



Performance Based Allocation System

24 July 2017

Today's presentation

PBAS funding and use

slide: 3 - 5

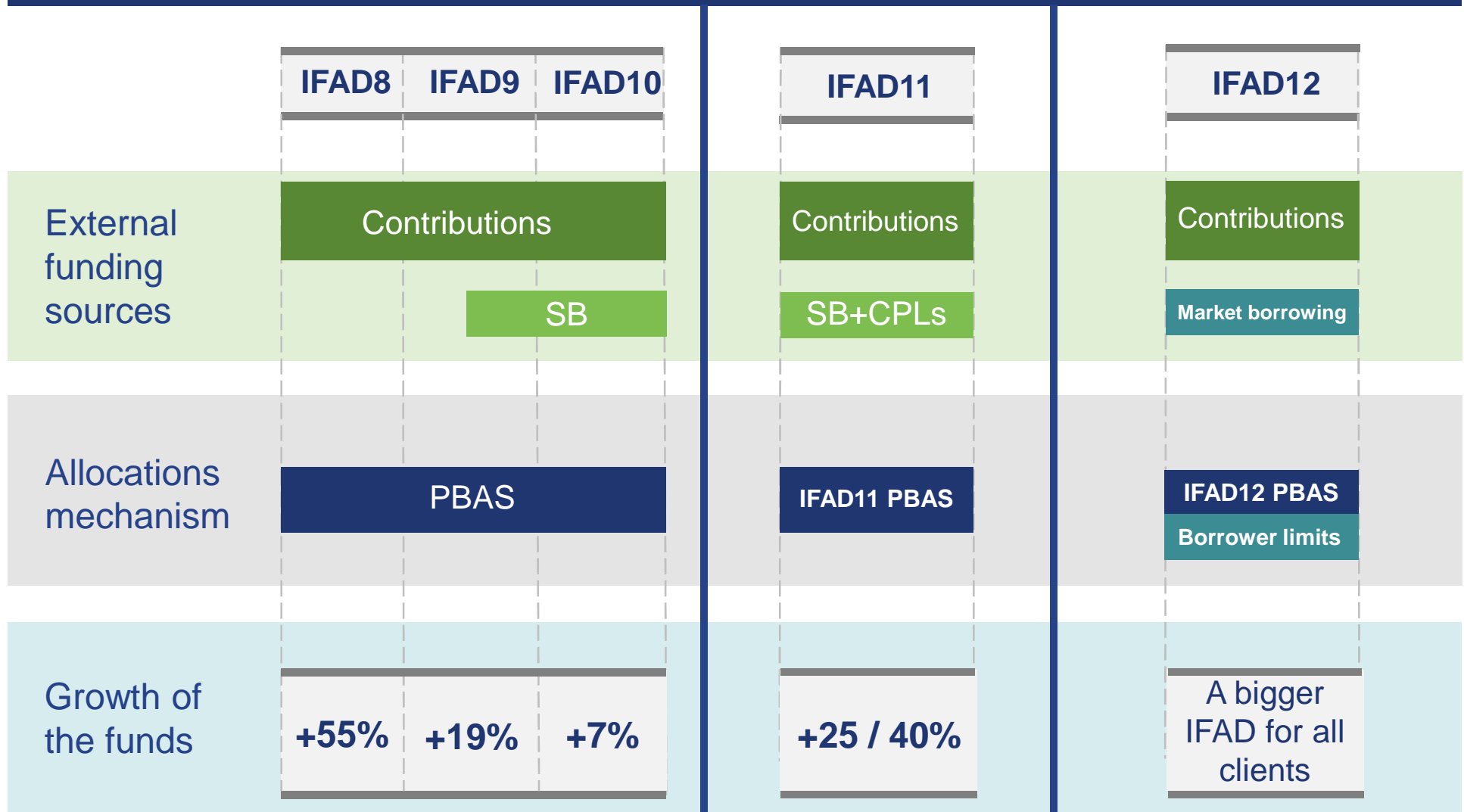
Proposed scenario

slide: 6 - 8

PBAS and IFAD's future

slide: 9 - 10

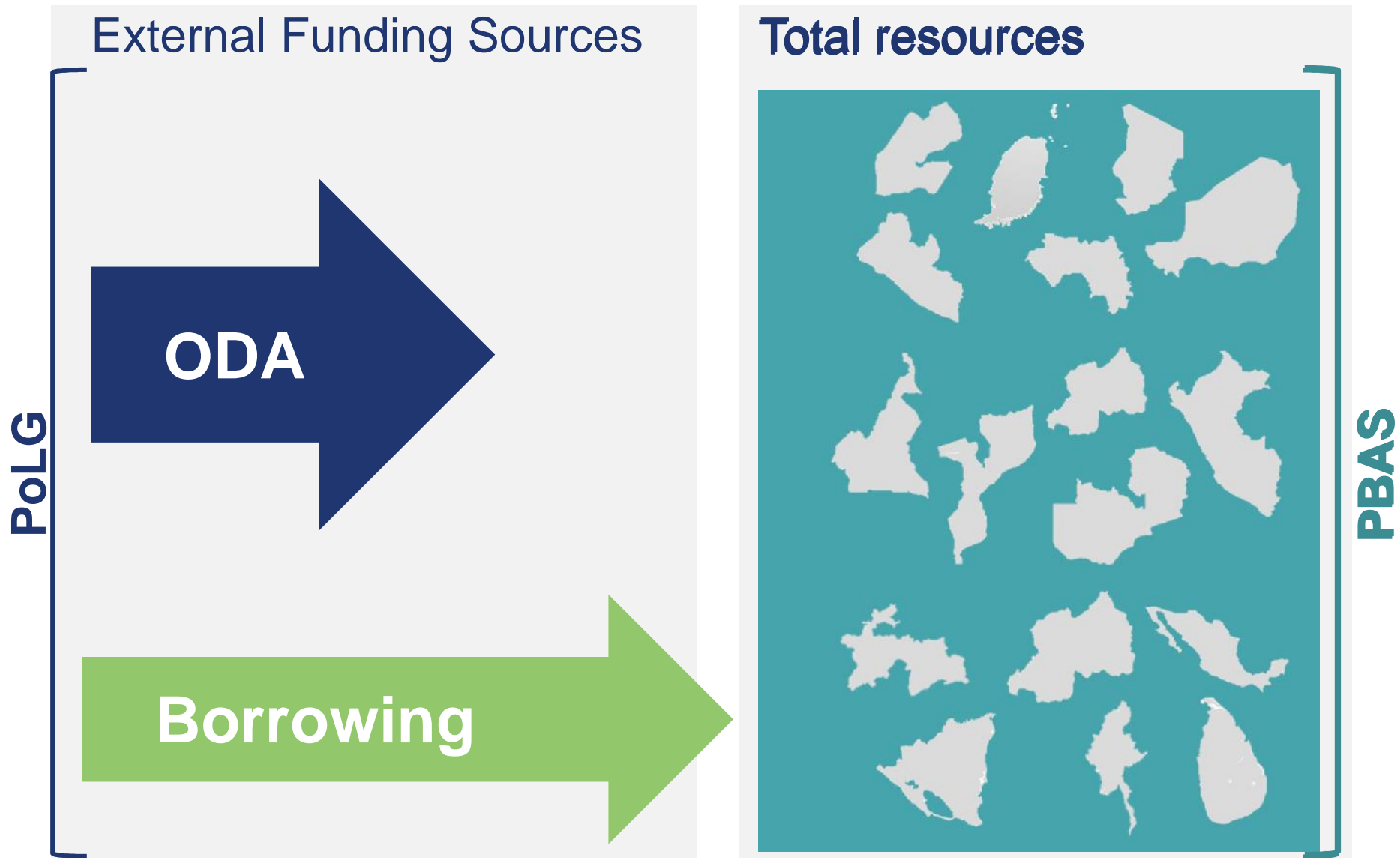
Towards a bigger pie for all to reinforce universality



Proposed PBAS scenario only for IFAD11



Efficient use of ODA, in line with AAA





Flexibility is embedded in the PBAS



Allocations are updated on a yearly basis



±8%

Resulting from updating variables of the formula, with wide standard deviation within and across income groups



Reallocations take place multiple times



US\$139M

Reallocated among countries:

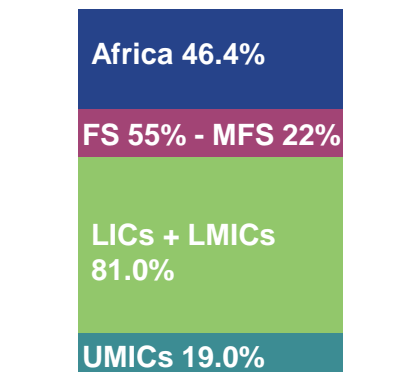
- 49% to LICs
- 37% to LMICs
- 15% to UMICs

