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## **Update on implementation of the Rural Poor Stimulus Facility**

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**FOR: REVIEW**

**Action:** The Executive Board is invited to review the update on implementation of the Rural Poor Stimulus Facility.

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**Technical questions:**

**Donal Brown**

Associate Vice-President  
Programme Management Department  
e-mail: d.brown@ifad.org

**Ashley Anne Davidson**

Programme Officer (Rural Poor Stimulus Facility)  
e-mail: a.davidson@ifad.org

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*For more information on the Rural Poor Stimulus Facility, please visit*  
<https://www.ifad.org/en/rpsf>.

# Update on implementation of the Rural Poor Stimulus Facility

## I. Latest updates and figures

### A. Project progress and performance

1. With the completion of the Rural Poor Stimulus Facility (RPSF) set for 30 September 2022, all but eight projects had officially achieved completion as of 31 August 2022. All but one of the completed projects (discussed further below) are anticipated to have fully implemented. All remaining projects are underway to complete on or before 30 September, with the exception of the two projects in Afghanistan and Yemen, which have already been flagged in the seventh update on RPSF implementation.<sup>1</sup>
2. In terms of progress since the main report was shared, an additional US\$0.7 million has been disbursed, taking the total amount disbursed to US\$81.7 million. This amounts to 92 per cent of approved funds. (When not considering the projects in Afghanistan and Yemen, disbursement progress has reached 94 per cent.) Additional withdrawal requests are also in the pipeline as the uncompleted projects wrap up final activities, and as the completed projects request payments following necessary fiduciary justification for already implemented activities.
3. For the remaining projects under implementation, some disbursed funds may need to be returned in cases where a project does not utilize 100 per cent of its funds. Incomplete implementation may be due to delays impacted by issues such as global supply chain shocks or slow approvals by implementing governments. In these cases, IFAD Management is directly involved in advancing delivery of the projects and their activities as much as possible in these final weeks in order to maximize impact.
4. Regarding the one delayed project that was flagged in the main report,<sup>2</sup> it has now been confirmed that the project was not able to complete all activities by its completion date. This is despite the intensive efforts made by IFAD staff, the grantee and other implementing partners. IFAD and its partners are now working to ensure that the project's activities are closed in the most effective way, and that the remainder of the unused funds are returned to IFAD. To leverage the efforts already made, teams are also seeing how IFAD's ongoing portfolio of projects in the region may learn from these activities or incorporate similar ones into designs or evolving projects that continue to have importance in responding to countries' needs.
5. In other cases, completed projects may end up having small left-over balances as payments get settled for completed activities. Several countries' projects have noted small differences between projected costs due to recent currency fluctuations, which have been exacerbated by recent global events. Due to close and adaptive management, the majority of these remaining balances have been either eliminated or limited and invested into consolidating project activities. However, some balances remain. Projects are now finalizing all payments, closing accounts and determining the funds to be returned to IFAD in final reporting.
6. Following the balance of the remaining submissions of withdrawal applications for closure and any small amounts of returned funds, IFAD will communicate the facility balance to donors as part of its agreed completion reporting.

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<sup>1</sup> EB 2022/136/R.21.

<sup>2</sup> EB 2022/136/R.21.

## **B. Exceptional extension of RPSF projects in Afghanistan and Yemen**

7. IFAD is grateful that the RPSF donors have agreed to proceed with providing a 12-month extension for the RPSF project in Afghanistan and to the use of US\$3.0 million in RPSF funds contributing to the COVID-19 response component of the Rural Livelihoods Development Project in Yemen. This flexibility will permit IFAD to maintain the original allocations in these countries still facing the impacts of COVID-19 and other shocks.
8. In the context of Afghanistan, IFAD was unable to continue implementation of the US\$1.5 million project due to the Taliban takeover. It has since identified a qualified NGO with wide experience in the country to continue activities. In Yemen, IFAD is working in the two most food-insecure governates in the country and faces security-related delays. The extension would assure extra attention to implementation and monitoring for adherence to the do no harm principle. Updates on implementation of these two projects will be shared with donors in the interim report and the final completion report of the facility.

## **II. Reporting and learning from the RPSF**

9. As detailed in the progress report, IFAD is dedicated to learning from its experiences in implementing the RPSF. This is due to the facility's importance in maintaining the resilience of rural poor people and the development gains of its ongoing portfolio during the unprecedented global pandemic, and to its relevance as a response to other global shocks such as the crisis in Ukraine.
10. As a reminder, the interim report issued in September 2022 will present an overview of the available data for indicators falling under the three tiers of the RPSF Results Management Framework: (i) development results; (ii) outreach and service delivery; and (iii) operational efficiency and effectiveness. It will also document several of the lessons learned. The completion report, which will be issued in June 2023, will present the comprehensive results and analysis of the entire portfolio. IFAD will make arrangements with donors for subsequent reporting on the completion of the ongoing work in Afghanistan and Yemen.