



IFAD12 Midterm Review (MTR)

First session of the Consultation on the Thirteenth Replenishment
16th February 2023

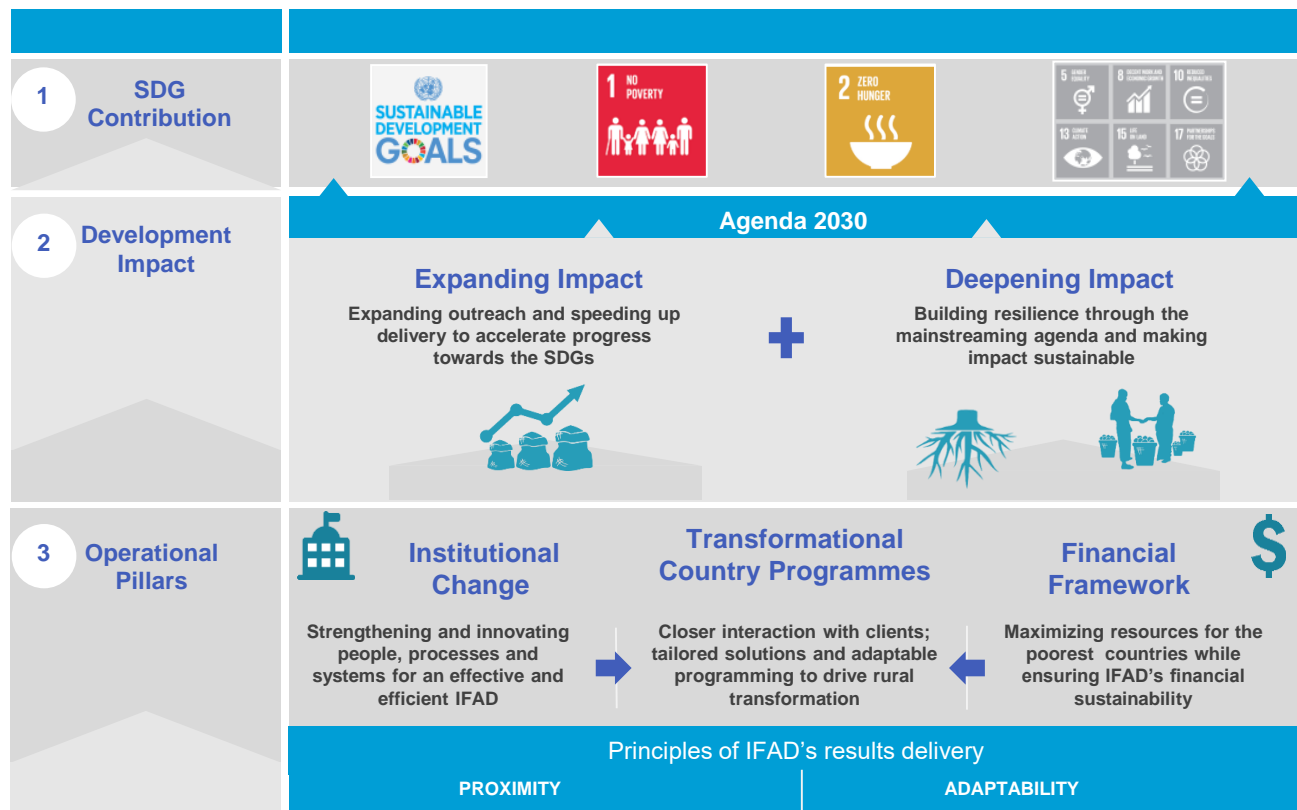
IFAD12 - Recovery, rebuilding and resilience

IFAD12 business model delivers a comprehensive, policy-oriented programmatic package through:

➔ **Transformational Country Programmes**

➔ **Supported by Institutional Change**

➔ **And its Financial Framework**



IFAD12 MTR: Key messages

A strong start on IFAD12 implementation with transformational changes and monitorable actions broadly on track



IFAD12 is being implemented in the midst of a challenging global context leading to increased experience in adaptive management and growing demand for concessional resources



IFAD12 resource mobilization is strong, but targets not fully achieved. Adjustments may be required and further pledges are encouraged (core resources and CPLs).