Allocations are indicative and subject to changes



Scenarios evolution and proposal

IFAD10



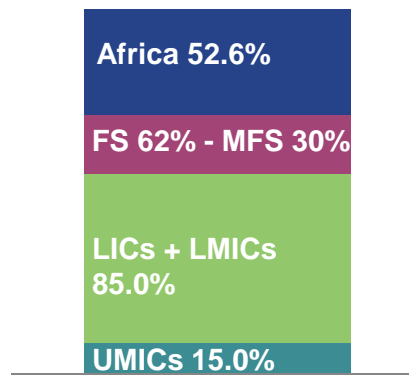
IFAD10

✗ Too inward looking

✗ Less poverty focus

✗ Reassess between needs and performance

Scenario 3D



SC 3 D

✓ RSP/PAD

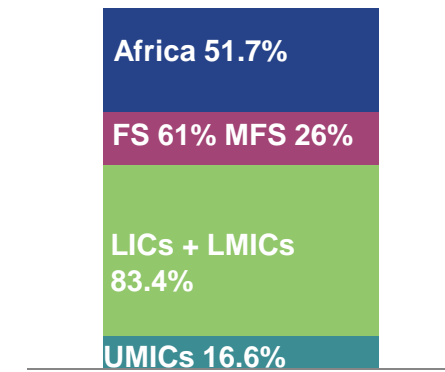
✓ Increased LIC+LMICs

✓ Rebalanced needs and performance

✗ Regional imbalances

✗ Too volatile

Scenario 3D adjusted



SC 3 D adjusted

✓ IVI leading influence

✓ PAD updated

✓ Management capping included

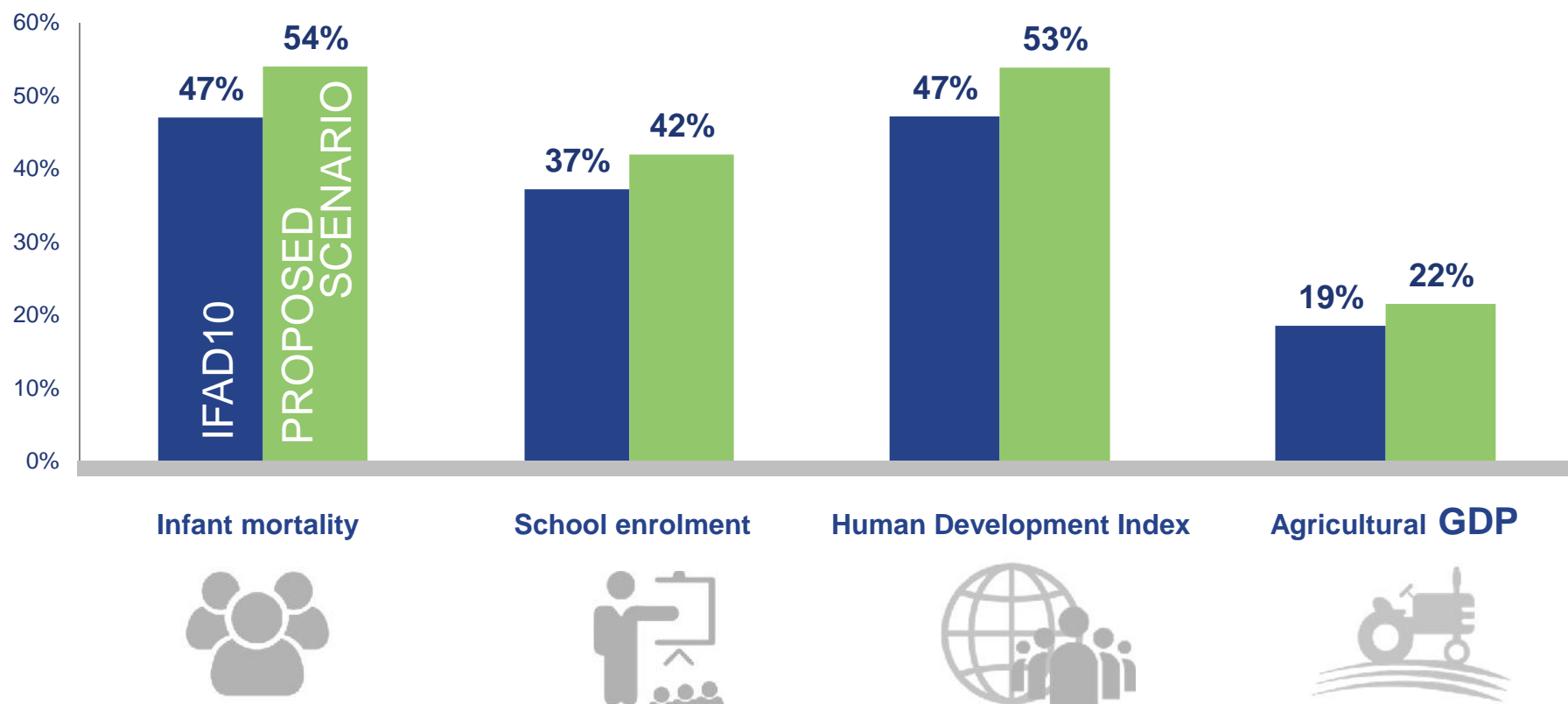
✓ More targeted toward neediest and best performing

