



Transition Framework

IFAD's proposal for piloting Results-Based Lending

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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

IFAD's proposal for piloting Results-Based Lending

H 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

I Self-assessment after 3 years

The self assessment will provide insights on costs, demand, criteria, level of understanding, disbursements

J Criteria for **selecting** potentially **successful pilots**

Criteria include lessons from other IFIs, country commitment, testing a variety of indicators

K Realistic and shared **choice of DLIs**

The DLIs will be developed jointly by IFAD and the Government and will be measurable and achievable

L Independent **verification of DLIs**

The DLI verification protocol will include the independent verifier and objective data sources

M **Risk mitigation** measures

Clarity about DLIs and payment mechanism will be key to ensure timely and complete disbursements

N 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