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## Multiphase adaptive programme approach

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**Useful references:** IFAD12 monitorable action 34 – Report of the Consultation on the Twelfth Replenishment of IFAD’s Resources ([GC 44/L.6/Rev.1](#)), IFAD13 monitorable action 18 – Report of the Consultation on the Thirteenth Replenishment of IFAD’s Resources ([GC 47/L.5](#)).

**Action:** The Executive Board is invited to consider the approval of the multiphase adaptive programme approach as per the recommendation contained in paragraphs 25, 26 and 27.

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**Technical questions:**

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# Multiphase adaptive programme approach

## I. Introduction

1. The purpose of the present document is to introduce the multiphase adaptive programme (MAP) approach and to seek endorsement from the Executive Board. The operational elements of MAPs are described in detail in the following paragraphs.
2. **Multiphase adaptive programmes.** MAPs are a way of structuring programmes that allow tackling complex development challenges across phases, offering a flexible, dynamic framework for agile responses and the possibility of long-term commitments by extending programme duration and impact beyond traditional projects. With the later phases initially predefined but subsequently adjusted during implementation, they embrace a gradual strategy better suited to specific contexts (such as post-conflict and fragile situations). Unlike linear models, they embrace flexibility, allowing for adjustments and iterations as new information emerges or circumstances change.
3. Under a phased approach, the programmes are structured as a set of smaller, individual, interlinked phases with a longer implementation period (up to 12 years). A financing agreement governs the initial phase and subsequent phases are documented through amendments to the initial financing agreement (unless the government opts otherwise). MAPs are comprised of a detailed design of the first phase with a plan of activities to be implemented during the subsequent phases that can be adjusted based on the progress assessment and lessons learned from the first phase.

## A. Background

4. **Experiences of multilateral development banks.** In recent years, multilateral development banks (MDBs) have shown strong interest in taking up flexible instruments for project investments. In 2017, the World Bank reintroduced the mechanism with adjustments, known as the multiphase programmatic approach. Similarly, the African Development Bank launched the Policy on Multitranches Financing Facility in 2022, while the Asian Development Bank reformed its Multitranches Financing Facility.
5. **Lessons learned.** The proposed new approach capitalizes on the experiences of IFAD and MDBs, as follows:
  - (a) Good quality up-front design is critical in programmatic approaches, as the first phase needs realistic targets based on a gradual strategy;
  - (b) Building a robust monitoring and evaluation system must be a priority from the programme's outset to ensure evidence is at the base of the designs of the subsequent phases;
  - (c) Delegation of authority from the Executive Board to Management is essential for providing the flexibility and resource savings implicit in the success of a phased programme; and
  - (d) Numerous or exclusively quantitative triggers increase the rigidity of the approach, and MDBs have moved towards more subjective determinations around satisfactory progress of the previous phase.

## B. Rationale for the introduction of multiphase adaptive programmes

6. MAPs are fully embedded in IFAD's business model. MAPs respond to specific replenishment commitments, particularly those calling for developing guidelines

and piloting multiphase programmatic approaches<sup>1</sup> under the Twelfth Replenishment of IFAD's Resources (IFAD12) and using multiphase programmatic approaches in at least 10 per cent of new designs<sup>2</sup> (IFAD13).<sup>3</sup> The aim is to consolidate country programmes into larger and more impactful projects that focus on the drivers that enabled the successful upscaling of activities in previous phases. Experience shows that combining projects into larger operations over several phases fosters partnerships and promotes government ownership, allowing programmes to remain agile and to reconcile long-term commitments with strategic orientations.

