question posed by the representative of Norway, it was IFAD, governments and the poor people and their organizations collectively that took the risks involved in innovation. The poor and their organizations could not be left to continue to take the risks; a collective risk-sharing mechanism had to be worked out.

156. **Mr KANBUR** said it was easy to provide successful examples of pro-poor innovation. The real issues arose when one started to talk about scaling up – whether a project could work when scaled up 50 000 times. That was when other factors came into play, and where perhaps other agencies would need to come in. To take the example of microinsurance, in many countries the question of whether and by how much it could be scaled up depended almost entirely on an individual country's regulatory and legal framework. There had been a very successful expansion of microinsurance in Bangladesh, while in India there had been an expansion of microinsurance through SEWA and other agencies but at the moment it was held in check because it was occurring in the context of very strict insurance regulations that set capital and other requirements with huge insurance companies in mind. There had to be prudential regulations when it came to big insurance, but microinsurance must be allowed to expand. It was surely possible to design a system that combined the two. When as a member of the staff of the World Bank he had asked the founder of SEWA, Ms Ela Bhatt, what she would like the Bank to do, she had said it should talk to the Indian insurance regulator to try to change his mindset.

157. **Mr WYATT** agreed with Ms Nanavaty that the risks involved in innovation should always be shared but felt that it was incumbent on organizations like IFAD and NGOs to be very aware of the kinds of risks they might, sometimes unwittingly, be imposing on poor people. They might not be financial risks, but, for instance, invitations to poor people to spend their extremely valuable time on some new undertaking. As far as possible it should not be poor farmers who bore the risks. They should be shared but borne mainly by others. It was better to address risk in an explicit way and with a coherent strategy, and take measured risks and innovate within that context. He did not really agree with the argument that harmonization and alignment necessarily meant less innovation. There was a risk that it might, but in general it would not. There was no inconsistency between support for better harmonization, alignment, cooperation and division of labour between the various organizations and the need within that structure for creativity and innovation. It was necessary to bring good harmonization and alignment together with a tolerance of risk and a creative mindset.

158. **Mr ANDINO SALAZAR** (El Salvador) highlighted a successful example of innovation in his country, where IFAD's technical assistance to rural families whose basic needs were already covered by remittances from family members working in the United States of America had positively helped them to improve their standard of living and escape from grinding poverty.

159. **Ms SQUEFF** (Argentina) pointed out that there were regional idiosyncrasies in the relations of the private sector and grass-roots organizations with IFAD. It was therefore important to keep specific regional characteristics in mind when carrying out innovation work, for which the summary document produced by the Farmers' Forum could serve as a useful basis. Innovation work should make it possible for rural workers, in particular farmers, to have freer, fairer and more equal access to the market. Given that innovation took place only in the context of education, she raised the issue of the link between the two.

160. **Mr BERDEGUÉ** said that, in the medium and long term, good educational policies and systems unquestionably provided a stronger base for innovation processes. The type of processes also played a part in the relationship between the two. It was still feasible, however, to start promoting those processes before good educational systems were in place.

161. **Mr LHUILLIER** (Philippines) said that IFAD should avoid seeking profit and take more risks in order to help the rural poor through, for instance, microfinancing, which was a way of reaching out to those in rural areas who were frequently unable to obtain loans because they had no collateral and were having to deal with banks that had a pawn-shop mentality.

162. **Ms HUSAIN** (Moderator), drawing the proceedings to a close, said that innovation was an enormous topic and hoped that the discussion had provided food for thought, particularly in that it had drawn together perspectives from every corner of the world, as well as examples of routes which should perhaps be followed or avoided.

163. **Mr BÂGE** (President of IFAD) said that the panel discussion had been a rich and rewarding exercise, having brought to the fore many points that would be taken into account in the Fund's future work on innovation. The first of the three conclusions he had drawn was that support and promotion of innovation should remain a key characteristic of IFAD. Secondly, IFAD was not necessarily the prime innovator and should therefore promote innovation by supporting its partners. The Farmers' Forum was just one good example of an institutional innovation. The issue of accountability, however, had to be clearly thought through, and in that connection dialogue such as the one that had taken place in the panel discussion was important to establishing trust. Thirdly, IFAD should develop its own more systematic and flexible approaches to mainstreaming innovation, which posed the sizeable challenge of squaring accountability to taxpayers with the risk-taking that would achieve quantum leaps in progress. There was no easy answer to that dilemma, which should be discussed by IFAD, including its Executive Board.

GENERAL STATEMENTS (agenda item 6, continued)

164. **Mr OSORIO ISAZA** (Colombia) said that Colombia's efforts to eradicate hunger and poverty had led to an increase in the cultivation of food crops and in agricultural employment and trade. However, while globalization required countries such as Colombia to open their markets, problems of competition and market access made prosperity difficult to achieve. The Colombian economy was also affected by the problems of violence resulting from drug trafficking, especially the displacement of farmers from their land. Such displacement remained a major challenge and was proving difficult to correct even under the democratic policies promoted by President Uribe.

165. Colombia's efforts therefore required international cooperation more than ever before; such cooperation was indeed in the interest of developing and developed countries alike. In the Executive Board the President of IFAD had noted a positive trend in official development assistance, and he and his colleagues deserved congratulations for their commitment to the cause. However, some of the Fund's goals were not being attained in full. The representative of Spain had made a relevant point in that connection when arguing that IFAD should not discriminate against middle-income countries, such as many in Latin America, for example. Instead of focusing on the allocation of resources between different regions, the Governing Council should recognize that growth in all countries simply required greater efforts on the part of the international community. That was the only way to achieve the MDGs.

166. **Mr BEG** (Pakistan) said that the global community's efforts to make poverty history had produced more rhetoric than results: poverty had in fact increased in step with the growth in the world economy. The mix of international measures to correct the situation was necessary but not sufficient. Critical mass could not be attained in the absence of effective agents of change: that was where IFAD, with its specific characteristics, came in. Innovation entailed risks and failures. The Fund's grants policy could perhaps be geared more towards innovation, in which case efforts would be required to try to make governments more amenable to risk-taking.

167. The new operating model should be a living document, open to improvement over time. His Government urged caution with regard to the PBAS in particular; unjustified changes should not be rushed into effect. The challenges of the MDGs meant that need should be the main determinant of resource allocation: South Asia, for example, had a very big share of the world's poor but did not receive commensurate resources. The HIPC Debt Initiative and Debt Sustainability Framework were laudable objectives which, however, required new resources that went beyond IFAD's mandate.

168. Addressing the Governing Council's role as owners of IFAD, the effectiveness of the Council and the Executive Board should be at the top of the agenda, for with an improved structure of governance IFAD could fulfil its mandate. With that in mind Pakistan was happy to announce a doubling of its contribution; but for the disaster that had struck in October it would have offered more. However, it would consider making a further contribution of up to USD 5 million in the Seventh Replenishment period, subject to fairer sharing of the burden and to progress on governance issues.

169. **Mr HADDAD** (Tunisia) said that he welcomed the positive results achieved during the first phase of the Strategic Change Programme, in particular the simplification of administrative and financial procedures and the modernization of working methods through information technology, which had reduced costs and improved quality. He supported the draft resolution on loan administration and supervision of project implementation attached to document GC 29/L.8 and called on the Fund to review the loan conditions for project development financing in favour of the most vulnerable groups, particularly where surpluses were concerned.

170. The 2005 Millennium Summit had been an invaluable opportunity to take stock of the progress achieved in implementing the MDGs. The conclusion drawn was that greater effort would be required at the national, regional and international levels in order to accomplish the MDG targets, particularly that of halving poverty and hunger by 2015. Agricultural and rural development were instrumental in achieving them. He therefore hoped that rural inhabitants, especially in developing countries, would be supported through IFAD projects and thus benefit from scientific and technological developments that might otherwise have an adverse impact and increase the existing gaps. He was proud to say that Tunisia's achievements in the way of reform, development and modernization over the previous two decades were consistent with the MDG targets. Given the resources and development expertise at the disposal of the Fund, he was sure that it would find new ways of helping the poor to overcome the challenges facing them. To that end he called for more cooperation for sustainable development and eradication of the causes of poverty.

171. **Mr SAHILI** (Lebanon) said that bolder decision-making was a prerequisite for addressing innovation challenges for the rural poor with a view to poverty eradication. Constructive and tireless efforts would be needed to achieve that goal by devoting more attention to development in the broadest sense and exploring the causes of their worsening living conditions. In that context, the primary concern was to achieve the agricultural and rural development that would in turn bring economic development. To that end, financial support for IFAD was essential to the accomplishment of its objective of poverty reduction and improved rural living conditions. The Lebanese Government was therefore pleased to affirm the renewal of its contribution to IFAD's resources.

172. The Lebanese Government was drawing up plans to combat poverty through integrated regional development and to contain rural exodus as a matter of priority. The Ministry of Agriculture had consequently elaborated a strategy aimed primarily at revitalizing agriculture and preserving natural resources through the achievement of such goals as the sustainable and rational use of water, food security, job creation and the use of modern technology in order to enhance the competitiveness of Lebanese agricultural products. A series of projects had been implemented with a view to achieving those goals.

173. The adoption of recommendations and guidelines for the progress and development of humankind was the norm. Bearing in mind the current worldwide poverty crisis, however, it was also crucial to take on board the responsibilities entailed in seeking innovative solutions to enable the rural poor to overcome hunger and poverty and enjoy the minimum standard of living that they deserved in return for their persistent endeavour to save green land from the rising tide of concrete.

174. **Mr CHIBULUNGE** (United Republic of Tanzania) expressed the gratitude of his country's Government to IFAD and its management for its continued support through twelve projects. The programmes implemented had clearly shown that with appropriate investment strategies it was possible to increase rural production and incomes, and hence reduce poverty on a sustainable basis, while empowering people to manage their lives and resources. About three quarters of Tanzania's population lived in rural areas, mainly engaged in low-technology agricultural activities, with little in the way of quality inputs such as improved seeds and fertilizers, inadequate irrigation services and too costly access to financial and credit services, resulting in low production levels, productivity and incomes.

175. There was now a need to redefine and redirect intervention strategies so that they transformed the lives of the rural poor within the existing economic environment and with due regard for constantly changing technologies. Some three quarters of the planned resources of Tanzania's Agricultural Sector Development Programme were to be channelled to the district and village communities for investment in agriculture. It was the right approach to rural poverty reduction because it ensured that local communities took control of their own development process. The Government had reintroduced the targeted agricultural input support mechanism on fertilizers; a seed agency had been established; import taxes on agricultural machinery and other inputs were being removed; research centres had been rehabilitated; rural credit facilities had been established and strengthened; the rural infrastructure, including markets and roads, had been established and rehabilitated; and greater emphasis had been placed on rural electrification. The main challenge was to continue building and strengthening the institutions that served the rural poor, and it was of paramount importance for his country that its joint efforts with the international development community and other partners be strengthened since resources for bringing about a revolution for the rural poor were dwindling.

176. **Mr OEHLER** (Austria) said IFAD must put greater effort into facilitating the achievement of the MDGs by increasing its development effectiveness, which meant working harder on performance and impact. A sharper focus on clients and issues should translate into enhanced sustainability of projects and programmes. There was a general need to concentrate more on helping the rural poor to increase food production and attain incomes for a life that was beyond mere survival. IFAD must support their empowerment by addressing land and water rights, financial services, dissemination of production and marketing techniques, and strengthening their own organizations. IFAD projects must not be stand-alone efforts, but should be embedded in country processes with their performance being monitored over longer periods. The Fund should take part more visibly and constructively in the national poverty reduction strategy processes (PRSPs) of recipient countries.

177. The approved increase of the replenishment level would enable IFAD to strengthen its contribution to the achievement of the MDGs by way of higher lending levels. The Fund should demonstrate its comparative advantage by addressing rural poverty issues from the perspectives of the poor people with and through their organizations, paying special attention to alleviation of the plight of rural poor women. The Consultation on the Seventh Replenishment had made a number of important recommendations, and Austria was confident that implementation of the Action Plan for improving IFAD's development effectiveness would initiate the necessary process of change that would sharpen its role and focus, and hence its comparative advantage. Austria supported application of a PBAS, but considered that special regional needs, such as those of the countries of sub-Saharan Africa, and priorities of similar highly concessional borrowers, must be taken into account. Proposals

for a debt sustainability framework along the lines of the International Development Association model, while taking into account implications for IFAD's finances, should be developed by management and presented to the Board by the end of 2006.

178. With regard to the programme of work for 2006, Austria supported the proposed increased annual financing level of up to USD 550 million. The distribution of scarce resources should in principle reward performance and good governance. Austria also approved the proposed budget for 2006.

179. **Mr PEPPLE** (Nigeria) said that, since the current resurgence of concern for the rural poor had placed poverty reduction at the centre of the development agenda, the issue was no longer one of making the international community more sensitive to their plight. In that context the demands made on IFAD would increase, for it was the only international institution with a specific mandate to help the rural poor, and its uniqueness and continued relevance had been reaffirmed by the Independent External Evaluation. Although it had all the trappings of a bank, the Fund must resist the temptation to follow in the steps of other multilateral financial institutions. The challenge to IFAD was to identify its niche and concentrate its resources in its areas of comparative advantage.

180. His Government welcomed the development of the Action Plan in response to the Independent External Evaluation's recommendations and looked forward to a progress report at the next session of the Governing Council. With regard to the PBAS, Nigeria reiterated its call for caution: nothing should be done that compromised the Fund's mission, the PBAS must not become a punitive instrument of political blackmail, the procedure must be simple, and implementation should be carefully monitored. Since the PBAS had profound implications for the Fund's grants and loans policy, it must gain the acceptance of the whole membership. Nigeria placed a high premium on the working group set up to examine the key issues of corporate governance, for its recommendations would form the basis of major reforms; the working group should consider how to harmonize regional interests with the current List structure. In that connection the diminishing visibility of the Africa region in the governance of IFAD was a cause for concern. The status quo should be maintained until the working group had concluded its deliberations.

181. His delegation noted with pleasure the linkage established between the programme of work and the Fund's strategic objectives, the proposed 10% increase in the programme of loans and grants, and the identification of new areas of efficiency savings. It was generally satisfied with the thrust of the programme.

182. **Mr KYRÖLÄINEN** (Finland), speaking on behalf of the Nordic countries (Denmark, Finland, Iceland, Norway and Sweden), welcomed IFAD's renewed focus on the challenges of the countries of sub-Saharan Africa and commended the Fund's forward-looking approach of learning from the results of the Independent External Evaluation and producing a results-oriented Action Plan. Important elements in the Seventh Replenishment agreement were the foreseen adoption of a uniform system of comparison and allocation across the lending programme as a whole, the proposed introduction of a debt sustainability framework and further improvement of IFAD's internal procedures and controls. On the PBAS, at least the same level of resources as now should be allocated to sub-Saharan Africa. The evaluation exercise had presented IFAD with a challenge of defining as clearly as possible its strategic niche and comparative advantage vis-à-vis other actors. It should be noted that the country-based approach would pose a particular challenge in view of IFAD's limited country presence. The Nordic countries welcomed the direction of the new strategic framework which was aimed at ensuring a sharpened focus and new kinds of partnerships with national and international actors. Noting that IFAD had been praised for its innovative project-based work, the Nordic countries encouraged it to seek new ways of making full use of its experience and sharing it with others.

183. With respect to international trade, it should be ensured that developing countries would benefit from the opportunities connected with the opening of markets in the developed world. The Fund would be influenced by the Paris Declaration on harmonization and development which had resulted in an increasing movement towards a broad-based approach to rural development, while recognizing the importance of focusing on the needs of the poor.

184. IFAD's active role in the process of innovation, which involved partnerships, empowerment and technologies, should embrace such issues as investment for growth in agricultural production; empowering the poor in decision-making in order to strengthen domestic accountability and ensure that access to services and opportunities were equally distributed; recognizing the crucial role of women in agricultural production and rural development and improving their access to productive resources; and undertaking efforts to accelerate the development of a dynamic private sector to drive growth in the agricultural sector through concerted actions to improve the investment climate, to enhance the capacity of entrepreneurs to do business and increase agricultural production, and to facilitate the participation of the rural poor in that development.

185. **Mr ARVELO CAAMAÑO** (Dominican Republic) said that his Government endorsed the appeal for all countries to redouble their efforts in pledging contributions to the Seventh Replenishment; Lists A and B had a special responsibility in that regard. It had deep reservations about the PBAS, for it gave excessive weight to indicators that might impair its fairness and lead to major distortions if applied to the whole of the lending portfolio. The PBAS should remain under study by the entire membership. The voting system was also a source of growing concern. While the Dominican Republic supported the principle of "one country, one vote", the Governing Council should consider the possibility of an interim arrangement involving a significant adjustment of the allocation of votes linked to membership status. The Executive Board should be expanded to make it more representative of the Fund's increased membership. Meanwhile, all Member States should be able to attend the Board as observers and speak on all agenda items.

186. At its next session the Governing Council should conduct a broad substantive discussion of the Fund's work and its alignment with the objectives set by the Member States, and its vision of the future. There must be strict compliance with the constitutional criteria governing the Fund's management and with the principles of the legal equality of States and the universal nature of action for the rural poor. In that connection the Governor for Spain had made a valid point about not neglecting pockets of poverty in middle-income countries. The proposal to set up a working group on governance issues had his delegation's support.

187. **Mr GUILLOUËT** (France) said that the conclusions resulting from the Independent External Evaluation process had highlighted a number of the Fund's weaknesses as well as its potential. There was now an opportunity for it to make a new start on a fresh basis. It appeared from discussions during the Consultation on the Seventh Replenishment that over time the Fund's very specific mandate to help the rural poor might have become lost from sight. All development banks wanted to have their portfolios yield a return, but that return should be assessed in economic rather than in purely financial terms. The yields from the projects for the rural poor supported by the Fund might seem not to measure up to the huge investments made in terms of time and effort, but IFAD must remain clearly targeted on the rural poor and its performance should be judged in that light.

188. The implementation of the PBAS must not in any way cause IFAD to turn away from the poorest people because of the entirely understandable weakness of their performance. France was happy to have received an assurance that the PBAS would not diminish the share of the Fund's resources allocated to Africa. With regard to governance issues, the principles of transparency and of delegation of analytical and preparatory work to committees needed to be respected both by the Governing Council and by the Fund's managers.

189. With regard to the Seventh Replenishment, France had decided to maintain its contribution at 4.1% of the effective replenishment level, up to a limit of USD 29.5 million. If that amount was not reached, it would supplement its contribution, subject to acceptance of the need to give priority to Africa. France would support the Fund's admission to the HIPC Trust Fund of the World Bank. It was now time to move from the theory that had emerged from the Seventh Replenishment discussions to the realm of practice, especially by investing in institutional innovations to enhance flexibility, efficiency and adaptability.

190. **The meeting rose at 19.10 hours.**

(iii) Summary Record of the Third meeting of the Twenty-ninth Session held on Thursday, 16 February 2006, at 09.30 hours

**CHAIRPERSON: MATTHEW WYATT (UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND)
SULTAN BIN HASSAN AL-DHABIT AL-DOUSARI (QATAR)
MOHAMMAD MOKHLES-UR-RAHMAN (BANGLADESH)**

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191. **The meeting was called to order at 09.40 hours.**

REPORT ON THE SIXTH REPLENISHMENT OF IFAD'S RESOURCES (agenda item 7) (GC 29/L.3 and Add.1)

192. **Mr ENWEZE** (Vice-President of IFAD) said that, as at 10 February 2006, total pledges to the Sixth Replenishment, including complementary contributions, amounted to USD 509.1 million equivalent, or 91% of the pledged target of USD 560 million. The aggregate amount of instruments of contribution deposited and payments not supported by instruments of contribution amounted to USD 451.7 million equivalent, or 89% of pledges, while payments in cash and promissory notes amounted to USD 354.4 million equivalent, or 70% of pledges. An additional payment had since been received from Portugal. The Fund had also been notified that a promissory note for USD 40 million effective on 18 February had been deposited by the Federal Republic of Germany with Deutsche Bundesbank in payment of its last instalment to the Sixth Replenishment, increasing the total amount of payments received as at 18 February to USD 368.6 million equivalent, or 72% of pledges. Of the total pledges of USD 509.1 million equivalent received for the Sixth Replenishment, pledges of complementary contributions amounted to USD 28.9 million equivalent, of which USD 18 million, or 62%, had been paid. Member States that had not deposited their instruments of contribution or paid their contributions to the Sixth Replenishment were requested to take the necessary measures as soon as possible. IFAD thanked its Member States for pledging USD 509.1 million equivalent to the Sixth Replenishment. The Fund and its membership should continue to make every effort to secure a total amount of pledges as close as possible to the replenishment target of USD 560 million. Pledges to the Sixth Replenishment were still being received and could continue to be received until the Replenishment ended on 31 December 2006.

193. **The Governing Council took note of the report on the Sixth Replenishment of IFAD's resources.**

SEVENTH REPLENISHMENT OF IFAD'S RESOURCES (agenda item 8) (GC 29/L.4 and Add.1)

194. **The CHAIR** said that, with the Sixth Replenishment ending on 31 December 2006, the Governing Council had adopted at its twenty-eighth session Resolution 137/XXVIII establishing the Consultation on the Seventh Replenishment under the chairmanship of the President of IFAD to discuss all aspects of the replenishment and negotiate its conclusion. Document GC 29/L.4 contained a final report on the Consultation and a draft resolution for approval by the Governing Council. Document GC 29/L.4/Add.1 updated the attachment to the resolution listing the pledges to the Seventh Replenishment. The attachment would be further updated as additional pledges were either announced at the present session or submitted in writing to the Secretariat.

195. **Mr ENWEZE** (Vice-President of IFAD) said that the Consultation on the Seventh Replenishment had been concluded on schedule in December 2005, having taken place over the course of that year in the context of the world community's increased focus on attainment of the MDGs. An organizational session in February had been followed in April by a session that considered among other agenda items a paper entitled "The Way Forward". A third session, in July, had considered a range of issues, including the Fund's operating model. The fourth session, held in Doha, Qatar, in October, had marked only the third time that IFAD had held a high-level meeting away from its Rome headquarters. The fifth and final session had been held in Rome. The Consultation had included in its report the Action Plan approved by the Executive Board at its December session.

196. The Consultation's outcome provided the Fund with guidance for 2007-2009 (the period of the Seventh Replenishment) and a target level of USD 800 million had been set. IFAD was grateful to those countries that had already announced pledges and urged other countries in a position to do so to announce their pledges at the present session. IFAD represented a unique partnership of the countries

of the Organization of the Petroleum Exporting Countries (OPEC), the developing countries and the Organisation for Economic Co-operation and Development (OECD) designed to find meaningful ways of helping the millions of rural poor to overcome poverty. The Consultation and the whole replenishment process had demonstrated that IFAD was indeed a privileged organization drawing strength from all parts of its membership and united by a common vision. He was sure that the entire membership was grateful to the delegations which had taken part in the Consultation for their commitment to the Fund.

197. **Mr TABONG KIMA** (Cameroon) said that his delegation had taken part in the Consultation and welcomed the target of USD 800 million, which would be used to finance an expanded work programme at the country level, including a number of recently developed policy tools. It urged the Governing Council to adopt the draft resolution.

198. **Mr DA ROCHA MIRANDA** (Brazil) said that Brazil supported the target of USD 800 million. However, the Consultation had not completed its consideration of two matters that would influence countries' decisions on their pledges: regional allocations and the PBAS. Until decisions had been taken on those matters, Brazil could not announce its pledge.

199. **Mr BEG** (Pakistan) said that his delegation endorsed the establishment of an ad hoc committee to examine the Fund's governance structure but would like it to have a sufficiently broad mandate to look at all governance-related issues. Furthermore, authority should be delegated to the Executive Board to extend the duration of the committee's mandate beyond 2006 should it deem that necessary. IFAD must become a transparent organization in which the entire membership could contribute to the consideration of important issues. Through the ad hoc committee the governing bodies should ascertain whether they were fulfilling the role assigned to them. A similar exercise at WFP had produced impressive results.

200. **Mr KABASHI EISA** (Sudan) said that his delegation could announce a commitment to increase the Sudan's contribution by 25% over the amount contributed to the Sixth Replenishment.

201. **Mr TOVAR Y DE TERESA** (Mexico) endorsed the statements made by the representatives of Brazil and Pakistan.

202. **Ms LEMIEUX** (Canada) requested that her country's contribution, appearing in the draft resolution and attached tables, be labelled as indicative only. Because Canada's new Government had only recently been sworn in, more time was needed to seek authority at the ministerial level.

203. **Mr ENWEZE** (Vice-President of IFAD) said in response to a query by **Mr OSORIO ISAZA** (Colombia) about the recording of his country's contribution in the relevant documentation that the Secretariat would look into the matter and ensure that any corrections that were needed would be made. The review of aspects of the PBAS, including the issue of reallocations, would begin with a workshop in April 2006. As for the mandate of the ad hoc committee on governance and its time frame, the document recorded the mandate it had been given and if there was any problem in meeting the deadline of the end of 2006 it would be brought to the Council's attention. Canada's point would be duly recorded.

204. **The CHAIR** suggested, in the light of the discussions and with regard to the target of the replenishment, that the Governing Council might wish to agree to the following concluding text: "While maintaining the target level of USD 800 million for the Seventh Replenishment as specified in paragraph II.3(b) of the Replenishment Resolution, the Governing Council agrees that the structural gap may not exceed 15% of the target level. The Governing Council authorizes and delegates to the President of IFAD the authority to adjust the target level specified in paragraph II.3(b) of the Replenishment Resolution at the end of the six-month period for the creation of new votes specified in

paragraph II.4(b) of the resolution, so that the total amount of the pledges received as of that date represent 85% of the adjusted target. If such an adjustment is necessary, the President will immediately communicate the new target level to the Governors, after which paragraph II.3(b) of the Replenishment Resolution would be amended accordingly.”

205. Resolution **141/XXIX on the Seventh Replenishment of IFAD’s resources was adopted on that understanding.**

206. **The CHAIR** explained, in response to requests for clarification from two representatives, that the objective of the text he had just read out, which would be both distributed (GC 29/INF.12) and incorporated in the summary record, had been to reconcile the wishes of a number of representatives, as expressed in the discussion, that the level of the replenishment be maintained at USD 800 million and to recognize the concerns of other representatives that at present the Fund was somewhat short of that target and to ensure that by the time the replenishment was concluded the final target figure did not exceed total pledges that had been made by that time by more than 15%. He congratulated the Member States of the Consultation for the dedication and thoroughness they had shown in their approach to fulfilling their task. He said that thanks to their conscientious efforts the negotiation of the Seventh Replenishment of IFAD’s resources had been successfully completed in less than a year.

AUDITED FINANCIAL STATEMENTS OF IFAD FOR 2004 (agenda item 9) (GC 29/L.5 and GC 29/INF.9)

207. **The CHAIR** said that the Executive Board had reviewed the audited financial statements for 2004 at its eighty-fourth session, in April 2005, and had recommended that they be submitted to the Governing Council for approval.

208. **Ms KNOPF** (Assistant President, Finance and Administration Department of IFAD) said that the financial statements included consolidated data for IFAD and entities that had a direct link to its core activities, including supplementary funds. Income from interest and service charges on loans had amounted to USD 48 million in 2004, compared with USD 47.1 million in 2003. The gross income from cash and investments of IFAD had amounted to USD 115.2 million in 2004, compared with USD 113.5 million in 2003. Direct charges against investment income had amounted to USD 6.6 million; IFAD’s administrative budget for 2004 had amounted to USD 57.0 million; the Programme Development Financing Facility (PDFF) USD 27.3 million; the Strategic Change Programme (SCP) USD 4.4 million; and other sources, principally relating to costs reimbursed by the Host Government, USD 8.8 million. Since 1997 IFAD had been participating in the HIPC Debt Initiative, and in 2004 there had been a charge of USD 1.6 million, representing the shortfall between the total cumulative costs of debt relief including future interest and the cumulative funds currently available after the effects of revaluation.

209. The financial statements for 2005 were currently being examined by the external auditor, and for information purposes the highlights of the 2005 figures were provided in document GC 29/INF.9. Preliminary results indicated that gross investment income before direct investment expenses in 2005 had amounted to approximately USD 71.7 million, compared with USD 115.2 million in 2004, representing a net rate of return on the investment portfolio of some 2.95%. The investment portfolio had had a market value of USD 2.3 billion as at 31 December 2005, compared with USD 2.6 billion in the previous year, the decrease being mainly due to the negative impact of the rate of exchange. Contributions overdue had improved slightly in comparison with the situation at the end of 2004. Loan principal repayments had amounted to USD 157.5 million in 2005, compared with USD 171.7 million in 2004, while loan and grant disbursements had amounted to USD 365.7 million in 2005, compared with USD 331.5 million in 2004.

210. A revision to one of the accounting standards of reference required IFAD to restate its loans and certain receivables and liabilities of fair value in its 2005 financial statements. That change would result in a significant reduction in the balance-sheet total asset value and a reduction in total revenues over expenses. Given that the nominal value basis was a better reflection of IFAD's business, data would be represented on both a fair value and a nominal value basis. The financial statements for 2005 would be reviewed by the Audit Committee in April 2006 and presented to the Executive Board the same month.

211. **The CHAIR** invited the Council to approve the financial statements showing the financial position of IFAD as at 31 December 2004 and the results of its operations for the year ended on that date, as contained in Appendixes A to H inclusive of document GC 9/L.5 and the report of the external auditor thereon.

212. **It was so decided.**

ADMINISTRATIVE BUDGET OF IFAD AND ITS OFFICE OF EVALUATION FOR 2006 (agenda item 10) (GC 29/L.6)

213. **The CHAIR** said that, at its eighty-sixth session, the Executive Board had reviewed the proposed budgets for the Fund and the Office of Evaluation and had recommended that they should be put before the Governing Council for its approval.

214. **Ms KNOPF** (Assistant President, Finance and Administration Department of IFAD) said that, at its eighty-sixth session, the Board had approved the 2006 programme of work, which amounted to SDR 379.5 million, equivalent to USD 550 million, and would cover some 32 planned projects. That level, which represented an increase of 10% over 2005, would be reviewed at each Board session with a view to adjustment in the light of resource availability in 2006. The Board had also approved the 2006 Programme Development Financing Facility (PDFF) in an amount of USD 30.4 million.

215. The Board had reviewed the IFAD administrative budget for 2006, proposed at a level of USD 61.1 million, plus USD 400 000 to cover one-time costs. The proposed figure reflected the amount agreed by the Board for recommendation to the Governing Council. Arrived at during the Board session in December 2005, that figure differed from IFAD's original proposal. Consequently, there had been a corresponding change in the supporting details presented in document GC 29/L.6 relative to those provided in IFAD's original proposal to the Board. The administrative budget of the Office of Evaluation, proposed at a level of USD 4.79 million, had also been reviewed by the Board. The euro-United States dollar exchange rate of 0.819 had been used in the calculation of those budgets.

216. Within the context of the Board's review of the programme of work, the PDFF and the administrative budget of IFAD, it had been agreed that IFAD would maintain the ratio between administrative costs (including the PDFF) and the programme of work at the level of 17.1% that had been projected for 2005.

217. The 2006 administrative budgets had been prepared using the 0.819 exchange rate, while the prevailing rate as at 8 February 2006 was 0.836, representing a variation of 2.1%. The variation was not material and it was therefore recommended that the Council approve the administrative budgets of IFAD and the Office of Evaluation at the level of USD 61.1 million plus USD 400 000 to cover one-time costs and USD 4.79 million respectively.

218. **Mr LAVIZZARI** (Director, Office of Evaluation of IFAD) said that the Office of Evaluation had prepared its third annual work programme and budget as per the provisions of the IFAD Evaluation Policy. At its session in December 2005, the Board had discussed and approved that work

programme for 2006 and agreed to recommend approval of the budget to the Council. Prior to that Board session, the preview of the Office of Evaluation's work programme and budget had been discussed with the Board in September 2005. The Office of Evaluation had thereafter prepared the draft proposal for its work programme and budget, which had been discussed at a session of the Evaluation Committee in October 2005. In line with the comments and guidance offered by the Board and the Committee, the Office of Evaluation had prepared its final proposal for its 2006 work programme and budget, which had been discussed with the Audit Committee in November 2005 and approved by the Board for submission to the Council in December 2005. Thus far, there had been six interactions with IFAD governing bodies to discuss the Office of Evaluation's work programme and budget.

219. The Office of Evaluation had four priorities for 2006: to conduct selected corporate-level, country programme and project evaluations; to undertake specific evaluation work required by the IFAD Evaluation Policy for presentation to the Board and the Evaluation Committee; to continue work on methodological development; and to enhance evaluation outreach and partnership.

220. Concerning the first priority, he stressed in connection with the evaluation activities listed in Annex XXV of document GC 29/L.6 that the Office of Evaluation would complete a corporate-level evaluation of IFAD's rural finance policy and would initiate such an evaluation of the Field Presence Pilot Programme. It would also complete two regional strategy evaluations in Asia and the Pacific and the Near East and North Africa, as well as work on five country programme evaluations and ten project evaluations.

221. Concerning the second priority, the Office of Evaluation would produce its fourth annual report on the results and impact of IFAD operations (ARRI) and the work programme and budget for 2007. As in past years, it would prepare comments on the Portfolio Performance Report and the President's report on the implementation status of evaluation recommendations and management actions (PRISMA), as well as on any relevant policy proposals. As per its terms of reference and rules of procedure, it would also organize four regular sessions of the Evaluation Committee.

222. Concerning the third priority, the Office of Evaluation would implement its enhanced project and country programme evaluation methodologies and continue to support the strengthening of the self-evaluation capacity and systems within the Programme Management Department. In regard to evaluation outreach and partnership, he highlighted the efforts of the Office of Evaluation to disseminate evaluation findings to all partners, with special emphasis on those living in developing countries.

223. Lastly, Annex XXIV of document GC 29/L.6 contained the budget proposal for the Office of Evaluation, both by expenditure type and by activity. In 2006, the Office would require the same number of staff as in 2005 and the same financial resources, amounting to some USD 4.79 million.

224. **The CHAIR** said that the representative of the United States of America wished to place on record his country's negative vote on the administrative budget of the Fund.

225. Resolution 142/XXIX on the administrative budget of IFAD and of its Office of Evaluation for 2006 was adopted.

REPORT ON IFAD'S RESPONSE TO THE AVIAN INFLUENZA CRISIS

226. **Mr CARRUTHERS** (Assistant President, Programme Management Department of IFAD), having outlined the background to the expanding crisis of avian influenza and the current situation worldwide, said that many of the countries affected or at risk had a rapidly expanding poultry industry, combined with large and dense human populations. Outbreaks of avian influenza in poor

non-infected countries, where the veterinary infrastructure was limited, would have devastating results, particularly among resource-poor farmers. The many national and international initiatives already taken included a global strategy launched by FAO in collaboration with the World Health Organization with the aim of introducing immediate and short-term, medium-term and long-term prevention and control measures. In January 2006, the Chinese authorities had co-sponsored the International Pledging Conference on Avian and Human Influenza in Beijing, at which over USD 1.9 billion had been pledged to the multidonor financing framework to be administered by the World Bank. Vaccination programmes and campaigns had been started in China and Viet Nam, along with a nationwide activity surveillance campaign in Thailand. Key components of the global strategy included the strengthening of control measures, improved information and emergency preparedness systems, restructuring of the poultry sector, movement and trading control, compensation, credit, public awareness and education.

227. The fact was that the growing poultry industry contributed to the sustainable livelihood and household food security of over 600 million small householders. Given that women constituted the majority of poultry owners and a substantial portion of microcredit clients, they were disproportionately affected by the crisis. The South-East Asian outbreaks had already had severe consequences for agriculture and most especially for poor farmers who depended on small backyard flocks for income and food. Outbreaks and control measures also had a significant social and economic impact on rural areas, as well as significant implications for poverty-reduction strategies. Culling, for instance, could drive many poultry farmers to poverty, further marginalize already poor farmers and force some to leave the industry altogether. Moreover, poultry farmers bore direct costs and income losses stemming from both animal and human health measures, family deaths and prevention. In short, structural change in the poultry industry was inevitable.

228. In the light of those circumstances, it was essential to develop risk and vulnerability mitigation measures and also bring about behavioural change through a diversity of approaches, with the emphasis on community-based participatory action and mass-media community awareness campaigns. Risk-averse behaviour was already starting to affect the uptake of poultry-reduction strategies and the adoption of higher levels of productive technology. In fact, avian influenza could have a wide-ranging impact on macroeconomic development, the agriculture sector, rural development, food security and poverty reduction strategies, as well as on trade and investment. Pro-poor policy choices in restructuring the poultry sector were therefore crucial.

229. In response to the crisis, IFAD had already taken a number of initiatives in partnership with other organizations, such as FAO and the World Bank, in order to determine the implications of the pandemic for its work and ongoing projects, for instance. The crisis was also being taken into account in the design of new projects and the review of regional strategies. Additional guidance would be provided once the Executive Board had completed its review of an IFAD policy paper on crisis prevention and recovery. An example of IFAD's response was that Viet Nam was to receive a small country grant for the purpose of assessing the impact of the risk aversion of poor households on their uptake of development activities. The results would be retrofitted into ongoing projects and would also be included in new project development across the Fund.

230. **Mr ZAIED** (Libyan Arab Jamahiriya) thanked the Secretariat for including the item on the session's agenda. The pandemic, which went beyond national borders, had had a dire effect on poor rural communities, and he hoped that the Governing Council would support IFAD's efforts and strengthen its action to combat it. So far the number of human deaths had been very small, but every endeavour must be made to ensure that that number did not grow. It was important to support all efforts by IFAD and its partners to protect public health, to adopt all possible measures at the local and international levels, to proceed with research at the international level, to support the efforts of the specialized agencies throughout the world, and to keep everyone informed.

GENERAL STATEMENTS (agenda item 6, continued)

231. **Mr KABASHI EISA** (Sudan) said that the Government of National Unity established following the signature of the Peace Agreement in the Sudan was endeavouring to reconstruct the country and achieve, inter alia, balanced and sustainable economic development. In that context, he looked forward to fulfilment of the pledges made at the Oslo Donors' Conference on the Sudan in April 2005. The Sudan had adopted various economic policies, strategies, programmes and plans with a view to reducing poverty, achieving food security and developing rural infrastructure. With international assistance, special funds and projects were also being created in order to improve socio-economic conditions and support small farmers, refugees and displaced persons.

232. In regard to the key issue of innovation challenges, he pointed out that agriculture was the main livelihood in the Sudan, employing as it did some 75% of the population. An agricultural development strategy had been put in place to reduce rural poverty and the rural-urban divide by various means, including the introduction of modern technology, the allocation of arable land to small farmers, higher investment in rural farming industries and the establishment of marketing cooperatives.

233. He commended IFAD's past and present successes in the Sudan and its efforts to promote rural development and achieve food security, and looked forward to further interventions aimed at improving livelihoods in areas affected by drought and natural disasters. He also hoped that the Fund's resources would be more effectively directed towards expanding the base of beneficiaries and sustaining the impact of projects and programmes implemented for their benefit. It was also important to involve beneficiaries in choosing appropriate technology. He supported the Fund's efforts to strengthen its presence in the field and increase dialogue with local institutions in order to reinforce their role and effectiveness. The Sudan would be increasing its contribution to the Seventh Replenishment by 25%.

234. **Mr Al-Dousari (Qatar), Vice-Chair, took the Chair.**

235. **Mr CHELGHOUM** (Algeria) commended IFAD for its sustained efforts to secure the necessary funding to meet the demands of developing countries in terms of poverty reduction and food security, and said it should strengthen its role in correcting the imbalances that could be produced, particularly in the poorest countries, by the difficult international economic context resulting from the globalization of trade and economies. Algeria's ambitious programme to support economic revitalization, now in its second phase of implementation, gave great importance to agricultural and rural development. Interim results were encouraging. He thanked IFAD for the contribution it had made in the form of loans for six rural and agricultural development projects. Noting that desertification was one of the main causes of poverty in many countries, especially in Africa, he welcomed the fact that IFAD had been selected to house the Global Mechanism of the United Nations Convention to Combat Desertification.

236. It was vital for IFAD to have sufficient resources at its disposal to accomplish its numerous missions, and that was why the Seventh Replenishment was of such central importance for the continuation of the Fund's activities. The challenge of eradicating hunger and fighting against poverty required real solidarity on the part of the international community, effective partnership with governments and civil society, and close cooperation with the international organizations and specialized agencies. Algeria reaffirmed its commitment to make its full contribution to that joint effort to guarantee food security for all.

237. **Mr ANDINO SALAZAR** (El Salvador) said that his delegation, associating itself with the statement made on behalf of the Group of Latin American and Caribbean Countries, endorsed in particular the view that the PBAS might have undesirable effects, especially on small countries such as El Salvador; the system should therefore be examined to verify its compliance with the Fund's

objectives. It also shared the concerns about the decline in the resources allocated to the Latin America and the Caribbean region. Furthermore, the Governor for Spain had been right to draw attention to the importance of reducing poverty wherever it existed. It was vital to review the voting system and the functioning and membership of the governing bodies with a view to enhanced democracy and transparency.