IFAD12 MTR: Progress as of December 2022

59%

Monitorable actions delivered

Policies

- Policy for **Grant Financing**
- **Graduation** Policy
- Policy on Engagement with **Indigenous Peoples**

Strategies

- **Disability inclusion** strategy
- **Biodiversity** Strategy
- **SIDS** strategy
- New **SSTC Strategy**

54%

RMF12 indicator targets reached

1:1.65

Cofinancing
ratio

6.5

Leverage
from private
sector (ratio)

80%

Proactivity

42.6%

Women in
leadership
positions

Transformational Country Programmes

*Deepening and expanding
impact – Leaving no one behind*



Commitments:

- Increased ambition on mainstreaming and other priority issues, and enhanced targeting of the most vulnerable rural poor people
- Strategic focus on fragility, conflict and building resilience
- Prioritizing IFAD's core resources for the poorest countries
- Strategic partnerships to enhance impact

Monitorable Actions:

11 complete

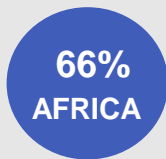
10 ongoing

Prioritizing IFAD's core resources for the poorest countries

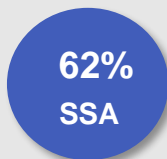
Maximizing support to LICs, LMICS and Africa...



Target: **100%**
On target



Target: **55%**
Above target



Target: **50%**
Above target

While IFAD's **graduation policy** excludes access to IFAD financing, it **maintains access** to other forms of support.

...while ensuring lending to UMICs.



Through BRAM, IFAD committed to give UMICs access to between 11 and 20% of the IFAD12 PoLG.

Currently on track, but compliance to be monitored and reported by end of IFAD12

Inclusion – leaving no one behind



Updated policy on engagement with **Indigenous Peoples**



New **disability** inclusion strategy



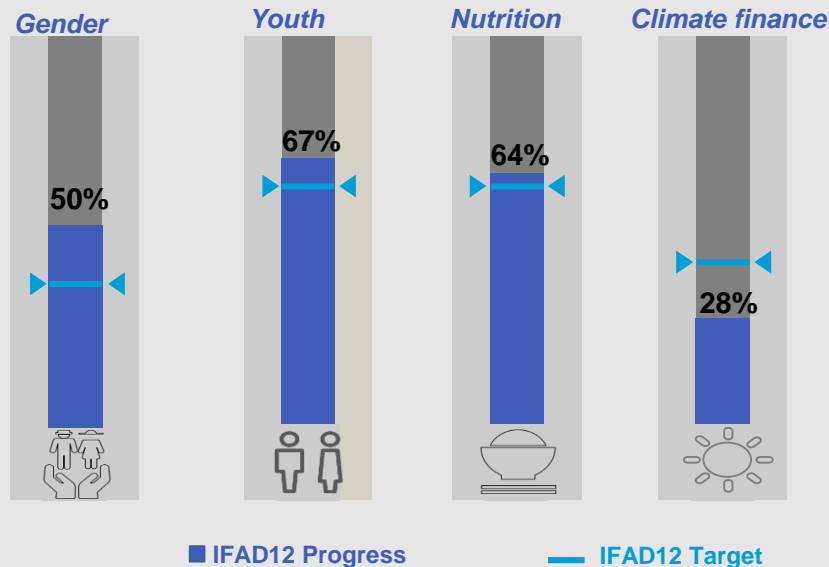
New strategy for engagement in **small island developing states**



Updated **targeting** policy (proposed May 2023)



Integrating mainstreaming themes at design



Challenge



As mainstreaming commitments can contribute to project complexity, additional technical support required