7. **MAPs and fragility.** IFAD identified fragile contexts among the priority areas under IFAD13 and reinforced its commitment to sustaining rural communities by allocating at least 30 per cent of the core resources of IFAD13 to fragile contexts. Additionally, IFAD has developed a refreshed operational approach to fragility that encourages the adoption of phased and agile programmes to respond swiftly to changing contexts on the ground. The MAP would expand IFAD's current catalogue of project design instruments by allowing a gradual and flexible approach that is particularly tailored to building lasting engagement in countries with fragile contexts affected by weak institutions, high exposure to environmental threats or armed conflicts. In a fragile context, the focus of the initial phases could be placed on immediately rebuilding support, stabilizing situations and testing third-party capacities, while subsequent phases may prioritize institution-building, governance reforms and sustainable development investments, which pave the way for long-term and equitable development. The MAP instrument is considered useful also for small island developing states as they would benefit from long-term commitments and flexible investments to address adverse conditions caused by climate change and environmental degradation, thereby increasing resilience.
8. **IFAD's current portfolio is already composed of long-term projects.** Between 2005 and 2023, 542 projects reached completion, of which 101 projects (or 19 per cent of the total) had a duration between 9 and 12 years, and 20 projects (equivalent to 4 per cent) lasted over 12 years.
9. **Three ways of incorporating a multiphase approach are currently being used by IFAD.** First, many projects include additional financing to scale successful results. Of the 121 projects that lasted more than 9 years, 42 (or 34 per cent) had a "top-up" loan approved during implementation to scale up project activities and expand the project outreach or target area. Second, some independent loans are designed as subsequent phases of prior projects. Of the projects approved during IFAD11 and IFAD12, 22 per cent are identified as a second or third phase of previous projects. Third, during the same period, a limited number of projects (5 per cent) included a multiphase approach within the project structure.
10. Experience suggests that in the first two cases, the projects would have benefited from the adoption of a programmatic approach. While projects with top-up loans led to increased impact, they were less successful in mobilizing cofinancing beyond the original completion date, as the extensions could not be anticipated. In the second case, some of the follow-up projects experienced performance issues at the beginning due to the gap between first and subsequent project. This was mainly because project staff left at project closure, leading to a loss of institutional memory and skills that had to be rebuilt by the follow-on project. MAPs combine the benefits of top-up financing and second-phase projects by building a longer-term perspective right from the start, leading to enhanced performance and

<sup>1</sup> Report of the Consultation on the Twelfth Replenishment of IFAD's Resources: Recovery, Rebuilding, Resilience ([GC 44/L.6/Rev.1](#)).

<sup>2</sup> Commitment 2.1 "Promoting an integrated country programme approach", monitorable action 18 "ensure that at least 10 per cent of new projects use multiphased programmatic approaches by Q4 2027".

<sup>3</sup> Report of the Consultation on the Thirteenth Replenishment of IFAD's Resources: Investing in Rural Prosperity and Resilience for a Food-Secure Future ([GC 47/L.5](#)).

long-term commitment, and fostering stability. Moreover, MAPs, by using a long-term development approach, provide opportunities for interested parties to join, cofinance and influence the programme at each phase.

