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Summary of Amendments to the 2021 IFAD Investment Policy Statement and the Control Framework for IFAD Investments

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Summary of Amendments to the 2021 IFAD Investment Policy Statement and the Control Framework for IFAD Investments

I. Introduction

1. IFAD's Investment Policy Statement (IPS) and Control Framework for IFAD Investment (CFI) are reviewed annually by Management.

II. Changes to the IPS

2. The proposed changes to the IPS include:
 - (i) Integration of environmental, social and governance considerations in investment decisions. In adherence to the ten principles of the United Nations Global Compact, norms-based screening of securities and investment in green bonds and other thematic environmental, social and governance securities are recommended subject to the availability of market issuance and agreed risk tolerance levels;
 - (ii) Removal of the section on privileges and immunities due to the fact that it references a United Nations convention that not all Member States have ratified; and
 - (iii) Inclusion of IFAD's Anti-Money Laundering and Countering the Financing of Terrorism Policy in the section on risk reporting.

III. Changes to the CFI

3. The proposed changes to the CFI include:
 - (i) Inclusion of changes to enterprise risk management governance, specifically the establishment of a Financial Risk Management Committee to replace the Investment and Finance Advisory Committee;
 - (ii) Details of the new structure of the Financial Controller's Division; and
 - (iii) A review and enhancement of the roles and responsibilities of the Treasury Services Division's Financial Planning, Modelling and Middle Office.