

Document: EB 2021/VBC/8
Date: 6 August 2021
Distribution: Public
Original: English

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**Proposal to utilize resources under
the IFAD regular grants
programme, and accept
supplementary funds from the
Bill & Melinda Gates Foundation, for
the African Agricultural
Transformation Initiative**

Note to Executive Board representatives

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For: Approval

Recommendations for approval

The Executive Board is invited:

- To approve that a maximum of US\$2 million from the regular grants programme be set aside and transferred to the the African Agricultural Transformation Initiative (AATI) established under document EB 2021/VBC/7.
- To authorize the President to negotiate and finalize a supplementary funds agreement with the Bill & Melinda Gates Foundation in support of the AATI.

I. Proposed utilization of resources under the regular grants programme

1. As detailed in document EB 2021/VBC/7, several countries in sub-Saharan Africa have the potential to accelerate agricultural transformation through improved delivery infrastructure. The African Agricultural Transformation Initiative (AATI) was devised by IFAD, the Bill & Melinda Gates Foundation (B&MGF), McKinsey & Company, and the Alliance for a Green Revolution in Africa to unlock this potential with the aim of replicating the transformational results of recent examples, including the Agricultural Transformation Agency (ATA) established in Ethiopia.
2. The amount of US\$2 million is being requested from the regular grants programme allocation under the Eleventh Replenishment of IFAD's Resources. It will be combined with an envisioned US\$10 million from B&MGF. Extensive pro-bono support will also be provided in the form of staff time from McKinsey & Company. The amount of IFAD funds being requested is based on the required costs of the initiative (see document EB 2021/VBC/7), its strategic relevance and scope for long-term benefits, and the considerable in-cash and in-kind financing that is being leveraged.

II. Supplementary funds contribution from the Bill & Melinda Gates Foundation

3. The Executive Board is also invited to note that IFAD is seeking supplementary funds of US\$10 million in grant resources from B&MGF, a non-profit philanthropic organization located in Seattle, Washington, United States of America, in support of the AATI. To this end, in accordance with the Private Sector Strategy adopted by the Executive Board and the IFAD Delegation of Authority Framework, the President is seeking the Board's approval to negotiate and finalize a supplementary funds agreement with B&MGF.
4. The funds from IFAD and B&MGF will be pooled and used over the next five years to establish the central AATI team and two national ATAs in line with AATI activities (as outlined in document EB 2021/VBC/7). For the central AATI team, funds will mainly be used to cover staff, travel, equipment and consultancy support. For the national ATAs, funds will be used to support policy delivery, including evaluations and assessments; prioritization of policy, strategic and programme initiatives; identification of change agents in the local context; capacity-building of government/public sector stakeholders; and audit costs.
5. As outlined in document EB 2021/VBC/7, the risks associated with using these funds have been considered and mitigating actions built into the design of the activities.