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Investing in rural people

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

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Executive Board — 126th session
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For: Information

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

1. The eighth meeting of the Working Group on the Transition Framework (TFWG) was held on 26 March 2019; the discussions are summarized in this document.
2. As approved by Working Group members, the minutes are shared with the Executive Board at its 126th session for information.

Agenda item 1: Opening of the meeting

3. The Chairperson welcomed members, observers and staff to the meeting. The meeting started with a moment of silence for the colleagues who lost their lives on the Ethiopian Airways Flight.
4. Participants included Working Group members from Argentina (Chairperson), France, Germany, Indonesia, Italy, Kuwait and the United Kingdom. Executive Board observers present at the meeting included Angola, the Dominican Republic, Mexico and the Netherlands. IFAD was represented by the Associate Vice-President, Programme Management Department; Director, Financial Management Services Division; Director, ad interim, Operational Policy and Results Division; Regional Economist, West and Central Africa Division; Officer in Charge, Office of the Secretary of IFAD; and other staff.

Agenda item 2: Adoption of the agenda

5. The provisional agenda, document TFWG 2019/8/W.P.1, contained items on the: (i) opening of the meeting; (ii) adoption of the agenda; (iii) draft calendar of the TFWG for 2019; (iv) TFWG terms of reference regarding the Special Programme for Countries with Fragile Situations and update on the Faster Implementation of Project Start-up (FIPS) instruments (paragraph 8); and (v) other business.
6. The Working Group adopted the agenda.

Agenda item 3: Draft calendar of the Transition Framework Working Group for 2019

7. The Working Group sought clarifications regarding the linkages between the ongoing work on IFAD's financial architecture, the forthcoming meetings of the TFWG and meetings of the Working Group on the Performance-Based Allocation System in 2019. Management clarified the interlinkages between these work streams and explained how the financial architecture needs to be defined before moving forward on other initiatives. In light of this, the Working Group agreed to cancel the meeting planned for 9 May 2019. Management agreed that, if required, another meeting would be organized before the next scheduled meeting in September to discuss issues emerging from the Executive Board retreat.

Agenda item 4: Special Programme for Countries with Fragile Situations and update on the Faster Implementation of Project Start-up instruments (Terms of Reference, paragraph 8)

8. The Working Group welcomed the update on FIPS.
9. The Working Group reviewed the document on the Special Programme for Countries with Fragile Situations, took note of the use of the World Bank Harmonized List of Fragile Situations and provided comments intended to:
 - a. Align the document's definition of fragility with that approved by the Executive Board in 2016 as part of the Strategy for Engagement in Countries with Fragile Situations;
 - b. Clarify that the programme is not a new funding window, but an operational approach for better engagement in countries with fragile situations;

- c. Reflect in the text that there are no additional costs related to programme implementation or new additional procedures for Board approval;
- d. Clarify how IFAD could improve synergies with the World Food Programme and other partners, particularly regional development banks; and
- e. Provide insights into how the programme's success will be monitored.

An array of additional comments were also received, and will be addressed.

10. Management clarified the review process for projects in countries with fragile situations. It was underlined that as per the 2018 President's bulletin on Recalibrating IFAD's project design process, these projects would normally follow track 1, ensuring the highest management attention based on risk. However, track 3 (fast track operations) would be used for rapid response operations that are eligible under IFAD's existing policy (PB/2018/04, President's bulletin: Recalibrating IFAD project design process and the 2006 IFAD Policy on Crisis Prevention and Recovery). Fiduciary safeguards will continue to be implemented in all projects in fragile situations to ensure that funds are used for their intended purpose.
11. Clarification was provided that IFAD's commitment of allocating at least 25 per cent of core resources to fragile situations is maintained with the Harmonized List. While there are 36 countries on the 2019 Harmonized List, only 24 will be active in the Eleventh Replenishment of IFAD's Resources.
12. Management will revise the document on the Special Programme for Countries with Fragile Situations, integrating comments raised by members and observers, and will submit it for review at the May session of the Executive Board.

Agenda item 5: Other business

13. There were no other items for discussion.
14. The Chairperson thanked all participants for their contributions to a successful meeting, and declared the meeting adjourned.