
Streamlining of governing body documentation

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Useful references: Review of the Governing Body Documentation Guidelines ([EB 2021/134/R.54](#)), Review of modalities of formal and informal sessions of the Executive Board and its subsidiary bodies ([EB 2023/138/R.10](#))

Action: The Executive Board is invited to approve the recommendation contained in paragraph 8. The Executive Board is also invited to consider the draft resolution contained herein and to submit it, together with its recommendations, to the Governing Council at its forty-seventh session in February 2024 for consideration and adoption.

Technical questions:

Claudia ten Have
Secretary of IFAD
e-mail: c.tenhave@ifad.org

Deirdre Mc Grenra
Chief, Institutional Governance and Member
Relations
Office of the Secretary
e-mail: d.mcgrenra@ifad.org

Streamlining of governing body documentation

I. Background

1. The volume of documentation presented to IFAD's governing bodies has changed in the past years in step with the Fund's evolution as a financial institution and to respond to requests for additional information from Member State representatives. This led to an increase in the documentation submitted, in particular to the Executive Board and its subsidiary bodies, and subsequently a stabilization of the trend once the financial reforms reached completion. Almost 4,000 pages were submitted to each Executive Board session between 2020 and 2022. This has obvious budgetary implications and presents a challenge for representatives, who need to review these documents within a short space of time.
2. Mindful of the need to seek out efficiencies, Management has taken several steps to refine governing body documentation and simplify procedures where possible. In December 2021, the Board approved revisions to the corporate guidelines on governing body documents ([EB 2021/134/R.54](#)) related to length and treatment of annexes. The purpose was to provide Member State representatives with concise, high-quality documents in a timely manner. In addition, at its 138th session ([EB 2023/138/R.10](#)), the Board approved proposals to revise its working methods. These proposals included streamlining in-session deliberations through greater use of the online commenting feature available on the Member States Interactive Platform, thus promoting a more homogenous distribution of documentation throughout the year and allowing greater flexibility for finalization of documents and review by Board representatives.
3. To further streamline the documentation presented to IFAD's governing bodies, Management undertook a review of financial documentation and proposed various revisions to the Audit Committee. It was agreed that, as of the last quarter of 2022, the quarterly status report on arrears in principal, interest and service charge payments would be included as an appendix to the financial highlights document presented to the annual Governing Council session. Furthermore, the reporting frequency of the update on the implementation of IFAD's Anti-Money Laundering and Countering the Financing of Terrorism Policy, and controllership was changed from an annual to an ad hoc basis, given that the related information is reviewed by IFAD's risk committees, in line with IFAD's Enterprise Risk Management Framework.
4. A cross-departmental team was formed to identify potential revisions (set out below). This approach was welcomed by staff and the proposed revisions were seen as responsive to suggestions for reducing workload, streamlining processes and enhancing efficiency, and better aligning the frequency, substantiveness and accuracy of regular reports. Challenges related to the changes in procedure will be mitigated by ensuring clear communication across departments and engaging with relevant colleagues to clarify and assist in the transition. Furthermore, as is currently the case, should Board members require updates on matters not due for Board submission until a later date, the Secretariat will ensure appropriate outreach and information sharing. The Secretariat will monitor the implementation of these revisions and their impact on efficiency in terms of numbers of documents/words processed and submitted to governing bodies.

II. Proposed revisions

5. Management's review was expanded to consider other types of recurrent documentation, taking into consideration the following factors:
 - (a) Whether such recurrent submissions represent a formal commitment;

- (b) The value added of such recurrent submissions; and
 - (c) The ideal frequency of submission to IFAD's governing bodies.
6. As a result of this review, the following proposals to streamline governing body documentation, as included in table 1, are put forward for the Executive Board's consideration and approval.