## II. Multiphase adaptive programmes

11. **Characteristics.** MAPs are intended to be structured in phases within an overall programme duration of up to 12 years. The intrinsic flexibility of the approach allows for decisions to be made on the number of phases to build the programme around and the length of each phase according to the activities the programme expects to support along the implementation period. Only the first phase is designed in detail, while subsequent phases are described more broadly so that they may be adapted to the evolution and outcomes of the initial stage.
12. **Executive Board approval.** A President's report will be submitted to the Executive Board for approval of the financing of the first phase of the programme and endorsement of the overall programme objective, the underlying concept of the next phases and the ceiling for financing of additional phases. The Board will also be asked to authorize the President to approve financing for the subsequent phase(s) within the established ceiling of the IFAD financing that the President's report will provide for each MAP, subject to the availability of financial resources and a satisfactory assessment of the previous phase. The first phase is governed by a financing agreement, while amendment letters to the underlying financing agreement will be processed for all subsequent phases (unless the counterpart requires a stand-alone financing agreement).
13. **Design process and assessment.** As a new instrument in IFAD, all MAPs will follow track 1 (the design track for operations requiring high corporate attention) during IFAD13, after which this provision will eventually be revised based on the experience acquired. At design, each phase must include assessment guidelines that indicate a set of significant and realistic criteria (either quantitative or qualitative) against which the performance of the first phase is evaluated to determine whether the conditions required for approval of the next phase have been met. These criteria are not meant to be hard triggers but can instead be based on the achievement of significant outcomes or the demonstration of progress towards readiness for the next phase.
14. **Design of the subsequent phases.** Following the assessment of the first phase, and while it is still under implementation, the project delivery team will design the subsequent phase, incorporating the lessons learned and adjusting project activities to potential changes in the context as long as a clear and direct alignment with the approved programme's development objective is maintained.
15. **Approval of the subsequent phases.** Under this proposed model, if the project has met the established criteria (i.e. positive performance assessment and alignment with the programme's development objective), the President, with the authority granted to him upon the Board's approval of the first phase, will approve financing for the subsequent phase within the established ceiling of the IFAD financing, as set out below. Upon completion of the design process, the proposals (report to the President and assessment) will be posted for Executive Board representatives' review no later than 14 days prior to approval by the President. Any single Board member may register an abstention or objection, or request that the proposal be submitted to the Board for approval. In the absence of a request from a Board representative for a proposal to be submitted at the forthcoming session of the Board, the proposals will be considered approved by the President. This procedure of posting the proposals for the Executive Board representatives' review no later than 14 days prior to approval by the President is the same as currently followed for approvals under the delegation of authority to the President.<sup>4</sup>

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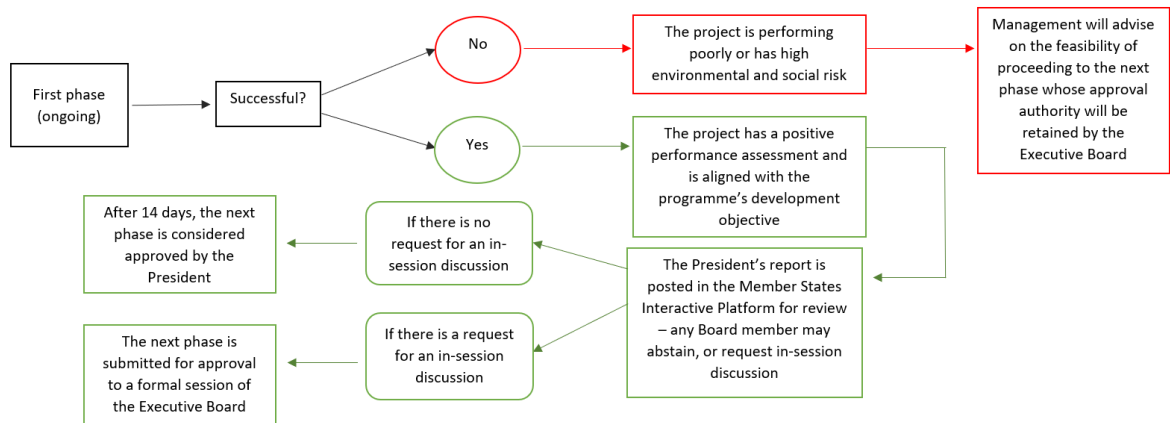
<sup>4</sup> [EB 2019/126/R.48/Rev.2.](#)

The lending terms for subsequent phases are those for which the borrower is eligible at the time of the approval of each phase.

16. Conversely, if the previous phase has had an unsatisfactory assessment (i.e. chronic problem project, poor performance) or the environmental and social risk rating is high, Management will consider the feasibility/advisability of proceeding to a next phase and **the authority to approve the next phase shall be retained by the Executive Board.**

