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Enabling poor rural people  
to overcome poverty

## **Implementation of rule 24 of the Rules of Procedure of the Executive Board on the lapse-of-time procedure**

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Executive Board — 100<sup>th</sup> Session  
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**For: Approval**

## Recommendation for approval

The Executive Board is invited to approve the following methodology and principles for governing implementation of Rule 24 of the Rules of Procedure of the Executive Board, approved by the Board in December 2009 (EB 2009/98/R.15/Rev.1).

In implementing the lapse-of-time approval procedure, IFAD Management shall apply the following methodology and principles:

- (i) Except for large grants regulated by the IFAD Policy for Grant Financing, no projects/programmes will be deemed approved under the lapse-of-time procedure if the negotiated financing agreement is not delivered to members.
- (ii) Negotiated financing agreements will be delivered to members at least five business days prior to the lapse of 30 days following delivery of the proposals (i.e. President's reports and project/programme design documents).
- (iii) In the event that the negotiated financing agreement is not posted on the Fund's website within the stipulated time, in accordance with (ii) above, and/or there are substantial changes with respect to the terms and conditions presented to members in the President's report, the proposal concerned will be deemed withdrawn from the lapse-of-time approval process. Such proposal may be resubmitted for approval later, either under the lapse-of-time procedure or at a regular session of the Executive Board.

## Implementation of rule 24 of the Rules of Procedure of the Executive Board on the lapse-of-time procedure

### I. Background and rationale

1. The Executive Board, at its ninety-eighth session, approved the Proposal to streamline the Executive Board approval process for IFAD-funded projects and programmes (EB 2009/98/R.15/Rev.1). The lapse-of-time approval procedure aims to enable the Board to dedicate more time to its strategic policy and oversight responsibilities by reducing the time spent on approving IFAD-funded projects/programmes during Executive Board sessions. For this reason, the Rules of Procedure of the Executive Board were revised and a new rule 24 was approved as follows:

#### **Lapse-of-time procedure**

"Proposals for projects and programmes submitted by the President pursuant to article 7, section 2(c) of the Agreement shall be considered approved by the Executive Board if no request for consideration during a session of the Executive Board is received from any member within thirty days of the delivery to the members. For the purposes of this rule, delivery shall mean posting on the Fund's website and notification to members by e-mail."

2. In order to ensure that the lapse-of-time approval process is transparent, robust and sound, the Executive Board is now requested to approve the methodology and principles to be followed for implementation of rule 24.

## **II. Implementation of rule 24 of the Rules of Procedure of the Executive Board**

3. IFAD Management recommends that the following methodology and principles shall govern implementation of the lapse-of-time procedure:
  - (i) Project/programme proposals shall be delivered through posting on the IFAD website and notification thereof to members. The proposal is deemed approved if no request for consideration at a regular Board session is received from any member within 30 days of delivery.
  - (ii) Except for large grants regulated by the IFAD Policy for Grant Financing, no projects/programmes will be deemed approved under the lapse-of-time procedure if the negotiated financing agreement is not delivered to members.
  - (iii) Negotiated financing agreements will be delivered to members at least five business days prior to the lapse of 30 days following delivery of the proposals (i.e. President's reports and project/programme design documents).
  - (iv) In the event that the negotiated financing agreement is not posted on the Fund's website within the stipulated time, in accordance with (ii) above, and/or there are substantial changes with respect to the terms and conditions presented to members in the President's report, the proposal concerned will be deemed withdrawn from the lapse-of-time approval process. Such proposal may be resubmitted for approval later, either under the lapse-of-time procedure or at a regular session of the Executive Board.
4. Management deems that the methodology and principles described above for the implementation of rule 24 of the Rules of Procedure of the Executive Board ensure that Board members have sufficient information for making appropriate decisions.