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Investing in rural people

Conference room paper for Executive Board decision

Preventing the COVID-19 crisis becoming a food crisis- IFAD's Rural Poor Stimulus Facility (RPSF)

Executive Board — 129th Session
Rome, 20-23 April 2020

For: **Approval**

Preventing the COVID-19 crisis becoming a food crisis- IFAD's Rural Poor Stimulus Facility (RPSF)

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 to 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 ~~in~~ 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 ~~allocation~~ allocated by country and income categories, and IFAD’s engagement with the United Nations COVID-19 Response and Recovery Multi-Partner Trust Fund thereof.