Proposed scenario captures the multidimensionality of poverty

Scenario



Share of allocation by indicator by two bottom quintiles (Total resources)



Both needs and performance are actionable and meaningful



IVI

Most influential needs variable

Largest elasticity to ensure high relevance in country scores

High reaction to new situations of fragility

Considers multi-dimensional poverty aspects

PAD

Most influential performance variable

Second-largest elasticity to capture changes in performance

Computation accounts for portfolio and country-related dynamics

Creates virtuous incentives



IFAD11 Business Model provides the strategic direction, with no uncertainties



Business Model



IFAD11 country selectivity criteria preserve the formula's macro-stability



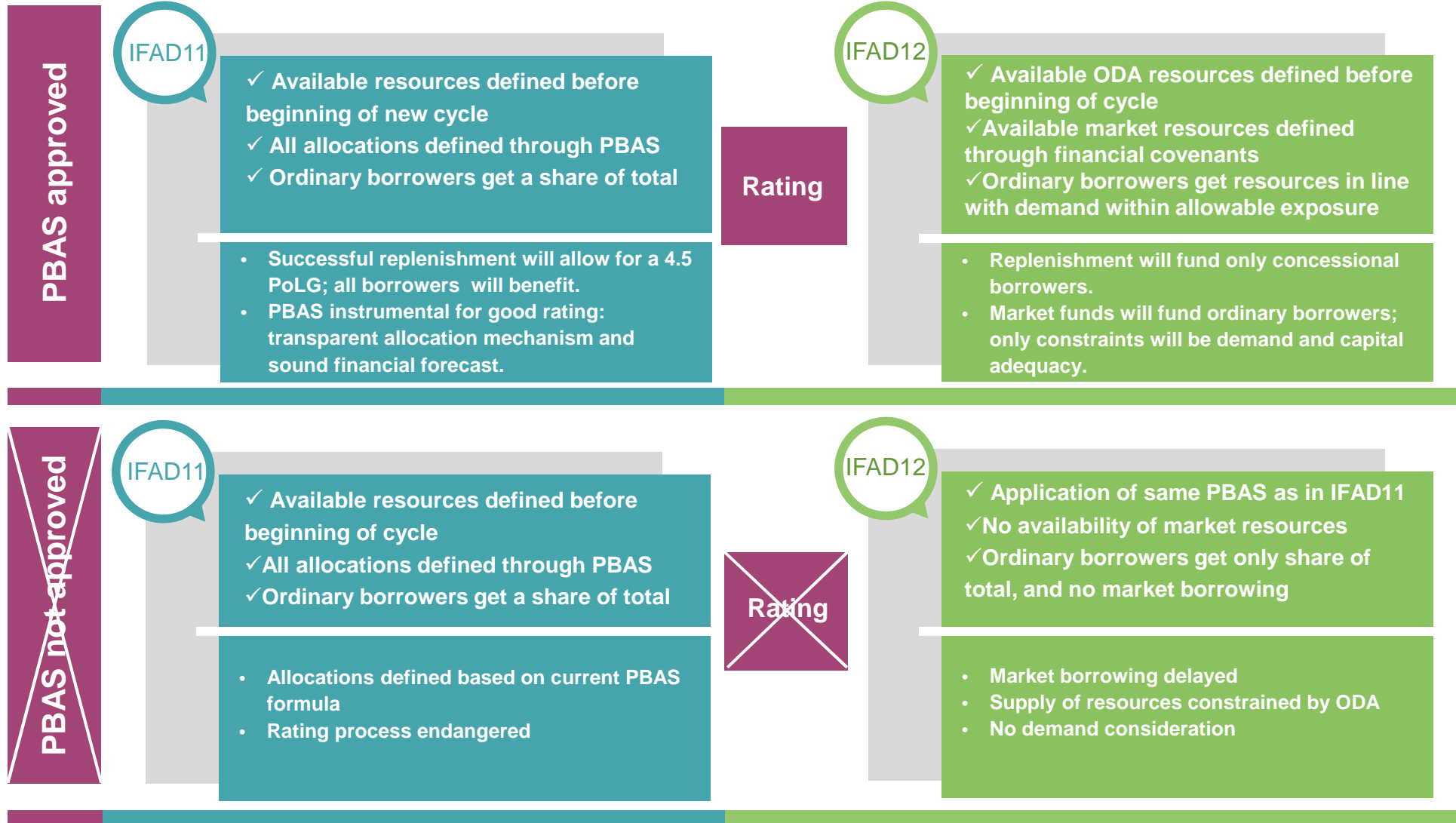
The proposed PBAS is compatible with the proposals of the BM on shares of allocations of core resources



The size of the PoLG (3.3, 4, 4.5) does not influence the PBAS allocation shares by income level, lending term or any other breakdown.



Alternative timelines





Thank you for your attention