Addressing the drivers of fragility

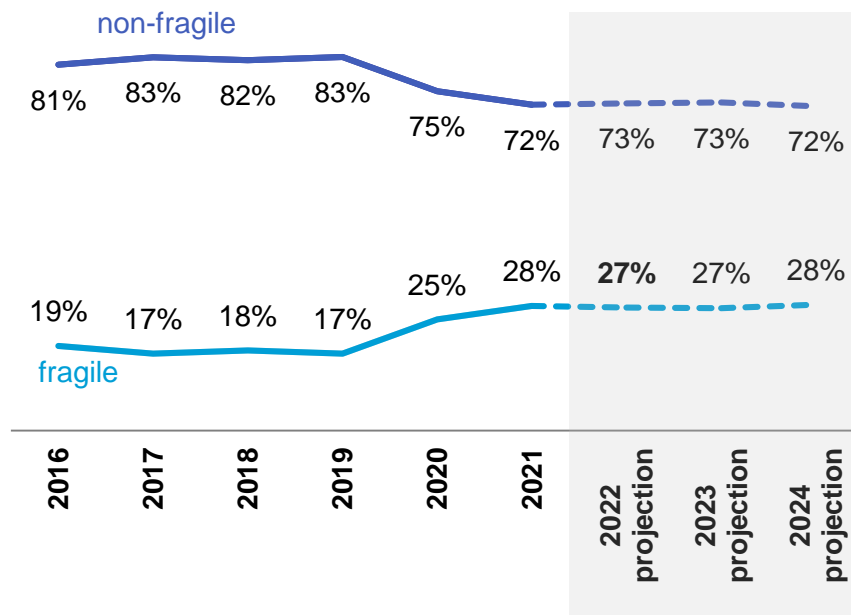
34.5% of core resources allocated to fragile and conflict affected situations (FCAS) against a target of 25%

27% of the ongoing portfolio is invested in fragile situations

27 national projects amounting to **US\$2 billion** in investments across 10 countries in the Sahel and Horn of Africa

Approach paper under preparation on Engagement in Countries with Fragile Situations

Distribution of active portfolio by fragility status, % share



Transformational country programmes

Operationalizing



Commitments:

- Enhancing performance and efficiency
- Sustainability and scaling up results
- Expanding IFAD's toolkit for supporting rural poor people

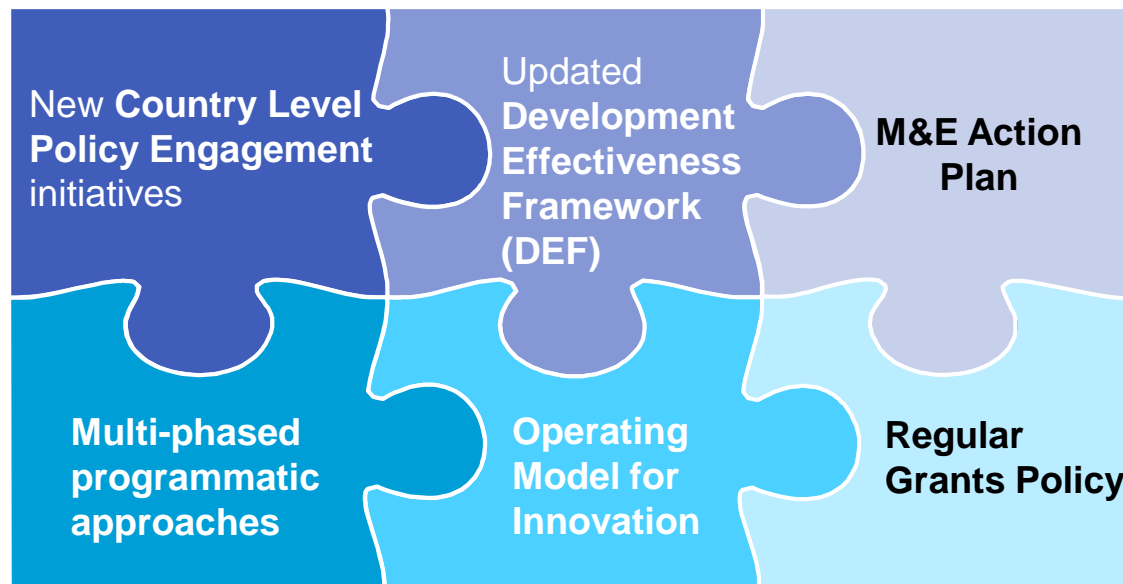
Monitorable Actions:

