

Document: TFWG 2019/8/W.P.2
Agenda: 3
Date: 1 March 2019
Distribution: Public
Original: English

E



Draft Calendar of the Working Group on the Transition Framework for 2019

Note to Transition Framework Working Group members

Focal points:

Technical questions:

Ruth Farrant
Director
Financial Management Services Division
Tel.: +39 06 5459 2281
e-mail: r.farrant@ifad.org

Jill Armstrong
Director, a.i.
Operational Policy and Results Division
Tel.: +39 06 5459 2324
e-mail: j.armstrong@ifad.org

Dispatch of documentation:

Deirdre McGrenra
Chief
Governing Bodies
Tel: +39 06 5459 2374
e-mail: gb@ifad.org

Working Group on the Transition Framework — Eighth Meeting
Rome, 29 March 2019

For: Review

Draft Calendar of the Working Group on the Transition Framework for 2019

This document contains the draft calendar of the Working Group on the Transition Framework, which includes the proposed meeting dates in 2019. The items to be discussed at the meetings will be added at a later stage and informed by the discussions and strategic deliberations of the Executive Board, including at its retreat planned for May 2019. The calendar is intended to be a flexible reference document and will be adjusted as topics are raised. Additional meetings may also be arranged as needed. The timing and scheduling of items may be revised in consultation with the Chairperson and members of the Working Group.

I. Background

1. Phase II of the Transition Framework was completed in December 2018, with the approval of the IFAD Transition Framework¹ by the Executive Board. At its seventh meeting, the last held in 2018, the Working Group on the Transition Framework (TFWG) agreed on a proposal presented by the Chairperson for the post-phase II period.
2. The proposal tasked the TFWG to continue to carry out its work in line with paragraph 8 of its terms of reference (see EB 2018/123/R.26/Rev.1), in liaison with other governing bodies, according to their specific mandates and technical expertise.
3. The terms of reference state that: “Upon completion of phase II, the Working Group will continue discussions to provide guidance to the Executive Board on items that are included in the Approach to a Transition Framework (EB 2017/122/R.34/Rev.1) approved by the Executive Board in December 2017 that may not be covered in phases I and II because they require a longer time frame...” (para. 8).
4. The additional items that were included in paragraph 8 on a preliminary basis for further discussion, together with comments by Management, are listed below:
 - (a) Voluntary graduation approach. IFAD provides financing to countries that are eligible for highly concessional and less concessional terms, thereby offering a de facto merger of the highly concessional and ordinary capital arms, which are separate at other international financial institutions (e.g. the International Development Association and International Bank for Reconstruction and Development, and the African Development Fund and African Development Bank). Financing is provided from IFAD’s core resources and borrowed funds. An IFAD approach to voluntary graduation should first specify whether “graduation” is construed as being from core resource financing only or from combined financing. This issue is, however, closely linked to changes in IFAD’s financial architecture and financial structure as a whole, including the availability of new and stable streams of financing, and the allocation criteria for the different streams. It is therefore proposed that this item be postponed until Management has obtained guidance from the Executive Board as to proposals for IFAD’s future structure, and its implications in the context of the preparations for the Consultation on the Twelfth Replenishment of IFAD’s Resources (IFAD12), with the TFWG endorsing a roadmap for the work.

¹ See EB 2018/125/R.7/Rev.1

- (b) Definition of an approach to loan pricing. (To be developed in the context of the road map for IFAD's financial strategy – see IFAD11 commitment 1.1, monitorable action 3). An approach for IFAD-specific loan pricing is inherently linked to the establishment of an IFAD-specific cost of capital. However, the cost of capital can only be determined once IFAD's future funding structure is established, as part of the road map for IFAD's financial strategy. It is therefore proposed that this item be postponed until Management has obtained guidance from the Executive Board as to proposals for IFAD's future financial structure, and its implications in the context of the preparations for the IFAD12 Consultation, with the TFWG closely liaising with the Audit Committee on this topic.
- (c) Support for the work undertaken by the Working Group on the Performance-Based Allocation System (PBAS) on the allocation of resources to be tailored to countries' needs, performance and demand within the overall context of IFAD's mandate and strategic priorities. The PBAS is inherently linked with IFAD's financial architecture and the allocation mechanism that governs less concessional funds. Discussions around the review of the PBAS should be linked to the holistic discussion about IFAD's future financial architecture. It is therefore proposed that this item be postponed until Management has obtained guidance from the Executive Board as to proposals for IFAD's future structure during the second half of 2019, in close consultation with the PBAS Working Group.
- (d) Special funding windows, for example to address fragility.

II. Dates of meetings

- 5. This document contains the dates of the 2019 TFWG meetings and the items to be included on the agenda of the year's first meeting. The items to be discussed at subsequent meetings will be included based on the upcoming discussions and deliberations by the Executive Board, including at its May retreat, where strategic directions on several topics will be defined. TFWG members may further revise the programme of work by adding, deleting, defining or amending items during the course of the year. Dates for the meetings to be held in 2019 have been planned to avoid overlap with the planned governing body meetings of the two other Rome-based United Nations food and agriculture organizations. Additional meetings may be arranged in consultation with the members of the Working Group.
- 6. In light of its proximity to the Executive Board's 126th session and retreat in May, it is proposed that the ninth meeting of the TFWG that had been scheduled for Thursday 9 May, be cancelled. This will allow the necessary time to prepare documentation for the subsequent meeting, which is to reflect the outcomes and guidance from the Executive Board discussions on issues falling under the Working Group's mandate.

III. Objective

- 7. The calendar will enable the Working Group to carry out its role and responsibilities in accordance with its terms of reference. In line with the living nature of the Transition Framework, the Working Group will have an opportunity to review and comment on the various items, and to agree on any items to be included in the document approved by the Executive Board in December 2018.

Draft Calendar of the Working Group on the Transition Framework for 2019*

Eighth meeting: Friday, 29 March 2019

- Draft Calendar of the Working Group on the Transition Framework for 2019
 - Special Programme for Fragile Situations and update on the Faster Implementation of Project Start-up (FIPS) Instruments
-

Ninth meeting: Thursday, 9 May 2019 – *proposed to be cancelled*

Tenth meeting: Tuesday, 10 September 2019

Eleventh meeting: Monday, 7 October 2019

Twelfth meeting: Monday, 9 December 2019

* Adoption of the agenda and other business will be standard items at each meeting.