238. El Salvador had set up an “Opportunities” programme to help improve the quality of life of thousands of families as part of its effort to attain the MDGs. It focused on a solidarity network to reduce poverty, the development of small enterprises, health measures and a youth programme. The country’s economy had strengthened considerably in 2005, thanks largely to a 5.8% improvement in the agricultural and agro-industrial sector and to measures to enhance farmers’ competitiveness and incomes. The Government would be investing USD 2.5 million, double the 2005 amount, under the “Promotion of agricultural productivity” programme, for the benefit of 100 000 producers. IFAD had made a particularly important contribution to the Government’s efforts to achieve its goals for the reduction of rural poverty. There were three ongoing IFAD-funded projects, and a fourth, for the development of the country’s eastern region, had been approved in April 2005. El Salvador attached particular importance to the empowerment of rural women. His Government requested IFAD to strengthen further its cooperation with the Latin American and Caribbean countries.

239. **Mr HOFMANN** (Germany) said that the conferences held and decisions taken in 2005 had boosted development cooperation, but attainment of the MDGs would require renewed efforts. Poverty reduction had been neglected in previous decades, but that trend now seemed to have been reversed, paving the way for IFAD to pursue innovative measures with bilateral donors, the World Bank and regional banks. IFAD must constantly advertise its comparative advantage, for there was an increasing challenge from other players wishing to involve themselves more closely in rural development. It must succeed as a trendsetter in order to convince such other players and their partner countries to replicate the Fund’s models.

240. Of course, pioneers ran the risk of a degree of failure, and IFAD should be frank in sharing any negative experience with the Member States so that both the Fund and the international donor community could learn the corresponding lessons. The Fund’s managers should certainly be encouraged to experiment, and perhaps more of the innovative projects should be grant-funded, although the possible impact on the Fund’s refinancing capacity must be kept in mind. IFAD’s management was receptive to new ideas and in the light of the Independent External Evaluation the Fund faced the challenge of fundamental reform. There was in fact no alternative to reform if IFAD was to find its place in the new architecture of aid. For a small organization like IFAD, the future lay in partnerships for PRSPs. The Seventh Replenishment negotiations had produced a respectable outcome although the target was less than the Fund would have wished. A demonstration of success as a reformed institution would have a positive effect on future replenishments.

241. His delegation could not understand why IFAD had not yet succeeded in securing a more equitable sharing of the burden between List A and List B countries at a time when some of the windfall profits of the oil-producing States could be channelled, as in the 1970s, through creative mechanisms to help the rural poor. Furthermore, as the current high price of oil was offsetting any benefits to indebted countries under the HIPC Initiative, some compensatory arrangement should be put in place. He therefore appealed to all Member States to give the Fund the support it needed.

242. **Mr TOVAR Y DE TERESA** (Mexico) said that the IFAD evaluation exercise which was to take place in Mexico in March would include a round table to work on a new country strategic opportunities paper (COSOP), under which Mexico hoped to reinforce its cooperation with IFAD and the Fund’s presence in Latin America and the Caribbean. That did not of course detract in any way from the assistance the Fund needed to give to poorer developing countries, especially in Africa, for Mexico believed that multilateral cooperation was the only way to fight rural poverty. That

undertaking meant combining social and economic objectives in such a way as to make poverty reduction the fulcrum of national and international activities. All countries must adopt concrete measures and coordinate their action to attain the MDGs and comply with the Monterrey Consensus, and IFAD was urged to support their efforts.

243. The PBAS must be consistent with the Fund's objectives and its operation must be properly assessed before agreeing on any changes to the formula, which should be introduced on a purely experimental basis for two-year periods. The aim was for all countries to be able to receive support from the Fund. IFAD must explain clearly its concept of the PBAS, for unlike other institutions it applied the system to all its loans and grants without taking into account the terms on which they were offered. The PBAS must not be allowed to become a straightjacket, and the possibility of retaining regional allocations under the PBAS should not be overlooked, for such allocations were designed to ensure that all rural people in all parts of the world had an opportunity to improve their living standards.

244. In June 2006 Mexico intended to deposit USD 1 million in full payment of its contribution to the Sixth Replenishment and now pledged a contribution of USD 3 million to the Seventh. It urged all countries to fulfil their commitments under the Sixth Replenishment and to present their instruments of contribution under the Seventh.

245. **Mr HEFNY** (Egypt) said that he welcomed the adoption of the Action Plan for Improving IFAD's Development Effectiveness, in particular the goal of maintaining an annual increase of 10% throughout the period of the Seventh Replenishment. He supported the comments made in connection with the PBAS, which should remain linked with IFAD's fundamental objectives. He also hoped that the PBAS would not affect the overall allocation of resources to the African continent.

246. The major challenge now facing IFAD and other United Nations development agencies was to reduce by half the proportion of people who suffered from hunger. Unless the situation changed, the African continent would be unable to achieve that MDG. While local policies should be put in place to increase agricultural productivity and improve market conditions, they would not bear fruit without international financing for agricultural projects, information exchange and coordination in international forums, in particular the World Trade Organization (WTO). In that connection the outcome of the Sixth WTO Ministerial Conference had failed to meet the expectations of the developing countries. Despite the various concessions offered to small farmers by developing countries, the development package had been seen as being based on profit and loss and not, as had been hoped, on participation and cooperation.

247. The Fund had an important role to play in achieving the MDGs by increasing and promoting its capacity for innovation in line with the capacities of developing countries, and in that context he highlighted the initiative of the New Partnership for Africa's Development (NEPAD). He reiterated the importance of defining the priorities of projects that might be partially funded by IFAD or through the debt-for-development swap scheme, from which Egypt had benefited enormously in the context of the rural development project established under the Italian-Egyptian Debt-for-Development Swap. In the case of the Nile Basin Initiative, he hoped that the Fund would play a role similar to that which it played in NEPAD and the Global Mechanism of the United Nations Convention to Combat Desertification.

248. **Mr DOGRA** (India), noting with satisfaction the session's focus on innovation and challenges for the rural poor, said that a major challenge facing the world was to address the MDGs effectively, and IFAD's efforts to contribute to that goal within an early time frame were welcome. The view in India was that progress and prosperity could be truly effective only if they embraced all sections of society; the benefits of progress must reach the rural poor so that they became equal partners in development. An institutional innovation in India was that under recent legislation it was now

obligatory for state governments and their implementing agencies to ensure that every household in the rural areas was guaranteed wage employment in unskilled manual work for a period of at least 100 days in a year; men and women were now able to demand work through the democratically elected village councils. But a poverty reduction strategy by itself was not enough unless it was supported by the right to information, and the Indian Government had recently passed legislation to ensure citizens' right to access to information from all levels of government, the aim being to increase transparency, empower beneficiaries and other stakeholders, including civil society organizations.

249. India had been pleased to be able once again to increase its contribution to the latest replenishment, and hoped that the target for the Seventh Replenishment would be achieved. Concerns had been expressed by some Member States regarding implementation of the PBAS, and he expressed confidence that through consultations and with the active involvement of the members of the Executive Board a consensus would be reached on modifications to the formula. Regarding the Associate Professional Officer programme, which was of great value for small countries, an acceptable arrangement for its financing should be found, and with respect to reforms of IFAD's governing structure, wide consultations would be required before any changes were made. The structure had served IFAD well, and needed to be nurtured for the future. India would support the proposal to set up an ad hoc committee to look into the matter.

250. **Mr BOUKOUBI** (Gabon) said that the agricultural and rural sector of his country's economy had lost some of its importance of late but had now been made a priority by the Government because of worsening poverty. Several measures had been approved during a national forum in May 2005, notably a new rural and agropastoral development policy, a law on agricultural policy, an investment code, a decree reorganizing the ministry dealing with agricultural and rural development, and a five-year plan of action for the period 2006-2010. In December 2005, the Government had adopted a document on growth and poverty reduction strategies that would henceforth be the single point of reference for national development policies and partnership interventions. Gabon's initiatives were now fully consistent with NEPAD agricultural policy.

251. A three-year IFAD intervention strategy in Gabon had begun in 2005 with the strengthening of the capacities of the national directorate for IFAD projects and the launching of activities paving the way for drawing up the first investment project. Thanks to cooperation between Gabon and its various development partners, those initiatives would ensure food security, improve the contribution of the agricultural sector to the nation's economic performance, and reduce poverty. Gabon sought even greater support from IFAD in meeting its various challenges. Its commitments in terms of the replenishment had been broadly honoured, and its contribution to the Seventh Replenishment would be substantial; the precise amount was subject to the completed payment of arrears and would be announced in due course. Like other countries, Gabon expected IFAD to play its full role in assisting the rural poor, who needed innovations in order to produce and sell better. The rural poor suffered from the indifference of a consumer society that was characterized by disengagement of the State and lack of interest on the part of private investors. Faced with that dilemma, IFAD must involve itself in alleviating the plight of farmers, reducing poverty and eradicating hunger.

252. **Mr NAKAMURA** (Japan), noting that achieving poverty reduction through increased economic growth and agricultural and rural development was of key importance in achieving the MDGs, said that the percentage of his country's overseas development assistance that was devoted to the agriculture sector was the highest among OECD Development Assistance Committee countries, and at the 2005 summit meeting of the Group of 8 his country had secured prominence for agricultural development in the Group's development agenda for Africa. Japan's support for agriculture in developing countries focused on accelerating productivity growth, fostering closer links between smallholders and markets, and promoting the capacity of government organizations and small-scale producers. That support included investing, inter alia, in infrastructure, agricultural research and support for the formation of smallholders' organizations. Japan had given longstanding support to the

agricultural research and extension service of New Rice for Africa (NERICA), and was now concentrating its efforts in Guinea and Uganda, collecting valuable feedback and extending benefits to neighbouring countries.

253. The potential and the urgency of getting agriculture back on to the world's development agenda had never been greater. Japan regarded IFAD, with its exclusive focus on rural development, as one of the most important organizations in making agriculture the engine of growth for the majority of the world's people, and had co-sponsored its side event, emphasizing economic empowerment of rural women, during the 2005 session of the United Nations General Assembly. In spite of financial constraints, his Government had pledged USD 33 million to the Seventh Replenishment, which was 10% more than its contribution to the Sixth Replenishment. IFAD's critical challenge now was to demonstrate its distinctive role in achieving food security and raising income from agriculture among poor rural people. Through improved monitoring and evaluation of its agricultural investments, the Fund would be able to publicize more widely the impact of its projects, thereby increasing the likelihood that more and better agricultural investments were made and that the world came closer to attaining the MDGs.

254. **Mr ZAIED** (Libyan Arab Jamahiriya) said that his country, a founding member of IFAD, was still striving to achieve the Fund's objectives, despite the adverse impact of past sanctions on its development projects, including those relating to agriculture and food production, and on income levels. The Fund had an ever-increasing role to play in creating new programmes aimed at eradicating poverty, which was now a major cause of global concern, particularly in the rural areas of the developing countries.

255. Avian influenza constituted a growing danger, particularly in poor countries without the means or technology to address the problem, which would have adverse repercussions for health and for global and local economies. Most badly affected were poor rural communities with limited incomes. The situation should therefore be treated as an emergency before it deteriorated further and the Fund's efforts in that connection should be fully supported.

256. Desertification was an enormous problem in various regions of Africa and Asia, and in that connection the Global Mechanism hosted by the Fund had taken much appreciated steps to combat its spread through, for instance, technology transfer to the affected countries. The same was true in the case of the locust swarms which also plagued some of those countries. In short, support for Africa in making optimum use of its wealth of agricultural and water resources was essential to the achievement of prosperity and stability for those suffering from the problems of poverty, desertification and drought.

257. **Mr Wyatt (United Kingdom of Great Britain and Northern Ireland) resumed the Chair.**

258. **Mr MOKHLES-UR-RAHMAN** (Bangladesh) said that steps must be taken immediately to help the large proportion of the world's population still living in abject poverty to reap the benefits of globalization. Bangladesh itself was making all-out efforts to attain the MDGs. In that connection IFAD was to be commended on its Action Plan. Implementation of the Independent External Evaluation recommendations would give the Fund more opportunities to fulfil its mandate. It was to be hoped that the current discussion of governance and resource allocation issues would have a fruitful outcome.

259. The purpose of the Bangladesh poverty reduction strategy was to ensure improved market access for farmers and to promote production activities and infrastructure development and maintenance. Importance was also attached to education, especially of girls, the empowerment of women, local ownership of programmes and participatory planning. Action had been taken to improve the people's health and protect the environment. The Government was committed to improving

governance and ensuring accountability, in particular through measures relating to law and order, the regulatory framework and the prevention of corruption.

260. Despite some setbacks, noteworthy progress had been achieved in poverty reduction, and two of the MDG targets had been attained: access to safe drinking water, and removal of gender inequality in primary and secondary schools. A microcredit programme had proved an effective tool in the fight against poverty. According to the United Nations Development Programme (UNDP), Bangladesh had graduated to the group of countries enjoying a medium level of human development. The Fund's contribution to the country's development had been admirable in many areas, notably microfinance, aquaculture, agricultural extension, rural infrastructure and crop diversification. It was all the more regrettable that its loans and programmes had been in decline in recent years.

261. **Mr BISTA** (Nepal) said that the pace of progress towards achieving the MDGs had been dishearteningly slow, ironically in a world possessing ample capacity to feed its whole population and one which repeatedly reaffirmed its commitment to do so. The obstacle to such progress was the failure to install a just international order. Against that background the outcomes of the United Nations World Summit and the Gleneagles meeting of the Group of 8 in 2005 were most welcome, for they recognized the need for urgent action. Nepal urged the developed countries to try harder to attain the development targets and to conclude the Doha Round as soon as possible.

262. His country's current five-year plan, which amounted essentially to its PRSP, had been aligned with the MDGs, with poverty reduction as its overriding objective and recognition of the agricultural sector as the main engine of growth. Poverty had been reduced by 11% between 1966 and 2004, but much remained to be done. However, on account of terrorist activities, the Government was having to divert resources to the vital priority of restoring peace, which included helping the victims of terror and internally displaced persons and rebuilding infrastructure. The cost of implementing the anti-poverty and agricultural elements of the country's MDG programmes far exceeded current budgetary allocations; considerably increased support from development partners would therefore be needed.

263. Accordingly, his delegation had been happy to learn that IFAD was updating its country strategy for the reduction of rural poverty in Nepal and hoped that it would give sufficient emphasis to high-value production, value addition and marketing. It was also happy to note the recent approval of a pilot programme to improve livelihoods in mid-western Nepal which had been aligned with the north-south corridor developmental approach. IFAD was requested to work with the Government of Nepal to replicate and scale up that approach over a wider area on the completion of the pilot programme.

264. **Mr Mokhles-ur-Rahman (Bangladesh), Vice-Chair, took the Chair.**

265. **Mr TOFINGA** (Kiribati) said that the Government and people of Kiribati were grateful to the Governing Council for admitting Kiribati to membership of IFAD at the twenty-eighth session. He outlined the country's geographical features as a widely scattered group of islands with poor soil conditions and the many constraints on its agricultural development, and pointed out that agricultural production was so low that most food had to be imported. Accordingly, admission to membership in IFAD had marked an important step towards increased food production, with the focus mainly on the indigenous food crops in order to lessen reliance on imported food products.

266. Kiribati was very concerned about the effects of climate change, not only on the Fund's initiatives to enable the rural poor to overcome poverty but indeed on the very existence of humankind. It was essential for the international community, including IFAD, to address climate change, in particular its effects on small low-lying island States, whose shorelines were being eroded at an alarming rate by the rise in the sea level and whose groundwater was becoming increasingly salty.

267. **Mr DOUANGDY** (Lao People's Democratic Republic) said his country's national growth and poverty eradication strategy, in which the MDGs were mainstreamed, had a dual objective of enhancing growth and development and reducing poverty by 2020. The strategy had recently been integrated into the Government's Sixth National Socio-economic Development Five-Year Plan (2006-2010). The agriculture and forestry sector remained the pillar of the country's economy, accounting for almost half of its GDP, while approximately 80% of its population made their living from agriculture, livestock, fisheries and non-wood forest products. The Government had established a favourable policy framework and regulatory systems to support the implementation of poverty alleviation programmes, including policies to decentralize and empower provincial, district and village administrations and local communities in the planning and management of development and investment projects. Cross-cutting priorities encompassed issues such as the environment, gender equality, population and social security. Avian influenza had been detected in the country in January 2004 and, following very strict measures to control and prevent its spread, the disease had been eradicated by March 2004. In spite of natural disasters in recent years, agricultural production had recorded a satisfactory performance, largely due to increasing and well-planned investments.

268. His country's Government greatly appreciated IFAD's support and was closely monitoring three ongoing projects being undertaken with IFAD assistance. Following a favourable IFAD country portfolio review, it was currently developing others in provinces where poverty subsisted. The Lao People's Democratic Republic supported IFAD's commitment to taking up new challenges and increasing its development effectiveness.

269. **Mr KATOKA** (Zambia) said that agriculture, which provided a livelihood for more than half of his country's population, was a priority sector and engine for economic growth because of its potential for increasing food security, generating income and reducing poverty among the rural poor. He expressed his appreciation to IFAD for focusing its support in Zambia on addressing endemic problems of food insecurity, strengthening the delivery of services for the benefit of resource-poor households, and improving access to markets. As a result, the food security of targeted vulnerable families was improving and poverty levels were coming down. IFAD's support in new areas, notably rural finance and the control of livestock diseases and restocking oriented towards draught animal power, would likewise contribute significantly to poverty reduction. Zambia was grateful for IFAD's decision to participate in debt cancellation for the highly indebted poor countries, and would use the resources saved thereby in efforts to attain food security and poverty reduction.

270. He echoed the concerns of others that the parameters for implementing the PBAS should not compromise the very essence of IFAD's initial mandate, namely the plight of the rural poor. Zambia was pleased with the recommended target level for the Seventh Replenishment, and as a beneficiary country, was duty-bound to demonstrate its commitment collectively to address the global challenge of reducing rural poverty and hunger by pledging USD 100 000 to the Seventh Replenishment.

271. **Mr WERMUTH** (Netherlands) said his country believed that IFAD had an important role with regard to achieving the MDGs, especially the first one, and therefore attached great importance to the impact of the Fund's activities at the country level. It had emerged from the negotiations on the Seventh Replenishment that the challenge for IFAD in the coming years was that it was a niche player with many high-quality activities yet at the same time it had to implement fundamental reforms within its own organization and business practices, including its present operating model. Welcoming the results of the Consultation on the Seventh Replenishment, he said it was important to ensure in future consultations that all Member States of IFAD remained involved in its policymaking process and that there was a fair sharing of the burden when it came to contributions. IFAD could meet the high expectations for the Seventh Replenishment period and demonstrate its comparative advantage only if it was prepared to build on its proven ability to focus primarily on its niche by effectively targeting the rural poor through innovative approaches and with the full participation of farmers' associations.

272. Structural reform of the United Nations itself would undoubtedly have implications for IFAD, in terms of a more coherent approach, a more streamlined governing structure and, particularly, a more unified field structure. Without anticipating the results of the Field Presence Pilot Programme, the Netherlands was of the view that IFAD should seek the greatest possible cooperation with other relevant players in the field in order to reduce the number of those players while maximizing their effectiveness.

273. **The meeting rose at 12.30 hours.**

(iv) Summary Record of the Fourth meeting of the Twenty-ninth Session held on Thursday, 16 February 2006, at 15.00 hours

**CHAIRPERSON: MATTHEW WYATT (UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND)
MOHAMMAD MOKHLES-UR-RAHMAN (BANGLADESH)**

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274. **The meeting was called to order at 15.35 hours.**

REPORT ON THE FARMERS' FORUM

275. At the invitation of the Chair, **Mr Kiriro** and **Ms Banzuela** delivered a report on the deliberations of the Farmers' Forum, which was held in Rome on 13 and 14 February 2006 in conjunction with the twenty-ninth session of the Governing Council. The full text of their statement is reproduced in chapter 4.

GENERAL STATEMENTS (agenda item 6, continued)

276. **Mr LUTUCUTA** (Angola) said that IFAD was to be commended on its efforts to correct the worsening situation of rural dwellers in the developing countries, in particular in Africa. The recent harvest in Angola had been a good one and the area of land under cultivation had increased by 9%. Food security had improved in recent years, but problems persisted in certain regions and called for integrated rural development programmes for their inhabitants. IFAD could play an important role in further helping the African countries to tackle the difficulties confronting them. The priorities in respect of increased food production should be established in accordance with NEPAD policies and should focus on irrigation, food storage and training.

277. The proposed target of USD 800 million for the Seventh Replenishment constituted an acceptable basis for the Fund's work. His Government would announce its contribution shortly and was taking steps to deposit its instrument of contribution in 2006. Continued assessment of the PBAS should be carried out; its implementation must not be prejudicial to the neediest countries. In the meantime the regional allocations system should be continued. His delegation agreed to the proposals made in the document on the programme of work and administrative budget of IFAD and its Office of Evaluation for 2006 (GC 29/L.6).

278. Changes were indeed needed to improve the Fund's operation, but the original mission of helping the poorest rural dwellers must always be kept in mind. Regardless of increases in the participation of one List or another in terms of replenishments, the balance between the Lists was one of the factors that marked IFAD out from other organizations. The theme of the present session had been well chosen, but in addition to innovation the fight against poverty also required the use and dissemination of local know-how.

279. **Ms KHOMAPAT** (Thailand) said with reference to the PBAS that the system of regional resource allocation should not be changed over-hastily; the Executive Board should first determine whether it might have a negative impact on small countries and cause competition between regions. The voting system and membership of the Executive Board should also be reviewed and modified with a view to establishing a fairer mechanism. The principle of equitable geographical distribution should be observed in recruitment to the post of Associate Professional Officer. Regular-budget funds should be used to make it easier for young professionals from the developing countries to secure posts with IFAD and thus build up their capacity.

280. Although a developing country, Thailand was no longer a beneficiary of IFAD projects but it still made regular contributions to the Fund in order to help less fortunate countries. Thailand believed that the problem of poverty must be tackled through international cooperation and it was involved in many development activities under regional arrangements. The spread of avian influenza itself called for an immediate collective response in which IFAD should play an active role; the inclusion of that question on the agenda was a welcome first step.

281. Her delegation had been reassured to hear the President of IFAD say that the Fund had frequent high-level dialogues with other United Nations agencies with a view to cooperation, which should be concentrated on support of the existing programmes of countries, regions or organizations.

282. **Mr AL-KASSIR** (Syrian Arab Republic), commending IFAD on its efforts to fulfil its mandate, improve its functioning and cooperate with other international agencies, governments and local communities, said that agriculture was a key sector of the Syrian economy. His Government had therefore adopted measures, including the promotion of scientific research and the use of modern technologies, designed to achieve balanced development, create the right conditions for overcoming poverty and promote stability and better health and living conditions in poor rural areas, as well as sustainable agriculture and the best sustainable use of natural resources.

283. The agricultural projects implemented in various regions of the Syrian Arab Republic in conjunction with IFAD served as a model for international cooperation, not least in view of their ongoing success once the agreed period of financing had ended. The Fund was also involved in development activities with a number of Syrian non-governmental organizations, including the Fund for Integrated Rural Development of Syria, which focused on the role of rural women in development. His country looked forward to building further on its successful cooperation with the Fund and other international financing institutions.

284. **Ms NYIKULI** (Kenya) said that agriculture was the engine of Kenya's economic growth and provided the livelihoods of 80% of its population. Accordingly, economic growth depended on agricultural sector growth, and the Government had introduced a number of policies to that end, including strategies for poverty reduction, wealth and employment creation and agricultural revitalization. Kenya was, however, beset by drought, like most other sub-Saharan countries. The current drought had caused serious famine affecting almost three million Kenyans. Her delegation commended IFAD for its contribution to the efforts of the Government and of the international community to alleviate the situation, but only intensified intervention could avert a catastrophe.

285. Kenya appreciated the Fund's focus on the rural poor in developing countries and looked forward to expansion of its loan portfolio for Kenya. It remained concerned about the PBAS: its implementation must not impede financial flows to the poor, who might have no control over their situation. Her Government would continue to support the Fund's work and would make a contribution of USD 100 000 to the Seventh Replenishment.

286. **Mr AL-JAFF** (Iraq) said that in the past Iraq's governments had not used the opportunities offered by IFAD, and animosity between the Fund's management and Baghdad on irrelevant subjects had blocked Iraq's contributions. Happily, the new Government was reconsidering its association with IFAD and other international organizations. The three-year development plan prepared by FAO, which had not yet taken off, would provide a sound basis for cooperation with IFAD.

287. Rural development in Iraq started with the training of the rural population, followed by measures to secure sustainability. The Kurdistan region had concluded agreements with many private companies for the reconstruction of villages and infrastructure destroyed by the previous regime, and agro-processing and training centres were in operation. The President of Iraq had confirmed with the President of IFAD cooperation arrangements for rehabilitation of Iraq's three main ecological regions. The new federal Iraq would cooperate closely with IFAD, and his delegation could announce a contribution of USD 2 million to the Seventh Replenishment, plus a 10% yearly increment during the Seventh Replenishment period; action would be taken on Iraq's arrears following the completion of the formation of the federal Government.

288. It was to be hoped that senior managers of the Fund would be able to visit Iraq once peace was restored. His delegation endorsed the goal stated by the President of IFAD of placing the Fund at the

leading edge of international efforts to eliminate poverty and hunger. Although it had a problem of poverty Iraq was an oil-rich country that wanted to be a full partner in the Fund's activities.

289. **Mr YISMA** (Ethiopia) said that his delegation agreed fully with the President of IFAD that much remained to be done to fulfil the Fund's mission. Ethiopia had brought its development strategy into line with the IFAD approach to the elimination of rural poverty; since 85% of the population lived in rural areas, that goal would not be attained without due attention to the agricultural sector. The country's agriculture-led industrialization strategy had been instrumental in increasing farm output and productivity, notably through the establishment of agricultural training centres. A number of microcredit centres had been set up, measures had been taken to facilitate access to education and primary health care, and power had been devolved to the local level.

290. The Government was committed to promoting rapid economic development and building good governance and democracy, with more private-sector participation. Its poverty reduction programme had already had a direct impact on farmers' livelihoods, an impossible achievement without international cooperation. In that connection the Fund's current projects in Ethiopia were expected to benefit more than five million rural households, making a crucial contribution to the effort to attain the MDGs, which would require the expansion of the development work to embrace such areas as market access for farm products, rural financial systems, land and water management, and access to appropriate technology and information systems.

291. **Mr Mokhles-ur-Rahman (Bangladesh), Vice-Chair, took the Chair.**

292. **Mr WYATT** (United Kingdom of Great Britain and Northern Ireland) said general agreement had been reached in 2005 that the progress made in achieving the MDGs had not been sufficiently rapid. Important promises and commitments had been made, and it was time to deliver on them. IFAD could play an important role in helping many of the world's poorest rural people to lift themselves and their families out of poverty by developing and testing innovative approaches and ensuring that the lessons learned were replicated and scaled up. The United Kingdom of Great Britain and Northern Ireland welcomed IFAD's openness in dealing with the Independent External Evaluation and strongly supported the resulting Action Plan, urging the Secretariat to ensure that it was implemented. Innovation had to be at the centre of what the Fund did, and that was why the United Kingdom was contributing USD 10 million to the Initiative for Mainstreaming Innovation (IMI) under the Sixth Replenishment.

293. IFAD must deliver on its commitments to driving up portfolio performance, including targeting; to working better with national poverty reduction processes; and to ensuring that the ratio between programme and administration costs was tightly controlled. Full implementation of the Fund's good human resources policy would be essential if IFAD was to fulfil its Action Plan. Concerns had been expressed about the PBAS; further reflection and flexibility would be required on all sides to ensure that a genuine consensus was reached. The United Kingdom welcomed IFAD's constructive engagement in the wider United Nations reform process. The Independent External Evaluation had shown where IFAD needed to do better, and the Action Plan pointed the way forward, but important issues of governance had been raised and the United Kingdom was ready to work with the Governing Council and the Executive Board in addressing them fairly and effectively.

294. **Mr Wyatt (United Kingdom of Great Britain and Northern Ireland) resumed the Chair.**

295. **Ms MUCHADA** (Zimbabwe) said that some of the challenges developing countries faced in striving to achieve food security and reduce poverty could be met by innovations that targeted optimal use of available natural resources at the community level. The Government of Zimbabwe, while attaching importance to land redistribution, also recognized the need to fully tap agricultural potential, and a land audit was being undertaken to ascertain the best means by which this could be achieved. In

addition, there was a need for new initiatives in policy formulation, institutions, regulatory frameworks and investment. Zimbabwe was concerned that partners such as IFAD were doing little to help the Government to address those emerging issues, which included empowering rural communities to achieve sustained production and assisting rural traders in investing in businesses that would provide linkages to production and disposal of produce. Concerted efforts should also be made to ensure that there was gender balance in women's access to productive resources.

296. Confronted as it had been by serious droughts, the Government had stepped up irrigation rehabilitation, the development of new irrigation schemes and dam construction. Other measures designed to increase food production and combat rural poverty included rural electrification, rural capital development, import substitution and value addition, and the Government saw a role for IFAD in some of those programmes. Measures had been taken to maintain a national strategic grain reserve, and all stakeholders were encouraged to work with the Zimbabwe farmers' association. Stressing the importance of agricultural financing, she said that IFAD's involvement was sought in strengthening local institutions and helping communities to overcome barriers to attaining food security. Zimbabwe had been continuing with the IFAD-funded dry areas development programme on its own following the suspension of the country programme.

297. The Government of Zimbabwe hoped to conclude the current negotiations for the rescheduling of its payments to IFAD soon, as it wished to participate fully in the Seventh Replenishment. The suspension of community-based programmes due to overdue payments was not the best option for dealing with arrears as it might lose the momentum gained and damage the mutual understanding between implementing partners and recipient communities. A "one size fits all" approach might not address the fundamentals in a given community or country. On governance matters, the issue of voting rights, regional representation and the role of the Executive Board remained a cause for concern. Zimbabwe wished those matters to be dealt with in a transparent manner, possibly through an open committee. Zimbabwe's initial concerns regarding the PBAS remained valid. The PBAS should be fully evaluated and the indicators should be fine-tuned, as they dealt with different situations in different circumstances.

ELECTION OF MEMBERS AND ALTERNATE MEMBERS OF THE EXECUTIVE BOARD (agenda item 11) (GC 29/L.7 and Add.1)

298. **The CHAIR** said that, since the three-year term of office of the current membership of the Executive Board would expire at the close of the twenty-ninth session of the Governing Council, all 18 members and alternate members of the new Executive Board would need to be elected. In accordance with Schedule II of the Agreement Establishing IFAD, eight members and eight alternate members were to be elected from List A Member States, four members and four alternate members from List B, and six members and six alternate members from List C. A list of the Member States against which an accounting provision existed under Rule 40.1 of the Rules of Procedure of the Governing Council was attached to document GC 29/L.7. There had been no changes since the issuance of that document. The Convenors of the three Lists had supplied the Secretariat with the Lists' nominations for election to the Executive Board. On that basis the proposed composition of the Board had been set out in document GC 29/L.7/Add.1.

299. Within List A the following countries had been selected as members: Canada, France, Germany, Italy, Japan, Norway, the United Kingdom of Great Britain and Northern Ireland and the United States of America. The following countries had been selected as alternate members respectively: Finland, Belgium, Switzerland, Greece, Denmark, Sweden, the Netherlands and Spain. It was further proposed that the Council should decide to appoint the Netherlands as member and the United Kingdom as alternate member for the last two years of the term of office, 2007 and 2008.

300. Within List B the following countries had been selected as members, with immediate effect, for the first year of the three-year term of office: Kuwait, Nigeria, Saudi Arabia and the Bolivarian Republic of Venezuela. The following countries had been selected as alternate members respectively for that same year: United Arab Emirates, Qatar, Indonesia and Algeria. Changes to or confirmation of that composition for the second and third years of the term would be submitted to the relevant session of the Governing Council for approval.

301. Within List C there were three sub-listings. For Sub-List C1 countries in Africa, Egypt and South Africa had been selected as members and Mali and Cameroon as alternate members respectively. For Sub-List C2 countries in Europe, Asia and the Pacific, China and India had been selected as members and Pakistan (as alternate to China for the full term of office) and Turkey (as alternate to India for the first year, to be replaced by Yemen for 2007 and by the Republic of Korea for 2008) had been selected as alternate members. For Sub-List C3 countries in Latin America and the Caribbean, Brazil and Mexico had been selected as members and Guatemala and Argentina as alternate members respectively.

302. There being no objection, he declared the members and alternate members elected to their respective positions on the Executive Board.

303. **The elections were approved.**

304. **The CHAIR** suggested that the final report should record the Council's decision to appoint within List A the Netherlands as member and the United Kingdom of Great Britain and Northern Ireland as alternate member for the last two years of the term of office. It should also record the agreement reached in List B for the elected composition to be effective for the first year of the three-year term; changes to or confirmation of that composition for the second and third years would be submitted to the Governing Council for approval. The final report should further record that, with respect to the agreement reached among the Sub-List C2 countries on the exchange of seats, the proposals had been approved by the Governing Council to take effect on the last day of February of the years in question and that no further endorsement by the Council was required.

305. **It was so agreed.**

REPORT AND RECOMMENDATION OF THE EXECUTIVE BOARD ON SUPERVISION
(agenda item 12) (GC 29/L.8)

306. **Mr CARRUTHERS** (Assistant President, Programme Management Department of IFAD) said that the Direct Supervision Pilot Programme involving fifteen projects introduced pursuant to Resolution 102/XX of 1997 had been reviewed by the Office of Evaluation, whose report had been discussed by the Executive Board in September 2005. On the basis of that report the Board had endorsed three important changes to the Fund's supervision policy, which were reflected in draft resolution 143/XXIX on loan administration and supervision of project implementation contained in document GC 29/L.8.

307. The task now was to weave those recommended changes into the larger agenda for change set out in the Action Plan. In certain respects the changes implied a paradigm shift, such as in the structure of country teams and in the increased collaboration with in-country partners. That would have implications at the corporate level as well, not least for the volume of human and financial resources required for supervision purposes. Supervision was a key aspect of the improvement of aid effectiveness. Increased involvement in supervision would deepen the Fund's knowledge of best practices and facilitate faster assimilation of the lessons learned during project implementation.

308. Draft resolution 143/XXIX on loan administration and supervision of project implementation was adopted.

PROGRESS REPORT ON IMPLEMENTATION OF THE PERFORMANCE-BASED ALLOCATION SYSTEM (agenda item 13) (GC 29/L.9 and Add.1)

309. **Mr TABONG KIMA** (Cameroon) said that the implementation of the PBAS to date was a matter of serious concern to the developing countries, including Cameroon. The first evaluation of the PBAS had identified some negative effects causing division among regional groups and among countries within groups. The PBAS should therefore be implemented with caution until such time as its connection to the Fund's strategic orientation and priorities became clearer. The replacement of effective regional allocations by global allocations should not go ahead before the PBAS had been subjected to a thorough review.

310. **Mr MALTEZ** (Panama) drew attention to the comments on the issue made by his delegation in its general statement on behalf of the Group of Latin American and Caribbean Countries. Many of those countries were making their contributions to the Seventh Replenishment conditional on a satisfactory outcome to the discussion of the issue.

311. **Ms MUCHADA** (Zimbabwe) said that the matter could not just be glossed over without discussion; any problems with the PBAS must be ironed out before the next steps were taken. There must be transparent consultation in open committees, and no decisions should be taken behind closed doors.

312. **Mr CARRUTHERS** (Assistant President, Programme Management Department of IFAD) said that the document before the Governing Council was a progress report on the implementation of the PBAS during its first year, which had been a successful one. In September 2005 the Executive Board had considered some possible operational changes to streamline the system. The process was continually evolving. The pipeline of 32 projects for 2006, totalling some USD 550 million, could be presented to the Board in 2006 in the context of the PBAS.

313. Important issues were on the table for review; the first part of that review would take place at a seminar in the last week of March. There would be further discussion in April, and it was expected that the Board would take the matter up again at its September session. The important issues raised by Governors were critical to the success of the PBAS.

314. **Mr BALDWIN** (Senior Operations Management Adviser, Programme Management Department of IFAD) said that document GC 29/L.9/Add.1 showed the 2005 country scores and the 2006 allocations, which reflected the process developed for the analysis of the changes in population, gross national income and performance. The 2006 allocations showed that need was indeed a major driver of the PBAS; but performance was also an important determinant of resource allocation. Performance had in fact improved in several countries in 2005. The PBAS was still evolving: his department had been in contact with the Inter-American Development Bank and the World Bank to see how they were dealing with the issues facing IFAD; it would shortly be meeting with the African Development Bank and the Asian Development Bank at the second annual meeting of all multilateral donors on the topic of performance-based allocation and discussing further development of the programme and how best it could be adapted to the needs of IFAD's membership.

315. **Mr DA ROCHA MIRANDA** (Brazil) asked why it was deemed necessary to change the performance criteria and the regional criteria only one year after the PBAS had become operational. He also wished to know what the questions that touched on other domains were and further requested an explanation of the meaning of global allocation.

316. **Mr CARRUTHERS** (Assistant President, Programme Management Department of IFAD) said in response that the Board had decided not to implement the potentially helpful changes discussed following the experience of the 2005 application until their full implication was understood. The key changes discussed included: first, using rural population instead of total populations as the basis for population calculation; secondly, changing the weight of the population factor relative to other factors; thirdly, raising the floor for the smallest countries from USD 1 million to USD 2 million, which implied a marginal reduction in the allocations of larger countries; and fourthly, setting a period of three years for rolling allocations instead of the period of the fixed term of the replenishment. Those factors would be reviewed along with other technical factors during 2006 for application or for changes to the applications in 2007.

317. Under the Sixth Replenishment, it had been agreed that a system of global allocations would be progressively introduced but had not been introduced immediately for 2005, pending further discussion. The conclusion subsequently drawn was that implementation of the system should commence under the Seventh Replenishment in 2007. Consequently, efforts were now being made to achieve various identified objectives while simultaneously moving in that direction. To that end, an early seminar with all Board members was desirable in order to ensure transparent and open consultation on the issues at stake and available options. The belief was that, with goodwill, understanding and discussion, it would be possible to meet some of the concerns that had been expressed while also proceeding to implement the decision deferred since the time of the Sixth Replenishment.

318. **Mr AYAZI** (Afghanistan) agreed with previous speakers that the subject area involved complex issues that were not fully understood by the List C countries. Nor were the linkages between those issues entirely clear. He therefore suggested that the Secretariat might convene a meeting with List C countries in order to clarify those issues which they wished to discuss at the IFAD seminar to be held in March.

319. **Mr CARRUTHERS** (Assistant President, Programme Management Department of IFAD) agreed that a full understanding of the issues would be helpful and said that immediate steps would therefore be taken to arrange the proposed meeting.

320. **Mr FERNÁNDEZ** (Argentina), endorsing the idea of such a meeting, suggested that it would also be helpful to circulate in advance the full documentation on the subject, including all texts agreed upon under the Sixth Replenishment, to the participants in the meeting in the interest of determining exactly what the Governing Council and the Executive Board had approved at the time of the Sixth Replenishment. As he understood it, the move towards a global allocation depended on the outcome of the evaluation made during the first two years of the PBAS.

321. The Governing Council took note of the progress report on the implementation of the Performance-Based Allocation System contained in documents GC 29/L.9 and GC 29/L.9/Add.1.

REPORT ON THE IMPLEMENTATION OF PHASE I OF THE PROCESS RE-ENGINEERING PROGRAMME (STRATEGIC CHANGE PROGRAMME) (agenda item 14) (GC 29/L.10)

322. The Governing Council took note of the report on the implementation of phase I of the Process Re-engineering Programme (Strategic Change Programme) contained in document GC 29/L.10.

PROGRESS REPORT ON THE INTERNATIONAL LAND COALITION (agenda item 15)
(GC 29/L.11)

323. **Mr MOORE** (Director, International Land Coalition), introducing the report, said that the Coalition endeavoured to put into practice the principles of multistakeholder participation. An IFAD innovation, the Coalition was an alliance of civil-society, intergovernmental and governmental organizations that worked together to improve secure access to land and related productive factors in order to help reduce rural poverty in resource-poor households. IFAD had provided the vision that had led to the creation of the Coalition by uniting diverse organizations into a coalition of common agreement on the importance of reviving agrarian reform on national, regional and international agendas. In 2005, the Coalition had supported 62 projects in 42 countries and at its last Global Assembly, also in 2005, it had prepared a declaration for collective action that provided the foundation for its policy and advocacy work until its next assembly in 2007. For the third consecutive year, it had convened a ministerial round table, dealing with the topic of land and conflict, at the high-level segment of the Economic and Social Council of the United Nations. It had additionally convened national round tables with six different governments in the interest of strengthening their policy development and work with civil society. As a global knowledge system, it was also embedding communication in all of its activities; the use of its materials, the growing number of visitors to its website, along with the increased number of downloads, had been an important indication of its expanding role in this regard.