9 complete

4 ongoing

Using a programmatic approach

Coordinated efforts and instruments to support a programmatic approach



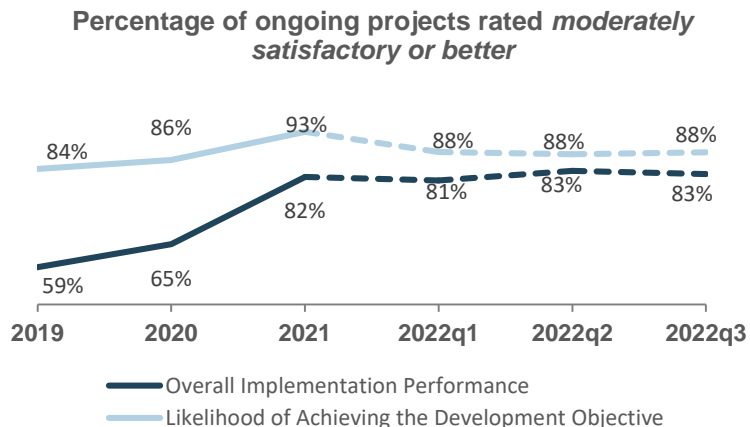
Challenge



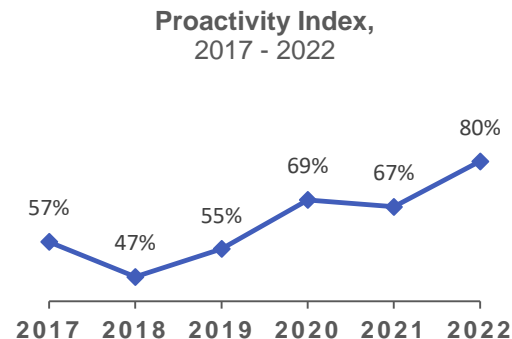
Adoption of the innovation model requires time, and appropriate legal instruments for partnering with external actors

Portfolio performance

Key supervision and implementation support indicators remain above pre-pandemic levels in 2022



The proactivity index has been **trending upwards** since 2018



Operational elements

1 Action Plans

Efficiency
Sustainability

2 Procurement

New manual
End-to-end procurement system

3 Value for Money

Corporate VFM
Scorecard update

4 Scaling Up Framework

Updating 2015 framework

Transformational institutional change



Commitments:

- Increase IFAD's decentralization, while strengthening institutional safeguard mechanisms and risk management

Monitorable Actions:

