



Update on the Status of IFAD's Borrowing Framework

7 October 2014

Background and current status



Objective - to provide a **coherent and prudent strategy** for borrowing; **high-level parameters** to guide IFAD

- In 2012 **Governing Council** asked **Management** to “make every effort to explore the scope for **increasing financing from alternative sources**”
- **Executive Board** at **110TH session** in **December 2013** requested **Borrowing Framework** and **instructed the Audit Committee (AC)** to lead its development

Background and current status con't.



- **Concept paper** with main discussion items presented by Management to the AC in March 2014
- AC has led the process through **monthly informal meetings** with IFAD Working Group (FOD, PRM, PMD, LEG) – five meetings between March and July 2014
- AC consensus - Borrowing Framework to be two parts: **Part I - Borrowing from Sovereign States and State Supported Institutions** and
- **Part 2 – Market Based Mechanisms** – but as a **longer-term option** - Management to consider implications and feasibility

Progress on Part I and way forward



- **Agreements** reached on Part I incorporated in the draft Borrowing Framework Part I
- Management to present this draft document to the sixth **informal AC on 4 November 2014** and then to an informal session of the full AC, in late November 2014
- Management will seek approval from the **Executive Board in April 2015**