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Investing in rural people

Letter of Intent between the International Social Security Association and the International Fund for Agricultural Development

Note to Executive Board representatives

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For: Information

Letter of Intent between the International Social Security Association and the International Fund for Agricultural Development

1. Acknowledging that the International Social Security Association (ISSA) could play an important role at the international level to provide standards and facilitate the administration of social security schemes in several countries, while IFAD could facilitate dialogue between social security underwriters, project agencies and smallholder groups or cooperatives within its existing (or future) projects, a Letter of Intent (LoI) between IFAD and ISSA was signed on 4 August 2017.
2. The aim of the LoI is to assess actual IFAD and ISSA respective comparative advantages, areas of expertise and influence, as well as the synergies in their respective business models and identify opportunities to promote social security in IFAD-supported programmes, with a view to improving the welfare of the population through measures guaranteeing access to food and/or health services, especially for vulnerable segments such as children, and the elderly, the disabled, the sick and the unemployed. Two pilot programmes are planned for implementation in Indonesia and Senegal by February 2018.
3. A scanned copy of the signed agreement is attached as an appendix for information.

LETTER OF INTENT
between
INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT
and
INTERNATIONAL SOCIAL SECURITY ASSOCIATION

Whereas, the International Fund for Agricultural Development (IFAD or the Fund), a specialized agency of the United Nations, is an international financial institution with the objective to mobilize additional resources to be made available on concessional terms for agricultural development in developing Member States. In fulfilling this objective the Fund shall provide financing primarily for projects and programmes specifically designed to introduce, expand or improve inclusive food production systems and to strengthen related policies and institutions within the framework of national priorities and strategies;

Whereas, the International Social Security Association (ISSA) is the principal international organization bringing together social security agencies, government departments and organizations to promote dynamic social security and nationally appropriate social protection systems for all by supporting excellence in social security administration. The ISSA pursues this objective primarily through professional guidelines, capacity-building, knowledge services and relevant global, regional and technical platforms. The ISSA works closely with the International Labour Office (ILO) in line with a Memorandum of Understanding signed in 2012.

Whereas, both IFAD and ISSA, hereinafter separately referred to as a "Party" and jointly referred to as the "Parties" seek to support the development of inclusive and sustainable economic growth, increased access to services for poor people in rural areas of developing countries through a wide range of partners, models and delivery channels;

Whereas, the Parties recognize that modern, dynamic and inclusive social security systems can be a powerful tool to fight poverty and to foster inclusive and sustainable rural transformation, including through the participation of the private sector; and

Whereas, the Parties recognize a potential case for IFAD and ISSA to collaborate to support the extension of social security to IFAD-funded interventions, noting the complementarities between them and the prospects for closer programmatic and strategic cooperation within the boundaries of their respective legal frameworks, operational guidelines and procedures.

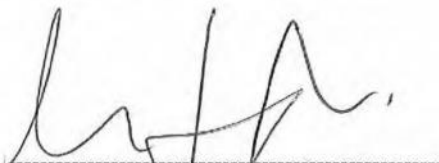
Now, therefore, after friendly discussions, the Parties intend the following:

1. IFAD intends to commission a scoping study which will be performed by an independent expert acquainted with both institutions and the International Labour Organization in order to assess their respective comparative strengths, areas of expertise and influence, as well as the synergies in their respective business models taking into account the ISSA/ILO MoU of 2012. This would facilitate the definition of an action-oriented plan to extend basic social security guarantees to the rural poor.
2. The study will cover in the selected pilot countries: (i) a diagnosis of national needs and opportunities in terms of social protection within the rural sector; (ii) a mapping of existing tools and initiatives, covering both national social security schemes and institutions as well as other social protection programmes; (iii) the development of planning tools; (iv) the modalities to facilitate a national dialogue process and develop a social protection action

- plan in specific locations of IFAD projects where ISSA member institutions are present; (v) suggestions on how to support future implementation within the dynamics of specific IFAD-financed projects; and (vi) recommendations on subsequent monitoring and evaluation to address shortcomings and promote replication, as appropriate. The Parties acknowledge that an essential corollary of the above is the need to test the willingness of IFAD's member States to devolve part of the borrowed and/or granted resources to ISSA member institutions in the respective states to implement the expansion of social security coverage to the beneficiaries of IFAD-financed operations.
3. The availability of institutional or private sector donors (development banks like KfW, and pension funds etc.) to contribute to the financial viability of the initiative, through direct investments of/to ISSA member institutions, IFAD and/or through recipient governments should be explored.
 4. The Parties agree to consult each other on any matters arising out of this Letter of Intent.
 5. The Parties acknowledge and recognize that this Letter of Intent is not legally binding and the understandings set forth herein shall not constitute or create any obligation. The Parties further acknowledge that any exchange of resources shall be documented separately.
 6. Any sharing of information between the Parties will be subject to their respective policies and procedures relating to disclosure of information.
 7. Each Party shall designate a person or office to serve as liaison for implementing this Letter of Intent. For IFAD, the contact person shall be Liam F. Chicca, Special Adviser to the President (address: Via Paolo di Dono 44, 00142, Rome; phone: +39 06 5459 2168, email: l.chicca@ifad.org). On behalf of ISSA, the contact person shall be Carolin König, Personal Assistant to the ISSA President (address: Glinkastraße 40, 10117, Berlin, phone: +49 30 288763 633; email: carolin.koenig@dguv.de).

Date: 4 August 2017Date: 2. August 2017

Luis Jiménez-McInnis
 Director, Partnership and Resource
 Mobilization Office



International Fund for Agricultural
 Development

Thomas Köhler
 Managing Director/
 Chairperson of the Technical Commission on
 Insurance against Employment Accidents and
 Occupational Diseases



German Social Accident Insurance Institution
 for the raw materials and chemical industry/
 International Social Security Association