1 complete

2 ongoing

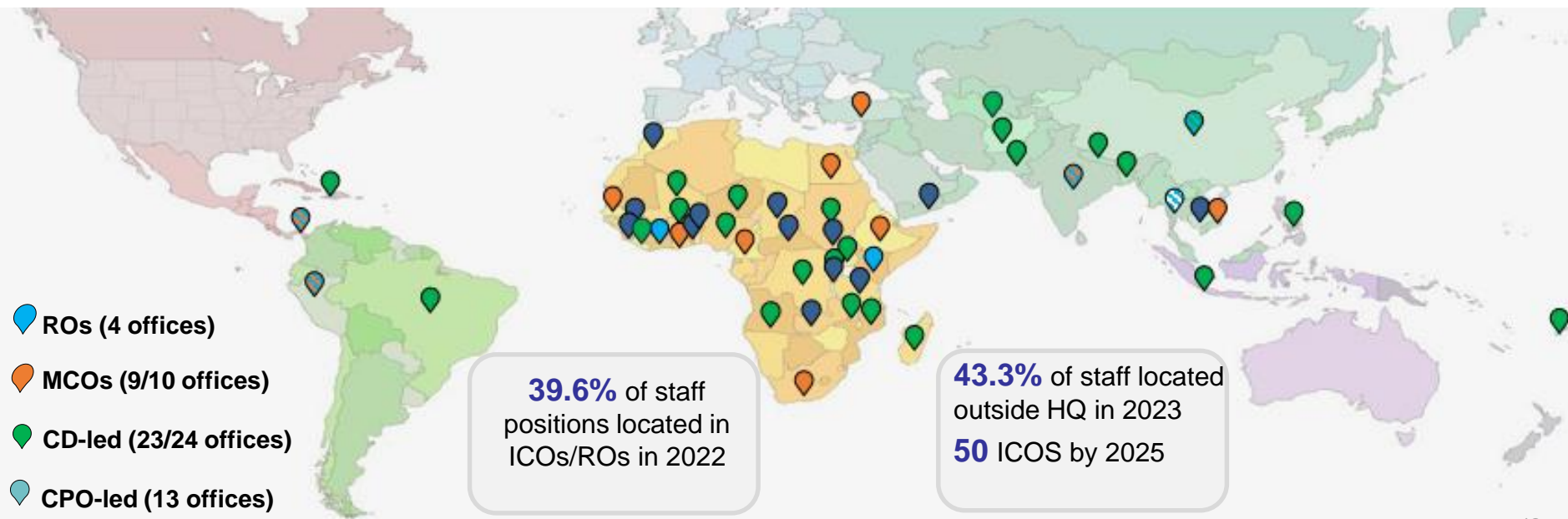
Increasing IFAD's decentralization

Benefits:

- Better support to policy engagement and advisory
- Stronger footprint in FCAS
- Decision-making closer to the field

Challenges:

- Initial setbacks in organizational efficiency
- Re-calibrate based on 2023 CLE



Strengthening People/Process/Technology/Plan (PPTP) Risk Management, and Safeguards

People/Process/Technology

1,800 Training sessions for the Upskilling for Operational Excellence Programme



9 Business processes reviewed, leading to improvements



Robotic process automations



Enterprise Risk Management and institutional Safeguards

Enhancing risk management culture and practices



Biennial action plans, SEA focal points



IFAD-wide survey on hate speech, discrimination and racism



Transformational financial framework



Commitments:

- Increase resources by integrating borrowing to achieve a target PoLG of US\$3.5 billion and introducing two new programmes (ASAP+ and PSFP) with a view to an overall PoW of approximately US\$11 billion

Monitorable Actions:

3 complete

1 ongoing

Expanding the Programme of Work while ensuring financial sustainability

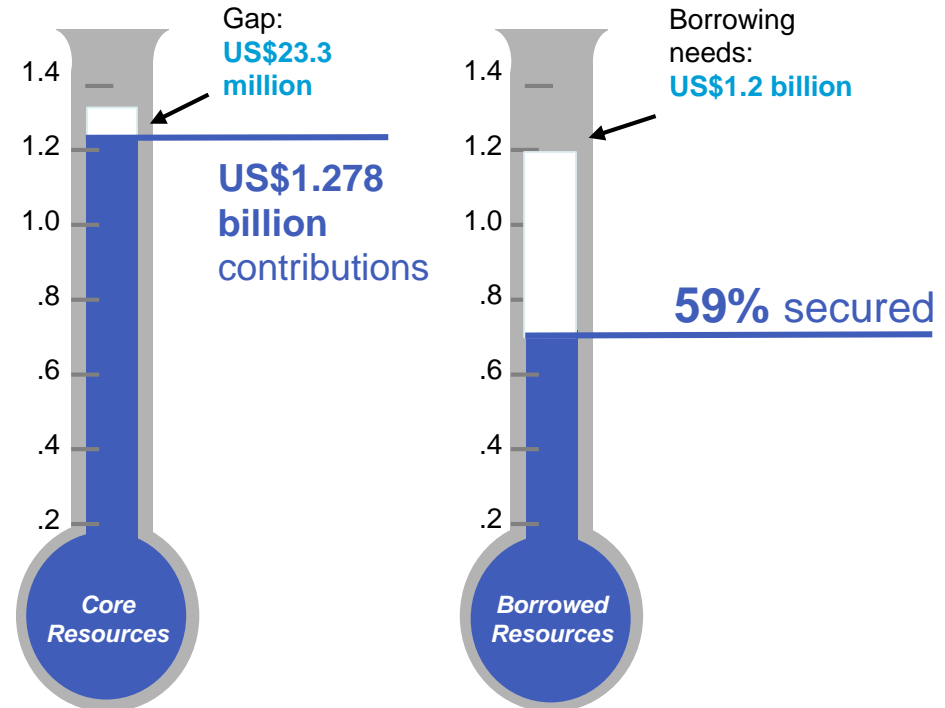
- ✓ **Financial and legal architecture** strengthened
- ✓ **Core contributions at highest ever level:**
 - + Increased contributions across all Lists
 - + Highest number of pledges since IFAD4
 - Yet original target not fully achieved
- ✓ **Borrowing** on track overall, but CPLs below target

