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## Sessions, workplan and themes of the Consultation on the Eleventh Replenishment of IFAD's Resources

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Consultation on the Eleventh Replenishment of IFAD's Resources —  
First Session  
Rome, 16-17 February 2017

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For: Approval

## Sessions, workplan and themes of the Consultation on the Eleventh Replenishment of IFAD's Resources

1. Article 4, section 3 of the Agreement Establishing IFAD requires the Governing Council to periodically review the adequacy of the resources available to IFAD to ensure continuity in its operations. In order to allow for the timely review of resource availability before the period of the Tenth Replenishment of IFAD's Resources (IFAD10) expires on 31 December 2018, the Executive Board, at its 118<sup>th</sup> session in September 2016, reviewed a draft resolution on the Establishment of the Consultation on the Eleventh Replenishment of IFAD's Resources (IFAD11) and decided to submit the resolution as contained in document GC 40/L.6, together with its recommendations, to the Governing Council for approval at its fortieth session. In anticipation of the adoption of this resolution and after consultations with the List Convenors and Executive Board members, the President of IFAD sent out an invitation to the first session of the IFAD11 Consultation, to be held on 16-17 February 2017 at IFAD headquarters, together with a midterm review of the IFAD10 period.
2. To ensure that IFAD11 enters into effect by 2019, Consultation sessions will be held in 2017 and the Consultation's recommendations will be reported to the forty-first session of the Governing Council in 2018. One organizational and three substantive sessions are expected to suffice for the conclusion of the IFAD11 negotiations. Accordingly, Member States are invited to approve the following dates for the sessions of the IFAD11 Consultation:
  - Second session: Thursday and Friday, 29-30 June 2017
  - Third session: Thursday and Friday, 19-20 October 2017
  - Fourth session: Thursday and Friday, 14-15 December 2017
3. The proposed workplan and themes for the IFAD11 Consultation are attached hereto as an annex for consideration by Consultation members. The proposed themes have been selected based on an assessment of anticipated challenges, opportunities, trends and risks, and the policies, practices and reforms that will be required to achieve targets for the IFAD11 period and beyond. The themes also reflect informal consultation and discussions with List Convenors and Consultation members.

## Proposed workplan and themes for the IFAD11 Consultation

### Second session (29-30 June 2017)

Looking ahead: IFAD in the context of the 2030 Agenda for Sustainable Development

1. Based on the IFAD Strategic Framework 2016-2025, and against the backdrop of the 2030 Agenda for Sustainable Development (Agenda 2030), Management will provide an overview of the investments needed to better enable smallholders to contribute to economic development, poverty reduction, food and nutrition security and, more broadly, to the implementation of Agenda 2030. Management will also describe IFAD's value proposition and comparative advantage and propose the overall scope for its work during IFAD11.

Business model and programme of work for IFAD11

2. Management will explain how it proposes to enhance IFAD's business model in the IFAD11 period in order to better tailor its operations to country context and further increase its effectiveness as a catalyst for promoting inclusive and sustainable rural transformation. In this context, various operational products, approaches and tools will be identified, along with plans to ensure optimal efficiency and value for money during IFAD11.
3. In tandem, Management will present the projected programme of work for IFAD11, including the number and geographic distribution of projects and the focus areas of grants, based on demand for IFAD financing, absorptive capacity and the performance-based allocation system.

Presentation by the Independent Office of Evaluation of IFAD on the corporate-level evaluations on IFAD's decentralization experience and on IFAD's performance-based allocation system

Tailoring IFAD's operations to country context

4. Management will describe the differing challenges and opportunities associated with investing in smallholder agriculture in lower-income countries, middle-income countries and countries with fragile situations and how these will be tackled in the context of the performance-based allocation system, decentralization and addressing root causes of migration. IFAD's comparative advantage and role will be examined and new products, approaches, tools, resources and measurement modalities will be identified to increase its relevance for specific country contexts.

