

Streamlined procedure for the approval of Memorandums of Understanding or similar agreements



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1 Background



Partnerships are embedded in **IFAD's founding document** & reinforced throughout **strategies**.



Partnerships are central to IFAD's **mandate, impact, and value for money**.



EB approval of all MoUs or similar agreements, even if no legal or financial obligations.



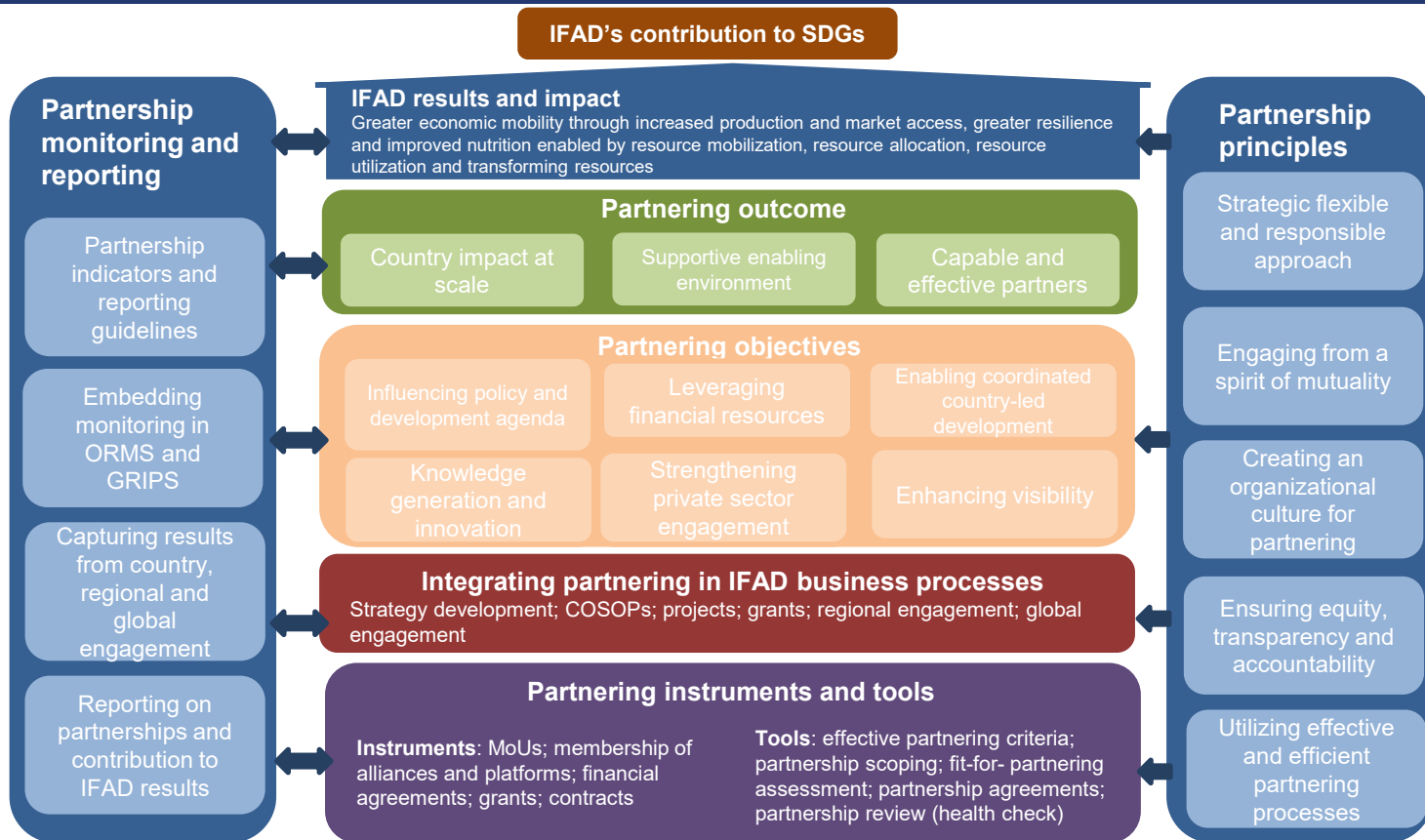
Partnerships are **increasingly becoming more important and dynamic**



2 IFAD Partnership Approach



IFAD Partnership Framework (2019)