Challenges



- Improving predictability and execution of **private placements and bilateral loans**
- Review commitment capacity based on reduced level of CPLs

IFAD12: Core and Borrowed Resources



IFAD as a platform for assembling finance

Cofinancing

Total:
1 : 1.65

Domestic

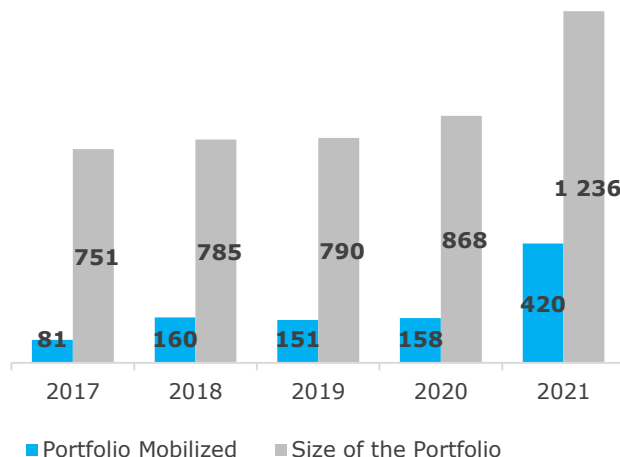
0.88

International

0.77

Supplementary funds

Supplementary Resources Growing
(USD, Millions)

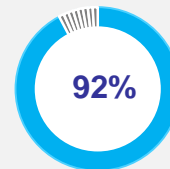


PFSP and ASAP+ support expanded PoW



- Euro 25 million mobilized through PSFP and 6 NSOs approved
- Equity investment in ABC fund
- US\$92 million mobilized through ASAP+

BRAM resources



of funds planned for approval

40

Countries

US\$1.09 billion

3-year targeted amount

Challenge



Debt distress and reduced fiscal space resulted in some countries being unable to access the BRAM

Way forward: Implementing IFAD12

Country Programmes



- Continue efforts to **deliver the remainder of the IFAD12 PoLG** with high quality and to address any shortfall on climate finance targets
- **Maintain upward trend on proactivity** in portfolio management of an large active portfolio
- **Continue engagement with client countries** to assess demand from BRAM resources

Financial Framework



- Continue **resource mobilization** efforts to expand the PoW for greater impact
- Potentially adjust commitment levels based on volume of CPLs mobilized
- **Extend borrowing for IFAD12** and propose revisions to the IFAD Borrowing Framework (IBF) to enhance its effectiveness and reduce funding risk

Institutional Framework



- **Address the high vacancy** rate through a dedicated action plan on vacancy management
- Take stock of decentralization efforts to **fine-tune further decentralization plans**

Looking Ahead: preparing for IFAD13

IFAD12 planted seeds of transformative change:

- IFAD12 commitments on track to support **country programs**
- Significant **institutional change and decentralization** to support transformational country programmes
- **Financial framework** adapted to new business model, leveraging credit rating, and supporting **graduation policy**
- Establishment of **BRAM and PSFP** for demand-driven financing and non-sovereign operations

IFAD12

IFAD13 will build on these changes to scale up ambition and results:

- **Leveraging IFAD's comparative advantage** in agriculture, rural economies and food systems.
- Emphasizing delivery, impact and inclusion, building on the **mainstreaming themes**
- Further prioritizing **fragility and resilience, climate and biodiversity finance**, and **private sector engagement**
- **Increasing financing to respond to urgent global needs**, especially core resources for the poorest countries

IFAD13

2025

2026

2027

2030





Thank you