324. He outlined the new programmes launched in 2005 as a result of new donor support and added that the Coalition's work on informing public policy had included such areas as land conflicts, common property, access to land for pastoralists and pro-poor land funds. It had also undertaken a comparative review of multilateral and bilateral land policies and programmes. Such achievements would have been impossible without the support of IFAD, its host organization. Its work was also assisted by funding assistance from a diversity of sources. Lastly, in the context of NEPAD, it had been asked to assist in developing land policy guidelines and frameworks for the benefit of African governments with the ultimate aim of ensuring an African-led land agenda for Africa. IFAD would be one of its leading partners in that activity.

325. **Mr WERMUTH** (Netherlands), reconfirming that his country very much valued the work of the International Land Coalition, said it had not yet committed itself to a multi-year contribution to finance the LAND Partnership programme, as was stated in paragraph 19 of document GC 29/L.11. Although the issue was being seriously explored, no commitment had yet been made.

326. **Mr MOORE** (Director, International Land Coalition) said that one of IFAD's innovations in creating the Coalition had been the recognition that it would enjoy greater commitment from other members if it was given a degree of autonomy from IFAD. He apologized to the representative of the Netherlands for the ill-chosen wording of paragraph 19 of the document; no implication of future funding of the LAND Partnership programme had been intended. The launching of the programme had, however, been possible thanks to the support by the Netherlands over a multi-year period.

327. The Governing Council took note of the progress report by the International Land Coalition contained in document GC 29/L.11.

PROGRESS REPORT ON THE GLOBAL MECHANISM OF THE UNITED NATIONS
CONVENTION TO COMBAT DESERTIFICATION (agenda item 16) (GC 29/L.12)

328. **Mr MERSMANN** (Managing Director, Global Mechanism), introducing the report, said that the Global Mechanism had focused its energies during the year on mapping its way ahead in the next biennium in response to the changing environment of resource mobilization, particularly at the national level, which had necessitated a consolidated strategy and enhanced approach that was

outlined in the progress report (GC 29/L.12). IFAD's new operating model and strategic framework, with their emphasis on country-led development programming, would allow for greater harmonization of Global Mechanism and IFAD activities at the country level and provided a renewed opportunity for the Global Mechanism to contribute to IFAD's operations and those of cooperating institutions such as the World Bank. Tangible results of its enhanced working modalities were demonstrated in the recent review of the scope of desertification activities in IFAD's portfolio and the emerging learning note on mainstreaming the Convention's objectives into IFAD's activities. Another noteworthy development was the enhanced cooperation with the Inter-American Development Bank and the Organization of American States.

329. The main thrusts of the Global Mechanism's overall strategy were to foster South-South cooperation and to decentralize advisory services to affected country Parties. It was the Global Mechanism's intention to continue to engage in all regions through comprehensive programmes. Its new strategy would take fully into account the comparative advantages of each region and country Party. In Latin America and the Caribbean, where the most innovative approaches to resource mobilization had been designed and implemented, the Global Mechanism would explore specific support mechanisms in cooperation with international financing institutions and bilateral agencies, in particular IFAD.

330. One example of an innovative approach was compensation for environmental services, an approach championed by Costa Rica and adopted by other Latin American and Caribbean countries, which the Global Mechanism was supporting as a strategic initiative for the implementation of the Convention. In that context, the Global Mechanism looked forward to increased cooperation with the new Director of the Latin America and the Caribbean Division of IFAD on strategic initiatives and operations in the field. After a year of refocusing its approach, the Global Mechanism was now well positioned in the context of the new international financial architecture guided by the Monterrey Consensus and the Paris Declaration on Aid Effectiveness. It would increase its services, which would be open to all countries, and strive to develop its competencies as a financial promotion entity for the implementation of the United Nations Convention to Combat Desertification (UNCCD).

331. **Mr CARRUTHERS** (Assistant President, Programme Management Department of IFAD) confirmed to the Council and Member States on behalf of IFAD that, as the Global Mechanism's new programme called for full and comprehensive activities in every region of the world, IFAD would ensure that programmes with the Global Mechanism were equally comprehensive in all regions.

332. **Mr MALTEZ** (Panama), speaking on behalf of the Group of Latin American and Caribbean Countries (GRULAC), said that they very firmly refused to accept the elimination of the Global Mechanism's programme for their region. As had been very clearly stated at the Conference of the Parties (COP) and in the Agreement between the COP and IFAD, a separate entity such as the Global Mechanism was an integral part of IFAD and entirely under the aegis of the President of IFAD. GRULAC was very concerned about the unilateral decision to eliminate such an important programme position, bearing in mind that the Global Mechanism actually mobilized resources and that the measure would have an adverse impact on the countries of the region, which were seriously affected by land degradation and desertification. There had to be financing of national programmes to combat desertification.

333. Such decisions were discriminatory and prejudicial, and negatively affected IFAD's institutional image in that they ran counter to the principles of the Convention, which provided, in particular, that all countries, without distinction, that were affected and had no resources should be assisted in the implementation of their plans to combat desertification. It had been announced simply as an administrative decision that had been made for budgetary reasons, but there was a policy dimension, as well as negative repercussions for all countries in the region. Such a measure should not have been taken without the agreement of the COP, yet no such decision had been taken at its seventh

session. There had been talks between the Global Mechanism and countries in the region, but no reference had been made to a decision that was to be taken only two months later.

334. GRULAC disputed the statement that donors were not interested in providing resources for Latin America and the Caribbean. It was illogical that, at a time when important Convention-related meetings were to be held in the region, measures should be taken that jeopardized countries' ability to meet obligations they had undertaken to fulfil under the Convention. GRULAC had held two meetings with the Managing Director of the Global Mechanism but had been given no satisfactory answer to its concerns and questions. GRULAC required that the decision be overturned.

335. **Mr ARVELO CAAMAÑO** (Dominican Republic), expressing full support for the statement made on behalf of his regional group by the representative of Panama, said that the matter was one of grave concern, particularly seen in the context of paragraphs 28 et seq. of Annex I of document GC 29/L.12, which showed that significant support had been provided by the Global Mechanism to national efforts to combat desertification in a number of Latin American and Caribbean countries, with donor support from, inter alia, Canada, Germany, the Netherlands, Spain, the European Commission and non-governmental organizations, in conjunction with other United Nations agencies such as the United Nations Environment Programme and FAO. What the Chair of GRULAC had said was a matter of serious concern when seen against the backdrop of those successes.

336. **Mr MOUNGUI** (Cameroon) said that the matter had been raised at the preparatory meeting of List C, and GRULAC could count on the full solidarity of List C in its efforts to resolve it with the Global Mechanism.

337. **Mr MERSMANN** (Managing Director, Global Mechanism) said that during discussions prior to the Council session he had explained that the Global Mechanism's programme for the Latin America and the Caribbean region was not being eliminated, but indeed strengthened, through the availability of advisory services in the region. He had been appointed to increase the finance base for the implementation of the Convention. There was now a new international financial architecture with many implications that needed to be addressed. The Global Mechanism's position was that, in particular in the Latin America and the Caribbean region, innovative approaches needed to be pursued. The new management of the Latin America and the Caribbean Division of IFAD and the Global Mechanism's increased cooperation with the Inter-American Development Bank and other relevant institutions gave rise to the expectation that its engagement in the region would be more successful than in the past. Programmes in the region had been successful, but not successful enough. There were inevitable changes to the Global Mechanism's approach in various regions: once the country Parties to the Convention had taken a far-reaching decision, particularly on finance, the Global Mechanism had to comply with the decision, and it was his responsibility as the Managing Director to ensure that that was done fairly and equitably in all regions.

338. The strategy now being pursued – increased South-South cooperation and increased decentralization of advisory services to affected country Parties – was not only a reaction to the decrease in the Global Mechanism's budget. It was a longstanding process which was under way in other regions as well. Advisory services of the Global Mechanism were being mobilized as part of its new institutional setting and new operations. It was his task to seek voluntary contributions from various quarters, and he could do that only if he designed the Global Mechanism's approaches and products in a way that attracted those wishing to support it. The Global Mechanism welcomed further discussions with GRULAC representatives.

339. **Mr ARAYA ALEMPARTE** (Chile), expressing his full support for the statement made on behalf of GRULAC, said it would have been better if such discussions had been held before the decision had been taken to do away with a structure whose purpose was to look at the activities of the Global Mechanism in the region. GRULAC remained unconvinced that a decision had been taken that

was to its benefit, when the situation in other regions remained unchanged. If the decision was beneficial, why had it not been taken in respect of other regions? It was not logical, and must be reconsidered.

340. **Mr MERSMANN** (Managing Director, Global Mechanism) said that GRULAC had not been treated differently from the other regions, and indeed, in the informal consultations that had been held, he had made it clear that all regions had been treated equally. He believed that the decision was in the interests of both GRULAC and the Global Mechanism. The Latin America and the Caribbean region would benefit in terms of effectiveness. He underscored the great potential offered by cooperation with IFAD, the Global Environment Facility (GEF) and other partners in seeking innovative ways of financing action to combat land degradation and rehabilitation. The Global Mechanism's response to the decision of the international community had been the right one, and he was open to discussions with GRULAC on how this approach would be successful for the region in terms of mobilizing resources in support of the Convention's implementation.

341. **Mr MALTEZ** (Panama) said that GRULAC was still not convinced by the explanations given by the Managing Director of the Global Mechanism. The Group considered that the issue was not closed, and remained, as ever, open to further discussions.

342. The Governing Council took note of the progress report on the Global Mechanism of the United Nations Convention to Combat Desertification in Those Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa, contained in document GC 29/L.12.

OTHER BUSINESS (agenda item 17)

Approval of disclosure of documents

343. **The CHAIR** recalled that IFAD's policy on the disclosure of documents provided that the disclosure of documents for any particular session was the prerogative of the governing body concerned. He therefore asked for the Council to approve the public disclosure of all the documents that had been submitted to the current session. Its approval would result in the posting of the Council's documents on IFAD's website, thus making them available to the general public. He took it that the Council approved the public disclosure of all documents submitted to the current session.

344. **It was so decided.**

CLOSURE OF THE SESSION

345. **The CHAIR** made a closing statement, the full text of which is reproduced in chapter 4.

346. He declared the twenty-ninth session of the Governing Council closed.

347. **The meeting rose at 18.20 hours.**

CHAPTER 3

B. ROUND-TABLE DISCUSSIONS

348. During its third meeting, on the morning of 16 February 2006, the Council simultaneously held three round-table discussions on topics described in information papers GC 29/INF.3, GC 29/INF.4 and GC 29/INF.5/Rev.1.

Adaptive Research in Support of Pro-poor Innovations in Rural Development

This round table was organized as follows:

Chairperson: Mr Rodney D. Cooke, Director, Technical Advisory Division, IFAD

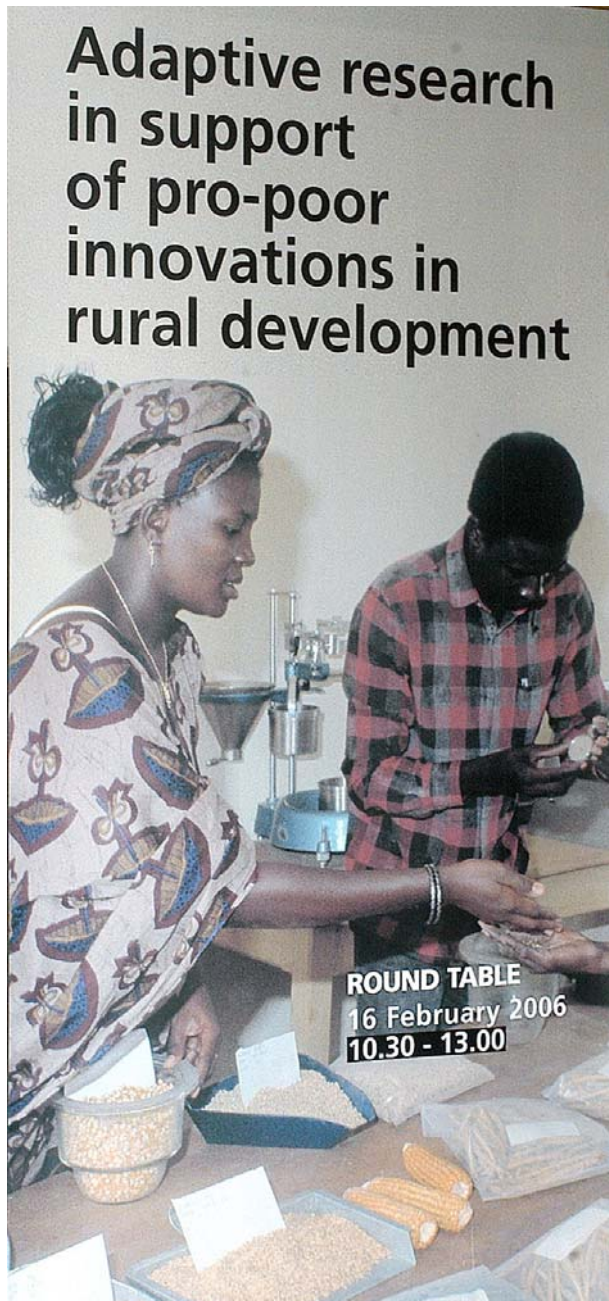
Panellists: Mr Abdel El-Beltagy, Director-General, International Center for Agricultural Research in the Dry Areas (ICARDA)

Mr David Kaimowitz, Director-General, Center for International Forestry Research (CIFOR)

Mr Shellemiah Keya, Assistant Director General – Research and Development, Africa Rice Center (WARDA)

349. The Chair introduced the round-table discussion by casting the whole concept of “innovations” in the context of a dynamic and globalizing world economy – the demographic transformation, the advent of market chains and their implications for processing and value addition, and, in turn, prospects for rural on- and off-farm employment. Innovation is the application of knowledge (of all types) to achieve desired socio-economic outcomes. For IFAD, innovation is a process that adds value or solves a problem in new ways that have a potential impact on rural poverty reduction. IFAD has a long list of contracted research – exhibiting a portfolio driven by a clear “pro-poor innovations” agenda and a commonality of mission with the Consultative Group on International Agricultural Research. IFAD-financed loans and the systematic linkages established with them by Fund-financed research programmes not only are a platform for dissemination of research outputs, but can also provide the field context in which downstream research can be designed and adapted.

350. Mr El-Beltagy in his presentation highlighted a number of pro-poor innovations developed under the IFAD-financed Mashreq and Maghreb project, including integrated natural resource management technologies that helped mitigate drought and stabilize fodder reserves: barley intercropped with *Atriplex*; cactus alley cropping; forage legumes (vetch) and feed blocks. This adaptive research demonstrated impact in terms not only of improved productivity and higher incomes, but also of nutritional security and socio-economic empowerment – including that of rural poor women. Mr Keya presented examples of success in the New Rice for Africa (NERICA) partnership between IFAD and the Africa Rice Center. The adaptive research work supported by IFAD and other donor partners enhanced productivity and profitability of rice-based systems. As rice is grown in sub-Saharan Africa mainly by poor farmers, the success led to addressing poverty through the cultivation of the new rice varieties, recently on a total area of more than 130 000 hectares, in the Gambia, Ghana, Guinea and Mali, including through IFAD loan-financed projects in these countries. Mr Kaimowitz presented promising results from a market-based approach to tackling environmental challenges, using an instrument called payment for environmental services supported by IFAD through a consortium of partners, including the World Agroforestry Centre and the Center for International Forestry Research in South-East Asia. The initiative has involved working with



Mr Rodney D. Cooke,
Director, Technical Advisory Division, IFAD



Mr Abdel El-Beltagy,
Director-General, ICARDA



Mr David Kaimowitz,
Director-General, CIFOR



Mr Shellemiah Keya,
Assistant Director General – Research and
Development, WARDA

communities to develop and test transparent reward mechanisms that are effective, efficient and equitable. Among innovations were hydrological and agrobiodiversity assessment methodologies, using participatory approaches that articulated (external and local) knowledge, experience and perceptions of stakeholders.

351. The ensuing discussion was rich, with participants raising various pertinent issues. In his closing statement, the Chair highlighted that agricultural productivity gains depended on the capacity of the system on agricultural research for development (including the farming communities) to **innovate**. This entailed the deployment of the best of what formal science had to offer, blended with the ingenuity of communities – to utilize optimally their own knowledge and the diversity of natural and other resources they may have access to, to address the challenges they face. He highlighted six key messages:

- (a) It is important to create an enabling institutional and policy framework (e.g. land access as a factor in weak adoption).
- (b) Participatory approaches are essential for adoption and impact (including participatory varietal selection).
- (c) Partnerships drawing together actors with complementary strengths and different comparative advantages are a great challenge.
- (d) Investment in agriculture and rural development must be accompanied by a clear definition of rewards and benefits – who takes the risks – and an understanding of what the demonstrated risks are in terms of adopting technologies with discernible benefits.
- (e) Access to markets is a critical success factor in rural poverty reduction programmes. We have not got markets right in the past, and the failures to do so has foiled attempts to increase incomes among the poor.
- (f) The key question is, Where do we get sustainable support? Public- and private-sector partnerships are important sources of funding (e.g. for investments in pro-poor biotechnology) and point to the need for innovative financing architecture and the provision of incentives to forge such partnerships effectively.

Securing Access to Land for the Rural Poor

This round table was organized as follows:

Chairperson: **Ms Gunilla Olsson**, Director, Policy Division, IFAD

Panellists: **Ms Nemesia Achacollo**, Director, Peasant Women's Federation of Bolivia

Mr Parviz Koohafkan, Director of Rural Development, FAO; Executive Secretary, International Conference on Agrarian Reform and Rural Development (ICARRD)

Mr Joseph Mbinji, Programme Officer, Zambia Land Alliance (ZLA)

352. The round table, conceived as a knowledge- and experience-sharing event, offered an opportunity to bring together the perspectives of government, farmers' organizations and social



Ms Gunilla Olsson,
Director, Policy Division, IFAD



Ms Nemesia Achacollo,
Director, Peasant Women's Federation of Bolivia



Mr Parviz Koohafkan,
Director of Rural Development, FAO;
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Mr Joseph Mbinji,
Programme Officer, ZLA

movements, and those of FAO, the International Land Coalition and IFAD. The objectives of the round table were to:

- (a) reaffirm the need for improved access to land and security of land tenure in order to reduce rural poverty effectively and sustainably, both in terms of equity and efficiency; and
- (b) share and discuss issues faced by committed governments in the articulation, implementation and enforcement of pro-poor land policies and agrarian reform.

353. Discussants presenting country experiences with agrarian reform included Mr Koudegma Zongo of Burkina Faso, Ms Conceição Quadros of Mozambique, Mr Narciso Boy Nieto of the Philippines and Mr Espedito Rufino de Araújo of Brazil. Presentations and discussions alike pointed out the rural dimensions of global extreme poverty and the need to reduce rural poverty in order to reduce extreme poverty worldwide. They emphasized the centrality of agriculture and rural development in rural poverty reduction, and thus in overall poverty reduction. They also acknowledged the centrality of land in rural economies and the fact that the poorest and most vulnerable groups among the rural populations were more often than not those without land or with insecure land tenure. Therefore, increased access to land and improved land tenure security were absolutely fundamental for any prospects of better livelihoods for poor rural women and men. Equitable land distribution allowed for broad-based growth and development, and for greater peace and cohesion.

354. A number of issues were raised regarding pro-poor land policies and agrarian reforms. It was agreed that there was no uniform and blueprint approach to improving poor people's access to land and their land tenure security. Neither state-led nor market-based approaches had brought about intended results. The approach to land issues must be shaped by a livelihoods perspective. In that context, rural poor people needed access not only to land, but also to, inter alia, technology, financial services, markets and social services.

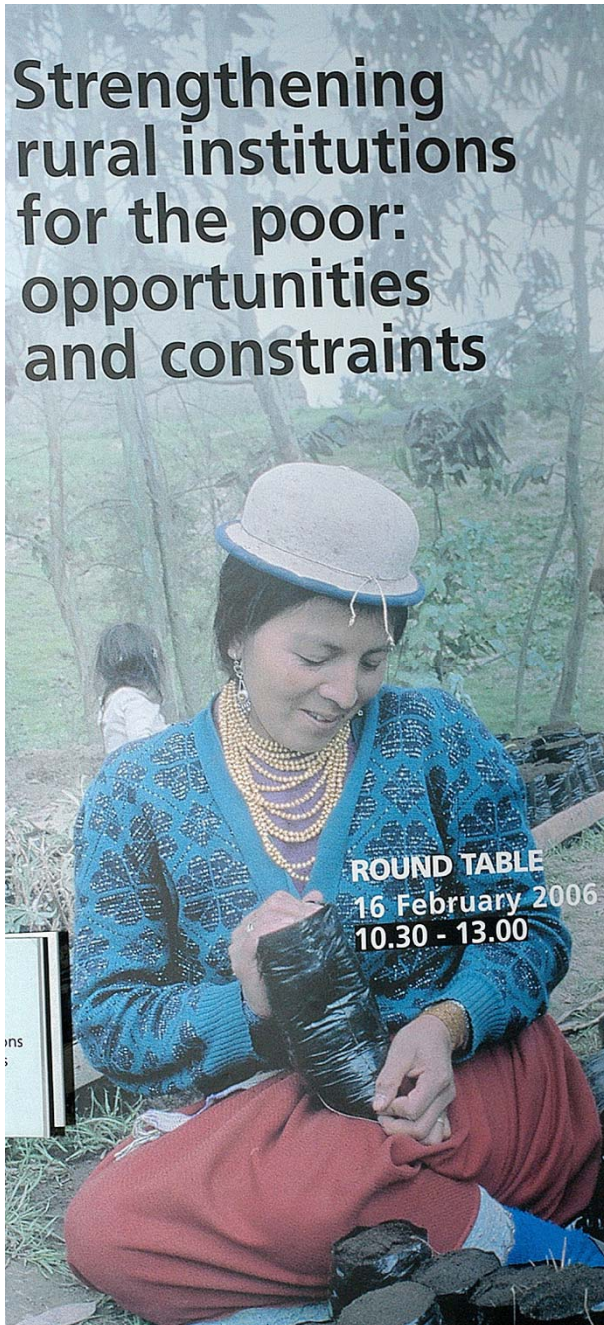
355. Solutions to the land issues facing rural poor men and women must be informed by the concrete, dynamic and highly diversified and complex realities confronting them – realities that have to do with their specific localities, specific activities and specific national frameworks.

356. Land is not only an economic factor of production. It is also intrinsically linked to the cultural and social values and the identity and history of peoples and their right to choice and self-determination. Land is not a mere commodity, and market-based approaches must recognize this fact.

357. Pro-poor agrarian reform – a reform that contributes to rural development and poverty reduction – demands strong public policies in support of smallholder family agriculture.

358. Agrarian reform is highly political. It addresses and usually confronts conflicting interests and, thus, power relations in a context of asymmetric powers. This is why public policies are critical. By establishing a compromise among interests, they can reduce inequalities and provide responses for the collective good. But the state alone (if not an authoritarian one) cannot articulate and enforce pro-poor policies.

359. The formulation and implementation of pro-poor agrarian reform and pro-poor policies are generally led by governments. However, their enforcement and success depends not only on the political will of governments. They also depend on the active participation of citizens and on a strong and vibrant civil society that can express the will of the people and, in particular, represent the interests of the poorest and marginalized members of society, including indigenous peoples and women. Therefore, a major challenge for any successful agrarian reform and pro-poor policy is to empower the poor and their organizations – not to confront the State, but to balance power asymmetries and thus help the State develop policies in favour of the poor.



Mr Phrang Roy
Assistant President, Indigenous Issues, IFAD



Mr John Harriss
Director, Development Studies Institute



Mr Dario Pulgar,
Senior Technical Assistant, CIDA, Ecuador



Mr Jack Wilkinson
President, IFAP

360. IFAD will increase its investments in interventions that address the land issues faced by the rural poor. It will also increase its direct support to civil society organizations, especially farmers' and rural producers' membership organizations so that they can, independently, represent the interests of the poor and most vulnerable in policy processes at all levels, including the implementation of policies. IFAD will also provide institutional spaces for representatives of governments, civil society and development organizations to exchange perspectives and experiences, develop better appreciation of each other's positions and roles, and engage with each other in a meaningful way.

Strengthening Rural Institutions for the Poor: Opportunities and Constraints

This round table was organized as follows:

Chairperson: **Mr Phrang Roy**, Assistant President, Indigenous Issues, IFAD

Panellists: **Mr John Harriss**, Director, Development Studies Institute

Mr Dario Pulgar, Senior Technical Assistant, Canadian International Development Agency (CIDA) in Ecuador

Mr Jack Wilkinson, President, International Federation of Agricultural Producers (IFAP)

361. The purpose of this round table was to discuss the role of institutions for effective poverty reduction, how they could be strengthened and what the opportunities and constraints were for institutional development in rural areas. Panellists' presentations highlighted the importance of institutions in poverty reduction and the shift in the development paradigm from supply-side to demand-driven interventions. IFAD has gained valuable experience in this process, empowering communities and transferring resources that have enabled them to further their own initiatives.

362. Presentations covered, inter alia:

- (a) the key role of institutions for and of the poor in rural development;
- (b) how such institutions could be strengthened;
- (c) entry points for IFAD interventions in support of institutional transformation; and
- (d) challenges ahead for the rural poor in which institutions would have a significant role.

Support for common property regime arrangements, community-driven development and building citizen rights were emphasized.

363. Three areas of debate were: (a) the role of governments in institutional development; (b) the importance of social capital; and (c) challenges and opportunities posed by the current process of globalization. Governments can facilitate the participation of local organizations in public decision-making; in turn, local organizations can support pro-poor bias on the part of public authorities and help make governments more accountable. Together, they reinforce the transformation of the state and civil society. The particular relevance of the institutions of the poor, especially when addressing common property regimes, was considered in terms of leasing agreements and the issue of conflicts arising if the interest of indigenous peoples were not taken into account.

364. Particular attention was paid to the role of social capital in organizational strengthening. The results of interventions in Bolivia, Ecuador and India were highlighted. Recent research has indicated that supply-driven initiatives were not successful in instituting change or strengthening social capital. The seminal work of Robert Putman in Italy was revisited and the concept of public action was

underlined. An additional issue concerning the obstacles small-scale farmers faced in meeting non-tariff barriers for the export of their produce was brought to the attention of the round table.

365. Participants made a number of recommendations, including the need for IFAD to help in mobilizing the poor to join the transformation-of-institutions process, and to invest in their capacity to do so.

CHAPTER 3

C. OTHER GENERAL STATEMENTS

Statement of the Governor for the Islamic Republic of Afghanistan

On behalf of the Government of the Islamic Republic of Afghanistan, I am honoured to make a statement to this distinguished assembly on the importance that my country attaches to the noble mandate of IFAD, which is to help the poor to help themselves.

The challenge facing many developing countries is how to improve the livelihoods of the hard-core poor. Experience has shown that the trickle-down approach does not work well with the hard-core poor, who often suffer from isolation, consist mainly of indigenous people, have very little or no say in the national decision-making process, lack access to productive assets, have minimum skills and are deprived of economic mobility. Imaginative and innovative approaches are required to reach the hard-core poor. In our opinion, the key ingredients in assisting the hard-core poor are effective institutional structure at the grass-roots level, group mobilization, building on indigenous knowledge, the introduction of technologies that the poor can handle without great risk and an investment pattern that enables them to acquire productive assets that can be used on a sustainable basis. All these elements are closely linked to the mandate of IFAD, which is to improve the income and living standards of the rural poor through higher agricultural productivity, capacity-building, knowledge-sharing and other income-generating agro-based activities. In this connection, we find the panel discussion on *Innovation Challenges for the Rural Poor* and the three roundtables as most appropriate topics for the deliberation of the twenty-ninth session of the Governing Council.

The economy of Afghanistan is predominantly agrarian and agriculture provides for the livelihood of at least 65% of the total population of nearly 25 million. Poverty, as measured by well-known international indicators, is widespread in rural Afghanistan. Moreover, the 25 years of war and internal strife, coupled with the long drought of 1997-2001, have exacerbated the plight of rural communities. Perhaps as much as 75% to 80% of the rural population in Afghanistan live below one United States dollar a day. Rural Afghanistan is also facing three other challenging problems, namely, the settlement of returning refugees and the internally displaced population, improving the status and economic opportunities of rural women, and the eradication of cultivation of poppies, which have worldwide damaging effects.

The current strategy of the Government of Afghanistan for the rural sector is the promotion of integrated development that focuses specifically on meeting the needs of the poorest households. The six pillars of this strategy are: institution-building at the community level; a balanced investment pattern in rural areas that can satisfy both the economic and social needs of the community; the development of rural infrastructure; a free-market incentive system; building the technical and human capacities of rural people; and taking special measures to improve the status of women in rural Afghanistan. Our recently and democratically elected Parliament and democratically elected Provincial Councils have the responsibility to underpin the participatory nature of the integrated development strategy under the auspices of the Government led by President Hamid Karzai. My Government is pleased to note that the London Conference has endorsed the increasing role of government institutions in the development process of Afghanistan.

Allow me to say a few more words about IFAD. The recently completed independent external evaluation has given a good passing mark to IFAD. Its operations by and large have been successful

and improving steadily. Moreover, IFAD's mandate has acquired increased relevance and importance in the light of the Millennium Development Goals. In this connection, Afghanistan strongly supports the new operating model as envisaged under the Seventh Replenishment and which makes the country-level programme the centrepiece of IFAD's intervention.

In the opinion of my country, the two-billion-dollar programme proposed by the President of IFAD for the period 2007-2009 is the minimum to enable IFAD to play its relative role in assisting developing countries to achieve their Millennium Development Targets. Afghanistan also supports the replenishment level of USD 800 million and requests the industrialized nations and the members of the Organization of the Petroleum Exporting Countries to be generous in their financial commitments to IFAD.

Afghanistan strongly supports the proposal to earmark two-thirds of IFAD loans and grants for the least-developed and low-income food-deficit countries. We also endorse IFAD's involvement in debt sustainability for highly indebted poor countries.

Afghanistan urges the extension of the Associate Professional Officer programme to include persons from the developing countries. It seeks the reform of voting rights in IFAD and improvement in the representation of List C countries in the Executive Board of IFAD.

Finally, Mr Chairperson, on behalf of my Government I wish IFAD and its able President all the success in the implementation of the new operating model. My Government is eagerly awaiting the start of IFAD's operations in Afghanistan as the rural people of my country have not been the recipient of assistance from IFAD in the past.

**Statement of the Governor
for the Republic of Burundi**

On behalf of the Government of the Republic of Burundi and the delegation accompanying me, I have the honour of addressing this august assembly and bringing you the good wishes of the Burundian people.

Allow me to join those who have preceded me in conveying my appreciation to IFAD for having invited us to take part in this twenty-ninth session of its Governing Council, and for the warm welcome we have received since our arrival here.

In particular, we should like to thank and commend IFAD's President and all its staff for having organized this meeting, for the excellent conditions they have provided for our work, and for their many courtesies.

This session of the Governing Council is being held at an historic juncture characterized by globalization and the sustained development, if not the apogee, of information and technology, but also by a series of natural catastrophes unparalleled in Burundi's recent history.

These catastrophes, in particular prolonged drought, have ravaged our country at a time when it was ill-equipped to deal with them, and have engendered cyclical scarcities that exacerbate poverty among our people.

Accordingly, the Burundi delegation very much appreciates the items placed on the agenda for this twenty-ninth session of the Governing Council.

These are matters of relevance and pressing importance for the future development of agriculture. They embody the major concerns of the Government of Burundi and I am confident that beyond the specificities of each, the same holds for all the countries represented here. My delegation has had the privilege and the pleasure of being able to benefit from your experiences in the various areas to be analysed and discussed during our stay here in Rome.

Likewise, it is an honour to have the opportunity to share with you the strategies adopted and objectives set by Burundi to address the problems faced by our country in revitalizing agriculture as the main driver of sustained economic growth.

Our country is emerging from a sociopolitical crisis that lasted over 13 years. From 1993 until just recently, all donors withdrew and Burundi was left to its own devices.

What little financing was made available was directed to solving the conflict. Development aid was suspended.

For many years prior to the crisis, external aid financed some 80% of development programmes and brought in over 40% of the country's foreign exchange receipts.

The sociopolitical crisis in Burundi and the subregional environment had a dramatic effect on the economy. Economic and social infrastructure was ruined or inadequately maintained, massive numbers of people were displaced and unable to pursue productive activity, institutional structures foundered, commercial and industrial activity stopped, the national currency depreciated, foreign exchange reserves were depleted, and so on.

The situation deteriorated further as a result of the drought that swept the country for close to six years, cassava mosaic disease and others afflicting the major food crops that have led to a food deficit not seen in Burundi in fifty years.

According to a national study on vulnerability to food insecurity, conducted in September 2004, 16% of Burundi's population were living with a chronic food deficit, while 68% were bordering on food insecurity.

The Government had to resort to massive food aid in 2004 and 2005 and we are preparing to do the same given the critical situation this year.

Indeed, we estimate that more than half the population is under threat of scarcity and want.

An evaluation conducted jointly by the Food and Agriculture Organization of the United Nations, the World Food Programme, the United Nations Children's Fund and our Government in September 2005 detected a food deficit of 310 000 tonnes equivalent in cereals, compared to 259 000 in 2004.

The food deficit is being aggravated by a drastic decline in production of all crops, in particular root crops. The deficit is particularly acute in the provinces of the north, north-east, centre and south-east – areas traditionally considered the breadbaskets of Burundi. In these provinces, families have begun to sell their assets – cattle, even the roofs of their houses – and emigrate to other areas or to bordering countries, in order to survive.

Given this situation, Burundi has just set up a national aid coordination committee, which has already assessed the need for emergency food aid and inputs, as well as the related financing needed. According to its estimates, the country needs more than USD 74 million to meet these urgent needs.

Requests for emergency assistance are currently being addressed to friendly countries, international financial institutions, United Nations agencies, associations and religious groups. In addition, an Emergency Programme 2006 has been drawn up in preparation for the Burundi Donors Conference that is to take place in the near future. We should like to take this opportunity to invite all of you to take part in that conference.

In addition, at this time – as the country is emerging from the sociopolitical crisis, and despite the alarming food situation we have just described – Burundi has prepared a five-year plan to revitalize the agriculture sector. With over 90% of Burundians employed in agriculture, the current administration has made this a priority sector and will devote greater attention to it than was possible in the past 13 years of crisis.

We consider it essential to implement a strategy for agricultural development that is based on the rational use of the country's natural and human resources rather than being largely dependent upon external aid. The new philosophy of agricultural development will call for making the most use of available resources in water, forests and land, combined with an increase in productivity per unit.

The actions identified to do so involve, on the one hand, taking speedy action to deal with the adverse effects of the crisis by reactivating production to reestablish and even surpass pre-crisis levels, and on the other, to lay the groundwork for sustainable growth in agriculture over the medium and long term.

To this end, Burundi will:

- rehabilitate production equipment damaged in the crisis and mobilize working resources;
- improve the supply and quality of staple foods by increasing livestock and crop yields;
- increase the incomes of rural families and state revenues by promoting and diversifying cash crops without neglecting off-farm job creation;
- rehabilitate and rationally manage natural resources;
- build capacity among key actors in the agricultural sector.

You will agree that this is an ambitious programme for a country in the process of emerging from a socio-economic crisis.

The Government is aware that it is faced with a formidable challenge to revitalize agricultural production and underwrite the country's economic growth.

The agricultural recovery policy will be built around developing all the factors of production, inventorying land, increasing production, promoting and diversifying agroindustrial subsectors, adding value to agricultural products through storage and processing, promoting marketing for agricultural products, promoting and diversifying production support structures through technical and financial assistance and institutional reforms of State structures, with a knock-on effect for the private sector and local collectivities in agricultural activities, decentralizing development, promoting financing for agricultural operators to develop rural entrepreneurship, and pursuing economic reform to improve the business environment.

Our objective over the long term is to transform subsistence farming to market farming by implementing the strategies mentioned and by unlocking the potential of the rural environment in promoting off-farm employment to generate income.

The sustainable agricultural development sought by the Government cannot truly take effect without organization on the part of rural communities.

The rural population, organized into associative structures, will have easier access to the services and resources offered by the public authorities and by development aid agencies.

We need better representation of the rural world, in analysing problems and priorities, in expressing needs for technical support, in serving as a framework for people to participate in implementing the support programmes that concern them. Support measures will be provided to enable implementation of the Government's plan.

Mainly needed are better ways of disseminating information and building capacity for communication at all levels, support for rehabilitating and reintegrating the victims of conflict and those at risk and involving them in the revitalization of agriculture, modernization of equipment, preparation and implementation of a national master plan for water management, reorientation of the emergency aid policy, cooperation with other countries and partners to share our experiences, particularly with water management, agricultural biotechnology to understand how technology – particularly in the areas we have mentioned – can help us raise productivity and combat hunger in our country.

In conclusion, allow me once again, on behalf of the Government of the Republic of Burundi and the delegation I lead, to thank the International Fund for Agricultural Development and the organizers of this meeting: all those who have contributed to the success of this twenty-ninth session of the IFAD Governing Council. We urge IFAD and other partners to support Burundi in this innovative initiative to save its people.

Finally, we should like to assure you that the Government of Burundi shall spare no effort in implementing the resolutions and recommendations resulting from this meeting, to the extent of its natural, financial and human resources and in close collaboration with IFAD and other partners.

**Statement of the Governor
for the Central African Republic**

The Central African Republic has benefited from significant support from IFAD on several occasions in the past. Since its founding in 1974, IFAD has financed six projects in our country, mainly relating to the development of food and rangeland production. Over all, this has represented financing of about USD 119 million. All these projects are now closed and have not been followed up with new activities.

The first four projects were implemented on time and had a significant socio-economic impact on small farmers and livestock breeders. Their encouraging results enabled the last two projects to be identified and implemented. Regrettably, frequent suspensions for non-payment of arrears and non-fulfillment of certain donor conditionalities, in combination with management and security problems, led to attenuated results for both these projects.

Active cooperation between the Central African Republic and IFAD continued up until the recent crises that have gripped the country. We should like to express, on behalf of the Central African Government and before this assembly, our sincere appreciation for the support IFAD has provided to our country.

During the past few years of political and financial crisis, this support was regrettably not continued. Insecurity in the major cropping and livestock areas discouraged all our country's external partners, including IFAD. Today, restoring security all over the country is a priority task for our Government.

Before addressing this session's theme of "Innovation challenges for the rural poor", allow me to describe briefly the situation of rural poverty in the Central African Republic.

My country's economic and social indicators have deteriorated badly in recent years. Life expectancy at birth in the rural environment fell to 47.1 years in 1988 and 41.8 in 2003, with a gender gap (45.7 to 39.2 for men and 48.5 to 45 for women). In 2003, infant mortality was 141 per 1 000 for rural babies: 145 for boys and 136 for girls.

Average rural incomes are very low and have fallen further in recent years, from 107 000 CFA francs in 1989 to 14 700 in 2003. The incidence of monetary poverty increased from 60% in 1996 to 72% in 2002. The incidence of extreme poverty (57.3%) and food poverty (60.4%) is also very high, according to the results of the survey on living conditions for rural households in 2003. Also, more than 70% of the country's poor live in rural areas.

Today's poor performance by rural activities is thus correlated with a considerable decline in living standards for rural populations. It has been accentuated by the massive rural exodus by young people and ensuing reduction in the labour force for farming and grazing and lack of renewal for aging agricultural assets.

That is a snapshot of the current conditions prevailing in the Central African Republic.

Accordingly, all state and non-state actors in our country's rural development find themselves faced with a true challenge: to put in place an enabling environment for the development of individual and collective activities in the rural environment. We must provide for rebuilding the Central African State and Nation so that it may in turn provide the most disadvantaged among its rural poor with the means to improve their lot. This is the challenge of innovating for the rural poor, and establishing the

means for them to innovate is an essential lever in seeking a sustainable solution for the problem of rural poverty.

The years of crisis from which our country is now emerging did not allow for sufficient discussion of these matters. Today, following the democratic elections for President and Legislative Assembly carried out during the first half of 2005, a return to the constitutional rule of law and gradual improvement of security throughout the national territory, the time has come to resume the discussion and arrive quickly at the outcome.

The Central African Government is determined to carry out a successful reform process to put in place a new institutional enabling environment for economic development in the rural environment. We must work to come up with strategies in the following areas:

- vocational training to bring rural young people into the work force;
- dissemination of information to rural people;
- supply of needed inputs to rural producers;
- access to credit for rural investment;
- local management of natural resources and conflict prevention among users of land.

To this end, the Government of the Central African Republic has decided to organize, during the first half of 2006, the General States of Rural Development. This should lead to a concerted definition, agreed upon with all rural actors, of the general avenues of action to address the major problems identified, along with a realistic schedule for implementing the actions based on continuing work arrangements.

