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

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Executive Board — 125th Session
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For: Information

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

1. The sixth meeting of the Working Group on the Transition Framework (TFWG) was held on 29 October 2018; the discussions are summarized in this document.
2. Having been approved by Working Group members, the minutes will be shared with the Executive Board at its 125th session for information 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. Specifically, she welcomed the recently appointed Secretary of IFAD, Ms Atsuko Hirose, to her first meeting of the Working Group.
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 China, the Dominican Republic, Mexico, the Netherlands and the Bolivarian Republic of Venezuela. IFAD was represented by the Associate Vice-President, Programme Management Department; Director, Financial Management Services Division; Director, West and Central Africa Division; Director, ad interim, Operational Policy and Results Division; the Secretary of IFAD and other staff.

Agenda item 2: Adoption of the agenda

5. The provisional agenda, document TFWG 2018/6/W.P.1, contained the following items: (i) Opening of the meeting; (ii) Adoption of the agenda; (iii) Draft Transition Framework document; (iv) Transition Framework: Guidance on process and items post phase II; (v) Minutes of the fourth and fifth meetings; and (vi) Other business.
6. Members were informed that the draft minutes of the fourth and fifth meetings had been approved prior to the sixth meeting given that there had been no comments from members of the Working Group. Accordingly, agenda item (v) would not be discussed.
7. The Working Group adopted the agenda.

Agenda item 3: Draft Transition Framework document

8. The Chairperson opened the floor for comments on the third draft of the Transition Framework document (TFWG 2018/6/W.P.2). It was agreed that the document would be reviewed paragraph by paragraph and suggested changes inserted in real time, to ensure that all comments by members and observers were discussed. The changes agreed upon would be incorporated into the final version to be presented to the Executive Board.
9. Members then endorsed the revised version for presentation to the Executive Board for approval at its 125th session in December 2018.

Agenda item 4: Transition Framework: Guidance on process and items post phase II

10. Members considered the four topics proposed for discussion under the third phase of the Transition Framework, as listed in paragraph 8 of the TFWG terms of reference, namely: (i) voluntary graduation approach; (ii) approach to loan pricing; (iii) support to the Working Group on the Performance-Based Allocation System in defining the method of resource allocation; and (iv) special funding windows.
11. The discussion revolved around the proposed way forward. The majority of the members were in agreement with the continuation of the TFWG. This would enable the Working Group to take the lead on important remaining items.

12. One observer expressed doubts regarding the timing of the topic on voluntary graduation, noting that this should only happen after a credit rating and that discussion of this topic during the Eleventh Replenishment of IFAD's Resources could therefore be considered premature.
13. No final decision was taken regarding which governing body would be recommended by the Working Group to the Executive Board to lead the development of the items listed for post phase II. The Working Group therefore decided to meet again to agree on a proposal to the Executive Board regarding the follow up on the various post-phase II topics. This proposal would be presented in the statement of the Chairperson of the Working Group at the 125th session of the Executive Board in December 2018.

Agenda item 6: Other business

14. No items were raised under other business for consideration at the meeting.