Transition Framework

IFAD's proposal for piloting Results-Based Lending

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IFAD
Investing in rural people
IFAD’s proposal for piloting Results-Based Lending

A. Leverage on IFAD’s comparative advantage
   IFAD will bring the smallholder perspective to larger government programmes

B. Learn from IFAD’s own experience
   IFAD will leverage experiences with SWAPs and performance-based financing

C. Demand – driven voluntary pilots
   No country will be obliged to use RBL, and no country will be excluded from potentially using it

D. Pilot a variety of RBL mechanisms in specific areas
   IFAD will strive to pilot project- and programmatic RBL

E. Partnering during the pilot phase
   For programmatic RBL, IFAD will focus on cofinancing to build necessary capacity

F. Financing of pilots through PBAS allocation
   There will not be any set-aside or additional allocation for RBL

G. Dedicated resources to support design of pilots
   Limited additional design resources will be allocated for the pilots
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Duration of pilot phase
The pilot phase will last six years, in line with the duration of an RBL, and IFAD aims at 2 to 3 operations.

Self-assessment after 3 years
The self-assessment will provide insights on costs, demand, criteria, level of understanding, disbursements.

Criteria for selecting potentially successful pilots
Criteria include lessons from other IFIs, country commitment, testing a variety of indicators.

Realistic and shared choice of DLIs
The DLIs will be developed jointly by IFAD and the Government and will be measurable and achievable.

Independent verification of DLIs
The DLI verification protocol will include the independent verifier and objective data sources.

Risk mitigation measures
Clarity about DLIs and payment mechanism will be key to ensure timely and complete disbursements.

Executive board approval
Each pilot proposal will be submitted to the EB with relevant waivers, as needed, ensuring related safeguards and governance, including fiduciary.
Thank you