We recognize that this important task is difficult to achieve within current circumstances in our country. Nevertheless, this is a challenge that must be met if we are to rehabilitate economic development policy, in particular for the rural environment. To revitalize the rural economy sustainably in our country as it emerges from a protracted period of crisis, we must build a new social and political model that can bury, once and for all, the errors of the past.

As you have heard, the Central African Republic is seeking to return to stability by re-establishing the constitutional rule of law and is very much in need of financial support from the community of donors, including IFAD, to enable it to:

- revitalize farming and livestock operations, which employs over 80% of the population;
- mobilize rural producers in the poverty reduction strategy;
- improve living conditions for rural people;
- strengthen food security for households.

Our Government is endeavouring to pursue these efforts for a rapid resumption of negotiations with all its partners, and in particular with IFAD, to seek the resources needed to finance its agricultural development programme in this post-crisis period.

**Statement of the Alternate Governor
for the Republic of Madagascar**

I should like to join those who have preceded me in congratulating you, Mr Chairman, on your successful election, as well as both Vice-chairmen. You may rest assured of our full collaboration in carrying out your noble tasks.

We also join our colleagues in welcoming Niue as a new member of IFAD, and should like to assure Niue of our continuing collaboration.

It is a pleasure and an honour for me to address this august assembly today on behalf of my Government and in my own name.

In view of the relevance of the matters on the agenda, this meeting promises to be one of lively discussion.

I should like first of all to tell you about my country's rural development policy, and then move on to some particular issues of importance to us.

Eradicating poverty and overcoming food insecurity at all levels is the ambitious objective that the Government of the Republic of Madagascar has set for itself in its Poverty Reduction Strategy Paper, and specifically in its Plan of Action for Rural Development as reflected in the Rural Development Support Project.

Recently the Government undertook to implement a National Plan of Action on Food Security. Last January, the Government presented the National Rural Development Programme, which places regional development first and foremost and ties past efforts into a synergy of action by the Government and its financial partners to the year 2020. The National Rural Development Programme is intended as an outline of policy and strategy thrusts in rural development in accordance with the various sector plans and policies, specifically the Plan of Action for Rural Development.

My delegation would like to take this opportunity to convey once more its heartfelt appreciation and continuing support for IFAD for its excellent work in Madagascar and its responsiveness to our own priorities. The many achievements in rural development since 1979 bear witness to this, the most recent being the Project to Support Development in the Menabe and Melaky Regions to be the subject of negotiations from 27 February to 3 March 2006 for presentation to the IFAD Executive Board in April 2006.

We should like our cooperation with the Fund to intensify in the years to come, particularly following approval of the new country strategic opportunities paper to be placed before the IFAD Executive Board in December 2006.

Mr Lennart Båge, IFAD's President, has highlighted the Fund's activities in 2005 as well as his own personal actions to ensure the success of this organization in pursuing its mission of combating poverty and achieving food security for rural inhabitants. I should like to add that the Malagasy Government sends its warmest congratulations to IFAD, its President, Lennart Båge, and all those who work with this institution at every level.

Allow me now to make a brief comment on the final report of the Consultation on the Seventh Replenishment of IFAD's Resources (GC 29/L.4).

The Seventh Replenishment of IFAD's resources clearly holds capital importance for the Fund's future and the sustainability of its operations. Madagascar, true to its tradition of international solidarity, has already announced its contribution, modest though it is at USD 95 000. My delegation would like to see all the Member States honour their pledges in this regard so as to attain the projected level of USD 800 million. In the case of the IFAD Programme of Work and Budget for 2006, my delegation is in agreement with the draft resolution presented. My delegation welcomes the notion of an expanded Associate Professional Officer programme, and we await with interest the conclusions on financing modalities for this proposal.

Moreover, my delegation notes with satisfaction the conclusions and recommendations of report GC 29/L.8 on the direct supervision pilot programme and encourages IFAD to continue this initiative in 2006 to provide clear direction in the supervision and implementation of projects and programmes.

With respect to the progress report on implementation of the Performance-Based Allocation System (GC 29/L.9), we have reviewed it with care and recommend that discussions continue on this matter at the level of the Executive Board. Given its importance to developing countries, the Executive Board members (Lists B and C) should continue to remain vigilant.

In closing, my delegation notes with satisfaction the progress report on the Global Mechanism of the United Nations Convention to Combat Desertification in Those Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa.

**Statement of the Alternate Governor
for Malaysia**

The year 2015 stands out as a magical date when all of the world's poor are to have a better deal as the Millennium Development Goals (MDGs) are achieved across the globe. Realistic aspirations or just a chimera? Here we are just nine years from our target date, and poverty levels are rising and the MDGs seem almost unattainable. Can this cycle of poverty ever be broken? Or can we in the international community think up effective and innovative ways to eradicate this scourge?

That is why the theme for this year's IFAD Governing Council – *Innovation challenges for the rural poor* – is both timely and relevant. There is a real need to reinvent ways to tackle rural poverty if hope is to be restored to the poor and disenfranchised of the world.

In Malaysia we have succeeded in reducing poverty from 49.3% in 1970 to 5.5% in 2000. This was done by integrating poverty reduction and income redistribution as an integral part of the overarching economic development strategy of the Government. The objectives of the various development policies were pursued through the improvement of services such as housing, health and public utilities to benefit quality of life of the poor, the promotion and adoption of capital-efficient modern agricultural techniques alongside marketing, credit, financial and technical assistance designed to improve agricultural productivity and thus the income of the poor. Efforts were made at institution- and capacity-building and even relocating industries to rural areas.

Today, the Government is looking at more innovative ways by expending more resources to tap into biotechnology, using indigenous knowledge, and developing a niche market for halal products. Priority is also given to food production and its commercialization, including processing, packaging and marketing at source. Fishing activities are to be diversified and modernized through upgrading research and training, fish-farming, fish-breeding, deep-sea fishing and ornamental fish and by setting up cooperatives.

National governments working with international institutions such as IFAD can form useful partnerships that go a long way to reducing rural poverty and to making the achievement of the MDGs a realistic goal.

My delegation is pleased to note that IFAD management has responded positively to the findings and recommendations of the Independent External Evaluation, which has resulted in an IFAD Action Plan for 2006-2007. It is hoped that the Strategic Plan for 2007-2010 could be also endorsed.

With regard to the Performance-Based Allocation System, we feel that it would be more prudent not to make any changes in the current formula at this juncture as it is too premature to make a formal assessment of its effectiveness. Changes to the PBAS could create divisiveness and conflict within the grouping and give rise to the impression that countries are competing for resources.

With regard to the voting rights in IFAD, my delegation would like to see a more fair and just voting system that would not unfairly marginalize poor nations simply because they are poor from participating fully in IFAD deliberations and elections. We look forward to the outcome of the working group's deliberations on this issue and for the working group to consider setting up a standing committee to look into all aspects of governance to ensure greater transparency within the organization.

My delegation would also like to support the proposal of List B and C countries that the enhanced Associate Professional Officer programme be financed from the regular budget of IFAD as

part of its overall programme, and not to set up a multilateral fund financed by voluntary contributions.

It is our hope that IFAD can continue its proactive, focused and targeted programmes to help reduce rural poverty and to keep the MDGs as an attainable goal.

**Statement of the Governor
for the Kingdom of Morocco**

Allow me to begin by offering, on behalf of the Moroccan delegation to this session, our sincere gratitude and recognition to the Italian authorities for the ceaseless and ongoing support they have provided to the Fund. I commend, too, the Chairman of the Governing Council and his deputy for the excellent conduct of our business. I would like to express to Mr Lennart Båge our deep appreciation and gratitude for the splendid services he has provided since assuming the presidency of this organization: we acknowledge in particular the significant enhancements to the Fund's operating methods and the introduction of changes to rationalize the organization.

We commend the positive interventions and field work that have been accomplished within the framework of implementation of phase I of the Strategic Change Programme and the ongoing efforts of the International Land Coalition to enable the rural poor to obtain access to natural resources, particularly farm land. The Fund's hosting of the Coalition has, perhaps, greatly contributed to facilitating the latter's work.

We commend, too, the level of technical support given to nations and regions suffering from the scourge of desertification, particularly in Africa, as part of the work of the Global Mechanism of the United Nations Convention to Combat Desertification. I wish to note here the role played by the Global Mechanism in working with Morocco to strengthen its capacity to combat desertification and explore sources of financing for priority projects. The Global Mechanism also supports our work to provide a regional dimension to the National Action Programme to Combat Desertification and strengthen decentralization.

In spite of these efforts, the scale of the demands imposed by rural development and the fight against the ever-worsening twin scourges of hunger and poverty, particularly in the African continent, require that all available means be employed. These include developing internal resources and providing essential additional resources, seeking out the necessary financial resources, and focusing on successful experiments and sharing them with others. Efforts must also be followed up within a framework of close cooperation with international and bilateral development organizations involved in the fight against hunger and poverty, particularly in rural areas.

Convinced of the important role of the rural world in all policies aspiring to achieve the goal of rural development and in view of this sector's exclusion and socio-economic deficit, Morocco adopted some time ago a long-term, integrated and comprehensive strategy – the 2020 Strategy – to develop the farming sector and boost rural areas. Fundamentally, this strategy focuses on a participatory approach that takes into account the actual needs of each region while tapping their respective capacities in a way that seeks to maintain environmental balance in parallel with the establishment of programmes to alleviate the effects of drought and raise farmers' income, particularly in desert and mountainous areas that suffer most from poverty.

Rural women are accorded a special position within this strategy, making them active participants in the chain of rural development. This is a direct reflection of Morocco's policy of improving the status of women, guaranteeing their rights and protecting them from prejudice and marginalization, as set forth in the bold and radical reforms introduced in the country's new legislation on the family.

In this context, I should point out that the work being done by Morocco is in line with the Millennium Summit Goals. Morocco is anxious to strengthen its capacity to set up appropriate, decentralized structures to support farmers and direct them toward new modes of production and other

farming activities that do not depend on irrigation, to ensure their full right to ownership of these lands.

However, in view of the paucity of state lands available for distribution within the framework of agricultural reform, this policy has proved to be limited and cannot be adopted as a means to provide small farmers with access to land. A new policy approach is required, one that is concerned with property structures in general, in order to address the difficulties associated with smallholdings, fragmentation, division of ownership rights and the problem of collective use.

This is in addition to rising to development needs and the challenges of economic competition against a backdrop of globalization and free trade agreements, which call for the upgrading of the farming sector through a number of structural reforms affecting various aspects of farming, including that of land tenancy.

To implement the necessary reforms in agricultural landholding, four key aims must be pursued:

- guaranteeing ownership rights by generalizing the process of property registration;
- consolidating property regulations by converting those that do not provide adequate guarantees to users into a unified code that provides registered ownership;
- removing impediments to the exchange of agricultural land on the property market, in order to enable a number of farmers, particularly small farmers with insufficient land, to gain access to agricultural land; and
- encouraging all types of collective activity in farming, particularly among joint owners of land, to overcome the difficulties associated with joint utilization (obtaining loans to make essential investments, determining a coordinated agricultural cycle, marketing of agricultural produce).

Each of these measures will facilitate access to farm land and sources of financing to consolidate agricultural investment.

Morocco is currently witnessing a comprehensive, qualitative social transformation, integrating strategic projects, development projects, programmes designed to upgrade human resources, and regional and local development processes and programmes to encourage independent initiatives and self-employment. His Majesty King Mohammed VI has, since ascending to the throne of his blessed forebears, been anxious to pay particular attention to the dimension of solidarity in social activity. His Majesty has devoted himself in practice to this since 1999, through the national solidarity campaigns undertaken annually by the Mohammed V Solidarity Foundation.

While these campaigns have, in general, achieved the desired goals, activity has remained fragmented and the possibility of regulating and incorporating it within the framework of a national strategy for integrated social development needs to be considered.

On this basis, His Majesty launched the National Initiative for Human Development on 18 May 2005, mobilizing all the activities of government, non-governmental organizations and civil society organizations. In its approach, the initiative takes into account the results of previous experiments in this area and exemplary models from a number of other countries in the fight against poverty and exclusion. The fundamental axes of the initiative include action to generate income and create job opportunities, as well as to afford rural women with access to basic social structures and services. This initiative complements and supports the sector-based programmes undertaken by the Government of the Kingdom of Morocco in other areas, such as the creation of activities to generate income and employment, etc. In our view, this development initiative is tantamount to a national alliance against poverty, consistent with the particular characteristics of Morocco, and we invite IFAD

to study and consider the possibility of supporting it, particularly where it matches the goals that the Fund strives to achieve. Perhaps there is a symbolic dimension in the coincidence of the launching of this initiative with the fiftieth anniversary of Morocco's independence that will give a strong impetus to the development dynamic that Morocco has experienced since independence.

This meeting is an opportunity for us to examine in depth the nature and manner of implementing present and future programmes to combat poverty in different parts of the world.

In conclusion, I hope that our efforts will be crowned with success in defining the outlines of a practical programme, based on the concepts of cooperation and solidarity, that will ultimately enable the achievement of sustainable development in our countries, for that alone shall guarantee improvement in the living conditions of the poor, particularly in rural areas.

**Statement of the Acting Governor
for the United States of America**

It is my pleasure to represent the United States at this Governing Council. As we meet to approve the agreement for the Seventh Replenishment of IFAD's Resources (IFAD-7), we have reason for optimism about the future of IFAD. Together, we have worked hard to put in place policies and programmes that should enable IFAD to deliver resources to the rural poor more effectively, accountably, and with results.

The United States remains a strong supporter of IFAD, and we accept with all of you the challenge to enhance our efforts to improve the institution's capacity to deliver results for the rural poor. IFAD, with its exclusive focus on rural poverty, is unique among international institutions and thus well positioned to play an important role in this effort by ensuring that its projects raise productivity, growth and living standards among the rural poor.

I would like to express our appreciation to the management and staff of IFAD for their efforts over the recent year to implement many of the Sixth Replenishment (IFAD-6) commitments and reach a successful conclusion of the IFAD-7 replenishment negotiations. While there has been important progress on many key issues, we must continue working together to solidify the progress made in IFAD-6 and move forward to implement the substantial policy reforms achieved in IFAD-7 which will improve IFAD's performance and achieve results.

An important accomplishment of IFAD-6 was the completion of the first comprehensive evaluation of IFAD's effectiveness, which found that IFAD's mandate remains highly relevant for reducing poverty and that IFAD's traditional project-based approach is a sound and effective model for rural poverty reduction. However, as the Independent External Evaluation (IEE) stressed, IFAD has no room for complacency. While the IEE found that IFAD's overall performance is on a par with that of other international financial institutions, IFAD, with its unique mandate, has the potential for much greater impact in reducing rural poverty. As a niche institution committed to working exclusively with the rural poor, IFAD must build and strengthen its comparative advantage and strive to exceed the performance of other international financial institutions operating in the rural sector. And IFAD's comparative advantage lies in its project-centered approach to increasing agricultural production and productivity, raising incomes and access to markets of the rural poor, with a focus on innovation.

Responding to the findings of the IEE, the IFAD-7 agreement commits IFAD to implementing an Action Plan – with clear timelines and concrete measures of performance – to focus its priorities and improve its effectiveness over the next three years. The Action Plan addresses institutional and operational reforms that are critical for IFAD to deliver on its mandate, including: identifying IFAD's niche, comparative advantage and target beneficiaries; reforming the operating model to improve efficiency, effectiveness and focus on results; developing a quality assurance mechanism to improve quality at entry and at implementation; and reforming human resource management to get the right skills and incentives to support IFAD's mandate, making staff accountable for results.

The IFAD-7 agreement also strengthens the integrity of the Performance-Based Allocation System (PBAS). Revising the PBAS to become more "IFAD-specific" by using more appropriate variables given IFAD's mandate – such as rural population and alternative weights on the variables – is appropriate to this effort. The establishment of a uniform system eliminating the fixed regional allocations will result in a transparent and effective system for allocating resources on the basis of country performance in implementing sound policies, so that greater resources are devoted to countries which will use them the most effectively.

In addition, the IFAD-7 agreement acknowledges that ensuring long-term debt sustainability improves the growth prospects of poor countries and we welcome IFAD's adoption of a debt sustainability framework. As a result, IFAD will provide higher levels of grants to the poorest and most debt-vulnerable countries, helping to end the devastating lend and forgive cycle of assistance.

We commend the recent steps by IFAD to promote greater transparency and fight corruption. Implementation of IFAD's new anti-fraud and corruption policy is critical to this effort. The upcoming review of the disclosure policy presents an opportunity to keep IFAD in the lead for its efforts in disclosing information to the public and broadening participation in its work.

The United States' pledge of USD 54 million to IFAD-7, a 20% increase over IFAD-6, reflects our strong commitment to the institution and its mandate. This significant increase in our commitment reflects our confidence that IFAD, through the implementation of the Action Plan and strengthening of the PBAS, will deliver results in reducing rural poverty. Efficiency goes hand in hand with effectiveness and to achieve results, the administrative costs must be contained within an annual zero-real-increase envelope so that more resources go towards achieving impact in IFAD's projects. IFAD must find ways to reduce the ratio of administrative costs to operations and realize real efficiencies in its cost structures. We opposed the excessive growth in the current year's budget, and strongly urge management and shareholders to adhere to real spending discipline during IFAD-7.

We look forward to working with all of you in the years ahead to sustain and improve upon IFAD's institutional performance and its accomplishments in rural development.

**Statement of the Sovereign Military Hospitaller Order
of St. John of Jerusalem of Rhodes and of Malta**

On behalf of the Sovereign Order of Malta, which I have the honour of representing here, I should like to express our gratitude to the IFAD Governing Council for having granted us observer status to attend sessions of this Council, and we look forward to a future of fruitful collaboration. Having already achieved observer status at FAO and WFP, and based on our shared vision of development objectives and humanitarian aid, we needed to establish a presence at IFAD.

I have the pleasure of informing you that we have just signed, on 14 November 2005, a memorandum of agreement on closer collaboration with FAO. This is by no means the first agreement of its kind; as of today we have signed 40 international agreements with States, from the creation of the Hospital Train with Italy in 1884 to an agreement with France in 1983 (followed in 1995 by a framework agreement) and, last year, a framework agreement with Italy. The accord with FAO, however, is the first we have signed with a United Nations agency, and we are convinced that a policy of closer collaboration with the United Nations and its agencies with which we share objectives will enhance the effectiveness of our humanitarian aid.

Our organizations complement each other in many ways:

- “Our Lords, the Sick”, as we call them in the Order, are often poor and include marginalized rural populations;
- we work as a matter of course in regions stricken by war and natural disasters: Kosovo, Afghanistan, Iraq, the countries devastated by the tsunami and, in the Caribbean, by hurricanes, and countries stricken by famine and other scourges;
- in many cases we face the same challenges, such as AIDS and respiratory or intestinal diseases, that have a serious impact on the productivity of the rural poor;
- we are expanding our work in development and the social sectors, since the key related issues of health and nutrition oblige us – if we are to achieve our objectives – to act upstream of emergency situations on prevention, and downstream on reconstruction and sustainable development.

To put these complementarities into perspective, let us briefly recall the works of the Order of Malta, which is active all over the world and has established diplomatic relations with 93 countries. The Order of Malta provides humanitarian assistance in 115 countries through its 56 grand priories, priories and national associations, representing 11 500 members and 80 000 volunteers. It provides ongoing, long-term medical and social assistance, an example of which is the hospitaller works of the Order’s French Association (*Association des Oeuvres Hospitalières Françaises de l’Ordre de Malte* [OHFOM]), which was founded in 1927 and is a state approved association in France. With a staff of close to 600 and more than 5 000 permanent volunteers, it is active throughout the world with five major hospitals and medical/humanitarian centres in West Africa, 67 clinics in three regions (Africa, Asia and the Middle East) and four programmes to combat leprosy and tuberculosis. Under the new and unused medications programme, 230 tonnes of drugs are shipped each year, benefiting close to one million sick people.

In addition to these medical and humanitarian activities, Malteser International brings together emergency teams from the major national associations within the Order, under the responsibility of the Grand Hospitaller, for rapid deployment when catastrophe hits a country. Recent examples are Hurricane Katrina in New Orleans, Hurricane Stan in Mexico and the Yucatan, and the earthquake in Pakistan/Kashmir.

In conclusion, I should like to recall the Order of Malta's goal, set close to one thousand years ago. In the words of our founder Blessed Gerard, who administered a hospital for pilgrims and the sick in Jerusalem beginning in 1048, "our fraternity will be eternal because it is rooted in the soil of the world's misery and, with God's will, there shall always be those who seek to alleviate that misery and make the pain more bearable."

CHAPTER 4

STATEMENTS AND SPECIAL ADDRESSES

**Welcoming statement by the President of IFAD,
Lennart Båge,
on the occasion of the visit of
the Honourable Lyonpo Sangay Ngedup,
Prime Minister and Minister for Agriculture of the Kingdom of Bhutan**

Mr Prime Minister,

I have the pleasure of welcoming you to the twenty-ninth session of the Governing Council of IFAD. Allow me, on behalf of all the Member States of IFAD, to express our sincere appreciation to you for having accepted to inaugurate today's session.

IFAD has been active in the Kingdom of Bhutan for over 25 years, supporting six projects to date for a total of over USD 42 million. Our collaboration over the years has been mutually beneficial as we have pursued our common goal of eradicating rural poverty through sustainable development, while always bearing in mind the importance of the conservation of natural resources and traditions. IFAD's work in Asia has placed an emphasis on indigenous issues and the empowerment of women, and Your Excellency has been an active advocate in these areas.

I recall Your Excellency's first intervention at the twenty-seventh session of IFAD's Governing Council, in 2004, as Minister for Agriculture and Governor of IFAD for the Kingdom of Bhutan. Your statement highlighted the importance of an integrated response to the challenges facing agricultural and rural development, and the inextricable link between development and national well-being. Though confronted with many challenges, with only 7.8% of Bhutan being arable land and almost 80% of its population practising subsistence farming, you expressed hope. Viewing the whole picture, from the needs of the smallest farmers to policy-making decisions, you have faced these challenges and worked tirelessly, through careful strategic planning, to find sustainable solutions. Your words and actions have encouraged the rural poor to look to their own potential and "walk the extra mile".

Mr Prime Minister,

May I once again express our gratitude for your presence here today. We in IFAD look forward to a continuing collaboration with Bhutan with a view to, as you so eloquently put it in your statement to the Council in 2004, "contributing to the process of realizing our aims and objectives of reducing poverty nationally, regionally and globally." It is therefore with pleasure that we look forward to your address.

Statements and Special Addresses



The Honourable Lyonpo Sangay Ngedup,
Prime Minister and Minister for Agriculture
of the Kingdom of Bhutan



The Honourable Michele Vietti,
Undersecretary of State of the
Ministry of Economy and Finance
of the Republic of Italy



Mr Lennart Båge, President of IFAD



Mr David Harcharik,
Deputy Director-General of the
Food and Agriculture Organization of the United Nations



Mr Jean-Jacques Graise,
Senior Deputy Executive Director of the
World Food Programme

**Inaugural address by the Honourable Lyonpo Sangay Ngedup,
Prime Minister and Minister for Agriculture
of the Kingdom of Bhutan**

Imagine our world free of poverty.

A world where basic human security is guaranteed for every citizen. A world where no one goes to sleep hungry. A world where one need not fear the simplest of diseases or the destitution that follows. A world where all children are learning in schools, giving that precious beacon of hope to every parent.

That is a dream we share – you and I. It is a dream we share with more than a billion people living in poverty around the world, and mostly in rural areas. That dream is why we are here today.

But do we really understand that dream? Do we know poverty? Do we know it, not in numbers or in words, but with our own hunger pains, weakened limbs and hearts devoid of hope? Do we comprehend a life that makes a landless widow utter: “This is not life. It is just keeping a body alive.”

The world’s focus on poverty reduction is the fruit of the excellence, hard work and dedication of people like we have here in this conference hall today – highly educated professionals and influential leaders. But we are a minority in this world.

Like all sentient beings, we humans tend to hear what we want to hear, and see the world through our eyes. The lion’s share of humanity has neither your education nor your brilliant careers. Many are silent and invisible – unless we strive to hear their voices and see the world through their eyes.

We need to listen to the voices of the rural poor. And I mean listen deeply. Dare we, as professionals, think about rural poverty reduction without listening to the very people toiling to survive in remote villages? Dare we, as leaders, continue the very exclusion that has blighted their lives for too long? We dare not.

And when we do harvest the people’s wisdom which is rooted in ground reality, we learn one precious lesson. We learn simply that it is not what we do, but how we think about what we do, that changes the world.

Bhutan thinks of development as enlightenment. We think of it as a process of economic, social and political transformation, of our people, by our people and for our people.

We think of the development process as one of learning and change – a process in which people choose to gain more control over their destinies, to widen their horizons, to reduce the afflictions of poverty and to improve the very vitality of life.

We think of a development strategy as a society’s own living, dynamic strategy – a strategic framework that is driven by a shared vision; identifies structural barriers to its transformation; selects those who can serve as catalysts for change; and is rooted in a participatory process where people create, revise and strive to realize their visions.

And we think of the outsiders’ role, be it of government, non-governmental organizations or international agencies such as IFAD, as a trusted facilitator of the process, invited by the people to serve as a catalyst for change.

Mahatma Gandhi has said: “I know no diplomacy save that of the truth.” Following his principle with all humility, we can say then that this is the truth: if outsiders – whether governments, NGOs or donors – drive the development process of a community, they will merely become part of the problem, instead of being what they can be, which is part of the solution.

There are many factors that reduce poverty that we know about – and many that we do not. I view quality of leadership, in governments and throughout civil society, as one factor that is of enormous import. Too often it is left implicit, taken for granted or simply ignored. We cannot do so, especially when waging a war against poverty.

Reducing poverty is about sharing the tangible and intangible fruits of economic growth equitably. Strategies, policies and actions to achieve poverty reduction are about changes that have winners and losers. This fact challenges people with vested interests in the status quo. It also challenges those with radically different political views about the course or process of change.

Visionary leaders inspire and raise the sights of the people above their lowest common denominator. They help their people see beyond the immediate personal gains or losses to greater opportunities for all. Rapid growth can be achieved without such leaders. The economic history of the world is full of such cases. But, quality growth with equity, redistributing income and wealth as nations grow, cannot be achieved without such leaders’ good governance.

Sharing the fruits of growth is also about helping the poor help themselves. Citizens need to feel that they are truly consulted and that they have participated actively in the process of change. They need to feel convinced that they can honour a consensus, and share deeply in a common vision, strategy and actions. Such a participatory process of change is the only way to secure a sustainable development path.

And so I return to listening. In consulting deeply – especially with those women and men who are marginalized from the mainstream of their societies – it is important to listen to their silence. Jalal ad-Din ar-Rumi, the thirteenth-century poet-saint, reminds us:

There is a way between voice and presence
where information flows.
In disciplined silence it opens.
With wandering talk it closes.

Listening to the people’s silence means knowing their fear of power and authority, and making a secure space for their empowerment and voices. It means viewing differences as a source of society’s wealth, and finding unity in diversity whatever the roots – be they culture, language, race, religion, gender or simply age. It means listening to and learning from the wisdom of these people, with genuine respect.

Such listening demands humility and tolerance in everyone. It is especially so in leaders and the elite who are in a position to influence or steer the change process. In the cultural context of many with power and privilege, these qualities do not visit naturally nor do they always stay for good. Yet, no development process will ever be truly participatory, and thus sustainable, without humble and tolerant leadership.

I dare say that a world free of poverty will remain a mere dream without humble and tolerant leadership – leaders of vision and courage, who draw strength from humility, find peace in tolerance, and gain true power by giving it away.

The people of Bhutan are blessed to be led by such a leader, one who has literally walked the length and breadth of the nation's harsh terrain, sat with the people, shared their meals and listened to their hearts.

Nearly a century ago, Bhutan's religious and secular leaders chose hereditary monarchy as the nation's political system. They did so consciously to put an end to two centuries of political instability.

The present monarch, His Majesty King Jigme Singye Wangchuck, has been the fountainhead of the vision, values and policies guiding the nation's social, economic and political transformation for well over three decades. From the very outset, the happiness of the people has been the singular and explicit policy outcome sought. Everything else, including greater income and wealth, has been a means to enable this end.

Enunciated by His Majesty as "Gross National Happiness", this philosophy for public policy was not imposed from the top, but harvested by listening deeply to the people. You would surely agree that happiness is a shared desire of every human being. It is possibly the ultimate thing we want, while all other things are wanted only as means to its increase.

Gross National Happiness places the happiness of the sovereign people at the core of our national security strategy. Unhappy people make an unstable nation. A secure nation is one whose citizens are proud to call it their home. The singular purpose of public policy and institutions is to remove all public obstacles and enable citizens to pursue individual happiness. Five-year development plans – along with the planning process, associated policies, implementation and outcome evaluation – strive to balance satisfaction of people's material and non-material needs, and their emotional and spiritual growth.

Gross National Happiness has also meant that the future course of the nation must be the people's own choice. It has driven a gradual but steady change in Bhutan's political system, learning as we go, over many decades. This process of change has recently culminated in a draft constitution that is to enshrine a constitutional monarch and a two-party parliamentary democracy. The draft constitution was distributed to the people, and the King and the Crown Prince are travelling throughout the country, engaged in a series of consultation meetings to listen to the views of the people.

Bhutan wants to realize the dream of a world without poverty. We imagine a world where humanity is secure in the knowledge that everyone has an equal opportunity to pursue individual happiness. We imagine a world where all leaders think differently about what they do, and focus – singularly, seriously and steadfastly – on removing public obstacles that prevent their people from pursuing happiness.

It is in this context that Bhutan remains resolute in its commitment to IFAD, and appreciates the Fund's valuable contributions to building our nation. It is also in this context that Bhutan has adopted a holistic approach known as the Triple Gem, looking at our fight against rural poverty through the people's eyes, and integrating production, access and marketing throughout our agriculture programmes.

Ghandi once said to a gathering of scientists, "Unless all the discoveries that you make have the welfare of the poor as the end in view, all your workshops will be really no better than Satan's."

Throughout the coming days of this gathering, indeed, I ask that you hold close to your heart your own image of that landless widow who despaired, "This is not life. It is just keeping a body

alive.” And, in all your deliberations, I ask that you not focus on what you do, but be open to grass-roots wisdom, and invite such wisdom to change how you think about what you do.

I would like to end my address with an apt passage from the Koran: “Verily never will God change the condition of a people until they change it themselves, with their own souls... .”

I wish you all fruitful, and very different, deliberations! Good luck, or as we say in my country *Tashi Delek!*

**Message of the Secretary-General of the United Nations
Mr Kofi Annan,
delivered on his behalf by the
Chairperson of the Governing Council
His Excellency Matthew Wyatt**

I am delighted to send my best wishes to this session of the Governing Council of the International Fund for Agricultural Development.

You meet at a time when the United Nations is working to implement the outcome of last September's World Summit. Even though world leaders did not achieve everything we might have hoped for, they did agree on progress across a broad front. And they reached unity on a fundamental concept: that development, security and human rights are not only ends in themselves – they reinforce and depend on each other. In our interconnected world, the human family cannot enjoy security without development, or development without security, or either without respect for human rights. To act on that understanding, we need a strong United Nations, and true solidarity among governments and peoples.

IFAD will continue to play a key role in the work to reach the Millennium Development Goals – agreed by all governments as a blueprint for building a better world in the twenty-first century. Three quarters of the world's extreme poor – 800 million out of 1.1 billion people – live in rural areas and depend on agriculture and related activities for their livelihoods. As the World Summit Outcome document recognizes, "... rural and agricultural development must be adequately and urgently addressed... . We are convinced that the eradication of poverty, hunger and malnutrition ... is crucial for the achievement of the Millennium Development Goals."

Your institution represents a unique partnership. It is encouraging to know that you are making progress on our collective mission to make the United Nations family as effective as possible, and that IFAD's President, Lennart Båge, continues to serve as the Chairman of the High-Level Committee on Programmes, mandated to promote coordination and collaboration among the funds, programmes and specialized agencies of the United Nations system.

This week, I look to the deliberations of the IFAD Governing Council to give a further thrust to the process of reform and to our common commitment to achieve the Millennium Development Goals. In that spirit, I wish you a most productive session.

**Message from the Government of Italy
delivered by the Honourable Michele Vietti,
Undersecretary of State of the Ministry of Economy and Finance
of the Republic of Italy**

On behalf of the Government of the Republic of Italy, I should like to extend a warm welcome to all to this meeting. We are particularly honoured to have with us today His Excellency Lyonpo Sangay Ngedup, Prime Minister and Minister for Agriculture of the Kingdom of Bhutan.

I should like also to convey my best wishes for the success of this important session of the Governing Council and to confirm Italy's full support for IFAD, as well as the other United Nations agencies we have the honour of hosting here in Rome. I see representatives of those agencies here today and welcome them to these proceedings.

In the fight against poverty – which is the first step in the fight against hunger and is also the main Millennium Development Goal – IFAD, FAO and WFP are key institutions, given the wealth of human and technical resources they possess and their demonstrated ability to develop instruments and strategies to combat rural poverty in innovative ways.

IFAD's philosophy is the philosophy of the farmers, the peasants you support with determination and intelligence through your projects: it is the philosophy of sowing seeds. This philosophy is not built around emergency aid, which is indeed necessary to alleviate temporary suffering and save human lives at risk but does not, however, lend itself structurally to lay the groundwork for building the future. IFAD's philosophy, which is shared by Italy, is that a multiplier effect must be generated (as the true long-term objective) by individual projects.

There is, of course, a need for immediate assistance at critical moments, but IFAD plays a unique role in view of its particular mandate, which takes a long-range and broad-based view. When IFAD was founded in 1978 (with its headquarters in Italy from the very beginning), its main mission was to increase agricultural yields to improve food availability and security for the poorest areas in developing countries. As the global economy has evolved and markets for goods and services have opened up, liberalization has highlighted problems in the agricultural sector, which tends to be less dynamic than other sectors of production.

The international organizations have therefore had to address the issue of how to develop agriculture in a broader context, taking into account variables such as the evolving global economy, the role of the market, essential dialogue with the governments of beneficiary countries on economic policy directions, and institutional and sectoral reforms.

Italy has always supported IFAD's efforts to adjust its strategies and assistance modalities to new global realities.

I should like to underscore the close collaboration that exists between IFAD and the Italian authorities at every level. This is the case with the Government and all its divisions, and I refer in particular to the Ministry of Economic Affairs, which I represent, as well as the Ministry of Foreign Affairs, the External Cooperation Directorate, the Ministry of Agricultural and Forestry Policy, the Office of the Prime Minister and the Prime Minister's Special Representative for Africa. It is true also of the city of Rome in all respects, beginning with the municipal government. The same holds for associations, non-governmental organizations, movements and undertakings, and finally, the Italian Parliament and its Commissions on Foreign Policy. Together we have created a network of relationships and collaboration that must continue, be expanded and consolidated.

To this end, I believe it would be useful for IFAD to make a more decisive effort on the communications front, so that a growing number of Italians (and a range of first-class foundations, universities and institutions) can become informed about and involved in your work.

We know that we have a shared objective. Statistics tell us that more than one billion of our fellow human beings – 1.2 billion to be precise – are living under conditions of extreme poverty on less than one dollar a day, and that close to three quarters of them live in the countryside. All of you are aware of this fact, and we repeat it here because it is an eloquent sign of the road we must take. If we are to halve poverty by 2015, we need to work on agricultural development, a more equitable distribution of resources and more accessible technology, financial services and markets.

It is right that we remember these basic premises, and I believe we all agree on them. This is why Italy is deeply committed to making a substantial contribution to IFAD.

Before turning to my main point, let me talk about some of the problems facing us.

Aid Distribution

Although in principle IFAD assistance is targeted at low-income countries, recent trends are not encouraging. Less assistance per capita is provided to the poorest and most densely populated countries than to countries which are less poor. This is a paradox that, like all paradoxes, exists for a reason. On the one hand, it is more difficult and more costly to reach areas of extreme poverty; on the other, the less poor countries are better prepared to absorb the assistance.

Perhaps we should ask ourselves to what extent the Performance-Based Allocation System is truly aligned with the needs of rural areas nationally and regionally, or whether it risks exacerbating the disadvantages of weaker countries that are less able to comply with economic policy parameters and institutional reforms. The formula adopted does not appear to have produced convincing results, and it may be that we need to revisit this mechanism with a view to correcting those parameters that may lead to undesirable consequences in terms of equity in aid distribution.

Allow me to say that we are particularly concerned about the impact on regional allocations. Italy feels that Africa's share of total loans and grants should be protected from the effects of applying the current formula.

Now I should like to comment briefly on the work done to evaluate the results of IFAD's operations.

Evaluating IFAD's Aid Effectiveness

Among international organizations, evaluation has become an essential instrument for analysing project impact and seeking ways to use resources more effectively and adapt strategy to new challenges.

We were particularly appreciative of the report submitted by independent experts last September on IFAD's activities between 1994 and 2003, as well as management's collaboration in this regard. The report provides us with an excellent analysis of the operations carried out, together with specific recommendations to which the institution will need to respond appropriately.

This critique must be addressed with the greatest attention. In particular, the human resources policy was criticized harshly as conservative and unable to impart a standards- and results-based culture. Since human resources management plays a concrete, decisive role in the success of projects, management should give priority to this aspect, empowering IFAD's local presence.

Let us now turn to the question of financial resources and my country's pledge.

IFAD's Financial Resources and Italy's Pledge

The successful conclusion this past December of negotiations for the Seventh Replenishment of IFAD's resources was particularly appreciated by Italy. We can assure you that Italy's contribution will reflect the high esteem in which my country holds IFAD, like the other United Nations agencies, by virtue of the special relationship that unites Italy as host country with IFAD, FAO and WFP. Unfortunately, recent financial legislation was drafted by Italy with a view to adhering to the European criteria of the revised stability pact, and therefore we are subject to an acute need for rigour and respect for Community regulations. Naturally this does not affect Italy's intention, reiterated at the highest levels of our institutions and Government, to participate at an appropriate level in the international community's effort to achieve the Millennium Development Goals, as well as to support IFAD's efforts which, as I have said, are aligned with a philosophy and strategy broadly endorsed by Italy. On the occasion of previous replenishments, Italy has been among the Fund's major contributors.

For the reasons we have just noted, however, Italy's pledge will be finalized during the coming weeks. The balance of the Sixth Replenishment is a priority objective as we work towards the Seventh so that IFAD may continue to rely on a significant contribution from Italy that comes as close as possible to the goals set by the Fund's management. I would remind you that Italy will in any case be contributing, pursuant to the headquarters agreement, to covering the logistical expenses of the organization. As you know, such expenses will include the office transfer to the new building on Via Paolo di Dono, in Rome.

I know that collaboration between IFAD and the Italian authorities at every level is intense and mutually satisfactory. My wish is that it should continue to be so. I should like also to recall Italy's contribution to IFAD for the countries benefiting from the HIPC Debt Initiative. Italy supports access by IFAD to the World Bank's HIPC Trust Fund covering debts of the poorest countries to regional and subregional multilateral institutions.

Allow me to conclude by thanking President Lennart Båge, the management and all the staff of IFAD for their hard work and the important results they have achieved, and to convey my best wishes for success in the year ahead.

**Statement by the President of IFAD,
Lennart Båge,
to the Twenty-ninth Session of the Governing Council**

I warmly welcome you to Rome and to this twenty-ninth session of the Governing Council.

I am particularly pleased to welcome His Excellency the Prime Minister of the Kingdom of Bhutan. As Bhutan's Governor for IFAD, he knows us well. Excellency, you bring great experience in development and poverty reduction in your own country, and we have greatly benefited from your address.

We were also grateful to hear the message from our host country, Italy, conveyed to us by His Excellency Michele Vietti, Undersecretary of State of the Ministry of Economy and Finance. Italy has been a warm and generous host to all of us, and your country's message to us underlines Italy's long-standing support for IFAD.

The past year brought an almost unprecedented focus on development issues, on the fact that we are not reaching the Millennium Development Goals (MDGs) – in particular in sub-Saharan Africa – and that more resources are needed. In the run-up to the United Nations 2005 World Summit in September, substantial debt relief and increased official development assistance (ODA) were promised. According to the Development Assistance Committee of the Organisation for Economic Co-operation and Development (OECD), ODA will increase from USD 80 billion to USD 130 billion between 2004 and 2010. For debt relief and increased ODA to realize their full potentials, a successful outcome of the Doha Development Round is crucial, and here agriculture is a key negotiating issue.

Why is agriculture important? We know that about 800 million out of 1.1 billion people living on less than a dollar a day live in rural areas and depend on agriculture for their livelihoods. We know that 850 million go to bed hungry every night. And we know that in most poor countries agriculture counts for 50 to 80% of employment. Poverty reduction without rural development is inconceivable. As can be witnessed in many countries in Asia, overall economic growth cannot deliver prosperity without the agricultural sector playing an important role.

It is thus not surprising that the 2005 World Summit emphasized that more rapid agricultural and rural development is crucial for achieving the MDGs. World leaders stressed, and I quote from the Summit Outcome document: "We deem it necessary to increase productive investment in rural and agricultural development.... We commit ourselves to increasing support for agricultural development and trade capacity-building in the agricultural sector in developing countries."