Table 1
Proposed streamlining of governing body documentation

<i>Type of document</i>	<i>Document</i>	<i>Current arrangements</i>	<i>Proposed arrangements</i>	<i>Rationale</i>	
Financial document	Consolidated financial statements of IFAD as at 31 December YYYY	Audit Committee review, normally at the March/April meeting	Audit Committee review, normally at the March/April meeting	The proposal to have the audited financial statements approved by the Executive Board rather than the Governing Council derives from the evolution of IFAD's business model and the need to ensure timely approval in line with external stakeholders' needs. (lenders, credit rating agencies, etc.).	
		Executive Board approval (to submit to the Governing Council), normally at the April/May session	Executive Board approval, normally at the April/May session**		
		Governing Council approval at its annual session the following year	Submitted for the Governing Council's information at its annual session the following year		
	Report on the status of contributions to the XX Replenishment of IFAD's Resources	Embedded in the high-level review of IFAD's financial statements presented to the March/April Audit Committee meeting and the financial highlights presented to the annual Governing Council session.	Reporting to the Executive Board at the first four sessions following the adoption of the Governing Council resolution on the XX Replenishment, and subsequently quarterly reports on the status of contributions to IFAD's replenishments will be made available on the Member States Interactive Platform, de-linked from specific sessions of the Executive Board. The report will continue to be submitted on an annual basis to the Governing Council for information.	Reporting on the status of replenishment contributions during the first year following the adoption of the replenishment resolution is important to keep Member States informed of the level of pledges, instruments of contribution, payments towards the replenishment target and achievement of effectiveness.	
Progress report*	Progress report on IFAD's engagement in South-South and Triangular Cooperation (SSTC)	Annual reporting (normally at the December Board session)	Reporting every other year	Submission of a progress report on a biennial basis would allow for a broader and more long-term assessment of the results and progress of IFAD's corporate agenda on SSTC. Activities and results for projects with SSTC components will continue to be monitored and reported regularly to Senior Management.	
		Update on IFAD's engagement with the Committee on World Food Security (CFS)	Annual reporting (normally at the September Board session)	Reporting to be provided within the annual progress report on Rome-based agencies (RBAs) collaboration. Stand-alone CFS progress report to be discontinued.	While annual reporting on IFAD's engagement with the CFS has been the standard practice since 2018, it is suggested that such reporting be integrated within the annual progress report on RBA collaboration. This will (i) streamline reporting of joint RBA activities; (ii) align with the Food and Agriculture Organization of the United Nations (FAO) and World Food Programme (WFP) reporting on their engagement in CFS activities; and (iii) allow IFAD to report on its engagement in the CFS plenaries, and its support to the uptake of CFS policy products and programme of work.
		Update on IFAD's approach to address the United Nations Strategy to prevent and respond to sexual harassment, sexual exploitation and abuse	Every Board session (three times a year)	Reporting twice a year (Q1 and Q4)	Reporting twice a year rather than three times a year would ensure the Board is provided with comprehensive updates substantiated by data, while also reducing the number of documents submitted for the Board's review.

* Further to the Board's approval of the review of modalities of formal and informal sessions of the Executive Board and its subsidiary bodies ([EB 2023/138/R.10](#)), progress reports may be delinked from Executive Board sessions to distribute documentation more evenly throughout the year and allow greater flexibility for finalization of documents and review by Board representatives. Such documents would be submitted for the Board's review through the Member States Interactive Platform online commenting feature.

** This would require an amendment of the Financial Regulations of IFAD, as described in paragraph 6 and in the draft resolution contained in annex I.

7. The proposal related to the audited financial statements of IFAD, as described in table 1, would require an amendment to the Financial Regulations of IFAD, specifically Financial Regulation XII, paragraph 6. The required amendment is presented in the attached draft resolution.

III. Recommendation

8. The Executive Board is invited to approve the proposed revisions related to governing body documentation, as contained in table 1. The Board is further invited to submit the attached draft resolution to the Governing Council for adoption at its forty-seventh session in February 2024.

Resolution .../XLVII

Amendments to the Financial Regulations of IFAD

The Governing Council of IFAD,

Having considered the recommendation made by the Executive Board at its 139th session, as contained in document GC 47/L.X, Streamlining of governing body documentation;

Acting under Article 6, Section 2(f) of the Agreement Establishing IFAD;

Hereby decides:

1. To amend Financial Regulation XII, paragraph 6, to read as follows (added text is underlined and deleted text is shown in strikethrough):
 6. The Executive Board shall consider for approval at its first session of the year ~~submit to the Governing Council, for approval at its annual session,~~ the report(s) of the external auditor and the audited financial statement of the Fund, including the general balance sheet and a statement of profit and loss, and submit them to the Governing Council, for information, at its annual session.

This resolution and the amendment contained therein shall enter into force and effect as of the date of its adoption by the Governing Council.