Figure 1

**Approval process for subsequent phases**



17. **Benefits.** MAPs are in line with IFAD's mandate to sustainably transform rural livelihoods. They capitalize on the experience of IFAD and other international financial institutions (IFIs). This experience has shown the following benefits:
- Lasting in-country engagement** particularly in fragile contexts;
  - Strong government ownership** through enhanced policy dialogue and private sector engagement;
  - Flexibility** to adapt project interventions to unforeseen circumstances as long as the activities are consistent with the original development objectives;
  - Sustainability of the results**, through long-term building of the capacities of public institutions and rural organizations;
  - Higher predictability of the use of funds** across phases;
  - Increased focus on **scaling results across the project phases**, fostering the introduction of innovative approaches in early project stages;
  - Reduced time gaps and delays** in project implementation and **increased continuity** in programme management as programme management unit staff are provided with a longer career perspective;
  - Dynamic strategy for attracting cofinanciers** from other international institutions and the private sector along the project phases, enhancing IFAD's role as a financing assembler;
  - Provide a coherent framework** for the existing practice of top-up loans and second phases, with the goal of streamlining project/programme approval procedures and reducing the workload of the Executive Board and IFAD staff; and
  - Past experience in IFAD and other IFIs shows that most multiphase programmes tend to complete all their phases.

18. **Risks.** While MAPs have many benefits, there are also potential risks that need to be managed:
  - (a) Multiphase programmes may be subject to political changes in the country, a reduction in economic and fiscal commitments, and a shift in government priorities and donor interests, thus jeopardizing sustained support and posing additional challenges for successful implementation;
  - (b) Additionally, overly broad and imprecise development objectives, coupled with insufficient financial resources in the final stages, may lead to project discontinuity or incomplete outcomes, resulting in missed opportunities to scale good practices and ensure an orderly exit; and
  - (c) The financing envelopes available for borrowing countries, as well as the lending conditions, might vary during the implementation period.
19. In spite of these risks, on balance MAPs offer opportunities to maintain engagement with governments and partners and to develop alternative pathways to achieve mutually agreed development goals. To this end, a thorough analysis of the country's development trajectory, proactive engagement with cofinanciers, and close, fluid interaction between the country team and the government are essential to mitigate such risks.
20. **Links with other portfolio management approaches and policies.** MAPs are compatible with other instruments currently adopted in IFAD, for example results-based lending (RBL) approaches, for which it is recommended to dedicate the first phase to build the required institutional capacities and use the RBL approach in subsequent phases.
21. **Restructuring policy.** Like any other programme in IFAD, MAPs can be restructured through maintaining the same distinction between level 1 and level 2 restructuring. Should a MAP have a level 1 restructuring pending, any approval of a subsequent phase must wait until the restructuring is concluded.
22. **Cancellation.** MAPs are subject to IFAD's regular procedures on cancellation of financial resources. As with regular programmes, in order for the financing to be reallocated within the portfolio it must be approved more than one year before the completion date.
23. **Additional financing for financing gaps.** Phases can be designed with a financing gap, or a financing gap can also occur during implementation due to the withdrawal of a cofinancier or an increase in the project costs. In such cases, the government can request additional financing to fill the financing gap, in accordance with IFAD's regular procedures.
24. **Additional financing for scaling.** MAPs can also be eligible to receive additional financing to expand the project outreach or the project area during implementation, in accordance with IFAD's regular procedures.

### III. Recommendation

25. The introduction of MAPs by IFAD represents a strategic response to the evolving landscape of development financing, characterized by the need for flexibility, sustainability and responsiveness to changing contexts. Additionally, the focus on addressing fragility underscores IFAD's commitment to inclusive and sustainable development, ensuring that MAPs remain agile and responsive to the diverse needs of Member States.
26. In order to:
  - (a) Capitalize on the lessons learned and ensure alignment with the other IFIs that have already approved similar instruments;
  - (b) Enhance efficiency in IFAD's internal administrative processes;

- (c) Abide by the IFAD12 commitment to developing guidelines and piloting multiphase programmatic approaches (monitorable action 34); and
  - (d) Facilitate compliance with the IFAD13 commitment to use multiphase programmatic approaches in at least 10 per cent of new designs (monitorable action 18).
27. It is hereby recommended that the Executive Board consider and approve the proposed introduction of the MAP approach as set forth in the present document.