This new context poses an important challenge to the United Nations system. Development finance is growing, and United Nations organizations have to demonstrate that they are effective channels for these resources.

As part of the United Nations system, IFAD has a dual task before it. We must work to enhance the scale, the impact and the sustainability of the projects and programmes we fund. We must also harmonize and align these efforts, and make them fully complementary to those of our partners, other United Nations organizations, international financial institutions and bilateral development agencies, so that we as a system can enhance, indeed multiply, each other's impact all in a true partnership with the developing countries. What IFAD does is important. But what all of us do, as a well-coordinated and coherent system, is what ultimately will make a difference.

The 2005 World Summit has called for “tightly managed entities” in the fields of development, environment and humanitarian affairs. In response, the Secretary-General is setting up a high-level panel to review these issues. In IFAD, we are eager to contribute to the goal of One United Nations.

Here in Rome, Jacques Diouf, Jim Morris and I are well aware of the value of collaboration, and we are determined to intensify it. The publication *Working together*, brought out by our three agencies, provides many examples.

During 2005 IFAD’s programme of work rose by about 10%, continuing the upward trend of previous years. We also responded to the exceptional needs created by the tsunami and the South Asia earthquake by developing fast-track projects to restore livelihoods.

We anticipate that over the Sixth Replenishment period (2004-2006), IFAD’s annual loans and grants will rise from USD 466 million in 2004 to about USD 550 million in 2006. With cofinancing, the total investment cost would surpass USD 1 billion in 2006.

Last year important initiatives launched during the Sixth Replenishment came to fruition. These included the Results and Impact Management System and the Performance-Based Allocation System (PBAS). Learning from the experience of the first year of the PBAS, we are reviewing some of its parameters to ensure that it fully reflects the strategic orientations, priorities and mandate of the Fund. Equally significant was the completion of the first phase of the Strategic Change Programme. This first phase addressed our financial, human resource and information management systems. Now we have a strong platform for enhancing project impact further, building an effective knowledge management system and mainstreaming innovation.

The Independent External Evaluation of IFAD completed in 2005, perhaps the first such evaluation of any United Nations organization, recognized the Fund’s strengths and provided valuable guidance regarding areas where change was required. We embraced these recommendations and formulated an Action Plan for improving IFAD’s development effectiveness. The plan, approved by the Executive Board last December, focuses on our strategies for reaching the poorest rural people, promoting innovation and enhancing the impact and sustainability of IFAD projects.

Last year IFAD Member States also completed the negotiations for the Seventh Replenishment of IFAD’s Resources for the period 2007-2009. The key element underlying the good outcome of the Replenishment negotiations, I believe, is the strong support for the Fund by all parts of IFAD membership, both net contributing countries and borrowing countries. It is particularly encouraging that several List C countries that are themselves major borrowers demonstrate the value they place on IFAD by their willingness to make substantial contributions to the Fund’s resources. And all indications point to an increase in the share provided by non-OECD countries to around 20% in the Seventh Replenishment. IFAD thus has a broader funding base than other international financial institutions.

The Seventh Replenishment negotiations reinforce IFAD’s foundation as a partnership of the Organization of Petroleum Exporting Countries, other developing countries and the OECD, which are joined in a shared commitment to overcome poverty and hunger. Such a partnership, I believe, is more relevant in today’s world than it was even when IFAD was established. I appeal to all members that have not yet announced their pledges to do so at this Governing Council or as soon as possible thereafter. Although all pledges have not yet been given, we can already state that the Seventh Replenishment will be the biggest since IFAD’s First Replenishment in 1980.

The Seventh Replenishment report gives guidance and funds to IFAD through 2009. Where will IFAD be in 2009?

In 2009, IFAD is reaching well over a hundred million very poor women, men and children. They are small farmers, herders, small entrepreneurs, fishers, pastoralists and landless agricultural workers. They are often members of marginalized and excluded ethnic minorities and indigenous peoples. Often they are poor women or woman-headed households. An overwhelming majority live on less than one dollar a day. They are threatened by hunger and food insecurity. Many live in some of the world's most remote, inaccessible and difficult environments; around a third live in areas of crisis and conflict. They are people who lack power, choice, security and material resources. They lack access to the most essential assets. They are vulnerable to droughts, floods, famines, earthquakes and locusts, and the spreading avian flu, to name but a few of the threats they face.

By 2009, the harmonization criteria specified in the Paris Declaration on Aid Effectiveness have led to the clarification of institutional roles and comparative advantages within the overall international development architecture. IFAD has a reinforced role as a pro-poor community-based innovator in the agricultural sector. We have a stronger focus on enhancing food security and reducing poverty through increased productivity, production and incomes for the rural poor. We add to synergies when working with others with complementary mandates, be it in infrastructure, technical advice or emergency response.

In 2009, we are also helping to catalyze development by acting as a knowledge broker, sharing lessons of what works and what does not. Our country programmes support national poverty reduction strategies. They are different in each country because they depend on each country's specific needs and circumstances. But our objective is the same everywhere, to ensure that our country programmes really work for the rural poor. We measure and report on this regularly.

Our role varies greatly from country to country. In countries such as Uganda, we are considered a leading donor in rural development and the agricultural sector. In others, such as India, we help develop innovative approaches that are then replicated and scaled up by government and others. No matter how big or small, we are always working within national initiatives and according to national leadership in order to strengthen local and national capacities.

In 2009, our in-country capacity is stronger, yet varied and country-specific, having drawn on lessons from the Field Presence Pilot Programme. Through highly qualified local staff, we have improved conditions for project implementation support, supervision, learning and knowledge management, and policy dialogue based on our concrete field-level experience. Staff are working closely with the organizations of the rural poor, taking on board their perspectives and concerns. They are also well coordinated with other development actors.

The new operating model has become the practice in 2009. Innovation has been mainstreamed, and results are systematically shared with others.

A significant part of our programmes address the concerns of indigenous peoples and ethnic minorities. In fact, IFAD may well be the largest international funder of indigenous peoples' development, and we have also built a strong partnership with the Permanent Forum on Indigenous Issues. The Farmers' Forum has been institutionalized. Collaboration and consultations are well established with farmers' organizations.

We are using the knowledge and experience derived from IFAD-funded projects and programmes to make evidence-based contributions to national policy processes. We are working with our partners to analyse and synthesize, and to inject this knowledge into selected regional and global policy discussions on issues where we have direct field-level experience. Knowledge can relate to markets and trade, rural finance, land tenure, water management, indigenous peoples and gender. A new means to share learning and knowledge that we have developed is the Rural Poverty Portal, an

electronic network through which poor people, policy-makers, non-governmental organizations and development practitioners can share knowledge about rural poverty.

To achieve all this, the implementation of the Action Plan will be our central priority over the next years.

Some have said that IFAD is now in an “overcrowded field”. I wish this were true. In fact, in marginal rural areas, which are the focus of IFAD projects and programmes, there are few other development institutions that provide support for the productive activities of the poor. Yet the needs of the poor are as great as is their potential to contribute to growth and development. Far from believing that the field is overcrowded, we strongly welcome bilateral and multilateral development agencies to join us in our efforts to enable the poorest rural groups to raise their productivity and incomes.

After a charged but fruitful 2005, we now have the possibility and means to take IFAD to a higher level of performance during the Seventh Replenishment period. The Fund is, and must be, an inclusive organization, both in terms of the partnership between developing and developed countries that provides its foundation, and through its commitment to respond to the needs of the rural poor in all regions. Fair geographic distribution of our resources to meet the needs of the poor, as called for in the Agreement Establishing IFAD, will remain a key goal of the institution as will equitable geographic and gender distribution of our staff.

Our goal is to have by 2009 an IFAD with substantially greater impact, with more sustainable projects and greater outreach to the rural poor. Beyond that, we look forward to an IFAD whose strategic role in terms of ideas, knowledge, innovation and resources, places it at the leading edge of the international effort to eliminate poverty and hunger.

Building such an institution will be a demanding task, but with your support it is a goal within our grasp, and one that we are determined to attain.

**Message of the Director-General of the
Food and Agriculture Organization of the United Nations,
Mr Jacques Diouf,
delivered on his behalf by Mr David Harcharik,
Deputy Director-General**

Good morning. Lennart, thank you for inviting the Food and Agriculture Organization of the United Nations (FAO) to be with you this morning. It is always a pleasure for the Director-General or me to address the IFAD Governing Council.

It is a pleasure, first, because it affords us an opportunity to call attention to the need to raise the level of investment in the agriculture sector if poverty and hunger are to be overcome. And there is a long way to go on this. We all know the statistics far too well, that we live in a world of abundant resources where there is enough food for everyone, yet more than a billion people live in extreme poverty and over 850 million suffer from hunger or undernourishment. But let us also remind ourselves that the vast majority of the poor and hungry live in rural areas where agriculture and related activities represent the main means of survival.

Hunger and poverty will never be eliminated unless investments, greater investments, are made to generate economic growth, particularly in rural areas. This, in turn, cannot be accomplished without an increase in production and productivity, and without the support of appropriate rural financial, marketing and other essential services that are backed by rural infrastructure and policy measures. People empowerment and strong farmers' organizations play an equally important role in this process. These issues, I am sure, will be at the core of the interactive panel discussions today on "Innovation challenges for the rural poor". It is important to consider what is new, but in doing so I hope that you do not lose sight of the need for something that has been with us a long time but is still in short supply: money; finance; investment. Overcoming poverty and hunger will require investments in agriculture beyond today's level – investments by developing countries themselves, and investments by the donor community.

A second reason why I am pleased to be here is that it gives me an opportunity to assure you, and reassure you, that collaboration between the Rome-based agencies (IFAD, WFP and FAO) is both extensive and effective. Collaboration and partnership among international organizations is not only demanded by governments, especially in this current climate of United Nations reform, but it also simply makes good business sense. No organization working alone can make much of a dent in the problems of poverty and hunger. By working in partnership, though, we can make more effective and efficient use of our very scarce resources.

Let me give you some examples of some joint IFAD/FAO activities.

Cooperation between IFAD and the FAO Investment Centre continues to progress, with FAO providing IFAD with a wide range of technical support services to promote investment in agricultural and rural development in member countries. Over the last biennium, 13 projects prepared by the Centre were approved for funding by IFAD for investments totalling nearly USD 500 million.

FAO's technical divisions beyond the Investment Centre are also collaborating with IFAD in a number of activities in the field. Examples include: (i) farmer field schools in Eastern and Southern Africa; (ii) participatory approaches to community-driven development in Ghana; and (iii) at global level, support to the United Nations System Network on Rural Development and Food Security. IFAD and FAO are also working together on the organic production of medicinal, aromatic and dye plants for poverty reduction in marginalized communities in South Asia.

Let me also mention the excellent cooperation during the emergency operations of the desert locust control campaign in Western and Northern Africa, as well as the development of longer-term solutions for controlling locusts in a more environmentally friendly way that will also contribute to safeguarding human health and the environment. In view of the successful cooperation between IFAD and FAO on the locust campaign, we are now exploring possibilities of collaborating with the Fund in avian influenza control and eradication operations.

The implementation of the Comprehensive Africa Agriculture Development Programme of the New Partnership for Africa's Development (NEPAD) offers IFAD and FAO, through regular consultations with their NEPAD focal points, excellent opportunities for collaboration. FAO has provided support to NEPAD member countries for the formulation of national medium-term investment programmes and bankable investment project profiles. These have been completed in 51 countries and are ready for use in these countries' dialogue with bilateral and multilateral development partners, including IFAD.

I would also like to mention that IFAD and FAO are working together on the Global Donor Platform for Rural Development, on the recently launched TerrAfrica platform and on preparations for the International Conference on Agrarian Reform and Rural Development (which will take place in Brazil next month). Finally, we are particularly grateful for the valuable role that IFAD plays in the International Alliance Against Hunger as a key member of the Working Group and by contributing actively to the development of national alliances throughout the world. As of today, 46 national alliances have been established and are at different stages of development.

I could go on and on, but in the interest of time I should stop with these few examples. Let me close by reiterating that the commitment of FAO and IFAD, and also of WFP, to link our comparative advantages into an effective partnership against hunger and poverty is genuine and strong. And we are continually in search of ways to make it even better.

I wish you a successful meeting.

**Message of the Executive Director of the
World Food Programme,
Mr James T. Morris,
delivered on his behalf by Mr Jean-Jacques Graisse,
Senior Deputy Executive Director**

It is with great pleasure that I address the IFAD Governing Council on behalf of Jim Morris, our Executive Director, who regrets not being here in person. First of all, let me express my gratitude on behalf of the World Food Programme (WFP) for all your good work and for being such a good partner.

As we all know, more than 1 billion people live in extreme poverty, suffering from hunger. The vast majority – about 810 million women, men and children – live in rural areas, where they depend on agriculture and related activities for their survival.

Together, we, the Rome-based agencies, agree that none of the Millennium Development Goals (MDGs) can be achieved unless the world's poorest people are supported in their struggle to emerge from poverty and hunger. The reduction of both hunger and poverty is essential to achieving the other MDGs.

Hunger and poverty must be tackled together – as they are the cause and consequence of each other. Until the poor and vulnerable receive help with the problem of consumption, hunger will continue to block their prospects for investment and ultimately their quest for development. Food enables children to complete their schooling, lowers child mortality, improves maternal health and helps combat diseases.

To quote our joint statement to the United Nations Economic and Social Council (ECOSOC) in June 2005: “Tackling poverty will not automatically take care of hunger. In fact, research suggests that developing countries that focus exclusively on poverty – without special attention to hunger – will take a generation longer to make real progress on improving their people’s nutrition and health.”

The ECOSOC meeting and the 2005 World Summit were two significant events where the partnership between the Rome-based agencies was highlighted. Indeed, the language on the importance of food security and rural agricultural development contained in the 2005 World Summit Outcome document was a result of our close cooperation.

We remain convinced that, with concerted action and adequate resources, it is possible to achieve the MDGs. Our consistent efforts to enhance Rome-based partnerships and create new opportunities to collaborate have already borne fruit: our joint work in rehabilitation and development contexts to recover livelihoods and create sustainable development possibilities, especially for the rural poor, speaks for itself.

The twin-track approach has helped us to further unite against hunger and poverty by combining direct food assistance to the most vulnerable with long-term development measures.

On the operational front, we have been strengthening our collaboration to ensure that the twin-track approach works. The technical expertise of IFAD and FAO and their financial assistance in agriculture supports rural development, while direct feeding provided by WFP gives people the strength they need to work, and school feeding lays the base for a healthy, well-educated workforce.

In 2005, WFP collaborated jointly with IFAD in eight WFP country offices (Burkina Faso, Chad, China, India, the Lao People’s Democratic Republic, Pakistan, the Syrian Arab Republic and

the United Republic of Tanzania) in nine different projects that combined direct food assistance provided by WFP to the same communities benefiting from IFAD microcredit schemes. This in turn will either improve infrastructure or allow the poor to acquire skills to start income-generating activities.

As a result of our long tradition of cooperation in Asia, WFP and IFAD signed a regional memorandum of understanding in 2003 to develop the integrated rural development approach utilizing WFP food aid and IFAD financial assistance and country-specific action plans in Asia.

In addition, we are hosting IFAD in our India country office. In fact, in India, where the two agencies have been working together since 2001, IFAD co-funds an eight-year WFP food-for-work programme that focuses on marginal households, women, landless people, hill farmers and tribal groups.

In the Lao People's Democratic Republic, we are both assisting food-insecure households in transition under the Rural Livelihoods Improvement Programme, in Attepeu and Sayabouri where WFP provides rice for asset creation through food-for-work. In the United Republic of Tanzania, WFP's collaboration with IFAD concentrates on constructing and rehabilitating 160 kilometres of irrigation canals.

Let me conclude by saying that it is vital for Rome-based agencies to act jointly, to do things in a complementary way. Our experiences show us that our concerted efforts bring additional benefits to the rural people who need our help. We look forward to sharing this fruitful collaboration for many years to come, in our drive to give a better life to millions of needy people in this world.

**Synthesis of the Deliberations at the first Farmers' Forum¹
held in conjunction with the Twenty-ninth Session of the
Governing Council of IFAD,
13-14 February 2006**

The first meeting of the Farmers Forum, in conjunction with the IFAD Governing Council, endorsed the concluding statement of the previous year's workshop, which provides the basis for the Farmers' Forum process and its future development.

The Forum acknowledged the results and recommendations of the national and regional consultations that had taken place in 2005.

Rich discussions in regional and thematic working groups reported in the plenary revealed both regional diversities and a number of common understandings and recommendations shared by all regions. The following represents a brief synthesis of these shared understandings and recommendations.

Persistent rural poverty in a world of wealth is not merely due to lack of international development assistance. It is due to the neglect of the rural sector by national public policies and to the outcome of prescriptive models that do not address the critical issues confronting smallholders and family farmers, artisanal fishers and other resource-poor producers in the specific conditions under which they make their livings. All participants stressed the issue of insufficient returns to family farming due to unfair prices and the weak position of small farmers in value-adding processes. They stressed that the ever-increasing concentration of power and wealth where fierce competition is the norm threatens the livelihoods of the poor and any prospect for improvement. Many organizations expressed strong concerns and disagreements with the current policies of institutions such as the International Monetary Fund, the World Bank and the World Trade Organization.

The deterioration of rural livelihoods is, in no small measure, due to the lack of capacity of rural organizations to influence policies and negotiate with other actors. It is also due to the fact that governments and international institutions provide little space for inclusive social dialogue whereby the perspectives of rural people are taken into account. Participating farmers' organizations called on IFAD to support their own capacity-building efforts in the domain of policies, both at national and regional levels. They called on IFAD for direct support so that they empower their members to interact with the market in a more equitable and profitable way.

All participants stressed the difficult situation of rural women and youth and the lack of livelihood prospects for them. Both IFAD and farmers' organizations must address this situation.

Most of the Forum's conclusions and recommendations relate to two major areas: IFAD-supported operations and the Farmers' Forum process.

In both those areas, the issues should not merely be for farmers' organizations to engage with IFAD's agenda, but for IFAD to engage with theirs.

¹ This synthesis of deliberations has been endorsed by the Steering Committee of the Farmers' Forum and by the representatives of the 53 farmers' organizations participating in the final session of the Forum on 14 February 2006. It was presented to the plenary session of the Governing Council of IFAD on 16 February 2006 by Ms Estrella Banzuela (Secretary General of the Asian Farmers' Alliance) and Mr Philip Kiriro (Vice President of the International Federation of Agricultural Producers), designated respectively by La Via Campesina and by the International Federation of Agricultural Producers as rapporteurs before the Governing Council of IFAD.

Farmers' Forum



Ms Estrella Banzuela,
Secretary General of the
Asian Farmers' Alliance



Mr Philip Kiroo,
Vice-President of the
International Federation of Agricultural Producers



Deliberations at the first Farmers' Forum

IFAD-SUPPORTED OPERATIONS

Partnerships between IFAD and farmers' organizations span strategy development and investment programmes. It was recommended that farmers' organizations participate – and in all cases, be at least consulted – in the development of IFAD's strategies at both the national level (in country strategic opportunities papers [COSOPs]) and the regional levels. Farmers' organizations (FOs) should be systematically involved in the design, implementation and evaluation of programmes and projects, financed either through loans or grants. Similarly in each of its interventions, IFAD should allocate specific direct funding for rural organizations to evaluate the effectiveness and impact of these interventions independently.

As IFAD is in the process of revising its strategic framework, participants recommended that national FOs be considered as key actors in the empowerment of the rural poor.

THE FARMERS' FORUM PROCESS

Participants confirmed their engagement with the Farmers' Forum as an ongoing bottom-up process and a space for consultation and dialogue focused on rural poverty reduction. It respects existing organizations, their diversity and autonomy and does not create parallel structures.

The 2006-2008 cycle of the Farmers' Forum will comprise a significant number of national consultations in each region, to be fed into regional or subregional forums, before the 2008 Governing Council. The planning of these consultations should be elaborated region by region together with regional and international organizations. Coordination with other international agencies, in particular with the Food and Agriculture Organization of the United Nations, would strengthen the process of the Forum and minimize the demands on the time and resources of farmers' organizations.

The interface of the Farmers' Forum and IFAD's Governing Council must be institutionalized.

The participants of the Forum proposed the development of agreed-upon principles of engagement or code of conduct to guide interactions and partnerships between farmers' organizations and IFAD.

THEMATIC DISCUSSIONS

During the Farmers' Forum there were three thematic working group discussions on: (a) pro-poor access to natural resources (land, water, forests and fisheries); (b) capacity-building of grass-roots rural institutions and pro-poor institutional development; and (c) regional market integration and family agriculture.

The discussions were very rich in terms not only of the various regional and national realities, but also of the diverse positions and approaches of the organizations present.

Below are the main recommendations addressed to IFAD for its engagement and partnerships with farmers' organizations in relation to those issues. In all cases, due attention should be given to the regional and national specificities and differences.

Pro-poor access to natural resources (land, water, forests and fisheries)

It was recommended that IFAD:

- Put access to natural resources on the agendas at all levels. Facilitate dialogue between governments and representatives of small farmers and pastoralists, rural women, indigenous peoples, coastal communities, and other marginalized groups.
- Provide support services to beneficiaries of agrarian reform so that they can make productive use of their lands. In certain countries, help regularize land use and/or ownership rights.
- Strengthen the capacity of people's organizations in order for them to participate in land policy formulation, implementation, enforcement and evaluation.

Capacity-building

Direct financing was recommended for capacity-building of farmers' organizations. Priorities in this regard have to be set by the farmers' organizations themselves. It is crucial to understand that farmer-led processes take time and require long-term engagement and openness to trial and error.

Capacity-building can relate to engagement with policies, the economic role of farmers' organizations, better communication among farmers and with the broader society, or the development of a charter, at the national level, between farmers' organizations and governments.

Regional markets integration and family farming

IFAD should support the undertaking of an evaluation of the impact of regional market integration policies and market liberalization on family agriculture and the livelihoods of the rural poor. IFAD should contribute to a broad information campaign disseminating the findings of this evaluation.

IFAD should continue and broaden its support for the set-up of regional platforms for dialogue and negotiations between farmers' organizations and governments within subregional and regional institutions involved in integration processes (e.g. Commission on Family Farming [REAF]/ Southern Cone Common Market [MERCOSUR]).

It should also continue its support to regional consultations among farmers' organizations in their lobbying and advocacy initiatives vis-à-vis these processes of integration and the development of regional common agricultural policies (e.g. the IFAD support to FOs for the New Partnership for Africa's Development [NEPAD] Initiative).

**Statement by the Chairperson,
His Excellency Matthew Wyatt,
closing the Twenty-ninth Session of the Governing Council**

We have come to the end of the twenty-ninth session of the Governing Council.

The Council began by expressing its deep sense of sorrow at the loss of our General Counsel and dear friend, Mr Christian Codrai, who died on 2 February. In conveying our condolences to Christian's family and friends, the Council observed a minute's silence in his memory.

We had the honour to be addressed by His Excellency Lyonpo Sangay Ngedup, Prime Minister and Minister for Agriculture of the Kingdom of Bhutan. His words transported us from this conference room to the reality that is life for those whom we serve – the rural poor. Recognizing the need for a holistic approach to development and having experienced first-hand IFAD's valuable contribution to rural poverty reduction, he reiterated his country's commitment to the Fund as a catalyst for positive change.

His Excellency Kofi Annan, the Secretary-General of the United Nations, sent a message of support and encouragement to the Council. He, too, underlined that all aspects of development must be addressed in order that the Millennium Development Goals be reached. His statement reiterated the importance of rural and agricultural development, and the key role of IFAD in achieving these goals.

Our Fund's activities are facilitated by the consistent and long-standing support we receive from our host country which, was reconfirmed in the statement of the Government of the Republic of Italy, delivered by the Honourable Michele Vietti, Undersecretary of State of the Ministry of Economy and Finance. This partnership, established at IFAD's inception, has thrived thanks not only to Italy's continued generous financial support, but also because Italy shares IFAD's objective of promoting sustainable development for the poorest.

Partnership is indeed fundamental if we are to eradicate poverty and food insecurity; and the commitment of IFAD, and its sister agencies in Rome, to working together was underlined, with examples of partnership in action, in the messages of Dr Jacques Diouf, Director-General of the Food and Agriculture Organization of the United Nations and Mr James Morris, Executive Director of the World Food Programme.

President Båge's statement to the Council this year once again recognized the need for us all to work together to intensify our response to the development challenges the world faces. In reviewing the progress of the Strategic Change Programme, other initiatives and the implementation of the Action Plan, he stressed that IFAD needs to raise the impact and scale of its programme of work. The Council welcomed the President's vision of a dynamic, catalytic and innovative IFAD which, by 2009, will play an important role in contributing to the achievement of the Millennium Development Goals and eradicating poverty and hunger.

Distinguished Governors,

The overarching vision of a world that enjoys security, development and the respect of human rights brings together the United Nations family. In this context, the Fund's Governors delivered statements of support for IFAD's mandate, appreciation of its efforts to respond to an ever-changing development context in innovative ways, and approval of the sharing of knowledge so that new solutions may be replicated and scaled up for the benefit of all the world's citizens. Many Governors stressed their countries' support for IFAD's Action Plan.

Our panel discussion focused on innovation. Speakers recognized that poor people continue to innovate in order to provide sustainable livelihoods for themselves and their families. But they also recognized that the pace of change in today's world is accelerating. In our discussions there was a shared view that IFAD has a special role to play in helping poor rural people to respond to the challenges and opportunities that they face in a fast-changing world.

The business of our session began on a positive note with the approval of the membership application of Niue, which will become the Fund's one hundred and sixty-fifth Member State. We welcome them, and in doing so, are happy in the knowledge that IFAD's mandate is recognized and championed the world over.

The Council received an encouraging report on the status of contributions to the Fund's Sixth Replenishment showing aggregate pledges now representing 91% of the target amount of USD 560 million. Instruments of contribution and payments not supported by instruments of contribution now amount to the equivalent of USD 451.7 million or 89% of total pledges. With the Sixth Replenishment period ending on 31 December 2006, I would join management in urging Member States to make every effort to bring the total amount of pledges as close as possible to the agreed replenishment level and, naturally, to deposit their instruments of contribution and complete their payments.

The Council welcomed the timely completion of the negotiations on the Seventh Replenishment of IFAD's resources. I must once again thank and congratulate our colleagues on the Consultation for the conscientious and expeditious effort that went into negotiating, in little less than one year, a replenishment level second only to that of the Fund's First Replenishment. It was agreed that, while maintaining the target level of USD 800 million for the Seventh Replenishment, the structural gap may not exceed 15% of the target level. The Governing Council authorized and delegated to the President of IFAD the authority to adjust the target level at the end of the six-month period for the creation of new votes, so that the total amount of the pledges received as at that date represents 85% of the adjusted target. If such an adjustment is necessary, the President will communicate the new target level to the Governors and the replenishment resolution will be amended accordingly.

The Council approved an administrative budget of IFAD for 2006 in the amount of USD 61.1 million plus USD 400 000 to cover one-time costs. The records of this session will note the negative vote of the United States of America on the Fund's administrative budget. The Council also approved an administrative budget for the Office of Evaluation of USD 4.79 million.

This session of the Council appointed 18 members and 18 alternate members to the Executive Board for a three-year term of office. I take this opportunity once again to congratulate the new Board membership and to wish it every success in the work ahead.

The Council considered the report and recommendation of the Executive Board on supervision and, recognizing the benefits of IFAD's increased involvement in the supervision of its projects and programmes, the Council adopted a resolution enabling the Fund to engage in the direct supervision of project implementation upon the authorization of the Board.

The Council was provided with a report on the implementation of the Performance-Based Allocation System, which became fully operational in 2005, and noted the results of the performance assessment and resource-allocation cycle. The report on the implementation of phase I of the Fund's Strategic Change Programme (SCP) was well received, and Governors urged the organization to build on the SCP in the implementation of IFAD's Action Plan for Improving its Development Effectiveness.

The International Land Coalition provided a progress report on its efforts to improve the secure access by rural poor households to natural resources, especially land, and the Global Mechanism of the United Nations Convention to Combat Desertification (UNCCD) reported on its operational activities in 2005, outlining its consolidated strategy and enhanced approach, as endorsed by the Conference of Parties to the UNCCD.

Fellow Governors,

I would like to thank you for the collaboration you have afforded me and my colleagues on the Bureau, the Governors for Qatar and Bangladesh. You have made presiding over this session an easy and indeed enjoyable task.

All our thanks should go to the staff of IFAD, who have once again demonstrated unquestionable dedication, skill and competence in the preparation of these meetings and in responding to the demands made of them by Member States. I should also like to thank, most sincerely, the interpreters, technical staff, conference personnel and messengers who help us communicate with and understand one another.

At this point, I would like to take the opportunity to thank an IFAD staff member, Mr Siva Thampi, who is leaving the Fund. He has been the Secretary of IFAD for the last two years and Mr Thampi now returns to take up his duties in the United Nations Economic and Social Commission for Asia and the Pacific, in Bangkok. In these two years, he has become a familiar and friendly face to all of you. Consistently cooperative and committed to the vision of the Fund, he has served IFAD and its Member States with dedication. We wish him all the best for the future.

I would also like to note that an announcement is being made at 12.00 noon today in New York by the Secretary-General, Mr Kofi Annan, about the establishment of a panel on United Nations system-wide coherence in the fields of development, humanitarian assistance, and environment. This panel is co-chaired by the Prime Minister of Pakistan, the Prime Minister of Mozambique and the Prime Minister of Norway, and has several other high-level participants as members. I am happy to say that our President, Mr Lennart Båge, has also been named by the Secretary-General to serve on this extremely important panel. I am sure we all wish him well in this task and we look forward to the role that he and IFAD will play in helping to strengthen the coherence of the United Nations system.

Finally, before closing this session, I must congratulate you, the Governors of this Fund, for the work that has been done during this Council. Decisions have been made that affect IFAD's future, its resources, and the direction its activities and operations will take. Guidance was given on key policy issues and your commitment to our organization has been tangible and concrete. Without such commitment, IFAD would not be able to fulfil its mandate – our mandate – enabling the rural poor to overcome poverty.

On this note, I hereby close the twenty-ninth session of the Governing Council.

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IFAD

INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

Governing Council – Twenty-ninth Session

Rome, 15 – 16 February 2006

**LIST OF PARTICIPANTS AT THE TWENTY-NINTH SESSION
OF THE GOVERNING COUNCIL**

**LISTE DES PARTICIPANTS À LA VINGT-NEUVIÈME SESSION
DU CONSEIL DES GOUVERNEURS**

**LISTA DE LOS PARTICIPANTES EN EL 29º PERÍODO DE SESIONES
DEL CONSEJO DE GOBERNADORES**

: ()
Chairperson: H.E. Matthew Wyatt (United Kingdom of Great Britain and
Président: Northern Ireland)
Presidente:

: ()
Vice-Chairpersons: H.E. Mr Sultan bin Hassan al-Dhabit al-Dousari (Qatar)
Vice-Présidents: H.E. Mohammad Mokhles-ur-Rahman (Bangladesh)
Vicepresidentes:

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ALBANIA (cont'd)

Adviser
Vera CARA
Second Secretary
Alternate Permanent Representative
of the Republic of Albania
to the United Nations Food
and Agriculture Agencies
Rome

ALGERIA

Gouverneur suppléant
(provisoire)
Abdesselam CHELGHOUM
Secrétaire général
Ministère de l'agriculture et
du développement rural
Alger

Conseiller
Abderrahman HAMIDAOU
Ministre plénipotentiaire
Représentant permanent adjoint
de la République algérienne
démocratique et populaire auprès
des organisations spécialisées
des Nations Unies
Rome

Conseiller
Larbi BOUMAZA
Directeur d'études
Direction générale du budget
Ministère des finances
Alger

Conseiller
Mohamed Seghier MELLOUHI
Directeur général des Forêts
Ministère de l'agriculture et
du développement rural
Alger

Conseiller
Nasr-Eddine RIMOUCHE
Ministre Conseiller
Représentant permanent adjoint
de la République algérienne
démocratique et populaire auprès
des organisations spécialisées
des Nations Unies
Rome

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ANGOLA

Gouverneur	Gilberto Buta LUTUCUTA Ministre de l'agriculture et du développement rural Luanda
Conseiller	Pedro Agostinho KANGA Directeur Cabinet de la Coopération et des relations internationales Ministère de l'agriculture et du développement rural Luanda
Conseiller	Afonso Pedro CANGA Directeur général Institut du développement agraire Ministère de l'agriculture et du développement rural Luanda
Conseiller	Tobias LOPES Directeur adjoint Cabinet du Ministre de l'agriculture et du développement rural Luanda
Conseiller	Kiala Kia MATEVA Conseiller Représentant permanent adjoint de la République d'Angola auprès du FIDA Rome
Conseiller	Carlos Alberto AMARAL Conseiller Représentant permanent suppléant de la République d'Angola auprès du FIDA Rome

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ARGENTINA

Gobernador	Victorio María José TACCETTI Embajador de la República Argentina ante el FIDA Roma
Gobernador Suplente (interino)	María del Carmen SQUEFF Consejero Representante Permanente Adjunto de la República Argentina ante el FIDA Roma
Asesor	Ariel FERNÁNDEZ Consejero Secretaría de Agricultura, Ganadería, Pesca y Alimentos Buenos Aires
Asesor	Jorge NEME Coordinador Ejecutivo del Programa de Servicios Agrícolas Provinciales Subsecretaría de Política Agropecuaria y Alimentos Secretaría de Agricultura, Ganadería, Pesca y Alimentos Buenos Aires

ARMENIA

Governor (acting)	Zohrab V. MALEK Ambassador Permanent Representative of the Republic of Armenia to the United Nations Food and Agriculture Agencies Rome
Adviser	Gagik MATEVOSSIAN Director Agricultural Services Project Ministry of Agriculture Yerevan

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AUSTRIA

Alternate Governor (acting)	Klaus OEHLER Deputy Director International Finance Institutions Federal Ministry of Finance Vienna
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Adviser	Ingrid PECH Minister Embassy of the Republic of Austria Rome
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AZERBAIJAN

Governor	Emil Zulfugar Oglu KARIMOV Ambassador of the Republic of Azerbaijan to IFAD Rome
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Adviser	Vugar MEHDIYEV Programme Director Rural Development Programme for Mountainous and Highland Areas Ministry of Agriculture Baku
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Adviser	Arif ABBASOV Second Secretary Alternate Permanent Representative of the Republic of Azerbaijan to IFAD Rome
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Adviser	Rashad ASLANOV Second Secretary Alternate Permanent Representative of the Republic of Azerbaijan to IFAD Rome
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BENIN (cont'd)

Conseiller	Arlette VIGNIKIN Ministre Conseiller Ambassade de la République du Bénin Paris
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BHUTAN

Alternate Governor (acting)	Karma PHUNTSHO Deputy Secretary Policy and Planning Division Ministry of Agriculture Thimphu
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Adviser	Doma TSHERING Counsellor Permanent Mission of the Kingdom of Bhutan to the United Nations and other International Organizations Geneva
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BOLIVIA

Gobernador (interino)	María Isabel CADIMA PAZ Consejero Encargada de Negocios, a.i Embajada de la República de Bolivia Roma
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Gobernador Suplente (interino)	Ernesto Gabriel CAMPERO BILBAO Segundo Secretario Representante Permanente Alterno de la República de Bolivia ante el FIDA Roma
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BOSNIA AND HERZEGOVINA

Governor	Midhat HARAČIĆ Ambassador of Bosnia and Herzegovina to the United Nations Food and Agriculture Agencies Rome
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BOSNIA AND HERZEGOVINA (cont'd)

Alternate Governor	Tamara Dogo KOVAČEVIĆ Minister Counsellor Alternate Permanent Representative of Bosnia and Herzegovina to the United Nations Food and Agriculture Agencies Rome
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BRAZIL

Alternate Governor	José Carlos DA ROCHA MIRANDA Secretary for International Affairs Ministry of Planning, Budget and Management Brasilia, D.F.
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Adviser	Ligia Maria SCHERER Minister Counsellor Deputy Permanent Representative of the Federative Republic of Brazil to IFAD Rome
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Adviser	Espedito Rufino DE ARAÚJO Director Project Dom Hélder Câmara Ministry of Agrarian Development Brasilia, D.F.
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BURKINA FASO

Gouverneur suppléant	Mamadou SISSOKO Ambassadeur du Burkina Faso auprès du FIDA Rome
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Conseiller	Boubakar Cissé Conseiller économique Représentant permanent adjoint du Burkina Faso auprès du FIDA Rome
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BURUNDI

Gouverneur	Elie BUZOYA Ministre de l'agriculture et de l'élevage Bujumbura
Gouverneur suppléant (provisoire)	Faustin NDISABIYE Ambassadeur de la République du Burundi auprès du FIDA Rome
Conseiller	Ntamazeze BASILE Conseiller Ministère de l'agriculture et de l'élevage Bujumbura
Conseiller	Jean-Pierre KANTUGEKO Premier Conseiller Représentant permanent Suppléant de la République du Burundi Rome

CAMEROON

Gouverneur (provisoire)	Michael TABONG KIMA Ambassadeur de la République du Cameroun auprès du FIDA Rome
Gouverneur suppléant (provisoire)	Médi MOUNGUI Deuxième Conseiller Représentant permanent adjoint de la République du Cameroun auprès du FIDA Rome
Conseiller	Suzane KAZE Représentation permanente de la République du Cameroun auprès des organisations spécialisées des Nations Unies Rome

ANNEX I

CAMEROON (cont'd)

Conseiller	Julie Arnelle MESSAGO Stagère Ambassade de la République du Cameroun Rome
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CANADA

Governor (acting)	Claude LEMIEUX Director Multilateral Programmes Branch International Financial Institutions Division Canadian International Development Agency Gatineau, Québec
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Adviser	James MELANSON Counsellor Deputy Permanent Representative of Canada to the United Nations Food and Agriculture Agencies Rome
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Adviser	Yvon MARSOLAIS Senior Programme Manager Multilateral Programmes Branch International Financial Institutions Division Canadian International Development Agency Gatineau, Québec
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CAPE VERDE

Gouverneur (provisoire)	Maria Goretti SANTOS LIMA Conseiller Chargé d'affaires, a.i. Ambassade de la République du Cap-Vert Rome
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ANNEX I

CENTRAL AFRICAN REPUBLIC

Gouverneur	Parfait-Anicet M'BAY Ministre du développement rural Bangui
Gouverneur suppléant (provisoire)	Alphonse KOTA-GUINZA Directeur du Fonds interprofessionnel de développement et de l'élevage Ministère du développement rural Bangui

CHILE

Gobernador	Eduardo ARAYA ALEMPARTE Embajador de la República de Chile ante el FIDA Roma
Gobernador Suplente (interino)	Sergio INSUNZA BECKER Agregado Representante Permanente Alterno de la República de Chile ante el FIDA Roma

CHINA

Governor	LI Yong Vice-Minister for Finance of the People's Republic of China Beijing
Alternate Governor (acting)	JU Kuilin Deputy Director-General International Department Ministry of Finance Beijing
Adviser	CHENG Zhijun Secretary Ministry of Finance Beijing

ANNEX I

CHINA (cont'd)

Adviser	WU Jinkang Director IFI Division IV International Department Ministry of Finance Beijing
Adviser	WANG Wei Deputy Director IFI Division IV International Department Ministry of Finance Beijing
Adviser	MA Youxiang Permanent Representative of the People's Republic of China to the United Nations Food and Agriculture Agencies Rome
Adviser	DING Guo-guang Counsellor Deputy Permanent Representative of the People's Republic of China to the United Nations Food and Agriculture Agencies Rome
Adviser	WU Wen Zhi Second Secretary Permanent Representation of the People's Republic of China to the United Nations Food and Agriculture Agencies Rome
Adviser	CHEN Jian Third Secretary Permanent Representation of the People's Republic of China to the United Nations Food and Agriculture Agencies Rome

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COLOMBIA

Gobernador
Luis Camilo OSORIO ISAZA
Embajador de la República de Colombia
ante los Organismos de las
Naciones Unidas
Roma

Gobernador Suplente
Francisco COY GRANADOS
Ministro Consejero
Representante Permanente Adjunto
de la República de Colombia
ante los Organismos de las
Naciones Unidas
Roma

Asesor
Paula TOLOSA ACEVEDO
Primera Secretaria
Representante Permanente Alternativa
de la República de Colombia
ante los Organismos de las
Naciones Unidas
Roma

Asesor
Juan Carlos SÁNCHEZ FRANCO
Primer Secretario
Representante Permanente Alternativo
de la República de Colombia
ante los Organismos de las
Naciones Unidas
Roma

CONGO

Gouverneur
Jeanne DAMBENDZET
Ministre de l'agriculture, de l'élevage
et de la pêche
Brazzaville

Conseiller
Dieudonné KISSIEKIAOUA
Conseiller aux pêches
Ministère de l'agriculture, de l'élevage
et de la pêche
Brazzaville

