Conference room paper for Executive Board decision

Preventing the COVID-19 crisis becoming a food crisis- IFAD’s Rural Poor Stimulus Facility (RPSF)
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Reference is made to document Preventing the COVID-19 crisis becoming a food crisis-
IFAD’s Rural Poor Stimulus Facility (RPSF), which document was shared by Management
with all IFAD Member States Representatives, and is hereby incorporated by reference;

Following the decision to include this document as an additional Agenda Item of the
129th Session of IFAD’s Executive Board given the urgent need to improve the food
security and resilience of poor rural people affected by the COVID-19 crisis;

Underlining the importance of IFAD’s collaboration in initiatives supported under the UN
framework to respond to the socio-economic impacts of COVID-19, contribution to the
objectives and resource mobilization efforts of the UN framework for the immediate
socio-economic response to COVID-19, working together with the other development
partners, Rome-based agencies and through UN Country Teams; and with a short-term
response strategy that dovetails with IFAD’s long-term development objectives and
reinforces other interventions by IFAD to safeguard their development impact;

Ensuring that IFAD engages and leverages, where possible, the newly established
Secretary-General United Nations COVID-19 Response and Recovery Multi-Partner Trust
Fund, to support IFAD’s short-term COVID-19 response strategy and to safeguard its
long-term development objectives;

Responding to demand from Noting the consensus among Member States that IFAD
should provide a strategic response to the COVID-19 crisis, that IFAD should
immediately established a facility, the RPSF, to respond to the COVID-19 crisis, in order
mitigate the pandemic’s effects on, inter alia, production, market access and rural
employment of the most vulnerable rural small-scale producers;

Highlighting that quality cannot be compromised, streamlined internal procedures and
assessment criteria are being developed for the design, review and approval of all
proposals under the RPSF, which will ensure appropriate quality assurance and due
diligence while allowing for rapid response;

Underscoring that potential risks of a fiduciary and legal nature, as well as those related
to environmental and social impact, will be taken into careful consideration in the due
diligence and quality assurance processes for the screening, assessment and approval of
proposals;

Emphasizing that all initiatives under the RPSF will align to the RPSF document and the
RPSF high level results framework, and that regular reporting to the Executive Board on
the RPSF will be ensured subsequent to the approval of the RPSF;

Underlining that the allocation of resources within the RPSF will broadly follow IFAD’s
principles of engagement, priority will be given to LICs and LMICs, and in countries
with fragile situations, especially in those areas where COVID-19 is posing a most severe
threat to the livelihoods of the rural people;

Further highlighting that recipient Governments will be consulted in the approval
development of RPSF proposals, and that IFAD’s efforts will complement and support
those being put in place by national Governments, the United Nations and other
development partners; and

Underlining that the rebalancing of resources will not undermine the broad principles and
objectives of the regular grants programme, but will allow IFAD to act with urgency in
light of the ongoing global crisis;

The Executive Board is, therefore, hereby invited to:
(a) Authorize the President to accept supplementary funds to the RPSF from any sources with no limitation on the amount – subject to internal screening to avoid the possibility of reputational risks related to IFAD’s acceptance of such funds;

(b) Approve the utilization allocation of US$40 million from the regular grants programme as one time seed funding to kick-start the RPSF;

(c) Authorize the President to negotiate and conclude any project-specific agreements to be financed from the RPSF up to and including US$10 million, with the following exceptions, for which Board approval will continue to be sought: (i) projects for which the implementing partner is a private sector entity; and (ii) “in-project” top-up activities providing additional financing to ongoing investment projects classified as Category A; and

(d) Approve the use of the vote by correspondence procedure, in lieu of Lapse of Time or in-session discussion for all RPSF projects for which Board approval is sought, to allow for faster processing (within a time limit of 5 working days).

Management shall report, at each Executive Board session, on the status of the implementation of the RPSF, including projects approved and resources allocated by country and income categories, and IFAD’s engagement with the United Nations COVID-19 Response and Recovery Multi-Partner Trust Fund thereof.