

Document: EB 2012/105/R.28
Agenda: 10
Date: 6 March 2012
Distribution: Public
Original: English

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Enabling poor rural people
to overcome poverty

Instrument establishing the Reimbursable Technical Assistance (RTA) Programme

Note to Executive Board representatives

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Executive Board — 105th Session
Rome, 3-4 April 2012

For: Approval

Recommendation for approval

The Executive Board is invited to approve the draft resolution on the instrument establishing the Reimbursable Technical Assistance (RTA) Programme contained in the annex to this document.

Instrument establishing the Reimbursable Technical Assistance (RTA) Programme

The document annexed hereto has been prepared by the Office of the General Counsel in consultation with the Chief Financial Officer and Head, Financial Operations Department; the Director and Controller, Financial Services Division; and the Programme Management Department. It concerns the creation of an instrument for the establishment of the Reimbursable Technical Assistance (RTA) Programme. This instrument is designed to provide a tool through which IFAD can attract resources and meet the demand for its technical assistance.

The creation of such instrument is legally based on article 7, section 3 of the Agreement Establishing IFAD and on the draft resolution on the Ninth Replenishment of IFAD's Resources, which provides, in section X, that *"during the replenishment period, the Executive Board and the President are encouraged to take necessary measures to strengthen the Fund's catalytic role in raising the proportion of national and international funding directed at improving the well-being and self-reliance of rural poor people, and to supplement the resources of the Fund by using the Fund's power to perform financial and technical services, including the administration of resources and acting as trustee, that are consistent with the objective and functions of the Fund. Operations involved in the performance of such financial services shall not be on the account of the Fund."*

Instrument establishing the Reimbursable Technical Assistance (RTA) Programme

The Executive Board,

Recalling that the International Fund for Agricultural Development (IFAD or the Fund) is the United Nations specialized agency established to finance agricultural development projects and programmes in the developing countries;

Further recalling that the Agreement Establishing IFAD provides that the objective of the Fund shall be to mobilize additional resources to be made available for agricultural development in the developing Member States;

Bearing in mind that article 7, section 3 of the Agreement Establishing IFAD – Miscellaneous Operations – stipulates that “in addition to the operations specified elsewhere in this Agreement, the Fund may undertake such ancillary activities and exercise such powers incidental to its operations as shall be necessary in furtherance of its objective”;

Considering also Governing Council Resolution 166/XXXV on the Ninth Replenishment of IFAD’s Resources, which provides in section X that *“during the replenishment period, the Executive Board and the President are encouraged to take necessary measures to strengthen the Fund’s catalytic role in raising the proportion of national and international funding directed at improving the well-being and self-reliance of rural poor people, and to supplement the resources of the Fund by using the Fund’s power to perform financial and technical services, including the administration of resources and acting as trustee, that are consistent with the objective and functions of the Fund. Operations involved in the performance of such financial services shall not be on the account of the Fund”*;

Approves and adopts this instrument establishing the Reimbursable Technical Assistance (RTA) Programme for immediate application.

Article I. General provisions

Technical assistance under the RTA programme is professional technical and policy advice provided by the Fund on a reimbursable basis.

Article II. Eligibility

Section 1. RTA shall be provided by the Fund only to its developing Member States in accordance with the criteria foreseen in the Agreement Establishing IFAD.

Section 2. Before approving RTA under this instrument, the Fund shall be satisfied that the requesting Member State is making an effort to strengthen in a sustainable manner its national food production in accordance with IFAD’s Lending Policies and Criteria.

Section 3. The Fund shall not approve a request for an arrangement under this instrument whenever the requesting Member State has an overdue financial obligation to the Fund.

Section 4. The Fund's experts shall offer advice and support to Member States in formulating policies and institutional development plans, in undertaking specific and general thematic studies, in capacity-building of public and semi-public institutions, in project supervision and implementation, in monitoring and evaluation, and in any other activity that is within the mandate of the Fund and its expertise.

Article III. Administration of the RTA programme

Section 1. The Executive Board delegates its authority to the President to approve projects under the RTA programme.

Section 2. Whenever the President has approved assistance on a reimbursable basis, the requesting Member State shall reimburse the cost of such assistance to IFAD in accordance with the terms and conditions detailed in an agreement to be concluded between IFAD and the Member State concerned.

Section 3. Subject to the provisions of this instrument, the Fund, in administering the RTA programme, shall apply the same rules as apply to the operation of the resources of the Fund in accordance with the Agreement Establishing IFAD.

Section 4. Fees will be charged on a full cost recovery basis plus a 50 per cent mark-up factor. Costs include direct and indirect costs (salary and related benefits, travel and subsistence), and the overhead costs associated with providing the service.

Section 5. An administrative account shall be opened to receive donations from Members States and other sources. Resources so received shall be used, pursuant to the agreement between the Fund and such donors, to pay or guarantee the payment for services provided by the Fund under this instrument to Member States borrowing on highly concessional terms.

Section 6. In preparing the annual RTA programme budgetary and fee projections, IFAD shall apply the same rules as apply to the operation of the resources of the Fund in accordance with the Financial Regulations of IFAD.

Article IV. Interpretation

Section 1. Any dispute concerning the interpretation or application of the provisions of this instrument between any Member State and the Fund shall be submitted to the Executive Board for decision. Any Member State who notifies the Executive Board of its substantial interest in such dispute shall be entitled to be represented in accordance with regulations to be adopted by the Executive Board.

Section 2. Where the Executive Board has given a decision pursuant to section 1 above, any Member State may require that the question be referred to the Governing Council, whose decision shall be final. Pending the decision of the Governing Council, the Fund may, so far as it deems necessary, act on the basis of the decision of the Executive Board.