ANNEX I

CONGO (cont'd)

Conseiller	Christian ONDONGO Chef de Bureau à la Direction de la coopération multilatérale Ministère de l'agriculture, de l'élevage et de la pêche Brazzaville
Conseiller	Sylvain BAYALAMA Ministre Conseiller Représentant permanent adjoint de la République du Congo auprès du FIDA Rome
Conseiller	Emile ESSEMA Deuxième Conseiller Représentant permanent adjoint de la République du Congo auprès du FIDA Rome
Conseiller	Guy Jean-Claude OKOULATSONGO Premier Secrétaire Chargé du Protocole et de l'Administration Ambassade de la République du Congo Rome

COSTA RICA

Gobernador Suplente	Yolanda GAGO PÉREZ Ministra Consejera Representante Permanente Alterna de la República de Costa Rica ante el FIDA Roma
Asesor	Ursula PERSIANI Asistenta Misión Permanente de Costa Rica ante los Organismos de las Naciones Unidas Roma

ANNEX I

CÔTE D'IVOIRE

Gouverneur
(provisoire)

Richard Gbaka ZADY
Ambassadeur de la République
de Côte d'Ivoire auprès des
organisations spécialisées
des Nations Unies
Rome

Gouverneur suppléant
(provisoire)

Yao Alexis HACCANDY
Directeur de la Planification,
des Programmes et de la Décentralisation
Ministère de l'agriculture
Abidjan

CROATIA

Alternate Governor

Ivo RESIĆ
Counsellor
Embassy of the Republic
of Croatia
Rome

CUBA

Gobernador Suplente

Alfredo Néstor PUIG PINO
Embajador de la República de Cuba ante
los Organismos de las Naciones Unidas
Roma

Asesor

Delia RODRÍGUEZ PARRA
Tercer Secretario
Representante Permanente Alterno
de la República de Cuba ante los
Organismos de las Naciones Unidas
Roma

CYPRUS

Alternate Governor

Gabriel ODYSSEOS
Agricultural Attaché
Alternate Permanent Representative
of the Republic of Cyprus to the
United Nations Food and
Agriculture Agencies
Rome

ANNEX I

DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA

Governor (acting)	CHOE Taek San Ambassador of the Democratic People's Republic of Korea to IFAD Rome
Alternate Governor (acting)	YUN Su Chang Minister Deputy Permanent Representative of the Democratic People's Republic of Korea to IFAD Rome
Adviser	RI Yong Ho Second Secretary Alternate Permanent Representative of the Democratic People's Republic of Korea to IFAD Rome

DEMOCRATIC REPUBLIC OF THE CONGO

Gouverneur (provisoire)	Innocent MOKOSA MANDENDE Ministre Conseiller Chargé d'affaires, a.i. Ambassade de la République démocratique du Congo Rome
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DENMARK

Governor (acting)	Kristian HØJERSHOLT Minister Counsellor Chargé d'affaires, a.i. Permanent Representation of the Kingdom of Denmark to the United Nations Food and Agriculture Agencies Rome
Adviser	Maria Louise BLAUENFELDT Attaché Royal Danish Embassy Rome

ANNEX I

DJIBOUTI

Gouverneur
Abdoulkader Kamil MOHAMED
Ministre de l'agriculture,
de l'élevage et de la mer
Chargé des ressources
hydrauliques
Djibouti

Gouverneur suppléant
(provisoire)
Djama Mahamoud DOUALEH
Secrétaire général
Ministère de l'agriculture,
de l'élevage et de la mer
Chargé des ressources
hydrauliques
Djibouti

Conseiller
Awes A. AWES
Officier du Protocole
Consulat de la République
de Djibouti
Rome

DOMINICAN REPUBLIC

Gobernador
Mario ARVELO CAAMAÑO
Embajador
Representante Permanente de la
República Dominicana ante
el FIDA
Roma

Gobernador Suplente
(interino)
Héctor Manuel MARTÍNEZ FERNÁNDEZ
Ministro Consejero
Representante Permanente Alterno
de la República Dominicana
ante el FIDA
Roma

ECUADOR

Gobernador
Emilio IZQUIERDO MIÑO
Embajador de la República del Ecuador
ante los Organismos de las
Naciones Unidas
Roma

ANNEX I

ECUADOR (cont'd)

Gobernador Suplente	Patricia BORJA Segundo Secretario Representante Permanente Alterno de la República del Ecuador ante los Organismos de las Naciones Unidas Roma
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EGYPT

Governor (acting)	Abou Bakr HEFNY Minister Plenipotentiary Deputy Permanent Representative of the Arab Republic of Egypt to the United Nations Food and Agriculture Agencies Rome
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Alternate Governor (acting)	Said Mohamed EL SAYED MANSOUR Agricultural Counsellor Deputy Permanent Representative of the Arab Republic of Egypt to the United Nations Food and Agriculture Agencies Rome
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Adviser	Yasser SOROUR Second Secretary Alternate Permanent Representative of the Arab Republic of Egypt to the United Nations Food and Agriculture Agencies Rome
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EL SALVADOR

Gobernador	José Roberto ANDINO SALAZAR Embajador de la República de El Salvador ante el FIDA Roma
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ANNEX I

EL SALVADOR (cont'd)

Gobernador Suplente	María Eulalia JIMÉNEZ ZEPEDA Ministro Consejero Representante Permanente Adjunto de la República de El Salvador ante el FIDA Roma
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ERITREA

Governor	Arefaine BERHE Minister for Agriculture Asmara
Alternate Governor	Zemedet TEKLE WOLDETATIOS Ambassador of the State of Eritrea to IFAD Rome
Adviser	Yohannes TENSUE First Secretary Alternate Permanent Representative of the State of Eritrea to IFAD Rome

ETHIOPIA

Governor (acting)	Mengistu HULLUKA DEYAS Ambassador of the Federal Democratic Republic of Ethiopia to IFAD Rome
Alternate Governor (acting)	Eshetu YISMA First Secretary Head of Political Affairs Embassy of the Federal Democratic Republic of Ethiopia Rome

ANNEX I

FINLAND

Governor
Hannu KYRÖLÄINEN
Director-General
Department for Global Affairs
Ministry of Foreign Affairs
Helsinki

Alternate Governor
(acting)
Kari JANTUNEN
Counsellor
Unit for Development
Financing Institutions
Department for Global Affairs
Ministry of Foreign Affairs
Helsinki

Adviser
Heidi PIHLATIE
Minister Counsellor
Permanent Representative
of the Republic of Finland
to the United Nations Food
and Agriculture Agencies
Rome

FRANCE

Gouverneur
(provisoire)
Alain GUILLOUËT
Ministre Conseiller
Chef de la Mission économique
Ambassade de France en Suisse
Berne

Gouverneur suppléant
(provisoire)
Sophie DE-CASTELNAU
Adjoint au Chef du Bureau de l'Aide au
développement et des institutions
multilatérales de développement (DGTPE)
Ministère de l'économie,
des finances et de l'industrie
Paris

Conseiller
Marc TROUYET
Conseiller
Représentant permanent adjoint
de la République française
auprès de l'OAA
Rome

ANNEX I

GABON

Gouverneur	Faustin BOUKOUBI Ministre de l'agriculture, de l'élevage et du développement rural Libreville
Gouverneur suppléant (provisoire)	Noel BAÏOT Ambassadeur de la République gabonaise auprès du FIDA Rome
Conseiller	Yolande BIVIGOU Directeur national des projets du FIDA Ministère de l'agriculture, de l'élevage et du développement rural Libreville
Conseiller	Ivone Alves DIAS DA GRAÇA Premier Conseiller Représentant permanent adjoint de la République gabonaise auprès du FIDA Rome
Conseiller	Louis Stanislas CHARICAUTH Conseiller Représentant permanent suppléant de la République gabonaise auprès du FIDA Rome
Conseiller	Eugène Abel LENGOTA Assistant du Ministre de l'agriculture, de l'élevage et du développement rural de la République gabonaise Libreville

GAMBIA

Governor (acting)	Badara LOUM Permanent Secretary Department of State of Agriculture Banjul
Adviser	Amadou SOWE Deputy Permanent Secretary Department of State of Agriculture Banjul

ANNEX I

GEORGIA

Alternate Governor Zaal GOGSADZE
Ambassador of Georgia
to IFAD
Rome

Adviser Natia SULAVA
First Counsellor
Embassy of Georgia
Rome

GERMANY

Governor Michael HOFMANN
Director-General
Federal Ministry of Economic
Cooperation and Development
Bonn

Alternate Governor
(acting) Bernd DUNNZLAFF
Counsellor
Alternate Permanent Representative
of the Federal Republic of Germany
to IFAD
Rome

Adviser Sabine WUTTKE-SCHILL
Desk Officer
Regional Development Banks
Federal Ministry of Economic
Cooperation and Development
Berlin

GHANA

Governor
(acting) Kofi DSANE-SELBY
Ambassador of the Republic
of Ghana to IFAD
Rome

Alternate Governor
(acting) Kwaku NICOL
Minister Counsellor
Alternate Permanent Representative
of the Republic of Ghana to IFAD
Rome

ANNEX I

GREECE

Alternate Governor

Emmanuel MANOUSSAKIS
Minister Plenipotentiary
for Agricultural Affairs
Alternate Permanent Representative
of the Hellenic Republic to IFAD
Rome

GUATEMALA

Gobernador

Francisco BONIFAZ RODRIGUEZ
Embajador de la República
de Guatemala ante los Organismos
de las Naciones Unidas
Roma

Gobernador Suplente

Ileana RIVERA DE ANGOTTI
Primer Secretario
Representante Permanente Alterno
de la República de Guatemala
ante los Organismos de las
Naciones Unidas
Roma

GUINEA

Gouverneur
(provisoire)

Thierno Mamadou CELLOU DIALLO
Ambassadeur de la République de Guinée
auprès du FIDA
Rome

Conseiller

Abdoulaye TRAORE
Conseiller économique
Représentant permanent suppléant
de la République de Guinée
auprès du FIDA
Rome

HAITI

Gouverneur
(provisoire)

Carl Benny RAYMOND
Conseiller
Représentant permanent suppléant
de la République d’Haïti
auprès du FIDA
Rome

ANNEX I

HONDURAS

Gobernador (interino)	Nehemías MARTÍNEZ Subsecretario de Estado en los Despachos de Agricultura y Ganadería Tegucigalpa, M.D.C.
Asesor	Ana Argentina ALCERRO PERDOMO Ministro Consejero Encargado de Negocios, a.i. Embajada de la República de Honduras Roma
Asesor	Mayra Aracely REINA DE TITTA Consejero Representante Permanente Alterno de la República de Honduras ante los Organismos de las Naciones Unidas Roma

ICELAND

Governor (acting)	Gudni BRAGASON Minister Counsellor Permanent Representative of the Republic of Iceland to the United Nations Food and Agriculture Agencies Rome
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INDIA

Governor (acting)	Rajiv DOGRA Ambassador of the Republic of India to the United Nations Food and Agriculture Agencies Rome
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ANNEX I

INDIA (cont'd)

Adviser
Ramalingam PARASURAM
Minister (Agriculture)
Alternate Permanent Representative
of the Republic of India to the
United Nations Food and
Agriculture Agencies
Rome

INDONESIA

Governor
J.B. KRISTIADI
Secretary-General
Department of Finance
Jakarta

Adviser
Siti HENDRAWATI
Chairman of the Commodity
Futures Trading Regulatory
Agency
Department of Trade
Jakarta

Adviser
Djafar HUSEIN
Deputy Chief of Mission
Embassy of the Republic
of Indonesia
Rome

Adviser
Yusni Emilia HARAHAAP
Head of International
Cooperation Bureau
Department of Agriculture
Jakarta

Adviser
Made SUKARWO
Head of Physical Market
and Services Bureau
Commodity Futures Trading
Regulatory Agency
Department of Trade
Jakarta

ANNEX I

INDONESIA (cont'd)

Adviser	Eddi Yanto LATIEF Head of Public Relations Commodity Futures Trading Regulatory Agency Department of Trade Jakarta
Adviser	Bambang SANTOSO MARSOEM Head of Multilateral Financial Institutions Cooperation Department of Finance Jakarta
Adviser	Siti Nugraha MAULUDIAH First Secretary Alternate Permanent Representative of the Republic of Indonesia to IFAD Rome
Adviser	Okto Dorinos MANIK Second Secretary Department of Foreign Affairs Jakarta Pusat

IRAN (ISLAMIC REPUBLIC OF)

Governor (acting)	Farhad KHEIRI SANAMI Chargé d'affaires, a.i. Permanent Representation of the Islamic Republic of Iran to the United Nations Agencies Rome
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IRAQ

Governor (acting)	Akram AL-JAFF Ambassador of the Republic of Iraq to IFAD Rome
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IRELAND

Governor	John Francis COGAN Ambassador of Ireland to the United Nations Food and Agriculture Agencies Rome
Alternate Governor	Padraic DEMPSEY First Secretary (Agriculture) Alternate Permanent Representative of Ireland to the United Nations Food and Agriculture Agencies Rome

ISRAEL

Governor (acting)	Elena PIANI Rapporteur Embassy of the State of Israel Rome
----------------------	--

ITALY

Gouverneur	Michele VIETTI Sous-Secrétaire d'État Ministère de l'économie et des finances Rome
Gouverneur suppléant (provisoire)	Romualdo BETTINI Ambassadeur Représentant permanent de la République italienne auprès du FIDA Rome
Conseiller	Augusto ZODDA Membre du Service de Consultation et supervision fiscale Ministère de l'économie et des finances Rome

ANNEX I

ITALY (cont'd)

Conseiller	Paolo DUCCI Ambassadeur Responsable de la coordination FAO/IFAD/PAM Direction générale de la coopération économique et financière multilatérale Ministère des affaires étrangères Rome
Conseiller	Enrico CARATZZOLO Conseiller Sous-Secrétariat d'État Ministère de l'économie et des finances Rome
Conseiller	Gaetano D'ONOFRIO Fonctionnaire Service chargé des Banques de développement multilatéral Département du Trésor Ministère de l'économie et des finances Rome
Conseiller	Adriano MONTAGNI Chef du Bureau des relations internationales Ministère des politiques agricoles et des forêts Rome
Conseiller	Pablo FACCHINEI Directeur adjoint du Service chargé des Banques de développement multilatéral Département du Trésor Ministère de l'économie et des finances Rome
Conseiller	Alessandro BONSIGNORI Conseiller du Ministre Comité national de liaison Gouvernement italien/FAO Ministère des politiques agricoles et des forêts Rome

ANNEX I

ITALY (cont'd)

Conseiller	Giuseppa MASSA Fonctionnaire Service chargé des Banques de développement multilatéral Département du Trésor Ministère de l'économie et des finances Rome
Conseiller	Pasquale RUSSOLILLO Fonctionnaire Service chargé des Banques de développement multilatéral Département du Trésor Ministère de l'économie et des finances Rome
Conseiller	Marina CALVINO Fonctionnaire Bureau des relations internationales Ministère des politiques agricoles et des forêts Rome
Conseiller	Alessandro GASTON Consultant Coordination FAO/IFAD/PAM Direction générale de la coopération économique et financière multilatérale Ministère des affaires étrangères Rome

JAPAN

Governor	Yuji NAKAMURA Ambassador of Japan to Italy Rome
Alternate Governor (acting)	Kazumi ENDO Counsellor Deputy Permanent Representative of Japan to the United Nations Food and Agriculture Agencies Rome

ANNEX I

JAPAN (cont'd)

Adviser	Hiroshi CHAYAMA First Secretary Embassy of Japan Rome
---------	--

JORDAN

Governor (acting)	Radi AL TARAWNEH Assistant to the Secretary-General for Agricultural Projects and Extension Ministry of Agriculture Amman
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Alternate Governor (acting)	Saleh AL-KHARABSHEH Agriculture and Energy Division Ministry of Planning and International Cooperation Amman
--------------------------------	--

KAZAKHSTAN

Governor (acting)	Aidarbek KABULBEKOV First Secretary Embassy of the Republic of Kazakhstan Rome
----------------------	--

KENYA

Governor	Kipruto Rono ARAP KIRWA Minister for Agriculture Nairobi
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Alternate Governor (acting)	Ann Belinda NYIKULI Ambassador of the Republic of Kenya to the United Nations Food and Agriculture Agencies Rome
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Adviser	John K.A. CHELUGET Director Land and Crops Management Ministry of Agriculture Nairobi
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ANNEX I

KENYA (cont'd)

Adviser	Ephraim A. MUKISIRA Acting Director Kenya Agricultural Research Institute Nairobi
Adviser	Julius KIPTARUS Director Livestock Production Ministry of Livestock and Fisheries Development Nairobi
Adviser	Joseph K. MBURU Agricultural Attaché Alternate Permanent Representative of the Republic of Kenya to the United Nations Food and Agriculture Agencies Rome

KIRIBATI

Governor	Martin Puta TOFINGA Minister for Environment, Lands and Agricultural Development Tarawa
Alternate Governor	Tukabu TEROROKO Secretary Ministry of Environment, Lands and Agricultural Development Tarawa

KUWAIT

Governor (acting)	Hesham I. AL-WAQAYAN Deputy Director-General Operations and Disbursement Kuwait Fund for Arab Economic Development Kuwait City
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ANNEX I

KUWAIT (cont'd)

Adviser	Mustafa Ebrahim BUSHIHRI Assistant Regional Manager Kuwait Fund for Arab Economic Development Kuwait City
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LAO PEOPLE'S DEMOCRATIC REPUBLIC

Governor	Somdy DOUANGDY Vice-Minister for Finance Vientiane
Alternate Governor (acting)	Xaypladeth CHOULAMANY Deputy Permanent Secretary Ministry of Agriculture and Forestry Vientiane

LEBANON

Gouverneur (provisoire)	Talal SAHILI Ministre de l'agriculture Beyrouth
Gouverneur suppléant	Rania KHALIL ZARZOUR Directeur des Projets du développement Ministère de l'agriculture Beyrouth
Conseiller	Hassane ABI AKAR Conseiller Représentant Permanent suppléant de la République libanaise auprès des organisations spécialisées des Nations Unies Rome
Conseiller	Husein SOUEID Conseiller du Ministre de l'agriculture Beyrouth

ANNEX I

LESOTHO

Alternate Governor	Mathoriso MOLUMELI Chief Economic Planner Ministry of Agriculture and Food Security Maseru
Adviser	Makoena C. RANTLABOLE District Agricultural Officer Ministry of Agriculture and Food Security Maseru
Adviser	Mamosala Semakaleng SHALE First Secretary Alternate Permanent Representative of the Kingdom of Lesotho to IFAD Rome

LIBERIA

Governor (acting)	Musu JATU RUHLE Counsellor Chargé d'affaires, a.i. Embassy of the Republic of Liberia Rome
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LIBYAN ARAB JAMAHIRIYA

Governor (acting)	Abdalla A. M. ZAIED Permanent Representative of the Socialist People's Libyan Arab Jamahiriya to the United Nations Food and Agriculture Agencies Rome
Alternate Governor (acting)	Seraj Addin S.A. ESSA Counsellor Alternate Permanent Representative of the Socialist People's Libyan Arab Jamahiriya to the United Nations Food and Agriculture Agencies Rome

ANNEX I

LUXEMBOURG

Gouverneur (provisoire)	Arsène JACOBY Conseiller de Direction Ministère des finances Luxembourg-Ville
Gouverneur suppléant (provisoire)	Jean Henri FALTZ Ambassadeur du Grand-Duché de Luxembourg auprès du FIDA Rome

MADAGASCAR

Gouverneur suppléant	Auguste Richard PARAINA Ambassadeur de la République de Madagascar auprès des organisations spécialisées des Nations Unies Rome
Conseiller	Monsieur MONJA Conseiller Représentant permanent adjoint de la République de Madagascar auprès des organisations spécialisées des Nations Unies Rome

MALAYSIA

Alternate Governor	Lily ZACHARIAH Ambassador Permanent Representative of Malaysia to the United Nations Food and Agriculture Agencies Rome
Adviser	Hendy ASSAN Counsellor Alternate Permanent Representative of Malaysia to the United Nations Food and Agriculture Agencies Rome

ANNEX I

MALAYSIA (cont'd)

Adviser
Johari RAMLI
Agricultural Attaché
Alternate Permanent Representative
of Malaysia to the United Nations
Food and Agriculture Agencies
Rome

Adviser
Amri ISMAIL
Assistant Agricultural Attaché
Embassy of Malaysia
Rome

MALDIVES

Governor
(acting)
Faathin HAMEED
Deputy Minister for Fisheries, Agriculture
and Marine Resources
Malé

MALI

Gouverneur
Seydou TRAORÉ
Ministre de l'agriculture
Bamako

Gouverneur suppléant
Ibrahim Bocar DAGA
Ambassadeur de la République
du Mali auprès du FIDA
Rome

Conseiller
Modibo Mahamane TOURÉ
Deuxième Conseiller
Représentant permanent adjoint
de la République du Mali
auprès du FIDA
Rome

Conseiller
Fousseyni DIARRA
Conseiller technique
Ministère de l'agriculture
Bamako

ANNEX I

MALI (cont'd)

Conseiller	Mamadou NADIO Coordinateur national des projets et programmes FIDA au Mali Ministère de l'agriculture Bamako
Conseiller	M. Fatogoma DIARRA Coordinateur national de l'Agence nationale de coordination et de gestion du Fonds de développement en zone sahélienne Ministère de l'agriculture Bamako
Conseiller	M. Adama COUMARÉ Direction générale de la dette publique Ministère de l'économie et des finances Bamako

MALTA

Alternate Governor	Pierre HILI First Secretary Chargé d'affaires, a.i. Permanent Representation of the Republic of Malta to the United Nations Food and Agriculture Agencies Rome
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MAURITANIA

Gouverneur suppléant	Yahya N'GAM Ambassadeur de la République islamique de Mauritanie auprès du FIDA Rome
Conseiller	Amadou TIDJANE KANE Premier Conseiller Représentant permanent adjoint de la République islamique de Mauritanie auprès du FIDA Rome

ANNEX I

MAURITANIA (cont'd)

Conseiller	Limam Ahmed Ould MOHAMEDOU Chef de Service de la Coopération économique Ministère des affaires économiques et du développement Nouakchott
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MAURITIUS

Alternate Governor	Denis CANGY Consul of the Republic of Mauritius Rome
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MEXICO

Gobernador	Rafael TOVAR Y DE TERESA Embajador de los Estados Unidos Mexicanos ante el FIDA Roma
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Gobernador Suplente	Vladimir HERNÁNDEZ LARA Consejero Representante Permanente Alterno de los Estados Unidos Mexicanos ante el FIDA Roma
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Asesor	Luz Estela SANTOS MALDONADO Consejero Representante Permanente Alterno de los Estados Unidos Mexicanos ante el FIDA Roma
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MOROCCO

Gouverneur	Moha MARGHI Secrétaire général Ministère de l'agriculture, du développement rural et des pêches maritimes Rabat
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ANNEX I

MOROCCO (cont'd)

Gouverneur suppléant	Ali LAMRANI Chef de la Division des financements multilatéraux Ministère des finances et de la privatisation Rabat
Conseiller	Ahmed FAOUZI Ministre plénipotentiaire Représentant permanent adjoint du Royaume du Maroc auprès du FIDA Rome

MOZAMBIQUE

Governor (acting)	Victor BERNARDO Deputy Minister for Planning and Development Maputo
Alternate Governor (acting)	Francisco Elias Paulo CIGARRO Ambassador of the Republic of Mozambique to the United Nations Food and Agriculture Agencies Rome
Adviser	Martinho FERNANDES President of the Economic Rehabilitation Support Fund Ministry of Planning and Development Maputo
Adviser	João Z. CARRILHO Officer of the Economic Rehabilitation Support Fund Ministry of Planning and Development Maputo
Adviser	Julião LANGA Officer Ministry of Finance Maputo

ANNEX I

MOZAMBIQUE (cont'd)

Adviser	Fernando SONGANE Officer Ministry of Agriculture Maputo
Adviser	Antonio DE ABREU Executive Director Bank of Mozambique Maputo
Adviser	Elsa CHAMBAL Officer Bank of Mozambique Maputo
Adviser	Laurinda Fernando SAIDE BANZE Second Secretary Alternate Permanent Representative of the Republic of Mozambique to the United Nations Food and Agriculture Agencies Rome

MYANMAR

Alternate Governor (acting)	Than TUN Ambassador of the Union of Myanmar to the United Nations Food and Agriculture Agencies Rome
Adviser	Hlaing Myint OO Counsellor Alternate Permanent Representative of the Union of Myanmar to the United Nations Food and Agriculture Agencies Rome

NAMIBIA

Governor (acting)	Andre APOLLUS Counsellor (Agriculture) Embassy of the Republic of Namibia Brussels
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NEPAL

Governor
Keshar Bahadur BISTA
Minister for Agriculture
and Cooperatives
Kathmandu

Alternate Governor
Ganesh KUMAR
Secretary
Ministry of Agriculture
and Cooperatives
Kathmandu

NETHERLANDS

Governor
(acting)
Ewald WERMUTH
Ambassador of the Kingdom of
the Netherlands to IFAD
Rome

Alternate Governor
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Kees Pieter RADE
Director
United Nations and International
Financial Institutions Department
Ministry of Foreign Affairs
The Hague

Adviser
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Director
Coordination and Institutional
Affairs Division
United Nations and International
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Adviser
Laura BINS
Policy Officer
Coordination and Institutional
Affairs Division
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Financial Institutions Department
Ministry of Foreign Affairs
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ANNEX I

NICARAGUA

Gobernador Suplente	Amelia Silvia CABRERA Ministra Consejera Representante Permanente Adjunta de la República de Nicaragua ante el FIDA Roma
---------------------	---

NIGER

Gouverneur	Ausseil Mireille FATOUMA Ambassadeur de la République du Niger auprès du FIDA Rome
------------	---

Conseiller	Adam MAÏGA ZAKARIAOU Conseiller Représentant permanent adjoint de la République du Niger auprès du FIDA Rome
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NIGERIA

Governor (acting)	A.I. PEPPLE Permanent Secretary Federal Ministry of Agriculture and Rural Development Abuja
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Alternate Governor (acting)	Ganyir LOMBIN Permanent Representative of the Federal Republic of Nigeria to the United Nations Food and Agriculture Agencies Rome
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Adviser	Salisu A. INGAWA Director Projects Coordinator Unit Federal Ministry of Agriculture and Rural Development Abuja
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ANNEX I

NIGERIA (cont'd)

Adviser	Adeoye Akinwumi ADENIJI Deputy Director RTEP Federal Ministry of Agriculture and Rural Development Abuja
Adviser	A. KAWU Special Technical Assistant to the Minister for Agriculture and Rural Development Abuja
Adviser	Muyiwa O. AZEEZ Desk Officer (IFAD) Federal Ministry of Agriculture and Rural Development Abuja
Adviser	Agnes A. AREMU Assistant Director International Economic Relations Department Federal Ministry of Finance Abuja
Adviser	E. O. OKEKE Permanent Secretary Federal Ministry of Water Resources Abuja
Adviser	J.O. GILLS-HARRY Technical Assistant to the Permanent Secretary Federal Ministry of Water Resources Abuja

NORWAY

Governor (acting)	Ingrid GLAD Assistant Director-General Bank Section Ministry of Foreign Affairs Oslo
----------------------	--

ANNEX I

NORWAY (cont'd)

Alternate Governor (acting)	Margaret SLETTEVOLD Minister Counsellor Permanent Representative of the Kingdom of Norway to IFAD Rome
Adviser	Daniel VAN GILST Second Secretary Deputy Permanent Representative of the Kingdom of Norway to IFAD Rome
Adviser	Torgeir FYHRI Adviser United Nations Section Ministry of Foreign Affairs Oslo
Adviser	Arne HØNNINGSTAD Senior Adviser United Nations Section Ministry of Foreign Affairs Oslo
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OMAN

Governor	Khalfan Bin Saleh Mohammed AL NAEBI Under-Secretary Ministry of Agriculture and Fisheries Muscat
Alternate Governor (acting)	Habib A. HASNI Director International Relations Department Ministry of Agriculture and Fisheries Muscat

ANNEX I

OMAN (cont'd)

Adviser	Rasmi MAHMOUD Technical Adviser Embassy of the Sultanate of Oman Rome
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PAKISTAN

Governor (acting)	Mirza Qamar BEG Ambassador of the Islamic Republic of Pakistan to the United Nations Food and Agriculture Agencies Rome
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Alternate Governor (acting)	Aamir Ashraf KHAWAJA Agricultural Counsellor Alternate Permanent Representative of the Islamic Republic of Pakistan to the United Nations Food and Agriculture Agencies Rome
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PANAMA

Gobernador (interino)	Horacio J. MALTEZ Ministro Consejero Encargado de Negocios, a.i. Representación Permanente de la República de Panamá Roma
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PARAGUAY

Gobernador (interino)	Mario LEÓN FRUTOS Director General de Planificación Ministerio de Agricultura y Ganadería Asunción
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ANNEX I

PARAGUAY (cont'd)

Gobernador Suplente (interino)	Liz Haydee CORONEL CORREA Consejero Representante Permanente Adjunto de la República del Paraguay ante el FIDA Roma
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PERU

Gobernador (interino)	Roberto SEMINARIO Ministro Representante Permanente Adjunto de la República del Perú ante el FIDA Roma
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Gobernador Suplente	Pedro Alberto Mario RUBÍN HERAUD Consejero Representante Permanente Alterno de la República del Perú ante el FIDA Roma
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PHILIPPINES

Governor (acting)	Philippe J. LHUILLIER Ambassador of the Republic of the Philippines to IFAD Rome
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Alternate Governor (acting)	Noel D. DE LUNA Agricultural Attaché Deputy Permanent Representative of the Republic of the Philippines to IFAD Rome
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PORTUGAL

Governor	Carlos Manuel Inácio FIGUEIREDO IFADAP/INGA Ministry of Agriculture, Rural Development and Fisheries Lisbon
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ANNEX I

PORTUGAL (cont'd)

Alternate Governor
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General Directorate for European
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QATAR

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Director
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Ministry of Municipal Affairs
and Agriculture
Doha

Adviser
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Agricultural Expert
Ministry of Municipal Affairs
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ANNEX I

QATAR (cont'd)

Adviser	Ahmed Ibrahim AL ABDULLA Minister Plenipotentiary Alternate Permanent Representative of the State of Qatar to the United Nations Food and Agriculture Agencies Rome
Adviser	Walid Bin Fahad AL-MANAAI Director Office of the Minister Ministry of Municipal Affairs and Agriculture Doha
Adviser	Khaled BIN HAMAD AL-THANI First Secretary Alternate Permanent Representative of the State of Qatar to the United Nations Food and Agriculture Agencies Rome
Adviser	Ali Jaber J. SOROUR Director Public Relations Department Ministry of Municipal Affairs and Agriculture Doha
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RWANDA

Gouverneur (provisoire)	Francesco ALICICCO Consul Honoraire Consulat de la République du Rwanda Roma
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SAMOA

Governor (acting)	Margareth CAFFARELLI First Secretary Consulate of the Independent State of Samoa Rome
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SAUDI ARABIA

Governor	Fahad Bin Abdulrahman BALGHUNAIM Minister for Agriculture Riyadh
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Alternate Governor (acting)	Abdel Aziz bin Hamad AL BASSAM Assistant to the Deputy Minister for Finance for Economic Affairs Riyadh
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Adviser	Ahmad Ben Souleiman AL-AQUIL Minister Plenipotentiary Permanent Representative of the Kingdom of Saudi Arabia to FAO Rome
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Adviser	Mishal bin Abdallah AL QAHTANI Secretary of the Minister for Agriculture Riyadh
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Adviser	Bandar bin Abdel Mohsin AL-SHALHOOB Counsellor Alternate Permanent Representative of the Kingdom of Saudi Arabia to FAO Rome
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ANNEX I

SAUDI ARABIA (cont'd)

Adviser	Abdel Aziz Abdel Rahman AL HOWEISH Director of the External Relations Ministry of Agriculture Riyadh
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SENEGAL

Gouverneur (provisoire)	Papa Cheikh Saadibou FALL Ambassadeur de la République du Sénégal auprès des organisations spécialisées des Nations Unies Rome
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SOUTH AFRICA

Alternate Governor	Margaret MOHAPI First Secretary Alternate Permanent Representative of the Republic of South Africa to the United Nations Food and Agriculture Agencies Rome
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Gobernador	Eduardo IBÁÑEZ LÓPEZ-DÓRIGA Ministro Consejero Embajada de España Roma
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Gobernador Suplente	Jorge CABRERA ESPINÓS Primer Secretario Embajada de España Roma
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Alternate Permanent Representative
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Sudanese Metrology and
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Ministry of Finance and National
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Investment Directorate
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Khartoum

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Département fédéral des
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Conseiller
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Ministre
Représentant permanent de la
Confédération suisse
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Conseiller
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Responsable du programme
Section des institutions
financières internationales
Direction du développement
et de la coopération
Département fédéral des
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SYRIAN ARAB REPUBLIC

Governor
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Samir AL-KASSIR
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Arab Republic to IFAD
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Alternate Governor
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Director of the General Commission
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Ministry of Agriculture
and Agrarian Reform
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Adviser
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SYRIAN ARAB REPUBLIC (cont'd)

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Permanent Representative of the
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Alternate Governor
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Pornprome CHAIRIDCHAI
First Secretary (Agricultural Affairs)
Deputy Permanent Representative of
the Kingdom of Thailand to the
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THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA

Governor
Lidija CADIKOVSKA
Director of IFAD Project
Ministry of Agriculture, Forestry
and Water Economy
Skopje

Adviser
Goran KOVACEV
Credit Officer
Ministry of Agriculture, Forestry
and Water Economy
Skopje

Adviser
Goran DAMOVSKI
Supply Chains Integration Officer
Ministry of Agriculture, Forestry
and Water Economy
Skopje

ANNEX I

TIMOR-LESTE

Alternate Governor	Cesár José da CRUZ Secretary of State of Region 4 Ministry of Agriculture, Forestry and Fisheries Dili
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TUNISIA

Gouverneur (provisoire)	Mohamed Habib HADDAD Ministre de l'agriculture et des ressources hydrauliques Tunis
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Gouverneur suppléant (provisoire)	Habib MANSOUR Ambassadeur de la République tunisienne auprès des organisations spécialisées des Nations Unies Rome
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Conseiller	Kamel BEN REJEB Directeur général de la coopération financière multilatérale Ministère du développement et de la coopération internationale Tunis
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Conseiller	Mohamed LASSOUAD Directeur général Ministère de l'agriculture et des ressources hydrauliques Tunis
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Conseiller	Nabil AMMAR Conseiller Représentant permanent adjoint de la République tunisienne auprès des organisations spécialisées des Nations Unies Rome
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TURKEY

Governor (acting)	Yüksel YÜCEKAL Counsellor Alternate Permanent Representative of the Republic of Turkey to IFAD Rome
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UGANDA

Governor (acting)	Lucy Margaret KYOGIRÉ Minister Counsellor Embassy of the Republic of Uganda Rome
Adviser	Robert SABIITI First Secretary (Agricultural Attaché) Alternate Permanent Representative of the Republic of Uganda to the United Nations Agencies Rome

UNITED ARAB EMIRATES

Alternate Governor	Abdulla Ahmed BIN ABDUL AZIZ Under Secretary for Agriculture Ministry of Agriculture and Fisheries Abu Dhabi
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UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND

Governor	Matthew WYATT Ambassador of the United Kingdom of Great Britain and Northern Ireland to the United Nations Food and Agriculture Agencies Rome
Alternate Governor	Elizabeth NASSKAU Deputy Permanent Representative of the United Kingdom of Great Britain and Northern Ireland to the United Nations Food and Agriculture Agencies Rome

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UNITED REPUBLIC OF TANZANIA

Governor (acting)	Hezekiah CHIBULUNGE Deputy Minister for Agriculture, Food Security and Cooperatives Dar-es-Salaam
Alternate Governor	Costa Ricky MAHALU Ambassador of the United Republic of Tanzania to IFAD Rome
Adviser	Perpetua M.S. HINGI Agricultural Attaché Alternate Permanent Representative of the United Republic of Tanzania to IFAD Rome

UNITED STATES OF AMERICA

Governor (acting)	Andrew BRUBAKER Agricultural Specialist Office of Multilateral Development Banks Department of the Treasury Washington, D.C.
Adviser	Willem H. BRAKEL First Secretary Alternate Permanent Representative of the United States of America to the United Nations Food and Agriculture Agencies Rome

VENEZUELA (BOLIVARIAN REPUBLIC OF)

Gobernador (interino)	Jesús Cirilio SALAZAR Ministro Consejero Representante Permanente Alterno de la República Bolivariana de Venezuela ante el FIDA Roma
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ANNEX I

VENEZUELA (BOLIVARIAN REPUBLIC OF) (cont'd)

Asesor
Freddy LEAL PINTO
Agregado (Agricultura)
Representante Permanente Alterno de
la República Bolivariana de Venezuela
ante el FIDA
Roma

VIET NAM

Alternate Governor
YEN Nguyen Thi Hong
Deputy Director
External Finance Department
Ministry of Finance
Hanoi

Adviser
HUONG Nguyen Lan
Manager
Multilateral Division
External Finance Department
Ministry of Finance
Hanoi

Adviser
VAN NAM Nguyen
Ambassador
Permanent Representative of the
Socialist Republic of Viet Nam
to IFAD
Rome

Adviser
MINH Bui Quang
Counsellor
Deputy Permanent Representative of
the Socialist Republic of Viet Nam
to IFAD
Rome

YEMEN

Governor
(acting)
Abdulrahman Mohammed BAMATRAF
Ambassador of the Republic of
Yemen to the United Nations
Food and Agriculture
Agencies
Rome

ANNEX I

YEMEN (cont'd)

Adviser	Aniis Mohamed QADAR Counsellor Embassy of the Republic of Yemen Rome
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ZAMBIA

Governor (acting)	James KATOKA Deputy Minister for Agriculture and Cooperatives Lusaka
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Alternate Governor (acting)	Lucy Mungoma MUNGOMA Ambassador of the Republic of Zambia to the United Nations Food and Agriculture Agencies Rome
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Adviser	Julias SHAWA Deputy Director Ministry of Agriculture and Cooperatives Lusaka
---------	--

Adviser	Edward NYONGOLA First Secretary (Politic) Embassy of the Republic of Zambia Rome
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ZIMBABWE

Governor (acting)	Mary Margaret MUCHADA Ambassador of the Republic of Zimbabwe to IFAD Rome
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Alternate Governor (acting)	Verenica Takaendesa MUTIRO Chief Agricultural Economist Ministry of Agriculture Harare
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ZIMBABWE (cont'd)

Adviser

Michael Muchenje NYERE
Counsellor
Alternate Permanent Representative
of the Republic of Zimbabwe
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OBSERVERS FROM UNITED NATIONS MEMBER STATES

OBSERVATEURS D'ÉTATS MEMBRES DES NATIONS UNIES

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BULGARIA

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Ministre plénipotentiaire
Représentant permanent
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CZECH REPUBLIC

Daniela MOYZESOVÁ
Counsellor
Permanent Representative of
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HUNGARY

Zoltán KÁLMÁN
Agricultural Counsellor
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Republic of Hungary to FAO
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SLOVAKIA

Milan KOVAČ
Counsellor
Permanent Representative of
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Agriculture Agencies
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SLOVENIA

Bojana HOCEVAR
Minister Plenipotentiary
Permanent Representative of the
Republic of Slovenia to FAO
Rome

UKRAINE

Natalia PAVLIUK
Vice-Minister for
Agricultural Policy
Kyiv

Oksana DRAMARETSKA
First Secretary
Alternate Permanent Representative
of Ukraine to the United Nations
Food and Agriculture Agencies
Rome

ANNEX I

HOLY SEE

SAINT-SIÈGE

SANTA SEDE

Renato VOLANTE
Observateur permanent du
Saint-Siège auprès du FIDA
Cité du Vatican

Vincenzo BUONOMO
Observateur permanent suppléant
du Saint-Siège auprès du FIDA
Cité du Vatican

Lelio BERNARDI
Conseiller
Mission permanente d'observation
du Saint-Siège auprès des Institutions
des Nations Unies pour l'alimentation
et l'agriculture
Cité du Vatican

Giovanni TEDESCO
Conseiller
Mission permanente d'observation
du Saint-Siège auprès des Institutions
des Nations Unies pour l'alimentation
et l'agriculture
Cité du Vatican

SOVEREIGN ORDER OF MALTA

ORDRE SOUVERAIN DE MALTE

SOBERANA ORDEN DE MALTA

Giuseppe BONANNO di LINGUAGLOSSA
Ambassadeur de l'Ordre Souverain
Militaire Hospitalier de Saint-Jean
de Jérusalem de Rhodes et de Malte
Observateur permanent auprès du FIDA
Rome

Claude FORTHOMME
Conseiller technique
Ordre Souverain Militaire Hospitalier
de Saint-Jean de Jérusalem de Rhodes
et de Malte
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الممثلون عن الأمم المتحدة والوكالات المتخصصة

REPRESENTATIVES OF THE UNITED NATIONS AND SPECIALIZED AGENCIES

REPRÉSENTANTS DES NATIONS UNIES ET INSTITUTIONS SPÉCIALISÉES

REPRESENTANTES DE LAS NACIONES UNIDAS Y ORGANISMOS ESPECIALIZADOS

Food and Agriculture Organization of the United Nations

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Land Tenure Service
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Paolo GROPPA
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Office of the United Nations High Commissioner for Refugees

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Nausicaa MASI
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Goodspeed KOPOLO
Senior Programme Officer
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External Affairs Division
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External Affairs Division
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Lubna ALAMAN
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OBSERVERS FROM INTERGOVERNMENTAL ORGANIZATIONS
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Arab Bank for Economic Development in Africa

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Assistant Director-General
of Operations
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Arab Center for the Studies of Arid Zones and Dry Lands

Farouk Saleh FARES
Director-General
Damascus

Arab Organization for Agricultural Development

Elsayed Elsiddig ELOWNI
Animal Health Expert
Khartoum

Commission of European Communities

Luis RITTO
Ambassadeur
Représentant permanent de la
Commission des Communautés européennes
auprès des organisations spécialisées
des Nations Unies
Rome

Commission of European Communities (cont'd)

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Attaché
Délégation de la Commission des
Communautés européennes auprès
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Veronica SPETRINO
Attaché
Délégation de la Commission des
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International Center for Agricultural Research in the Dry Areas

Adel S. EL-BELTAGY
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Adoul NAGA
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International Centre of Insect Physiology and Ecology

Christian BORGEMEISTER
Director-General
Nairobi

International Organization for Migration

Peter SCHATZER
Chief of Mission and Regional
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Tana ANGLANA
Project Manager
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ANNEX I

Islamic Development Bank

Bashir Omar M. FADLALLAH
Adviser Policy to the
Vice-President (Operations)
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League of Arab States

Mohammad SHABU
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League of Arab States
to Italy
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Fathi ABU ABED
Counsellor
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OPEC Fund for International Development

Imhemed BUKADER
Operations Officer
Vienna

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Alisei

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Thoric CEDERSTROM
Vice-President
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Sue BERTRAND
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Imad Izzat ZAHIDAH
Secretary-General Consultant
Ajman

International Juridical Organization for Environment and Development

Claudia GAMBAROTTA
Head of Working Group
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ANNEX II

a

IFAD

INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

Governing Council – Twenty-ninth Session

Rome, 15-16 February 2006

AGENDA AND PROGRAMME OF EVENTS

1. In line with the format introduced in recent years, the proceedings of the twenty-ninth session of the Governing Council will include an interactive panel discussion as well as the traditional inaugural ceremony and consideration of agenda items. As shown in the attached programme of events, the panel discussion will be held in plenary in the afternoon of the first day of the session. Given the acknowledged importance of finding innovative solutions to enable the rural poor to overcome poverty, the President has proposed as the theme of the panel discussion: *Innovation challenges for the rural poor*.

