
Streamlined procedure for the approval of memorandums of understanding or similar agreements

Document: EB 2026/147/R.9

Agenda: 9(a)

Date: 25 March 2026

Distribution: Public

Original: English

FOR: APPROVAL

Action: The Executive Board is invited to approve the proposed streamlined procedure for the approval of memorandums of understanding or similar agreements, as contained in section V: Recommendation – Proposed new modality and oversight.

Technical questions:

Ronald Hartman

Director
Global Engagement, Partnership and Resource
Mobilization Division
e-mail: r.hartman@ifad.org

Wei Wang

Chief Partnership Officer and Special Advisor to the
President
Global Engagement, Partnership and Resource
Mobilization Division
e-mail: we.wang@ifad.org

Streamlined procedure for the approval of memorandums of understanding or similar agreements

I. Background

1. Partnerships are a cornerstone of IFAD's operations. Delivering on IFAD's mission requires a wide diversity of national, regional and global partnerships. At present, partnerships are more than ever central to IFAD's ability to achieve its strategic objectives and enhance its impact and value for money.
2. The importance of partnerships is embedded in IFAD's founding document. Article 8, section 2 of the Agreement Establishing IFAD provides: "The Fund shall cooperate closely with the Food and Agriculture Organization of the United Nations and other organizations of the United Nations system. It shall also cooperate closely with other intergovernmental organizations, international financial institutions, non-governmental organizations and governmental agencies concerned with agricultural development. To this end, the Fund will seek the collaboration in its activities of the Food and Agriculture Organization of the United Nations and the other bodies referred to above, and may enter into agreements or establish working arrangements with such bodies, as may be decided by the Executive Board."
3. Furthermore, IFAD's private sector strategies have consistently emphasized the role of partnerships with bilateral development finance institutions, public development banks, farmers' organizations and private sector actors at all levels.
4. The authority to approve the entering into of memorandums of understanding (MoUs) or similar agreements with such entities rests with the Executive Board.
5. At its 145th session, the Board considered a proposal to delegate to the President the authority to enter into such agreements, provided they do not involve financial obligations, are consistent with IFAD's policies and procedures, and align with IFAD's mandate, strategic objectives and partnership priorities. Recognizing both the Board's oversight role and the need for more rapid, deeper partnerships, additional information and a potential alternative option balancing such oversight with enhanced operational efficiency for IFAD were requested.
6. Accordingly, after further reflection and considering Member States' feedback provided both previously and at the related informal seminar of the Executive Board held on 18 February 2026, it is now proposed to streamline the approval of such agreements using the existing streamlined approval procedure as outlined in section V below.

II. Current approach to partnerships

7. Building on the partnership framework approved by the Executive Board in September 2019, IFAD has pursued partnerships to deliver on its commitment to bring about sustainable and inclusive rural transformation and generate concrete results. These partnerships allow the Fund to leverage complementary mandates, broker knowledge and innovations, leverage financial resources, influence policy and development agendas, strengthen private sector engagement, enhance visibility, enable country-led development and strengthen local ownership and resilience.
8. The framework introduced an integrated approach to prioritizing, strengthening, and monitoring partnerships within IFAD's business processes. As a result, partnership reporting was embedded in existing results reporting, evaluation and information systems, for example, at country strategic opportunities programme design, grants and project supervision and completion.

9. In addition, IFAD provides the Executive Board with regular updates reflecting IFAD's partnership experience during each replenishment period, key achievements and overall value of these partnerships for the institution. The first progress report was issued in 2022, covering the period of the Eleventh Replenishment of IFAD's Resources,¹ while the report assessing IFAD's partnership capacity during the Twelfth Replenishment of IFAD's Resources was issued in 2025.²

