

2020 Budget Carry Forward Provisional Apportionments in 2021

Executive Board
December 2020



2020 Budget Carry Forward

Guiding Principles for Apportionment in 2021

Addressing COVID-19 related challenges

- The COVID-19 pandemic is an exceptional event which is unprecedented in recent history. Like many other organisations we were hit by programme interruptions and deferrals (e.g. impact assessments and monitoring) with a significant impact on IFAD's operations and business continuity. The 10% CF is an important one-time measure to address these adverse effects with funding of key strategic and operational activities.

One-time with no/minimal future recurrent costs

- Only one-time activities will be funded from the 10% CF while regular activities are to be covered by the regular administrative budget. Activities that do not generate future liabilities and recurrent costs are prioritized.

Strategic, operational and compliance focus

- Key strategic activities, COVID-induced operational catch-up and financial compliance activities will be supported.

Clear alignment with corporate priorities

- All activities that receive funding from carry forward need to have a clear link to IFAD's 3 corporate priority areas for 2021: strengthening IFAD's field presence, diversifying and expanding our resource base, as well as enhancing fiscal responsibility, risk management and compliance.

Re-commence and accelerate progress on key delayed, deferred or cancelled activities

- The carry forward will be a strong impulse for IFAD operations to get back on track after the challenging and unique year of 2020.



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Provisional Estimates for 2021 Apportionment (1)

Priority	Description		USD \$ millions
Strategic and Urgent Operational matters	Programmatic Interventions	Specific programmatic interventions, additional missions, quality reviews to supplement the 60+ key design, supervision and implementation missions conducted remotely due to COVID-19 in 2020.	\$1.4m
	Corporate Engagements & Supplementary Support Services	Multiple outreach and engagement missions were deferred in 2020 due to COVID-19. One-time strategic engagement and support costs towards Food Systems Summit. Other deferred communication activities that remain relevant	\$0.9m - \$1.2m
	Staffing support and capacity building for business continuity	For ICOs impacted by closure, transitional temporary staffing across field offices and associated handover costs including completing on boarding activities/training/events for recent new hires and revision of divisional planning.	\$1.5m
	Completion of Key Impact Assessment and Quality enhancement interventions	Impact assessment activities delayed due to COVID-19 across Moldova, Malawi, Mozambique, Philippines, Tunisia, Argentina, Solomon Islands and Others including deferred data collection and verification missions. Some Consultancy costs for backlog quality reviews.	\$1.2m - \$1.4m
	Strategy, Policy & Knowledge Management	Complete creation, update and dissemination of knowledge products around rural finance, rural markets, agro-ecology and costs for associated events and research. Developing new innovative strategies and policy for COVID-19 context. Complete strategic insights on indigenous people, disability and other key areas.	\$0.3m - \$0.5m
	COVID-19 risk mitigation activities	Enhancing Medical Services and health programmes, completion of cybersecurity infrastructure and training and one-time finalization of HQ and ICO safe and secure facilities and working environments (and developing supporting policy)	\$0.6m – \$1.0m
	Mitigate compliance lapses and enhance Data, Risk Management and Financial Reporting	Legal consultancy costs to address outstanding finance, operations and corporate policy matters, addressing backlogs due to COVID-19 delays in investigations and audit action plan as well as ensuring compliance with ISO standard for electronic data exchange that wasn't complete in 2020.	\$0.2m - \$0.3m

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Provisional Estimates for 2021 Apportionment (2)

Priority		Description	USD \$ millions
Decentralization 2.0	Extraordinary Reassignment, Recruitment & Relocation Costs	One-time extraordinary costs from accelerated reform and delays due to COVID-19 associated with establishing operational, technical and administrative human resource capacity in the field.	\$1.5m - \$2.0m
	Upgrade of ICOs	Incremental costs, where applicable, for enhancing capacity, security, technology, facilities and infrastructure for efficacy of existing IFAD Country Offices. This includes ensuring existing offices are equipped with fit for purpose facilities and hybrid working modalities and lessons learnt during COVID-19	\$0.8m - \$1.0m
	Establishing new ICOs	One-time costs for setting up new ICOs in extending IFADs reach and regional presence for direct impact from proximity to projects and beneficiaries.	\$0.8m - \$1.0m
Strategic Reserve	Unforeseen strategic operational needs	Regular carry forward (approximately up to 3% of budget) earmarked for strategic, unforeseen and primarily operational matters such as urgent interventions to bring problem projects back on track. In recent years, this has also been used to navigate all aspects of the COVID-19 crisis, or previously unforeseen strategic projects like the GEO-GIS.	\$4.7m
		Total Carry Forward estimated at 10% of the 2020 Approved Budget	Up to Approx. \$16m