2. In the morning of the second day of the session, three simultaneous round-table discussions will be held, on the following topics:

- Adaptive research in support of pro-poor innovations in rural development: Successes from IFAD's grant programme
- Strengthening rural institutions for the poor
- Securing access to land for the rural poor

These topics, which reflect major issues on IFAD's corporate agenda, have been chosen in order to further highlight the main theme of the Council.

3. National delegations are invited to attend the round-table discussions of their choice and, to maximize interaction, may wish to have different members attend different round tables.

AGENDA

1. Opening of the session
2. Adoption of the agenda
3. Election of the Bureau of the Governing Council
4. Application for non-original membership
5. Statement by the President of IFAD
6. General statements
7. Report on the Sixth Replenishment of IFAD's Resources
8. Seventh Replenishment of IFAD's Resources
9. Audited financial statements of IFAD for 2004
10. Administrative budget of IFAD and its Office of Evaluation for 2006
11. Election of members and alternate members of the Executive Board
12. Report and recommendation of the Executive Board on supervision
13. Progress report on implementation of the Performance-Based Allocation System
14. Report on the implementation of phase I of the Process Re-Engineering Programme (Strategic Change Programme)
15. Progress report on the International Land Coalition
16. Progress report on the Global Mechanism of the United Nations Convention to Combat Desertification
17. Other business
 - (a) Report on IFAD's response to the avian influenza crisis
 - (b) Approval of disclosure of documents

PROGRAMME OF EVENTS

WEDNESDAY, 15 FEBRUARY 2006

Morning meeting **10.00-13.00 hours**

10.00-13.00 hours **Inaugural ceremony**
Commencement of consideration of agenda items

Afternoon meeting **15.00-18.30 hours**

15.00-17.30 hours **Panel discussion**

Innovation challenges for the rural poor

This interactive panel discussion will provide an opportunity for dialogue on the theme and will include a question-and-answer period. The panel will be composed of high-level experts.

17.30-18.30 hours **Continuation of consideration of agenda items**

THURSDAY, 16 FEBRUARY 2006

Morning meeting **09.30-13.00 hours**

09.30-12.00 hours **Round-table discussions**

Three round tables will be held simultaneously on the following topics:

- Adaptive research in support of pro-poor innovations in rural development: Successes from IFAD's grant programme
- Strengthening rural institutions for the poor
- Securing access to land for the rural poor

12.00-13.00 hours **Continuation of consideration of agenda items**

Afternoon meeting **15.00-18.00 hours**

15.00-17.50 hours **Continuation of consideration of agenda items**

17.50-18.00 hours **Closure of the session**

**LIST OF DOCUMENTS PLACED BEFORE THE
TWENTY-NINTH SESSION OF THE GOVERNING COUNCIL**

Document No.	Agenda Item	Title
GC 29/L.1	2	Provisional agenda and programme of events
GC 29/L.1/Add.1	2	Schedule of work for the session
GC 29/L.2	4	Application for non-original membership
GC 29/L.3 + Add.1	7	Report on the Sixth Replenishment of IFAD's resources
GC 29/L.4 + Add.1	8	IFAD's contribution to reaching the Millennium Development Goals: Report of the Consultation on the Seventh Replenishment of IFAD's resources (2007-2009)
GC 29/L.5	9	Audited financial statements of IFAD as at 31 December 2004
GC 29/L.6	10	Programme of work and administrative budget of IFAD and of its Office of Evaluation for 2006
GC 29/L.7 + Add.1	11	Elections of members and alternate members of the Executive Board
GC 29/L.8	12	Report and recommendation of the Executive Board on supervision
GC 29/L.9 + Add.1	13	Progress report on implementation of the Performance-Based Allocation System
GC 29/L.10	14	Process Re-Engineering Programme (Strategic Change Programme) – Report on the implementation of phase I
GC 29/L.11	15	Progress report by the International Land Coalition
GC 29/L.12	16	Progress report on the Global Mechanism of the United Nations Convention to Combat Desertification in those Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa
GC 29/L.13		Issues paper: Innovation challenges for the rural poor

ANNEX III

Document No.	Agenda Item	Title
GC 29/INF.1		Arrangements for the twenty-ninth session of the Governing Council
GC 29/INF.2		IFAD's participation in the Debt Initiative for Heavily Indebted Poor Countries: Progress report
GC 29/INF.3		Round-table discussions – Strengthening rural institutions for the poor: Opportunities and constraints
GC 29/INF.4		Round-table discussions – Adaptive research in support of pro-poor innovations in rural development
GC 29/INF.5/Rev.1		Round-table discussions – Securing access to land for the rural poor
GC 29/INF.6/Rev.1		Provisional list of participants at the twenty-ninth session of the Governing Council
GC 29/INF.7		Videotapes of statements delivered by delegates
GC 29/INF.8		Panel discussion – Innovation challenges for the rural poor
GC 29/INF.9		Financial highlights for the year ended 31 December 2005
GC 29/INF.10 + Rev.1 + Rev.2	6	Order of speakers – Statements to be delivered during Plenary Meetings
GC 29/INF.11		Round-table discussions
GC 29/INF.12		IFAD's contribution to reaching the Millennium Development Goals: Report of the Consultation on the Seventh Replenishment of IFAD's resources (2007-2009)
GC 29/Resolutions		Resolutions adopted by the Governing Council at its twenty-ninth session
Closing Statement		Statement by the Chairperson, His Excellency Matthew Wyatt, closing the twenty-ninth session of the Governing Council

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IFAD
INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT
Governing Council – Twenty-ninth Session
Rome, 15-16 February 2006

RESOLUTIONS ADOPTED BY THE GOVERNING COUNCIL
AT ITS TWENTY-NINTH SESSION

1. The Governing Council, at its Twenty-ninth Session, adopted Resolution 140/XXIX on 15 February 2006 and Resolutions 141/XXIX, 142/XXIX and 143/XXIX on 16 February 2006.
2. These resolutions are transmitted for the information of all members of IFAD.

**APPROVAL OF
NON-ORIGINAL MEMBERS OF THE FUND**

Resolution 140/XXIX

Approval of Non-Original Members of the Fund

The Governing Council of IFAD,

Taking into account Articles 3.2(b) and 13.1(c) of the Agreement Establishing IFAD and Section 10 of the By-laws for the Conduct of the Business of IFAD;

Having considered the application for non-original membership by Niue, transmitted to the Council in document GC 29/L.2, and the recommendation of the Executive Board thereon;

Approves the membership of Niue.

THE SEVENTH REPLENISHMENT OF IFAD'S RESOURCES

Resolution 141/XXIX

The Seventh Replenishment of IFAD's Resources

The Governing Council of IFAD,

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

Further recalling Governing Council Resolution 137/XXVIII, adopted on 17 February 2005, establishing a Consultation on the Seventh Replenishment of IFAD's Resources;

Urging those Members which have not yet paid the full share of their previous contributions to the resources of the Fund and those which have not yet deposited their Instruments of Contribution for the Sixth Replenishment to adopt effective measures to complete such payments and deposit such Instruments of Contribution as soon as possible;

Reaffirming its unanimous support for the Fund and its mandate to combat poverty and hunger and noting with great satisfaction the Fund's continued progress in discharging effectively that mandate;

Noting the desire of its Members to maintain an adequate level of annual loan and grant commitments in order to enable the Fund to fulfil its mandate;

Further recalling its Resolution 100/XX on the Provision of Advance Commitment Authority during the Fourth Replenishment Period, adopted on 21 February 1997;

Having considered IFAD's Contribution to Reaching the Millennium Development Goals: the Report of the Consultation on the Seventh Replenishment of IFAD's Resources (2007-2009), contained in document GC 29/L.4 and the draft resolution on the Seventh Replenishment of IFAD's Resources attached thereto;

Taking into account the statements made in the Consultation on the Seventh Replenishment of IFAD's Resources indicating that a number of Members intend to contribute to the resources of the Fund through pledges of contributions under the Seventh Replenishment, in accordance with the arrangements set forth in this Resolution, it being understood that no commitment in that regard will arise for any Member until the Member concerned has deposited an Instrument of Contribution and that such instrument takes effect in accordance with its terms and conditions consistent with this Resolution and the Agreement Establishing the Fund; and

Further taking into account the need to mobilise external resources to complement those from IFAD to finance the Debt Initiative for Heavily Indebted Poor Countries (HIPC);

Acting upon the conclusions of the Consultation on the Seventh Replenishment of IFAD's Resources, which has recommended that, in view of the needs of the developing Member Countries of the Fund in regard to their continued development in the agricultural and rural sectors, the resources of the Fund are in vital need of replenishment so as to enable the Fund to carry out its programme of

work for the Replenishment Period, the Members should be invited to make additional contributions to the resources of the Fund,

Decides:

I. IFAD's Contribution to Reaching the Millennium Development Goals: Report of the Consultation on the Seventh Replenishment of IFAD's Resources (2007-2009)

1. Document GC 29/L.4, containing IFAD's Contribution to Reaching the Millennium Development Goals: Report of the Consultation on the Seventh Replenishment of IFAD's Resources (2007-2009), is hereby approved and shall form the basis of the Fund's operations. Accordingly, the Governing Council has decided to authorize the replenishment of the resources of the Fund.

2. Definitions

The terms used in this Resolution have the meanings herein set forth:

- (a) "ACA": advance commitment authority conferred by paragraph III.17 of this Resolution;
- (b) "additional contribution": a Member's contribution under the Seventh Replenishment of the resources of the Fund as defined in Section 3 of Article 4 of the Agreement;
- (c) "Agreement": the Agreement Establishing the Fund, as it stands amended on 16 February 2006;
- (d) "complementary contribution": the amount made available by a Member to the Fund during the Replenishment Period on a voluntary basis and referred to in paragraphs II.4(d) and II.5(b) of this Resolution;
- (e) "Consultation": the committee of senior representatives of the Members established pursuant to Resolution 137/XXVIII of the Governing Council to review the adequacy of the resources available to the Fund;
- (f) "Contingent contribution": a part of an additional contribution made available by a Member to the Fund during the Replenishment Period subject to the occurrence of a contingent event, as provided in paragraph II.5(c) of this Resolution;
- (g) "contribution": the amount that a Member is legally committed to pay into the resources of the Fund under its Instrument of Contribution;
- (h) "Contribution Votes": those votes from the Original, Fourth Replenishment, Fifth Replenishment, Sixth Replenishment and Seventh Replenishment Votes allocated to each Member in accordance with Article 6, Sections 3(a)(i)(B) and 3(a)(ii)(B), of the Agreement, paragraphs II.16(b) and II.17(b) of Resolution 87/XVIII of the Governing Council, paragraph IV.19(b) of Resolution 119/XXIV of the Governing Council, paragraph IV.19(b) of Resolution 130/XXVI and paragraph IV.19(b) of this Resolution, respectively, on the basis of each Member's contribution to the resources of the Fund;
- (i) "dollar" or "USD": United States Dollar;

- (j) “Fourth Replenishment Votes”: the votes defined generally as Replenishment Votes by Sections 3(a)(ii) and (iii) of Article 6 of the Agreement and distributed under the Fourth Replenishment of the Fund’s Resources in the form of Membership and Contribution Votes in accordance with paragraphs II.17 and II.18 of Resolution 87/XVIII of the Governing Council;
- (k) “Fifth Replenishment Votes”: the votes defined generally as Replenishment Votes by Sections 3(a)(ii) and (iii) of Article 6 of the Agreement and distributed under the Fifth Replenishment of IFAD’s Resources in the form of Membership and Contribution Votes in accordance with paragraph IV.19 of Resolution 119/XXIV of the Governing Council;
- (l) “Sixth Replenishment Votes”: the votes defined generally as Replenishment Votes by Sections 3(a)(ii) and (iii) of Article 6 of the Agreement and distributed under the Sixth Replenishment of IFAD’s Resources in the form of Membership and Contribution Votes in accordance with paragraph IV.19 of Resolution 130/XXVI of the Governing Council;
- (m) “Seventh Replenishment Votes”: the votes defined generally as Replenishment Votes by Sections 3(a)(ii) and (iii) of Article 6 of the Agreement and distributed under the Seventh Replenishment of IFAD’s Resources in the form of Membership and Contribution Votes in accordance with paragraph IV.19 of this Resolution;
- (n) “Fund”: the International Fund for Agricultural Development;
- (o) “increase in contribution”: an increase by a Member, pursuant to Section 4 of Article 4 of the Agreement, of the amount of its additional contribution;
- (p) “instalment”: one of the instalments in which a contribution is to be paid;
- (q) “Instrument of Contribution”: a written commitment whereby a Member confirms its intention to make additional contribution to the resources of the Fund under the Replenishment;
- (r) “Member”: a Member of the Fund;
- (s) “Membership Votes”: those votes from the Original, Fourth Replenishment, Fifth Replenishment, Sixth Replenishment and Seventh Replenishment Votes allocated to each Member in accordance with Article 6, Sections 3(a)(i)(A) and 3(a)(ii)(A), of the Agreement, paragraphs II.16(a) and II.17(a) of Resolution 87/XVIII of the Governing Council, paragraph IV.19(a) of Resolution 119/XXIV of the Governing Council, paragraph IV.19(a) of Resolution 130/XXVI of the Governing Council and paragraph IV.19(a) of this Resolution, respectively, on the basis of membership of the Fund;
- (t) “Original Votes”: the votes defined by Sections 3(a)(i) and (iii) of Article 6 of the Agreement and distributed in the form of Membership and Contribution Votes in accordance with paragraphs II.16 and II.18 of Resolution 87/XVIII of the Governing Council;
- (u) “payment of” or “to pay” a contribution: payment of, or to pay, a contribution in cash or by deposit of promissory notes or similar obligations;

- (v) “qualified contribution”: the contribution covered by a qualified Instrument of Contribution as defined in paragraph II.6(c) of this Resolution;
- (w) “Replenishment”: the Seventh Replenishment of the resources of the Fund through contributions in accordance with this Resolution;
- (x) “Replenishment Period”: the three-year period commencing 1 January 2007 and ending on 31 December 2009;
- (y) “special contribution”: a contribution from a non-Member State or other sources to the resources of the Fund as defined in Section 6 of Article 4 of the Agreement;
- (z) “unit of obligation”: a freely convertible currency or Special Drawing Right (SDR) of the International Monetary Fund (IMF), as selected by each Member and in which its contribution is denominated in accordance with its pledge as specified in Columns B-1 and B-2 of Attachment A to this Resolution; and
- (aa) “unqualified contribution”: the contribution covered by an unqualified Instrument of Contribution as defined in paragraph II.6(b) of this Resolution.

II. Contributions

3. General Clause

- (a) The Governing Council accepts the Report of the Consultation on the Seventh Replenishment of IFAD’s Resources (document GC 29/L.4) and invites Members to make additional contributions to the resources of the Fund under the Replenishment.
- (b) The target level of the Replenishment is established at eight hundred million United States dollars (USD 800 000 000), which amount shall be contributed in freely convertible currencies. In seeking that objective, the Replenishment has been accomplished through the good will of all Members in making an effort to ensure the availability of a sufficient level of resources to the Fund. In this respect, the Member Countries shall endeavour to ensure that the target level of the Replenishment is achieved, if necessary, by an increase in their additional contributions.

4. Additional, Increase in and Complementary Contributions

The Fund is authorized, in accordance with the Agreement and the provisions of this Resolution, to accept from Members for the resources of the Fund:

- (a) additional contributions in freely convertible currencies from all Members totalling four hundred and seventy-one million six hundred and twelve thousand three hundred and sixty-four United States dollars (USD 471 612 364), contributed in sums as indicated for the respective Members, in terms of the applicable unit of obligation, as set out in Columns B-1 and B-2 of Attachment A to this Resolution;
- (b) with the objective of attaining and supplementing the target level of the Replenishment referred to in paragraph II.3(b) of this Resolution, additional contributions in freely convertible currencies from all Members that increase the

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additional contributions of Members shown in Columns B-1 and B-2 of Attachment A to this Resolution and pledged in accordance with paragraph II.4(a) above, if the said increase in additional contributions is notified in writing to the Fund no later than a date six months after the date upon which the Governing Council adopted this Resolution. Upon receipt of formal pledges of further additional contributions, the President of the Fund shall communicate a revised Attachment A to all Members of the Fund no later than fifteen days after the above-mentioned date. In order to assist this process, the President of IFAD is requested to take such steps as may be necessary to ensure that the target level of the Replenishment specified in paragraph II.3(b) of this Resolution is attained;

- (c) an increase in contribution to the resources of the Fund for the Replenishment; and
- (d) complementary contributions, not forming part of the pledged contributions included in Columns B-1 and B-2 of Attachment A to this Resolution.

5. **Special, Complementary and Contingent Contributions**

- (a) **Special Contributions.** During the Replenishment Period, the President may accept special contributions from non-Member States or other sources to the Fund.
- (b) **Complementary Contributions.** During the Replenishment Period, the Fund may accept complementary contributions from Member States. Complementary contributions shall not form part of the pledged contributions included in columns B-1 and B-2 of Attachment A to this Resolution and, accordingly, shall not entitle the said contributing Member State to receive Contribution Votes under paragraph IV.19(b) of this Resolution. After the adoption of this Resolution, the Executive Board may, from time to time, decide upon the use to be made of the complementary contributions so received.
- (c) **Contingent Contributions.** During the Replenishment Period, the Fund may accept additional contributions under paragraph II.4(a), II.4(b) and II.4(c) of this Resolution from Member States, part of which contributions may be contingent upon the completion of specific actions specified in the Action Plan appended to IFAD's Contribution to Reaching the Millennium Development Goals: Report of the Consultation on the Seventh Replenishment of IFAD's Resources (2007-2009), provided the said actions in the said report are planned to occur prior to 1 January 2008. Contingent contributions shall form part of the pledged contributions included in columns B-1 and B-2 of Attachment A to this Resolution and shall entitle the said contributing Member State to receive Contribution Votes under paragraph IV.19(b) of this Resolution. Such contingent contributions shall not be deemed as receivables for the purpose of accounting provisions until such time as the contingent action shall have occurred.

6. **Instrument of Contribution**

(a) **General Clause**

- (i) Members making contributions under this Resolution shall deposit with the Fund, not later than a date six months after the date of the adoption of this Resolution, an Instrument of Contribution¹ specifying therein the amount of

¹ An illustrative format of an Instrument of Contribution is given in Attachment D to this Resolution, which a Member may follow in preparing its Instrument of Contribution.

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its contribution in the applicable unit of obligation as set forth in Columns B-1 and B-2 of Attachment A to this Resolution.

- (ii) Any Member which has not been able to make a pledge of its contribution under this Resolution may deposit its Instrument of Contribution in accordance with the requirements of provision (i) of this paragraph. The President of the Fund shall take such steps as may be necessary for the implementation of this provision and shall keep the Executive Board informed, in accordance with paragraph II.16 of this Resolution.
- (b) **Unqualified Contribution.** Except as provided in paragraph II.6(c) below, the Instrument of Contribution shall constitute an unqualified commitment by the Member to make payment of the contribution in the manner and on the terms set forth in or contemplated by this Resolution.
- (c) **Qualified Contribution.** As an exceptional case, where an unqualified contribution commitment cannot be given by a Member due to its legislative procedures, the Fund may accept from that Member an Instrument of Contribution that contains a formal notification by that Member that it will pay the first instalment of its contribution without qualification but that payment of the remaining instalments is subject to the enactment of the necessary appropriation legislation and compliance with other legislative requirements. Such a qualified Instrument, however, shall include an express undertaking on the part of the Member to seek the necessary appropriations at a rate so as to complete payment of its total contribution not later than a date three years after the date of adoption of this Resolution, except as the President shall otherwise determine. The Fund shall be notified as soon as possible after such appropriation has been obtained and such other legislative requirements have been fulfilled. For the purposes of this Resolution, a qualified contribution shall be deemed to be unqualified to the extent that appropriations have been obtained, other legislative requirements have been met and the Fund has been notified.

7. Effectiveness

- (a) **Effectiveness of the Replenishment.** The Replenishment shall come into effect on the date upon which the Instruments of Contribution relating to contributions from all the Members have been deposited with the Fund in the aggregate total amount equivalent to at least fifty per cent (50%) of the total contribution to the Replenishment of all such Members as set forth in Column B-3 of Attachment A to this Resolution.
- (b) **Effectiveness of Individual Instruments of Contribution.** Instruments of Contribution deposited on or before the effective date of the Replenishment shall take effect on the date the Replenishment becomes effective and Instruments of Contribution deposited after that date shall take effect on their respective dates of deposit.

8. **Advance Contribution**

Notwithstanding the provisions of paragraph II.7(a) above, all contributions or parts thereof paid to the resources of the Fund prior to the date for the effectiveness of the Replenishment may be used by the Fund for its operations, if necessary, in accordance with the requirements of the Agreement and other relevant policies of the Fund, unless a Member specifies otherwise in writing. Any loan and grant commitments made by the Fund on such advance contributions shall for all purposes be treated as part of the Fund's operational programme.

9. **Instalment Payments²**

(a) **Payment of an Unqualified Contribution**

(i) Each contributing Member shall, at its option, pay its unqualified contribution in a single sum, in two or in no more than three instalments, as specified in the Instrument of Contribution. The single sum or the first instalment shall be due on the thirtieth day after the Member's Instrument of Contribution enters into effect, and any other instalment shall be due on the first anniversary of the entry into effect of the Replenishment but the balance, if any, of the payment shall be made no later than a date three years after the adoption of this Resolution, except as the President of the Fund shall otherwise determine.

(ii) Instalment payments in respect of each unqualified contribution shall be, at the option of the Member, either (A) in equal amounts or (B) in progressively graduated amounts with the first instalment amounting to at least thirty per cent (30%) of the contribution, the second instalment amounting to at least thirty five per cent (35%) and the third instalment, if any, covering the remaining balance. In special circumstances, the President of the Fund may, upon the request of a Member, agree to vary the prescribed percentages or number of instalments of a Member subject to the requirement that such a variation shall not affect adversely the operational needs of the Fund.

(b) **Payment of a Qualified Contribution.** Payment in respect of a qualified contribution shall be made within ninety (90) days as and to the extent each instalment has become unqualified and becomes due in accordance with provision (a)(i) of this paragraph.

(c) **Payment of an Advance Contribution and Amount of Instalments.** A Member who shall make advance contribution of no less than forty per cent (40%) of its total contribution may, in consultation with the President of the Fund, vary the amounts of the second and third instalments free of any restriction on the size of such instalments prescribed in provision (a)(ii) above, subject to the total amount of its contribution.

(d) **Special Schedule of Payments.** To the extent that the payments are to depart from the requirements of provision (a)(i) and percentages of instalments specified in provision (a)(ii) of this paragraph, at the time of depositing its Instrument of

² Payments from all Members shall be consistent with the provisions of Section 5(c) of Article 4 of the Agreement.

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Contribution, each Member shall indicate to the Fund its proposed schedule of instalment payments.

- (e) **Optional Arrangements.** A Member may at its option pay its contribution in fewer instalments or in larger percentage portions or at earlier dates than those specified in this paragraph, provided that such payment arrangements are no less favourable to the Fund.

10. **Mode of Payment**

- (a) **Form of Payment.** All payments in respect of each contribution shall be made in cash or, at the option of the Member, by the deposit of non-negotiable, irrevocable, non-interest-bearing promissory notes or other similar obligations of the Member, encashable by the Fund at par on demand in accordance with paragraph II.11 of this Resolution and time schedules agreed with the Fund.
- (b) **Freedom from Restriction of Use.** In accordance with the requirements of Section 5(a) of Article 4 of the Agreement, all freely convertible currency contributions shall be made free of any restriction as to their use by the Fund.
- (c) **Increase in Cash Payment.** To the extent possible, the Members may favourably consider payment of larger portions of their contributions in cash.

11. **Encashment of Promissory Notes or Similar Obligations**

- (a) The Fund shall encash promissory notes or other similar obligations made as payment of contributions under this Resolution within the Replenishment period or as shall be agreed between the President of the Fund and the Member making such contribution.
- (b) **Accelerated Encashments.** A Member State making a contribution may request at the time of the deposit of the Instrument of Contribution or thereafter to pay part of its contribution through the investment income derived from accelerated encashment of its instalment payments, subject to terms and conditions to be agreed with the Fund.

12. **Currency of Payment**

All contributions referred to in Columns B-1 and B-2 of Attachment A to this Resolution shall be paid in freely convertible currencies or in SDRs as specified in the respective Instruments of Contribution.

13. **Delay in Deposit of an Instrument of Contribution and/or Reduction in Payment**

- (a) **Option of Commensurate Modification.** In the case of an undue delay in the deposit of an Instrument of Contribution or in payment or of substantial reduction in its contribution by a Member, any other Member may, notwithstanding any provision to the contrary in this Resolution, at its option, after consultation with the Executive Board, make a commensurate modification, *ad interim*, in its schedule of payment or amount of contribution. In exercising this option, a Member shall act solely with a view to safeguarding the objectives of the Replenishment and avoiding any significant disparity between the relative proportion of Members' total contributions until such time that the Member whose

delay in the deposit of an Instrument of Contribution and/or payment or reduction in its share causing such a move by another Member has acted to remedy the situation on its part or the Member exercising the option revokes its decision taken under this provision.

- (b) **Member not Modifying Commitment.** Members that do not wish to exercise their option referred to in paragraph II.13(a) above may indicate so in their respective Instruments of Contribution.

14. **Meeting of the Consultation**

If, during the Replenishment Period, delays in the making of any contributions cause or threaten to cause a suspension in the Fund's lending operations or otherwise prevent the substantial attainment of the goals of the Replenishment, the Fund may convene a meeting of the Consultation to review the situation and consider ways of fulfilling the conditions necessary for the continuation of the Fund's lending operations or for the substantial attainment of those goals.

15. **Fixed Reference Exchange Rates**

For the purposes of freely convertible currency contributions and pledges under this Resolution, the rate of exchange to be applied to convert the unit of obligation into the dollar shall be the average month-end exchange rate of the IMF over a six-month period preceding the adoption of this Resolution between the currencies to be converted (1 April 2005-30 September 2005), rounded to the fourth decimal point. The said exchange rates are set out in Attachment E to this Resolution.

16. **Review by the Executive Board**

The Executive Board shall periodically review the status of contributions under the Replenishment and shall take such actions, as may be appropriate, for the implementation of the provisions of this Resolution.

III. **Advance Commitment Authority**

17. The Executive Board may, from time to time and having regard to the resources of the Fund available for commitment to loans and grants, including investment income and payments and repayments under loans provided by the Fund net of administrative costs, employ an ACA in a prudent and cautious manner. The procedures for the use of ACA during the Replenishment Period are set out in Attachment B to this Resolution and form an integral part thereof. ACA shall come into effect upon the adoption of this Resolution and shall terminate upon a date one year after the end of the Replenishment Period.

IV. **Voting Rights**

18. **Distribution of Original Votes, Fourth Replenishment Votes, Fifth Replenishment Votes and Sixth Replenishment Votes**

- (a) **Original Votes.** The one thousand eight hundred (1 800) Original Votes shall continue to be distributed in accordance with Sections 3(a)(i) and (iii) of Article 6 of the Agreement and paragraphs II.16 and II.18 of Resolution 87/XVIII of the Governing Council on the Fourth Replenishment of IFAD's Resources. Column A-1 of Attachment C to this Resolution, as it may be amended from time

to time, specifies the current distribution of the seven hundred and ninety (790) Original Membership Votes. Column A-2 of Attachment C to this Resolution, as it may be amended from time to time, specifies the current distribution of the one thousand and ten (1 010) Original Contribution Votes.

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

19. Allocation of New Votes for the Replenishment

In accordance with Section 3(a)(ii) of Article 6 of the Agreement, _____^A (_____^A) new votes are hereby created for the Replenishment ("Seventh Replenishment Votes"). Those votes shall be distributed as follows:

- (a) **Membership Votes.** _____^A (_____^A) votes shall be allocated as membership votes, with each Member receiving an equal number of the said votes. Upon any change in the number of Members of the Fund, the _____^A (_____^A) votes shall be redistributed upon the same basis. Column D-1 of Attachment C to this Resolution, as it may be amended from time to time, specifies the current distribution of Seventh Replenishment Membership Votes.
- (b) **Contribution Votes.** The remaining _____^A (_____^A) votes shall be allocated as contribution votes to each Member in the proportion that each Member's paid contribution, valued in USD at the effective rate for the Replenishment, to the additional contributions made under the Replenishment, as specified in paragraph II.4(a) of this Resolution and as amended by paragraph II.4(b) of this Resolution, bears to the aggregate of the total contributions made by all Members to the Replenishment. For that purpose, a

^A To be inserted by the Secretariat six months after the date of the adoption of this Resolution (see paragraph II.4(b) above).

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paid contribution shall be deemed to be only the part of a contribution of a Member actually paid to the Fund, in accordance with paragraph IV.20 of this Resolution. Column D-2 of Attachment C to this Resolution, as it may be amended from time to time, specifies the potential Seventh Replenishment Contribution Votes for each Member if all Members pay the pledges specified in Column B-2 of Attachment A to this Resolution. Column D-3 of Attachment C to this Resolution, as it may be amended from time to time, specifies the actual Seventh Replenishment Contribution Votes of each Member.

(c) **Effectiveness.** The allocation of the _____^B (_____^A) votes, as specified in provisions (a) and (b) above, shall enter into effect upon the date on which the period specified in paragraph II.4(b) of this Resolution shall come to an end.

20. For the purpose of the allocation of the contribution votes in paragraphs IV.18(b) and IV.19(b) of this Resolution, a paid contribution shall mean a contribution paid, in a freely convertible currency, in cash or by deposit of promissory notes or similar obligations, with the exception of those promissory notes or other obligations against which an accounting provision is made.

V. Reporting to the Governing Council

21. The President of the Fund shall be requested to submit to the Thirtieth Session and subsequent sessions of the Governing Council reports on the status of commitments, payments and other relevant matters concerning the Replenishment. The reports shall be submitted to the Governing Council together with the Executive Board's comments, if any, and its recommendations thereon.
22. The President of the Fund shall be requested to provide the Governing Council, at each of its annual sessions, with revised and updated versions of Attachments A and B to this Resolution.

VI. Amendment of the Agreement Establishing IFAD

23. The following amendments shall be made to the Agreement Establishing IFAD (*the text to be deleted is placed between square brackets and a line placed through it and the text to be added is underlined*):

(a) **Article 7, Section 2(a)** shall be amended to read as follows:

“Financing by the Fund shall take the form of loans, ~~and~~ grants and a debt sustainability mechanism, which shall be provided on such terms as the Fund deems appropriate, having regard to the economic situation and prospects of the Member and to the nature and requirements of the activity concerned. The Fund may also provide additional financing for the design and implementation of projects and programmes, financed by the Fund through loans, ~~and~~ grants and debt sustainability mechanisms, as the Executive Board shall decide.”

^B To be inserted by the Secretariat six months after the date of the adoption of this Resolution (see paragraph II.4(b) above).

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- (b) **Article 7, Section 2(b)** shall be amended to read as follows:

“The proportion of the Fund’s resources to be committed in any financial year for financing operations in any of the forms referred to in subsection (a) shall be decided from time to time by the Executive Board with due regard to the long-term viability of the Fund and the need for continuity in its operations. The proportion of grants shall not normally exceed one-eighth of the resources committed in any financial year. A debt sustainability mechanism and the procedures and modalities therefor shall be established by the Executive Board and financing provided thereunder shall not fall within the above-mentioned grant ceiling. A large proportion of the loans shall be provided on highly concessional terms.”

24. The amendments to the Agreement Establishing IFAD contained in paragraph VI.23 above shall enter into force and effect on the date that this Resolution shall enter into force and effect in accordance with paragraph II.7(a) of this Resolution.

**SEVENTH REPLENISHMENT
CONTRIBUTIONS OF MEMBER STATES AT 16 FEBRUARY 2006**

Member State	A. Previous Contributions (USD)				B. Contributions Pledged to Seventh Replenishment			
	Cumulative Contributions in Convertible Currencies to IFAD's Replenishments (Initial to Fifth)		Sixth Replenishment ²		Unit of Obligation ³	Amount of Contribution in Unit of Obligation	Amount in USD ⁴	Equivalent in SDR ⁵
	Pledges A-1	Payments ¹ A-2	Pledges A-3	Payments ¹ A-4				
Afghanistan					USD			
Albania	20 000	20 000	10 000	10 000	USD			
Algeria	50 330 000	50 330 000	1 000 000	1 000 000	USD	1 100 000	1 100 000	749 320
Angola	160 000	160 000	100 000	100 000	USD			
Antigua and Barbuda	7 000				USD			
Argentina	7 900 000	6 400 000			USD			
Armenia			11 200	7 466	USD			
Australia	45 195 175	45 195 175			AUD			
Austria	33 136 757	33 136 757	7 540 000	7 540 000	EUR	8 796 600	10 800 000	7 356 960
Azerbaijan	5 000	5 000	95 000	95 000	USD			
Bangladesh	2 450 000	2 450 000	600 000	600 000	USD	600 000	600 000	408 720
Barbados	10 000	10 000			USD			
Belgium	62 249 722	62 249 722	9 445 407	6 296 938	EUR	10 099 800	12 400 000	8 446 880
Belize	205 333	205 333			USD			
Benin	100 000	100 000	100 000	96 850	USD			
Bhutan	78 000	78 000	27 000	27 000	USD	30 000	30 000	20 436
Bolivia	950 000	900 000	300 000	300 000	USD	300 000	300 000	204 360
Bosnia and Herzegovina					USD			
Botswana	235 000	235 000	100 000	100 000	USD			
Brazil	34 832 622	34 832 622	7 916 263	7 916 263	USD	7 916 263 ⁶	7 916 263	5 392 558
Burkina Faso	106 043	106 043	60 000	58 449	USD			
Burundi	69 861	69 861			USD			
Cambodia	210 000	210 000	210 000	210 000	USD			
Cameroon	589 574	589 574	300 000	300 000	USD	300 000	300 000	204 360
Canada	147 936 291	147 936 291	28 000 002	28 000 002	CAD	41 418 800 ⁷	34 000 000	23 160 800
Cape Verde	46 000	26 000			USD			
Central African Republic	82 127	19 521			USD			
Chad	30 000				USD			
Chile	605 000	605 000	95 000	95 000	USD			
China	30 200 000	30 200 000	10 500 000	10 500 000	USD	16 000 000	16 000 000	10 899 200

**SEVENTH REPLENISHMENT
CONTRIBUTIONS OF MEMBER STATES AT 16 FEBRUARY 2006**

Member State	A. Previous Contributions (USD)				B. Contributions Pledged to Seventh Replenishment			
	Cumulative Contributions in Convertible Currencies to IFAD's Replenishments (Initial to Fifth)		Sixth Replenishment ²		Unit of Obligation ³	Amount of Contribution in Unit of Obligation	Amount in USD ⁴	Equivalent in SDR ⁵
	Pledges A-1	Payments ¹ A-2	Pledges A-3	Payments ¹ A-4				
Colombia	370 000	370 000	100 000	100 000	USD	170 381	170 381	116 064
Comoros	25 000				USD			
Congo	335 549	235 549	300 000		USD			
Cook Islands	5 000	5 000			USD			
Costa Rica	90 000				USD			
Côte d'Ivoire	3 003 707	1 558 822			USD			
Croatia					USD			
Cuba	500 000				USD			
Cyprus	137 000	137 000	25 000	25 000	USD			
Democratic People's Republic of Korea	800 000	200 000	28 885		USD	20 000	20 000	13 624
Democratic Republic of the Congo	1 030 000	27 691	150 000	150 000	USD			
Denmark	87 297 460	87 297 460	22 031 855	19 439 872	DKK	60 000 000	9 883 702	6 732 778
Djibouti	31 000	6 000			USD			
Dominica	54 987	54 987			USD			
Dominican Republic	270 000	83 551			USD			
Ecuador	790 993	790 993			USD			
Egypt	11 000 000	11 000 000	3 000 000	3 000 000	USD	3 000 000	3 000 000	2 043 600
El Salvador	100 000	100 000			USD			
Equatorial Guinea	10 000				USD			
Eritrea	10 000	10 000	10 000	10 000	USD			
Ethiopia	160 869	160 869	30 000	30 000	USD	30 000	30 000	20 436
Fiji	230 000	194 229			USD	10 000	10 000	6 812
Finland	29 264 358	29 264 358	4 429 039	2 984 785	EUR	6 516 000	8 000 000	5 449 600
France	180 419 885	180 419 885	23 108 030	15 405 354	EUR	24 000 000 ⁸	29 465 930	20 072 192
Gabon	5 301 000	2 429 660	293 566	187 246	USD			
Gambia	30 086	30 086	15 000	9 810	USD			
Georgia	10 000				USD			
Germany	242 462 671	242 462 671	40 000 000	26 000 000	EUR	32 580 000 ⁹	40 000 000	27 248 000
Ghana	966 487	966 487	300 000		USD	400 000	400 000	272 480
Greece	2 350 000	2 350 000	600 000	600 000	EUR			

