

Document: EB 2020/131(R)/R.40  
Agenda: 5(d)  
Date: 4 December 2020  
Distribution: Public  
Original: English

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## **Extension of Time-bound Delegation of Authority for the Approval of Deviations from the IFAD Policy on Project Restructuring and the Proposal for Faster Implementation of Project Start-up Instruments**

### **Note to Executive Board representatives**

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Executive Board — 131<sup>st</sup> Session  
Rome, 7-9 December 2020

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**For: Approval**

## Recommendation for approval

The Executive Board is invited to consider and approve the recommendation contained in paragraph 5. The remaining provisions as contained in documents EB 2018/125/R.37/Rev.1 and EB 2018/125/R.38 remain unchanged. These delegations of authority will be in place until the 134<sup>th</sup> session of the Executive Board (December 2021), and subject to renewal at the Executive Board's discretion.

### I. Introduction

1. The IFAD Policy on Project Restructuring and the Proposal for Faster Implementation of Project Start-up Instruments were approved by the Executive Board in December 2018.<sup>1</sup> Both these policies were designed to improve project implementation performance and promote development effectiveness through enhanced flexibility and agility in responding to implementation challenges.
2. To respond to the impact on rural farmers and rural communities of the COVID-19 pandemic and the policies adopted by countries as a result, the Executive Board approved<sup>2</sup> a time-bound delegation of authority to the President of IFAD – until the 131<sup>st</sup> session – to approve deviations from the IFAD Policy on Project Restructuring and the Proposal for Faster Implementation of Project Start-up Instruments.
3. These exceptional measures have achieved efficiencies, notably enabling the extension or pre-financing of several projects<sup>3</sup> to ensure that needed funds can be allocated despite the challenges related to COVID-19.
4. Given the timing of the recent project approvals, Management anticipates that the effects of COVID-19 will result in more waivers being required in 2021 than in 2020. Therefore, it is proposed that a further time-bound delegation of authority be put in place until the Executive Board session in December 2021 or through a vote by correspondence as relevant.

### II. Recommendation

5. In response to the needs arising as a result of the COVID-19 pandemic, the Executive Board is hereby requested to delegate authority to the President of IFAD for a further 12 months, until the 134<sup>th</sup> session of the Executive Board, to approve deviations from the IFAD Policy on Project Restructuring and the Proposal for Faster Implementation of Project Start-up Instruments, including the below:
  - (i) IFAD Policy on Project Restructuring: (a) reallocation of amounts from cancellations beyond the 12-month rolling basis from the date of cancellation and recommitments of amounts from projects that have less than one year until completion; and (b) mandatory cancellation of a project's allocation if the financing agreement has not entered into force within 18 months of the Board's approval or disbursement has not started within 18 months of the date of entry into force.
  - (ii) Proposal for Faster Implementation of Project Start-up Instruments: waiver of the provision that requires approval of the faster implementation start-up facility to be provided at least six months prior to the approval of the project by the Executive Board.

<sup>1</sup> See EB 2018/125/R.37/Rev.1 and EB 2018/125/R.38.

<sup>2</sup> See EB 2020/129/V.B.C.2/Rev.1.

<sup>3</sup> Projects in Côte d'Ivoire, Nigeria, Benin and Togo.