

Document:	<u>EB 2021/132/R.18/Add.2</u>
Agenda:	<u>12(a)</u>
Date:	<u>15 April 2021</u>
Distribution:	<u>Public</u>
Original:	<u>English</u>

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## **Progress Report on the Update on Implementation of the Rural Poor Stimulus Facility and IFAD's Wider Response to COVID-19**

### **Addendum**

### **Management's Response to Member States' Comments**

Executive Board — 132<sup>nd</sup> Session  
Rome, 19-21 April 2021

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For: **Information**

Comments from Germany	Management response
<p>We are happy to see IFAD's strong collaboration with FAO and WFP through this program, in terms of cofinancing, as implementing partners and also in the joint assessment of demand and strategies. We like to encourage IFAD and the RBAs [Rome-based agencies] to continue this partnership beyond the RPSF. At the same time we appreciate the successful engagement with the United Nations Multi-Partner Trust Fund (MPTF).</p> <p>We like to congratulate management for the program's strong and worldwide focus on digitalization. The pandemic presents an exciting opportunity to leverage the need for better remote connectivity, to accelerate the coverage and adoption of digital services in remote rural areas. Building on those lessons learnt, it should be possible to better integrate digital advisory support into IFAD's wider portfolio. Could the team possibly report to the board regularly.</p>	<p>Management thanks Germany, the largest donor of the Rural Poor Stimulus Facility (RPSF), for their continued support to the facility, and appreciates their engagement in the ongoing discussions about extending the facility into 2022.</p> <p>A robust knowledge management strategy has now been designed for the RPSF, which includes capturing lessons on implementing digital services and using them to facilitate the integration of these services into IFAD's wider portfolio. At forthcoming RPSF updates to the Board, we will include a section as requested on our progress in this area as the RPSF projects move forward.</p>

Comments from Sweden	Management response
<p>Sweden welcomes this comprehensive third update on the Rural Poor Stimulus Facility (RPSF) and IFAD's wider response to COVID-19.</p> <p>We note with appreciation IFAD's collaboration with FAO and WFP through the RPSF, both in terms of cofinancing and as implementing partners, and encourage IFAD to continue such partnerships beyond the end of the RPSF. We are furthermore happy to note the successful engagement with the United Nations COVID-19 Response and Recovery Multi-Partner Trust Fund (MPTF), not least as a platform for project level collaboration within the wider UN-system.</p> <p>Regarding the second financing round of the RPSF (paragraph 5-6); was the allocation of US\$41.7 million to single-country projects towards exactly the same projects as during the first financing round? What was the main reason behind the different approach for multi-country projects?</p> <p>Given that the effects of the pandemic are lasting longer than initially anticipated, Sweden supports IFAD's proposal of extending the RPSF by 12 months – to the end of 2022 – while ensuring that all funds are approved by June 2021 and the completion of all projects by June 2022.</p> <p>We furthermore continue to support the initiative of repurposing funds within ongoing projects to finance COVID-related support for beneficiaries, with a majority being used towards access to inputs, markets and financial services. Does IFAD foresee that the repurposing of project funds might continue beyond IFAD11?</p>	<p>Management thanks Sweden for their ongoing support to the RPSF, and we appreciate your flexibility in agreeing to a 12-month extension to the facility.</p> <p>For the second financing round, the funds have been divided in the same way as in the first round – between single-country (85 per cent) and multi-country projects (15 per cent). For the single-country funds, we expect to finance two new projects. The rest of the funds will be provided as additional financing to existing RPSF projects. This has proved the most efficient and effective way to assign the funds through the second round.</p> <p>As with the first round, we allowed for flexibility for the multi-country financing, by assigning funds through competitive selection. This allows us to approve larger projects that benefit from economies of scale and efficiency gains from grouping countries. Teams were free to submit proposals for additional funding to multi-country projects approved in the first round, and one such request was submitted, but eventually four new multi-country projects were selected, three of which were recently approved, while the remaining proposal is awaiting final approval.</p> <p>On the question about continuing to repurpose funds beyond the Eleventh Replenishment of IFAD's Resources (IFAD11), we will continue to consider repurposing as an option as long as COVID-19 threatens the livelihoods of rural people. Repurposing has proved a valuable option for adapting to COVID-19 threats in project areas, and we continue to look for opportunities to do more of this where there is demand. Beyond IFAD11, if there continue to be COVID-19 related challenges that could be addressed through repurposing of project funds without hindering project objectives, we would explore this option in collaboration with governments.</p>