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Investing in rural people

Minutes of the Fifth Meeting of the Working Group on the Transition Framework

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For: Information

Minutes of the Fifth Meeting of the Working Group on the Transition Framework

1. The fifth meeting of the Working Group on the Transition Framework (TFWG) was held on 8 October 2018; the discussions are summarized in this document.
2. As approved by Working Group members, the minutes will be shared with the Executive Board at its 125th session and will serve as the basis for the Chairperson's oral report.

Agenda item 1: Opening of the meeting

3. The Chairperson welcomed members, observers and staff to the meeting. Remarking on the productive informal consultations with the three Lists held earlier on the Transition Framework, she thanked those who had participated in the consultations.
4. Participants included Working Group members from Argentina (Chairperson), Cameroon, France, Germany, India, Italy and the United Kingdom. Executive Board observers present at the meeting included Algeria, Angola, China, the Dominican Republic, Mexico, the Netherlands and Venezuela (the Bolivarian Republic of). IFAD was represented by the Director, Financial Management Services Division; Director, West and Central Africa Division; Director ad interim, Operational Policy and Results Division; Acting Secretary of IFAD and other staff.

Agenda item 2: Adoption of the agenda

5. The provisional agenda, document TFWG 2018/5/W.P.1, contained four items: (i) Opening of the meeting; (ii) Adoption of the agenda; (iii) Terms of reference of the TFWG, including (a) Update on the development of a cofinancing strategy and corresponding action plan and (b) Status of reimbursable technical assistance and way forward; and (iv) Other business.
6. The representative for the United Kingdom noted the need to consider the options Management had for topics not covered in phases I and II, as soon as possible and ahead of the sixth meeting of the Working Group on 29 October, order to obtain members' feedback. It was agreed that Management would prepare a document with these options and post it for members' comments within one week, with a view to discussing the options further at the sixth meeting of the Working Group. The Working Group was also informed that the latest draft of the Transition Framework would be posted for comments on the Member States Interactive Platform until 14 October.
7. The Working Group adopted the agenda.

Agenda item 3: Terms of Reference of the TFWG

- (a) Update on the development of a cofinancing strategy and corresponding action plan (Terms of Reference, paragraph 7(ii))
8. Management shared a presentation highlighting the key features of the cofinancing strategy and action plan, recalling that this was an Eleventh Replenishment of IFAD's Resources commitment for approval by the Executive Board at its 125th session.
9. The main features included: (i) the vision and principles underpinning the strategy – sustainable action plans, country-specific approaches, institutional support and accountability; (ii) positioning IFAD as an assembler of development finance; and (iii) the main strategic directions by source of cofinancing and action plan, which would focus on complementarity with IFAD, sustained partnerships to enhance country presence and increased flexibility.
10. The Working Group recalled the main elements of the cofinancing strategy endorsed by the Working Group at its second meeting and highlighted their

importance. In this context, the Working Group considered the presentation delivered by Management synthesizing the cofinancing strategy and action plan.

11. The importance of early discussions during the design of country strategic opportunities programmes (COSOPs) and individual projects, as stated in the strategy, was underlined. It was clarified that the regional targets provided in the document were only indicative: estimates would be determined during COSOP discussions but actual amounts would only be known during project design. The COSOP Results Review and the annual review would be opportunities to update indicative country-level targets established in line with the methodology already endorsed by the TFWG at its second meeting. Management recalled that the only binding targets agreed to under the IFAD11 Consultation were corporate targets for domestic and international cofinancing, and that regional targets included in the annex of the strategy document were calculated to support internal accountability.
12. One member requested that reference be made to direct and indirect mobilization from the private sector in the strategy document, as included in a previous version submitted at the second meeting of the Working Group. It was also requested that the document cross-reference the revised COSOP guidelines, which refer to the three components of a country's resource envelope.
13. It was clarified that the Private Sector Strategy, to be submitted to the Executive Board in 2019, would present further means to engage with the private sector that would reinforce the cofinancing agenda. Some members highlighted the value of involving the private sector in project design to secure contributions. The importance of enhancing measurement and monitoring of in-kind contributions and contributions from governments, beneficiaries and the private sector was also underscored in line with the action plan.
14. Clarification was provided about the meaning of "focuses on results and sustainability" in the context of cofinancing, which is linked to enhanced ownership by governments and beneficiaries in order to ensure continuing impact beyond IFAD's project cycle.
15. Working Group members noted the relevance of communicating results and impact of cofinancing, and strengthening of accountability to sustain the agenda, welcoming the specific actions included in the action plan in that regard.
16. Members were informed that the cofinancing strategy and action plan document would be posted on the Member States Interactive Platform for comments by the Executive Board until 15 October. The Working Group encouraged other members to review the document and provide comments through the platform.

(b) Status of reimbursable technical assistance and way forward
(Terms of Reference, paragraph 7(v))
17. Members welcomed the presentation by Management, which described lessons learned on reimbursable technical assistance (RTA) and the instrument's current limitations. Members also raised concerns regarding the use of the tool.
18. Since IFAD is currently undergoing significant reforms and Management has many deliverables to manage, RTA was not seen as a high priority, especially considering its limited utilization in other institutions besides the World Bank. In addition, IFAD's current human resource capacity, modalities for delivering RTA and its relationship to the Performance-based allocation system were questioned. Clarification was sought on potential overlap in tasks with other agencies, especially the Food and Agriculture Organization of the United Nations. It was underscored that the tool should be complementary to the services already offered by others rather than duplicate them. In this regard, it was suggested that triangular cooperation be considered.

19. Management explained that the primary purpose of RTA was to provide Members with an additional non-lending instrument on a voluntary basis, and that RTA could be of particular interest in upper-middle-income countries with decreasing core resource allocations.
20. It was clarified that the reference in the document to “recommendation for approval” had been erroneously inserted since the TFWG was not mandated to approve the document.

The Working Group expressed appreciation for the document and urged Management to incorporate the comments provided by members in the document that would be presented to the Executive Board in December.

Agenda item 4: Other business

21. No other business was raised for consideration at the meeting.