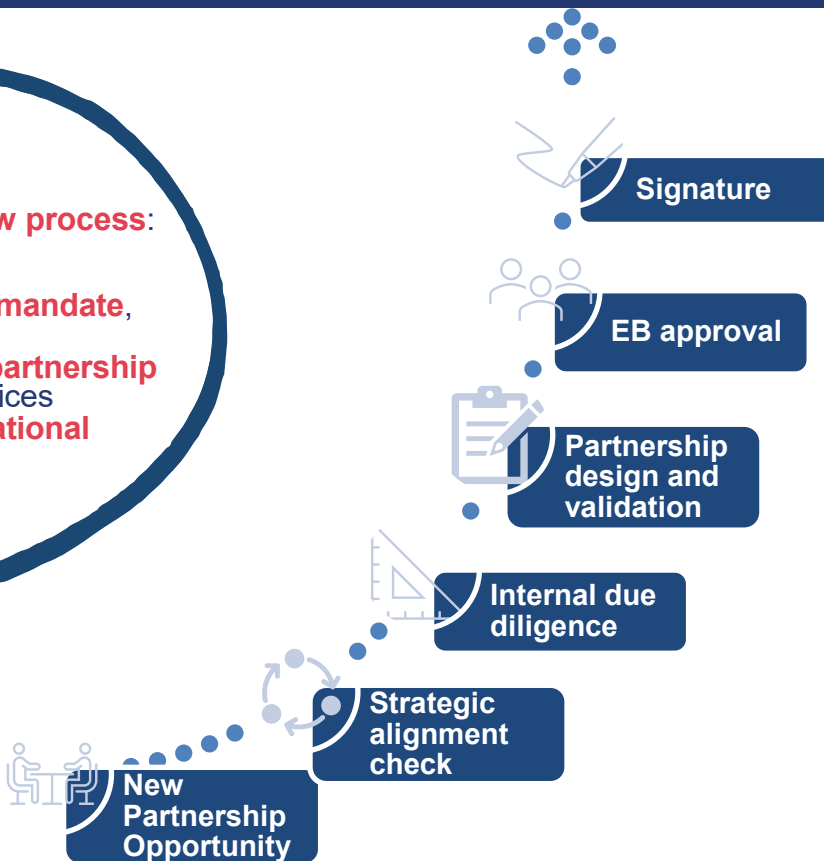
3 Approval Process for New Partnerships



Process

Rigorous internal review process:

- ✓ alignment with IFAD's **mandate**, strategic objectives
- ✓ consistent with IFAD **partnership priorities** & best practices
- ✓ safeguard from **reputational** & **fiduciary risks**



3 Due Diligence for New Partnerships: A Risk-Based Approach



**Due Diligence
for non-
governmental
entities**

Environmental,
Social and
Governance
(ESG) Due
Diligence

- Safeguards transparency, integrity, independence and neutrality of IFAD
- Applies strict exclusion criteria
- Compliance with UNSDG's Common Approach

Integrity Due
Diligence (IDD)

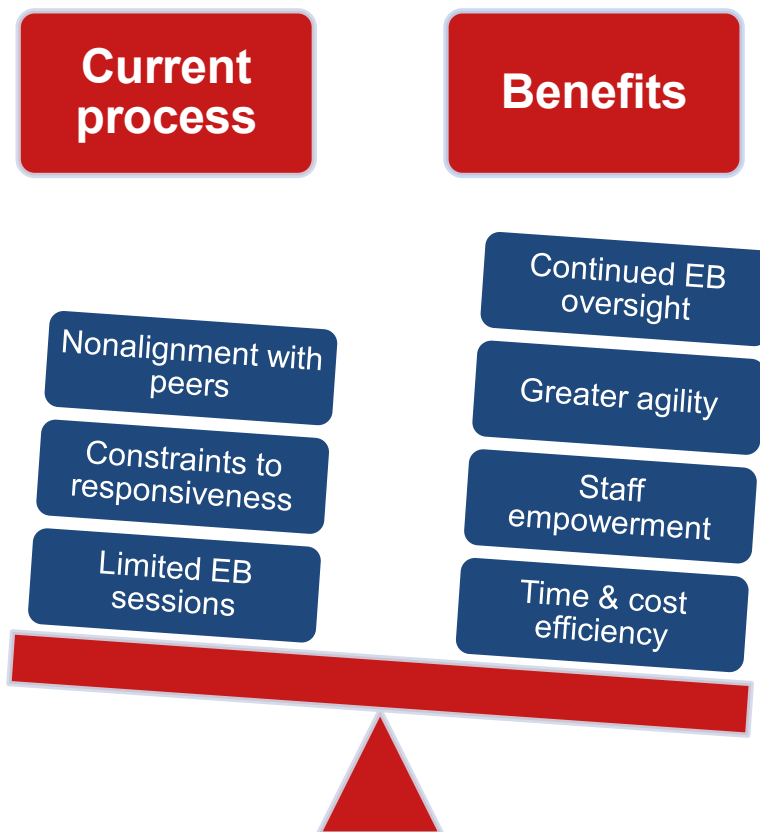
- Ensures compliance with AML/CFT* Policy
- Identifies money laundering, terrorism financing, restrictive measures, financial crime and related risks
- Risk based approach based on Know-Your-Customer (KYC) principles and industry-leading financial crime databases



4 Benefits for Streamlining



Trade-off



5 Proposal: Streamlined Approval Modality



Expand the streamlined procedure* to

MoUs or similar agreements with **no financial or legal implications;**

* Proposals for Streamlining the Approval of IFAD-funded Projects and Programmes ([EB 2019/126/R.48/Rev.2](#))



Oversight mechanism

Proposals uploaded to Member States Interactive Platform (MSIP) for 14 days;

Any EB member may request formal EB review;



Approval authority with the President

MoU considered approved by the President in the absence of a request to discuss at a forthcoming EB session;



Reporting mechanism

Signed MoUs **shared with the EB for information** in their original language.

Contact

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Thank You