**SEVENTH REPLENISHMENT
CONTRIBUTIONS OF MEMBER STATES AT 16 FEBRUARY 2006**

Member State	A. Previous Contributions (USD)				B. Contributions Pledged to Seventh Replenishment			
	Cumulative Contributions in Convertible Currencies to IFAD's Replenishments (Initial to Fifth)		Sixth Replenishment ²		Unit of Obligation ³ B-1	Amount of Contribution in Unit of Obligation B-2	Amount in USD ⁴ B-3	Equivalent in SDR ⁵ B-4
	Pledges A-1	Payments ¹ A-2	Pledges A-3	Payments ¹ A-4				
Grenada	56 000	50 000	25 000	25 000	USD			
Guatemala	693 022	693 022	77 332	77 332	USD			
Guinea	170 000	170 000	70 000		USD			
Guinea-Bissau	55 000	30 000			USD			
Guyana	479 921	479 921	155 458	155 457	USD			
Haiti	130 000	107 118			USD			
Honduras	749 460	749 460	51 896	51 896	USD			
Iceland	5 000	5 000			USD			
India	40 249 313	40 249 313	15 000 000	10 000 000	USD	17 000 000	17 000 000	11 580 400
Indonesia	36 959 000	36 959 000	5 000 000	3 000 000	USD	5 000 000	5 000 000	3 406 000
Iran (Islamic Republic of)	167 995 000	13 825 500			USD			
Iraq	53 099 000	6 283 200			USD	2 000 000 ¹⁰	2 000 000	1 362 400
Ireland	5 323 440	5 323 440	1 130 000	1 130 001	EUR			
Israel	450 000	300 000			USD			
Italy	165 866 505	165 866 505	40 000 000		EUR			
Jamaica	325 229	325 229			USD			
Japan	249 746 637	249 746 637	30 000 000	30 000 000	JPY	3 635 718 900	33 000 000	22 479 600
Jordan	655 000	655 000	85 000	85 000	USD			
Kazakhstan					USD			
Kenya	3 628 897	3 074 365	60 000		USD	100 000	100 000	68 120
Kiribati			5 000	5 000	USD			
Kuwait	148 041 000	148 041 000	5 000 000	5 000 000	USD			
Kyrgyzstan					USD			
Lao People's Democratic Republic	153 000	103 000	51 000	51 000	USD	51 000	51 000	34 741
Lebanon	115 000	115 000			USD			
Lesotho	232 908	232 908	50 000	50 000	USD			
Liberia	89 000	39 000			USD			
Libyan Arab Jamahiriya	88 099 000	45 913 057			USD			
Luxembourg	1 979 775	1 979 775	491 046	491 046	EUR	650 000	798 036	543 622
Madagascar	188 357	188 357	91 355	91 355	USD	97 035	97 035	66 100

**SEVENTH REPLENISHMENT
CONTRIBUTIONS OF MEMBER STATES AT 16 FEBRUARY 2006**

Member State	A. Previous Contributions (USD)				B. Contributions Pledged to Seventh Replenishment			
	Cumulative Contributions in Convertible Currencies to IFAD's Replenishments (Initial to Fifth)		Sixth Replenishment ²		Unit of Obligation ³ B-1	Amount of Contribution in Unit of Obligation B-2	Amount in USD ⁴ B-3	Equivalent in SDR ⁵ B-4
	Pledges A-1	Payments ¹ A-2	Pledges A-3	Payments ¹ A-4				
Malawi	113 346	73 346			USD			
Malaysia	750 000	750 000	250 000	250 000	USD			
Maldives	51 000	51 000			USD			
Mali	49 701	49 701	11 020	11 020	USD			
Malta	54 985	54 985			USD			
Mauritania	105 000	22 828	30 000		USD			
Mauritius	250 000	250 000	20 000	20 000	USD			
Mexico	26 753 165	26 753 166	3 000 000	2 000 000	USD	3 000 000	3 000 000	2 043 600
Mongolia	2 000				USD			
Morocco	5 500 000	5 500 000	300 000	300 000	USD	200 000	200 000	136 240
Mozambique	240 000	240 000	80 000	80 000	USD			
Myanmar	250 000	250 000			USD			
Namibia	320 000	320 000	20 000	20 000	USD	20 000 #	20 000	13 624
Nepal	110 000	110 000	50 000	50 000	USD			
Netherlands	154 214 822	154 214 822	38 513 383	38 513 383	EUR	32 000 000	39 287 907	26 762 922
New Zealand	9 555 336	9 555 336			NZD			
Nicaragua	88 571	88 571	10 000	10 000	USD			
Niger	244 651	184 586			USD			
Nigeria	96 459 000	96 459 000	5 000 000	223 842	USD			
Niue ¹¹								
Norway	122 415 977	122 415 976	25 208 000	16 805 334	NOK	209 482 035	32 410 000	22 077 692
Oman	150 000	150 000	50 000	50 000	USD			
Pakistan	7 600 000	7 600 000	2 000 000	1 333 333	USD	4 000 000 ¹²	4 000 000	2 724 800
Panama	133 165	133 165	33 200	33 200	USD	33 200	33 200	22 616
Papua New Guinea	170 000	170 000			USD			
Paraguay	704 842	604 842			USD			
Peru	560 000	560 000	200 000	200 000	USD			
Philippines	1 600 000	1 600 000			USD			
Portugal	2 500 001	2 500 001	750 000	750 000	EUR	872 679	1 071 429	729 857
Qatar	28 980 000	28 980 000	1 000 037	1 000 037	USD	10 000 000	10 000 000	6 812 000

**SEVENTH REPLENISHMENT
CONTRIBUTIONS OF MEMBER STATES AT 16 FEBRUARY 2006**

Member State	A. Previous Contributions (USD)				B. Contributions Pledged to Seventh Replenishment			
	Cumulative Contributions in Convertible Currencies to IFAD's Replenishments (Initial to Fifth)		Sixth Replenishment ²		Unit of Obligation ³ B-1	Amount of Contribution in Unit of Obligation B-2	Amount in USD ⁴ B-3	Equivalent in SDR ⁵ B-4
	Pledges A-1	Payments ¹ A-2	Pledges A-3	Payments ¹ A-4				
Republic of Korea	7 590 000	7 590 000	2 500 000	1 750 000	USD	3 000 000	3 000 000	2 043 600
Republic of Moldova			6 100	6 100	USD			
Romania	50 000	50 000	100 000	100 000	USD			
Rwanda	159 499	159 499	4 352	4 352	USD			
Saint Kitts and Nevis	20 000	20 000			USD			
Saint Lucia	22 000	22 000			USD			
Saint Vincent and the Grenadines					USD			
Samoa	50 000	50 000			USD			
Sao Tome and Principe	10 000				USD			
Saudi Arabia	369 778 000	369 778 000	10 000 000	10 000 000	USD			
Senegal	215 461	215 461	57 245	57 245	USD			
Seychelles	19 667	19 667			USD			
Sierra Leone	18 430	18 430			USD			
Solomon Islands	35 000	10 000			USD			
Somalia	20 000	10 000			USD			
South Africa	500 000	500 000			USD			
Spain	9 841 159	9 841 159	2 500 000	2 500 000	EUR	6 000 000	7 366 483	5 018 048
Sri Lanka	5 601 001	5 600 001	1 001 000	334 000	USD	1 001 000	1 001 000	681 881
Sudan	620 000	620 000	156 810	156 810	USD	250 000	250 000	170 300
Suriname	150 000				USD			
Swaziland	178 329	178 329	40 000	40 000	USD			
Sweden	144 504 382	144 504 382	31 100 000	31 100 000	SEK ¹³			
Switzerland	64 593 175	64 593 175	14 000 000	9 323 092	CHF	21 448 900	17 000 000	11 580 400
Syrian Arab Republic	400 000	400 000	300 000	300 000	USD			
Tajikistan	200	200			USD			
Thailand	600 000	600 000	150 000	150 000	USD			
The former Yugoslav Republic of Macedonia					USD			
Timor-Leste					USD			
Togo	81 491	31 491			USD			
Tonga	55 000	55 000			USD			

**SEVENTH REPLENISHMENT
CONTRIBUTIONS OF MEMBER STATES AT 16 FEBRUARY 2006**

Member State	A. Previous Contributions (USD)				B. Contributions Pledged to Seventh Replenishment			
	Cumulative Contributions in Convertible Currencies to IFAD's Replenishments (Initial to Fifth)		Sixth Replenishment ²		Unit of Obligation ³	Amount of Contribution in Unit of Obligation	Amount in USD ⁴	Equivalent in SDR ⁵
	Pledges A-1	Payments ¹ A-2	Pledges A-3	Payments ¹ A-4				
Trinidad and Tobago	100 000				USD			
Tunisia	1 981 727	1 918 396	600 000	400 000	USD	600 000	600 000	408 720
Turkey	15 007 523	15 007 523	300 000	300 000	USD	900 000	900 000	613 080
Uganda	400 000	200 000	45 000	45 000	USD			
United Arab Emirates	50 180 000	50 180 000	1 000 000	1 000 000	USD			
United Kingdom of Great Britain and Northern Ireland	146 702 033	130 786 540	30 000 000		GBP	27 725 000 ¹⁴	50 000 000	34 060 000
United Republic of Tanzania	253 882	213 941	50 000	50 000	USD			
United States of America	602 674 400	602 674 400	45 000 000	29 690 661	USD	54 000 000	54 000 000	36 784 800
Uruguay	325 000	225 000			USD			
Venezuela (Bolivarian Republic of)	169 089 000	169 089 000	5 600 000	5 600 000	USD	15 000 000	15 000 000	10 218 000
Viet Nam	603 000	603 000	500 000	300 000	USD			
Yemen	1 400 000	1 400 000	500 000	384 316	USD			
Yugoslavia	120 000	100 000			USD			
Zambia	420 116	293 589			USD			
Zimbabwe	2 103 074	2 103 074			USD			
Total*	4 006 728 131	3 737 032 586	480 210 481	336 649 847			471 612 364*	321 263 582*

COMPLEMENTARY CONTRIBUTIONS TO REPLENISHMENTS

State	A. Previous Contributions (USD)**				B. Contributions Pledged to Seventh Replenishment			
	Fourth and Fifth Replenishment		Sixth Replenishment ²		Unit of Obligation ³	Amount of Contribution in Unit of Obligation	Amount in USD ⁴	Equivalent in SDR ⁵
	Pledges	Payments ¹	Pledges	Payments ¹				
Belgium	40 625 076	40 625 076	15 790 487	10 691 561	EUR	15 600 000 ¹⁵	19 152 855	13 046 924
Canada			1 284 357	1 284 357	CAD			
India			1 000 000		USD			
Italy	3 874 193	3 874 193			EUR			
Luxembourg			818 409	818 409	EUR			
Netherlands	15 312 075	15 312 075			EUR			
United Kingdom of Great Britain and Northern Ireland			10 000 000	5 175 826	GBP			
Total*	59 811 344	59 811 344	28 893 253	17 970 153			19 152 855*	13 046 924*
Total Replenishment*	4 066 539 475	3 796 843 930	509 103 735	354 620 000			490 765 219*	334 310 507*

- 1 Payments in cash and promissory notes excluding accounting provisions against the encashment of promissory notes at time of drawdown.
2 In accordance with Resolution 130/XXVI on the Sixth Replenishment of IFAD's Resources.
3 The following abbreviations are used for currencies:
AUD: Australian dollar EUR: euro NZD: New Zealand dollar
CAD: Canadian dollar GBP: pound sterling SDR: Special Drawing Right
CHF: Swiss franc JPY: Japanese yen SEK: Swedish krona
DKK: Danish krone NOK: Norwegian krone USD: United States dollar
- 4 Converted into USD amount applying the average exchange rate as described in paragraph II.15 of this Resolution.
5 Converted from USD amount applying the average IMF USD/SDR exchange rate for the period 1 April 2005-30 September 2005.
6 This pledge is subject to a satisfactory agreement on the application of the PBAS system.
7 Canada's pledge is subject to governmental approval.
8 France has pledged EUR 24 million, or 4.1% of a presumed replenishment target of USD 720 million. Should the replenishment level be lower, France could make the balance available as an additional contribution based on IFAD's share of resources to Africa.
9 Germany's pledge up to the amount of USD 40 million is subject to parliamentary approval.
10 Iraq has pledged USD 2 million plus a 10% increase each year during the Seventh Replenishment period (2007-2009).
11 The application for membership in IFAD of this State was approved by the Governing Council by Resolution 140/XXIX.
12 Pakistan may increase its pledge by a further USD 5 million.
13 Sweden will assume its share of the target level, up to USD 44 million.
14 Of the United Kingdom pledge of USD 50 million equivalent, USD 15 million will be contingent upon achievement by 31 December 2007 of certain deliverables that are included in the Action Plan, in accordance with paragraph II.5(c) of this Resolution; such deliverables will be communicated by the United Kingdom to the Fund.
15 This amount has been pledged by Belgium as a complementary contribution in accordance with paragraphs II.4 (d) and II.5 (b) of this Resolution. The Governing Council has decided that this complementary contribution shall be used for the objectives of the Belgian Survival Fund for the Third World, and in conformity with its procedures.
This amount has been paid as an advance contribution, but no pledge has yet been received.
* The totals for Seventh Replenishment reflect the pledges made up to the present date. However, a number of countries have yet to announce their pledges and this table will be updated periodically to take account of the additional pledges.
** There were no complementary contributions previous to the Fourth Replenishment.

ANNEX IV
ATTACHMENT B

PROCEDURES FOR THE USE OF ADVANCE COMMITMENT AUTHORITY

1. The main purpose of Advance Commitment Authority (ACA) is to fill shortfalls in the amount of committable resources available for loans and grants that may arise in a particular year.
2. The Executive Board shall ensure that the amount available for commitment under ACA and related disbursement requirements remain within the limits of financial prudence, using conservative assumptions and including a margin for expected loan repayment arrears. The Executive Board shall receive projections in relation to commitments to be made under ACA (expected loan reflows and disbursements) that include safety margins to ensure that the cash-in-hand at any point in time is sufficient to cover the disbursement needs of the Fund.
3. ACA may only be used if the resources available for commitment (i.e. net additional resources received or accrued during the previous year, in addition to unused resources brought forward) are insufficient to complete the approved lending programme in any given year.
4. ACA may only be used to make commitments for loans and grants.
5. The President of the Fund shall ensure that accounting mechanisms are established to show the level of ACA used on each occasion and the loan reflows that are set aside for disbursements arising from such commitments.
6. The President of the Fund shall ensure that accounting procedures are established so that once a commitment for a loan or a grant is made under ACA, the disbursements associated with such commitment are removed from the loan reflows subsequently received in order to avoid double counting.
7. The Executive Board shall approve the total resource commitment to be made through ACA at each session of the Executive Board. In no event shall the maximum amount that may be made available through ACA during the Replenishment Period exceed five years of future reflows.
8. The President of the Fund shall report regularly to the Executive Board on the status of Resources Available for Commitment, including the management of ACA. This report shall include details on resources available for commitment from assets held in freely convertible currencies (Members' contributions, investment holding, etc.) less liabilities, commitments already made, exclusions from committable resources due to accounting provisions, the current and cumulative amount committed under ACA, the amount of ACA transferred to Regular Resources, and the amount that may be available under ACA for future use, with detailed calculations and assumptions.
9. The use of ACA shall be reviewed by the External Auditor and his findings shall form part of the regular audit of the Financial Statements of the Fund. The External Auditor's report shall be discussed with the Audit Committee of the Executive Board in the same manner as for his report on the Financial Statements of the Fund.

**SEVENTH REPLENISHMENT
VOTES OF MEMBER STATES AT 16 FEBRUARY 2006**

Member State	A. Original Votes			B. Fourth, Fifth and Sixth Replenishment Votes			C. Total Original, Fourth, Fifth and Sixth Replenishment Votes	D. Seventh Replenishment Votes				
	A-1 Membership Votes	A-2 Contribution Votes ¹	A-3 Total Votes	B-1 Membership Votes	B-2 Contribution Votes ¹	B-3 Total Votes		D-1 Membership Votes	Contribution Votes ¹		D-4 Actual Total Votes	E. Actual Total Votes ²
									D-2 Potential	D-3 Actual		
Afghanistan	4.817	0.000	4.817	2.164	0.000	2.164	6.981					6.981
Albania	4.817	0.000	4.817	2.164	0.013	2.176	6.994					6.994
Algeria	4.817	17.126	21.943	2.164	0.792	2.956	24.899					24.899
Angola	4.817	0.007	4.824	2.164	0.105	2.268	7.092					7.092
Antigua and Barbuda	4.817	0.000	4.817	2.164	0.000	2.164	6.981					6.981
Argentina	4.817	1.693	6.510	2.164	0.555	2.718	9.228					9.228
Armenia	4.817	0.000	4.817	2.164	0.004	2.168	6.985					6.985
Australia	4.817	12.102	16.919	2.164	3.884	6.048	22.967					22.967
Austria	4.817	7.028	11.845	2.164	8.665	10.829	22.674					22.674
Azerbaijan	4.817	0.000	4.817	2.164	0.050	2.213	7.030					7.030
Bangladesh	4.817	0.432	5.249	2.164	0.760	2.924	8.173					8.173
Barbados	4.817	0.001	4.818	2.164	0.003	2.166	6.984					6.984
Belgium	4.817	15.125	19.942	2.164	10.223	12.387	32.329					32.329
Belize	4.817	0.036	4.853	2.164	0.039	2.203	7.057					7.057
Benin	4.817	0.017	4.834	2.164	0.068	2.232	7.066					7.066
Bhutan	4.817	0.009	4.826	2.164	0.033	2.197	7.023					7.023
Bolivia	4.817	0.104	4.921	2.164	0.380	2.544	7.465					7.465
Bosnia and Herzegovina	4.817	0.000	4.817	2.164	0.000	2.164	6.981					6.981
Botswana	4.817	0.029	4.846	2.164	0.108	2.271	7.118					7.118
Brazil	4.817	6.563	11.380	2.164	10.030	12.193	23.573					23.573
Burkina Faso	4.817	0.010	4.827	2.164	0.059	2.222	7.050					7.050
Burundi	4.817	0.024	4.841	2.164	0.000	2.164	7.005					7.005
Cambodia	4.817	0.000	4.817	2.164	0.188	2.352	7.169					7.169
Cameroon	4.817	0.117	4.934	2.164	0.243	2.407	7.341					7.341
Canada	4.817	36.896	41.713	2.164	29.797	31.961	73.674					73.674
Cape Verde	4.817	0.004	4.821	2.164	0.006	2.169	6.990					6.990
Central African Republic	4.817	0.007	4.824	2.164	0.000	2.164	6.988					6.988
Chad	4.817	0.000	4.817	2.164	0.000	2.164	6.981					6.981
Chile	4.817	0.036	4.853	2.164	0.233	2.396	7.250					7.250
China	4.817	4.041	8.858	2.164	12.366	14.530	23.388					23.388

SEVENTH REPLENISHMENT
VOTES OF MEMBER STATES AT 16 FEBRUARY 2006

Member State	A. Original Votes			B. Fourth, Fifth and Sixth Replenishment Votes			C. Total Original, Fourth, Fifth and Sixth Replenishment Votes	D. Seventh Replenishment Votes				
	A-1 Membership Votes	A-2 Contribution Votes ¹	A-3 Total Votes	B-1 Membership Votes	B-2 Contribution Votes ¹	B-3 Total Votes		D-1 Membership Votes	Contribution Votes ¹		D-4 Actual Total Votes	E. Actual Total Votes ²
									D-2 Potential	D-3 Actual		
Colombia	4.817	0.024	4.841	2.164	0.164	2.327	7.169					7.169
Comoros	4.817	0.000	4.817	2.164	0.000	2.164	6.981					6.981
Congo	4.817	0.080	4.897	2.164	0.001	2.165	7.062					7.062
Cook Islands	4.817	0.000	4.817	2.164	0.002	2.166	6.983					6.983
Costa Rica	4.817	0.000	4.817	2.164	0.000	2.164	6.981					6.981
Côte d'Ivoire	4.817	0.173	4.990	2.164	0.393	2.557	7.546					7.546
Croatia	4.817	0.000	4.817	2.164	0.000	2.164	6.981					6.981
Cuba	4.817	0.000	4.817	2.164	0.000	2.164	6.981					6.981
Cyprus	4.817	0.030	4.847	2.164	0.032	2.195	7.043					7.043
Democratic People's Republic of Korea	4.817	0.000	4.817	2.164	0.076	2.240	7.057					7.057
Democratic Republic of the Congo	4.817	0.010	4.827	2.164	0.075	2.239	7.066					7.066
Denmark	4.817	11.446	16.263	2.164	30.472	32.636	48.898					48.898
Djibouti	4.817	0.002	4.819	2.164	0.000	2.164	6.983					6.983
Dominica	4.817	0.016	4.833	2.164	0.004	2.167	7.000					7.000
Dominican Republic	4.817	0.009	4.826	2.164	0.023	2.187	7.013					7.013
Ecuador	4.817	0.135	4.952	2.164	0.150	2.314	7.266					7.266
Egypt	4.817	1.727	6.544	2.164	3.801	5.965	12.509					12.509
El Salvador	4.817	0.035	4.852	2.164	0.000	2.164	7.015					7.015
Equatorial Guinea	4.817	0.000	4.817	2.164	0.000	2.164	6.981					6.981
Eritrea	4.817	0.000	4.817	2.164	0.009	2.173	6.990					6.990
Ethiopia	4.817	0.035	4.852	2.164	0.038	2.202	7.054					7.054
Fiji	4.817	0.045	4.862	2.164	0.024	2.188	7.050					7.050
Finland	4.817	7.621	12.438	2.164	4.252	6.416	18.854					18.854
France	4.817	45.049	49.866	2.164	26.854	29.018	78.884					78.884
Gabon	4.817	0.839	5.656	2.164	0.094	2.258	7.914					7.914
Gambia	4.817	0.007	4.824	2.164	0.009	2.172	6.996					6.996
Georgia	4.817	0.000	4.817	2.164	0.000	2.164	6.981					6.981
Germany	4.817	60.952	65.769	2.164	38.218	40.381	106.151					106.151
Ghana	4.817	0.127	4.944	2.164	0.229	2.393	7.337					7.337
Greece	4.817	0.397	5.214	2.164	0.760	2.924	8.138					8.138

**SEVENTH REPLENISHMENT
VOTES OF MEMBER STATES AT 16 FEBRUARY 2006**

Member State	A. Original Votes			B. Fourth, Fifth and Sixth Replenishment Votes			C. Total Original, Fourth, Fifth and Sixth Replenishment Votes	D. Seventh Replenishment Votes				
	A-1 Membership Votes	A-2 Contribution Votes ¹	A-3 Total Votes	B-1 Membership Votes	B-2 Contribution Votes ¹	B-3 Total Votes		D-1 Membership Votes	Contribution Votes ¹		D-4 Actual Total Votes	E. Actual Total Votes ²
									D-2 Potential	D-3 Actual		
Grenada	4.817	0.009	4.826	2.164	0.022	2.186	7.012					7.012
Guatemala	4.817	0.086	4.903	2.164	0.209	2.373	7.276					7.276
Guinea	4.817	0.041	4.859	2.164	0.019	2.183	7.042					7.042
Guinea-Bissau	4.817	0.010	4.827	2.164	0.000	2.164	6.991					6.991
Guyana	4.817	0.073	4.890	2.164	0.178	2.342	7.231					7.231
Haiti	4.817	0.037	4.854	2.164	0.000	2.164	7.018					7.018
Honduras	4.817	0.118	4.935	2.164	0.182	2.346	7.281					7.281
Iceland	4.817	0.000	4.817	2.164	0.002	2.166	6.983					6.983
India	4.817	6.649	11.466	2.164	13.090	15.253	26.719					26.719
Indonesia	4.817	5.858	10.675	2.164	9.153	11.317	21.992					21.992
Iran (Islamic Republic of)	4.817	4.776	9.593	2.164	0.000	2.164	11.756					11.756
Iraq	4.817	2.170	6.987	2.164	0.000	2.164	9.151					9.151
Ireland	4.817	1.194	6.011	2.164	1.284	3.447	9.459					9.459
Israel	4.817	0.052	4.869	2.164	0.055	2.219	7.088					7.088
Italy	4.817	36.775	41.592	2.164	22.717	24.880	66.472					66.472
Jamaica	4.817	0.061	4.878	2.164	0.055	2.219	7.097					7.097
Japan	4.817	62.781	67.598	2.164	40.963	43.127	110.725					110.725
Jordan	4.817	0.088	4.905	2.164	0.192	2.356	7.261					7.261
Kazakhstan	4.817	0.000	4.817	2.164	0.000	2.164	6.981					6.981
Kenya	4.817	0.891	5.708	2.164	0.183	2.347	8.055					8.055
Kiribati	4.817	0.000	4.817	2.164	0.003	2.166	6.983					6.983
Kuwait	4.817	45.263	50.080	2.164	8.847	11.011	61.091					61.091
Kyrgyzstan	4.817	0.000	4.817	2.164	0.000	2.164	6.981					6.981
Lao People's Democratic Republic	4.817	0.001	4.818	2.164	0.064	2.228	7.046					7.046
Lebanon	4.817	0.009	4.826	2.164	0.033	2.197	7.023					7.023
Lesotho	4.817	0.046	4.863	2.164	0.063	2.227	7.090					7.090
Liberia	4.817	0.013	4.831	2.164	0.000	2.164	6.994					6.994
Libyan Arab Jamahiriya	4.817	15.859	20.676	2.164	0.000	2.164	22.840					22.840
Luxembourg	4.817	0.408	5.225	2.164	0.553	2.716	7.941					7.941
Madagascar	4.817	0.035	4.852	2.164	0.081	2.244	7.096					7.096

SEVENTH REPLENISHMENT
VOTES OF MEMBER STATES AT 16 FEBRUARY 2006

Member State	A. Original Votes			B. Fourth, Fifth and Sixth Replenishment Votes			C. Total Original, Fourth, Fifth and Sixth Replenishment Votes	D. Seventh Replenishment Votes				
	A-1 Membership Votes	A-2 Contribution Votes ¹	A-3 Total Votes	B-1 Membership Votes	B-2 Contribution Votes ¹	B-3 Total Votes		D-1 Membership Votes	Contribution Votes ¹		D-4 Actual Total Votes	E. Actual Total Votes ²
									D-2 Potential	D-3 Actual		
Malawi	4.817	0.025	4.842	2.164	0.000	2.164	7.006					7.006
Malaysia	4.817	0.000	4.817	2.164	0.409	2.573	7.390					7.390
Maldives	4.817	0.009	4.826	2.164	0.009	2.173	6.999					6.999
Mali	4.817	0.010	4.827	2.164	0.014	2.177	7.004					7.004
Malta	4.817	0.005	4.822	2.164	0.015	2.179	7.001					7.001
Mauritania	4.817	0.008	4.825	2.164	0.000	2.164	6.989					6.989
Mauritius	4.817	0.029	4.846	2.164	0.073	2.237	7.083					7.083
Mexico	4.817	7.168	11.985	2.164	3.299	5.462	17.448					17.448
Mongolia	4.817	0.000	4.817	2.164	0.000	2.164	6.981					6.981
Morocco	4.817	1.036	5.853	2.164	1.088	3.251	9.105					9.105
Mozambique	4.817	0.028	4.845	2.164	0.101	2.265	7.110					7.110
Myanmar	4.817	0.086	4.903	2.164	0.000	2.164	7.067					7.067
Namibia	4.817	0.007	4.824	2.164	0.121	2.285	7.109					7.109
Nepal	4.817	0.021	4.838	2.164	0.044	2.207	7.045					7.045
Netherlands	4.817	40.981	45.798	2.164	33.203	35.367	81.165					81.165
New Zealand	4.817	2.406	7.223	2.164	0.985	3.149	10.372					10.372
Nicaragua	4.817	0.013	4.830	2.164	0.024	2.187	7.018					7.018
Niger	4.817	0.064	4.881	2.164	0.000	2.164	7.045					7.045
Nigeria	4.817	29.864	34.681	2.164	3.936	6.099	40.780					40.780
Niue ³												
Norway	4.817	29.607	34.424	2.164	22.473	24.637	59.061					59.061
Oman	4.817	0.052	4.869	2.164	0.025	2.189	7.058					7.058
Pakistan	4.817	1.243	6.061	2.164	2.199	4.363	10.423					10.423
Panama	4.817	0.023	4.840	2.164	0.042	2.206	7.046					7.046
Papua New Guinea	4.817	0.059	4.876	2.164	0.000	2.164	7.040					7.040
Paraguay	4.817	0.069	4.886	2.164	0.150	2.313	7.200					7.200
Peru	4.817	0.055	4.872	2.164	0.253	2.417	7.290					7.290
Philippines	4.817	0.276	5.093	2.164	0.303	2.467	7.561					7.561
Portugal	4.817	0.345	5.162	2.164	0.825	2.988	8.151					8.151
Qatar	4.817	10.010	14.827	2.164	0.502	2.666	17.493					17.493

**SEVENTH REPLENISHMENT
VOTES OF MEMBER STATES AT 16 FEBRUARY 2006**

Member State	A. Original Votes			B. Fourth, Fifth and Sixth Replenishment Votes			C. Total Original, Fourth, Fifth and Sixth Replenishment Votes	D. Seventh Replenishment Votes				
	A-1 Membership Votes	A-2 Contribution Votes ¹	A-3 Total Votes	B-1 Membership Votes	B-2 Contribution Votes ¹	B-3 Total Votes		D-1 Membership Votes	Contribution ¹		D-4 Actual Total Votes	E. Actual Total Votes ²
									D-2 Votes Potential	D-3 Actual		
Republic of Korea	4.817	0.895	5.712	2.164	2.791	4.954	10.666					10.666
Republic of Moldova	4.817	0.000	4.817	2.164	0.003	2.167	6.984					6.984
Romania	4.817	0.000	4.817	2.164	0.069	2.233	7.050					7.050
Rwanda	4.817	0.043	4.860	2.164	0.015	2.179	7.039					7.039
Saint Kitts and Nevis	4.817	0.003	4.821	2.164	0.004	2.167	6.988					6.988
Saint Lucia	4.817	0.004	4.821	2.164	0.004	2.167	6.989					6.989
Saint Vincent and the Grenadines	4.817	0.000	4.817	2.164	0.000	2.164	6.981					6.981
Samoa	4.817	0.012	4.829	2.164	0.006	2.169	6.998					6.998
Sao Tome and Principe	4.817	0.000	4.817	2.164	0.000	2.164	6.981					6.981
Saudi Arabia	4.817	125.653	130.471	2.164	7.317	9.481	139.952					139.952
Senegal	4.817	0.032	4.849	2.164	0.076	2.240	7.089					7.089
Seychelles	4.817	0.005	4.822	2.164	0.002	2.166	6.988					6.988
Sierra Leone	4.817	0.006	4.823	2.164	0.000	2.164	6.987					6.987
Solomon Islands	4.817	0.003	4.821	2.164	0.000	2.164	6.984					6.984
Somalia	4.817	0.003	4.821	2.164	0.000	2.164	6.984					6.984
South Africa	4.817	0.000	4.817	2.164	0.185	2.349	7.166					7.166
Spain	4.817	2.211	7.028	2.164	2.578	4.741	11.769					11.769
Sri Lanka	4.817	1.209	6.026	2.164	0.969	3.133	9.159					9.159
Sudan	4.817	0.076	4.893	2.164	0.232	2.395	7.289					7.289
Suriname	4.817	0.000	4.817	2.164	0.000	2.164	6.981					6.981
Swaziland	4.817	0.018	4.835	2.164	0.068	2.232	7.067					7.067
Sweden	4.817	33.085	37.902	2.164	34.249	36.413	74.315					74.315
Switzerland	4.817	14.360	19.177	2.164	13.484	15.648	34.825					34.825
Syrian Arab Republic	4.817	0.000	4.817	2.164	0.305	2.469	7.286					7.286
Tajikistan	4.817	0.000	4.817	2.164	0.000	2.164	6.981					6.981
Thailand	4.817	0.155	4.973	2.164	0.135	2.298	7.271					7.271
The former Yugoslav Republic of Macedonia	4.817	0.000	4.817	2.164	0.000	2.164	6.981					6.981
Timor-Leste	4.817	0.000	4.817	2.164	0.000	2.164	6.981					6.981
Togo	4.817	0.011	4.828	2.164	0.000	2.164	6.992					6.992
Tonga	4.817	0.009	4.826	2.164	0.011	2.175	7.001					7.001

**SEVENTH REPLENISHMENT
VOTES OF MEMBER STATES AT 16 FEBRUARY 2006**

Member State	A. Original Votes			B. Fourth, Fifth and Sixth Replenishment Votes			C. Total Original, Fourth, Fifth and Sixth Replenishment Votes	D. Seventh Replenishment Votes				
	A-1	A-2	A-3	B-1	B-2	B-3		D-1	Contribution ¹		D-4	E.
	Membership Votes	Contribution Votes ¹	Total Votes	Membership Votes	Contribution Votes ¹	Total Votes			D-2	D-3		
Trinidad and Tobago	4.817	0.000	4.817	2.164	0.000	2.164	6.981					6.981
Tunisia	4.817	0.276	5.093	2.164	0.630	2.794	7.887					7.887
Turkey	4.817	1.730	6.547	2.164	3.974	6.138	12.684					12.684
Uganda	4.817	0.038	4.855	2.164	0.057	2.221	7.076					7.076
United Arab Emirates	4.817	16.642	21.459	2.164	1.267	3.431	24.890					24.890
United Kingdom of Great Britain and Northern Ireland	4.817	32.708	37.525	2.164	13.699	15.863	53.388					53.388
United Republic of Tanzania	4.817	0.031	4.848	2.164	0.074	2.238	7.085					7.085
United States of America	4.817	187.447	192.264	2.164	37.853	40.017	232.281					232.281
Uruguay	4.817	0.069	4.886	2.164	0.009	2.173	7.059					7.059
Venezuela (Bolivarian Republic of)	4.817	55.435	60.252	2.164	6.109	8.272	68.524					68.524
Viet Nam	4.817	0.001	4.818	2.164	0.385	2.549	7.367					7.367
Yemen	4.817	0.207	5.024	2.164	0.501	2.665	7.690					7.690
Yugoslavia	4.817	0.035	4.852	2.164	0.000	2.164	7.015					7.015
Zambia	4.817	0.067	4.884	2.164	0.039	2.203	7.087					7.087
Zimbabwe	4.817	0.554	5.371	2.164	0.185	2.349	7.719					7.719
Total	790.000	1010.000	1800.000	354.860	479.606	834.466	2634.466					2634.466

¹ Only freely convertible currency contributions will be taken into account in calculating contribution votes, in accordance with paragraph IV.20 of this Resolution.

² The actual total votes shown here are subject to change as countries complete their payments to the Fifth and Sixth replenishments (as well as previous replenishments where relevant).

³ The application of this State for membership in IFAD was approved by the Governing Council by Resolution 140/XXIX.

ANNEX IV
ATTACHMENT D

INSTRUMENT OF CONTRIBUTION TO THE RESOURCES OF IFAD

The President
The International Fund for
Agricultural Development
107 Via del Serafico
00142 Rome
Italy

1. I have the honour to inform you that (name of donor country) will contribute an amount equivalent to (amount in letters)* (state applicable unit of obligation) (amount in figures in applicable unit of obligation)* as its additional contribution to the resources of the International Fund for Agricultural Development (IFAD). This contribution will be made in accordance with the terms and conditions set forth in Resolution ___/XXIX of the Governing Council.

2. Payment of the contribution will be made in (unit of obligation)*/ (in a single sum/two instalments/three instalments) (in cash) (partly in cash and partly in the form of promissory notes or other similar obligation) (in the form of promissory notes or other similar obligation). The amount of (amount in figures in applicable unit of obligation) */ which constitutes the (total contribution) (first instalment) of (country) will be paid by _____ 20_ in (cash) (by promissory note or other similar obligation) (cash equivalent of SDR..... and the balance in the form of promissory note or other similar obligation).

3. The balance of the contribution will be paid in ___ instalments by _____ 20_ in (cash) (cash and promissory notes or other similar obligation) (promissory notes or other similar obligation).¹

4. The balance of the contribution will be payable after the enactment of necessary appropriation legislation and we will seek the necessary appropriation to complete our payments within the Replenishment period.²

* If the currency of payment is different from the unit of obligation then please state here the currency of payment.

¹ This paragraph is to be used only in conjunction with paragraph II.9(d) of the Resolution and the timings of the payment of instalments should be indicated. The paragraph is to be deleted when not applicable.

² This paragraph should be deleted when not applicable.

ANNEX IV
ATTACHMENT D

5. (country) will not exercise its option under paragraph II.13 of the Resolution of modifying its commitment provided in this Instrument.³

6. I confirm that all other requirements that are necessary for the deposit of this Instrument of Contribution with IFAD have been duly completed.

(Name of donor country)

(signature of authorized
representative)
(Title of the Signatory)

³ This paragraph should be deleted when not applicable.

ANNEX IV
ATTACHMENT E**FIXED REFERENCE EXCHANGE RATES (PARAGRAPH II.15)**
1 APRIL 2005 - 30 SEPTEMBER 2005

Currency	April	May	June	July	August	September	Six-month average (1 April to 30 September)
AUD	1.2802	1.3233	1.3094	1.3167	1.3385	1.3132	1.3135
CAD	1.2569	1.2510	1.2256	1.2259	1.1889	1.1611	1.2182
CHF	1.1865	1.2480	1.2849	1.2905	1.2702	1.2902	1.2617
DKK	5.7467	6.0354	6.1623	6.1681	6.1143	6.1970	6.0706
EUR	0.7718	0.8110	0.8270	0.8269	0.8198	0.8304	0.8145
GBP	0.5230	0.5500	0.5576	0.5695	0.5609	0.5662	0.5545
JPY	105.8900	108.0800	110.4000	112.2200	111.3000	113.1500	110.1733
NOK	6.2846	6.4382	6.5461	6.5220	6.4486	6.5413	6.4635
NZD	1.3738	1.4059	1.4288	1.4633	1.4552	1.4497	1.4294
SDR	0.6593	0.6780	0.6865	0.6888	0.6850	0.6899	0.6812
SEK	7.0750	7.3975	7.8175	7.7425	7.6625	7.7800	7.5792

**THE ADMINISTRATIVE BUDGET OF IFAD
AND OF ITS OFFICE OF EVALUATION FOR 2006**

Resolution 142/XXIX

Administrative Budget of IFAD and of its Office of Evaluation for 2006

The Governing Council of IFAD,

Bearing in mind Article 6.10 of the Agreement Establishing IFAD and Regulation VI of the Financial Regulations of IFAD;

Noting that, at its Eighty-sixth Session, the Executive Board reviewed and agreed upon a programme of work for 2006 in the amount of SDR 379.49 million and a total Programme Development Financing Facility of USD 30.4 million;

Having considered the review of the Eighty-sixth Session of the Executive Board concerning the proposed administrative budget of IFAD and of its Office of Evaluation for 2006;

Approves the administrative budget of IFAD for 2006, as contained in document GC 29/L.6, in the amount of USD 61.1 million plus USD 0.4 million to cover one-time costs for IFAD as well as USD 4.79 million for the Office of Evaluation, determined on the basis of a rate of exchange of EUR 0.819/USD 1.00; and

Decides that in the event the average value of the United States dollar in 2006 should change against the euro rate of exchange used to calculate the budget, the total United States dollar equivalent of the euro expenditures in the budget shall be adjusted in the proportion that the actual exchange rate in 2006 bears to the budget exchange rate.

LOAN ADMINISTRATION AND SUPERVISION OF PROJECT IMPLEMENTATION

Resolution 143/XXIX

Loan Administration and Supervision of Project Implementation

The Governing Council of IFAD,

Having considered the Report and Recommendation of the Executive Board on Supervision;

Recalling its Resolution 102/XX on Loan Administration and Supervision of Project Implementation, adopted on 21 February 1997;

Desirous of strengthening the operational effectiveness of IFAD on project supervision and loan administration;

Noting the provisions of Article 7, Section 2 (g), of the Agreement Establishing IFAD to the effect that IFAD “shall entrust the administration of loans, for the purposes of the disbursement of the proceeds of the loan and the supervision of the implementation of the project or programme concerned, to competent international institutions.”;

Decides that:

1. The 15 directly-supervised and administered projects financed by IFAD in accordance with Resolution 102/XX shall continue to be directly supervised and administered until such time as the IFAD loans for the projects shall be closed, notwithstanding the provisions of Article 7, Section 2 (g), of the Agreement Establishing IFAD.

2. Article 7, Section 2 (g), of the Agreement Establishing IFAD is hereby amended to read as follows (the text to be deleted is struck out and the text to be added is underlined):

“Except as the Executive Board shall otherwise decide, the Fund shall entrust the administration of loans, for the purposes of the disbursement of the proceeds of the loan and the supervision of the implementation of the project or programme concerned, to competent national, regional, international or other institutions or entities. Such institutions or entities shall be of a world-wide, ~~or regional~~ or national character and shall be selected in each case with the approval of the recipient. Before submitting the loan to the Executive Board for approval, the Fund shall assure itself that the institution or entity to be entrusted with the supervision agrees with the results of the appraisal of the project or programme concerned. This shall be arranged between the Fund and the institution or agency in charge of the appraisal, as well as with the institution or entity to be entrusted with the supervision”.

3. Paragraph 43 of the Lending Policies and Criteria is hereby amended to read as follows (the text to be deleted is struck out and the text to be added is underlined):

ANNEX IV

“Project identification and preparation are normally the primary responsibility of the government seeking IFAD funds. The Fund will secure, where necessary, the services of other international or regional institutions to assist the countries in the identification and preparation of projects. The Fund, while utilizing the services of national, international, and regional and other institutions or entities in project appraisal and the supervision of project implementation, will itself actively participate in these activities, in order to ensure the observance of its lending policies and criteria, and may occasionally, with the authorization of the Executive Board, supervise project implementation directly.”

This Resolution and the amendments contained therein shall enter into force and effect on the date of its adoption by the Governing Council.