Financial strategy and leveraging

5. Management will propose a financial strategy for IFAD11 inclusive of the replenishment target, compensation for forgone principal and payments as a result of the Debt Sustainability Framework, and a diversified resource base and new financing options. A new financial structure and products that will better equip IFAD to access new sources of finance will be elaborated. Management will also provide an assessment of what would be the appropriate leverage ratios in the context of IFAD's financial sustainability.

Review of the status of the Debt Sustainability Framework

6. Management will analyse the Debt Sustainability Framework and its implications for the long-term financial sustainability of the Fund with the objective of identifying alternative approaches for securing compensation for related payments.

Draft resolution on the Eleventh Replenishment of IFAD's Resources

7. Management will present a draft resolution on the Eleventh Replenishment of IFAD's Resources. The resolution – when finalized – will reflect the contents of the Report of the Consultation of the Eleventh Replenishment of IFAD's Resources,

results of the Consultation's deliberations, the commitments to be fulfilled by Management during the IFAD11 period and the conditions governing IFAD11 contributions.

### Third session (19-20 October 2017)

#### IFAD11 results measurement framework

8. Management will review the evolving structure of IFAD's results measurement framework for continued relevance and alignment with the Sustainable Development Goals and the Strategic Framework, taking into account developments in the corporate results frameworks of other international financial institutions (IFIs). The process will lead to the development of new and refined results measurement approaches and targets in the course of the IFAD11 Consultation – aligned with the theory of change set forth in the Strategic Framework – which will make explicit the linkages between IFAD's activities, outputs and strategic priorities. The process will be duly managed so as to strike the right balance between simplicity and comprehensiveness in the framework.

#### Financial framework and financial scenarios for IFAD11

9. Management will present various financial scenarios for IFAD11 funding based on the agreed methodology. The scenarios will be based on different Member State contribution patterns and will present the leverage ratios necessary to achieve the target programme of loans and grants.

#### Effective foreign exchange rates for use in IFAD11

10. Management will present the currency exchange rates to be used in IFAD11. An overview of exchange rate movements and their impact on IFAD11 will also be provided.

#### Mainstreaming nutrition, gender and climate

11. IFAD Management has made corporate commitments on nutrition, gender and climate to strengthen these dimensions of IFAD's lending activities. The premise for the commitments is that IFAD's investments will be "better and smarter" if they are more sensitive to these cross-cutting core priorities. Management will report on the mainstreaming of these priorities into IFAD's lending operations, including through a responsive institutional architecture that builds on the synergies among the three priorities. Management will propose a proactive approach to strengthen future project design and implementation towards positive outcomes across all three areas. Strong consideration is being given to setting up a new unit for inclusive rural transformation, focused on the empowerment of women, youth and indigenous peoples, which would in turn support delivery of positive outcomes and commitments made under each cross-cutting area.

#### Leveraging partnerships: Private sector, South-South and Triangular Cooperation and development partners

12. Management will discuss its approach to corporate-level and country-driven partnerships, with a particular focus on leveraging increased private-sector investment, and South-South and Triangular Cooperation. In the context of Agenda 2030, strong emphasis will be placed on the need for effective partnerships with other development actors, including collaboration with the Rome-based agencies and IFIs.

#### Draft Report on the Eleventh Replenishment of IFAD's Resources and revised draft resolution

13. Management will summarize the opportunities and challenges discussed during the Consultation and explain the rationale for the overarching theme and focus areas for IFAD11. It will present a framework of actions and commitments to be undertaken, along with the financial framework and a revised results measurement framework.

#### Fourth session (14-15 December 2017)

##### Final Report on the Eleventh Replenishment of IFAD's Resources

14. Management will present the revised IFAD11 report, based on feedback from the third session, comments received on the Member States Interactive Platform and bilateral consultations with Member States.

##### Final draft replenishment resolution

##### Pledges to IFAD11

15. Member States will be invited to announce their pledges to IFAD11.