III. Instruments and current process

10. These partnerships are formalized mainly through MoUs setting out the scope and objectives of cooperation, without creating legal or financial obligations, but which can often lead to and enhance the possibility of cofinancing, technical assistance, or other direct support to existing IFAD projects and programmes. Others are established through cooperation, collaboration or cofinancing framework agreements, which are typically more detailed arrangements specifying the areas of collaboration, governance structures, and implementation modalities, while still not entailing financial obligations.
11. A rigorous internal review process ensures that such agreements adhere to IFAD values and procedures, and are consistent with best practices. This process involves several departments, including, for example, the Global Engagement, Partnership and Resource Mobilization Division, the Financial Controller's Division, the Office of the General Counsel, and other relevant divisions, including where relevant the Office of Audit and Oversight and the Communications Division.
12. All new partnerships are subject to a risk-based due diligence process, to ensure that engagements are strategically valuable, ethically sound, and free from reputational or fiduciary risks. The process involves assessing the strategic value of the partnership, the relative benefits of pursuing either a formal or an informal partnership, and reviewing possible reputational implications. It also includes a risk-based anti-financial crime/integrity due diligence investigation in accordance with IFAD's Anti-Money Laundering and Countering the Financing of Terrorism Policy and implementing procedures.
13. Exclusionary criteria are rigorously applied: IFAD does not engage with entities complicit in human rights abuses, engaged in child or forced labour, producing anti-personnel mines, cluster munitions, tobacco or armaments, violating United Nations sanctions, or operating in high-risk, sensitive sectors, for example, alcohol, certain agribusiness activities, mining, oil and gas, weapons, pornography, exploitative or corrupt practices, or severe environmental violations.
14. Currently, the negotiation, approval and signature of such agreements require Board approval, even if they involve no legal or financial commitments. Once Board approval is obtained and the agreement is finalized, it moves to the signature phase. The President is the signatory for agreements approved by the Board, noting that he may delegate his authority to sign. Following the signature of such agreements, these are shared with the Executive Board for information.

IV. Rationale for streamlining the approval process

15. The current process, requiring approval at one of the three formal Board sessions, is not aligned with similar oversight in peer institutions and has, at times, proven to be insufficiently responsive to operational realities, particularly in contexts requiring rapid engagement to capitalize on cofinancing and partnership opportunities.

¹ EB 2022/135/R.23.

² EB 2025/OR/32.

16. In the last 10 years, 30 MoUs have been submitted for the approval of the IFAD Executive Board. In each case, a detailed proposal was prepared by IFAD and submitted at one of the three yearly Executive Board sessions. Although most of these MoUs were purely technical cooperation agreements, implementation could have been expedited and additional opportunities capitalized upon had a more efficient and responsive approval process been adopted. Detailed information regarding the approved MoUs can be found in annex I.
17. With a view to identifying an efficient process that ensures both Board oversight and responsiveness to opportunities, a comparative benchmarking exercise was conducted with peer institutions, including international financial institutions and multilateral institutions (see annex II). This exercise revealed that standard practice across multilateral institutions is to delegate authority to negotiate and approve such non-financial agreements to senior leadership. IFAD's current process leaves room for improvement to allow for greater operational agility and competitiveness in forming timely and impactful collaborations and to avoid reputational concerns, as potential partners may perceive the institution as slow-moving and bureaucratic in comparison with its peers.
18. IFAD regional directors and country directors highlighted that certain partnerships, cofinancing, technical assistance or other opportunities supporting IFAD projects were missed or delayed because of the current approval process, disincentivizing innovation and making IFAD less nimble and responsive to partnership opportunities.
19. Over the last year, three partnership opportunities – two in Africa and one in Latin America and the Caribbean – with private sector or non-profit entities could not be finalized due to delays in formalizing the requested MoU agreements. These recent examples include:
 - (i) A potential cofinancing framework agreement with the private sector for activities in West Africa to develop family farm entrepreneurship as a sustainable model integrating economic, environmental, individual and collective interests;
 - (ii) A collaboration with an African centre of excellence on groundwater management to develop initiatives to strengthen the management of transboundary aquifers to enhance access to water resources for IFAD's target group; and
 - (iii) A multilateral partnership in the Latin America and Caribbean region aimed at mobilizing private sector financing to boost smallholder productivity, enhance food security and expand cofinancing opportunities with the private sector in areas such as agroecology and inclusive value chains.
20. In these cases, the potential partners ultimately opted for alternative avenues because IFAD was unable to formalize the requested MoUs within the allotted timeframe.

V. Recommendation – Proposed new modality and oversight

21. It is proposed to align the approval process for MoUs or similar agreements with the existing streamlined approval procedure adopted by the Executive Board in 2019 on Proposals for Streamlining the Approval of IFAD-funded Projects and Programmes.³ This procedure provides that, after the proposal has been published on the dedicated page of the Member States Interactive Platform for Executive Board representatives for at least 14 days, the President has the delegated authority to approve:

³ EB 2019/126/R.48/Rev.2.

- (a) Additional financing to fill identified financing gaps already approved by the Executive Board in projects and programmes, subject to certain conditions.
 - (b) Proposals for new projects valued at US\$5 million and below.
 - (c) Additional financing for scaling up, totalling US\$5 million and below.
22. To the above list, Management hereby proposes to add:
- (d) Negotiation and signature of MoUs or similar agreements with entities, involving no financial obligations or legal commitments.
23. If approved, in line with the existing procedure, such proposals would be uploaded on the dedicated page of the Member States Interactive Platform for Executive Board representatives' review no later than 14 days prior to approval by the President. Likewise, any member may request that a proposal delegated to the President be presented to the Board for approval. An objection or abstention by any member to the approval by the President of a given proposal will be disclosed and noted in a disclaimer on the same page once communicated. In the absence of a request from an Executive Board member for a proposal to be submitted at the forthcoming session of the Board, the proposal will be considered approved by the President.
24. The proposed approach would ensure Executive Board oversight. Specifically, it would allow time for representatives to review the proposal prior to the President's approval. In addition, the Executive Board would continue to receive the signed agreements, shared for information in their original language, in line with the current practice.
25. Similarly, the approach would continue the current robust due diligence process for these matters. IFAD would continue to perform the same rigorous pre-approval assessments, including the detailed due diligence process and the application of exclusionary criteria described above.

VI. Conclusion

26. In line with Member States' guidance, this proposal aims to ensure continued and appropriate Executive Board oversight, supported by regular updates, while enabling greater operational agility for IFAD to seize partnership opportunities that advance rural transformation and strengthen alignment with peer institutions.
27. The Executive Board is therefore invited to approve the proposed streamlined procedure for the approval of MoUs and/or similar agreements, as set out in the recommendation in section V above.

List of memorandums of understanding submitted to the IFAD Executive Board for approval between 2015 and 2025

Year	Executive Board session	Memorandum of understanding
2015	115 th session	Memorandum of understanding between the International Fund for Agricultural Development and the European Investment Bank
		Memorandum of understanding between the International Organization of Supreme Audit Institutions and the Donor Community
		Cooperation agreement between the International Fund for Agricultural Development and the Andean Development Corporation
2017	121 st session	Proposal for a memorandum of understanding with Heifer International
		Proposal for a partnership agreement with Mars, Incorporated
2018	124 th session	Memorandum of understanding between the International Social Security Association and the International Fund for Agricultural Development
		Memorandum of understanding between International Center for Biosaline Agriculture and the International Fund for Agricultural Development
		Memorandum of understanding between the Rome-based universities and the International Fund for Agricultural Development
2019	126 th session	Proposal for a memorandum of understanding with the Korea Rural Economic Institute
		Memorandum of understanding between IFAD and the Arab Bank for Economic Development in Africa
	127 th session	Proposal for a memorandum of understanding with the Asian Infrastructure Investment Bank
2020	129 th session	Memorandum of understanding between the World Food Law Institute and IFAD
	130 th session	Extension of IFAD's participation in the memorandum of understanding between the International Organization of Supreme Audit Institutions and the Donor Community
		Cooperation and cofinancing agreement between the Islamic Development Bank and IFAD
		Memorandum of understanding between IFAD and the African Risk Capacity Agency
2021	132 nd session	Joint cooperation programme between the King Salman Humanitarian Aid and Relief Centre and IFAD
		Memorandum of understanding between HELP Logistics and IFAD
	134 th session	Memorandum of understanding between IFAD and Ferrero
2022	135 th session	Memorandum of understanding between the Bill & Melinda Gates Foundation, McKinsey & Company Inc. Kenya, Alliance for a Green Revolution in Africa and the International Fund for Agricultural Development
		Cofinancing framework agreement between IFAD and the Cassa Depositi e Prestiti

Year	Executive Board session	Memorandum of understanding
2023	139 th session	Memorandum of understanding between the Clinton Foundation/Clinton Global Initiative and IFAD
2024	141 st session	Memorandum of understanding between the European Institute of Innovation for Sustainability and the International Fund for Agricultural Development
		Memorandum of understanding between the Committee on Sustainability Assessment, the International Security and Development Center, the Federal Ministry of Agriculture and Forestry in the Republic of Sudan and IFAD
		Memorandum of understanding between the Development Bank of Southern Africa and IFAD
		Memorandum of understanding between AKADEMIYA2063 and IFAD
	142 nd session	Memorandum of understanding between the International Financial Reporting Standards Foundation and IFAD
2025	144 th session	Cofinancing framework agreement between IFAD and the East African Development Bank
	145 th session	Proposal for a memorandum of understanding between the Agricultural Development Fund in the Kingdom of Saudi Arabia and IFAD for cooperation in the development of the agricultural sector
		Memorandum of understanding among multilateral development banks and international financial institutions on loan administration and disbursement harmonization
	146 th session	Parallel cofinancing framework agreement between Abu Dhabi Fund for Development and IFAD

Benchmarking against other institutions

Institution	Approval by Management	Information to the Executive Board
World Bank International Bank for Reconstruction and Development	Yes	No
International Finance Corporation	Yes	No
International Development Association	Yes	No
Inter-American Development Bank	Yes	No
African Development Bank	Yes	No
Asian Development Bank	Yes (unless significant implications)	Yes (part of the annual partnership report)