



Building the Elements of a Transition Framework

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First Technical Working Group, 4 May 2018

Proposed approach



Principles

- Predictability
- Sustainability
- Transparency



Goal

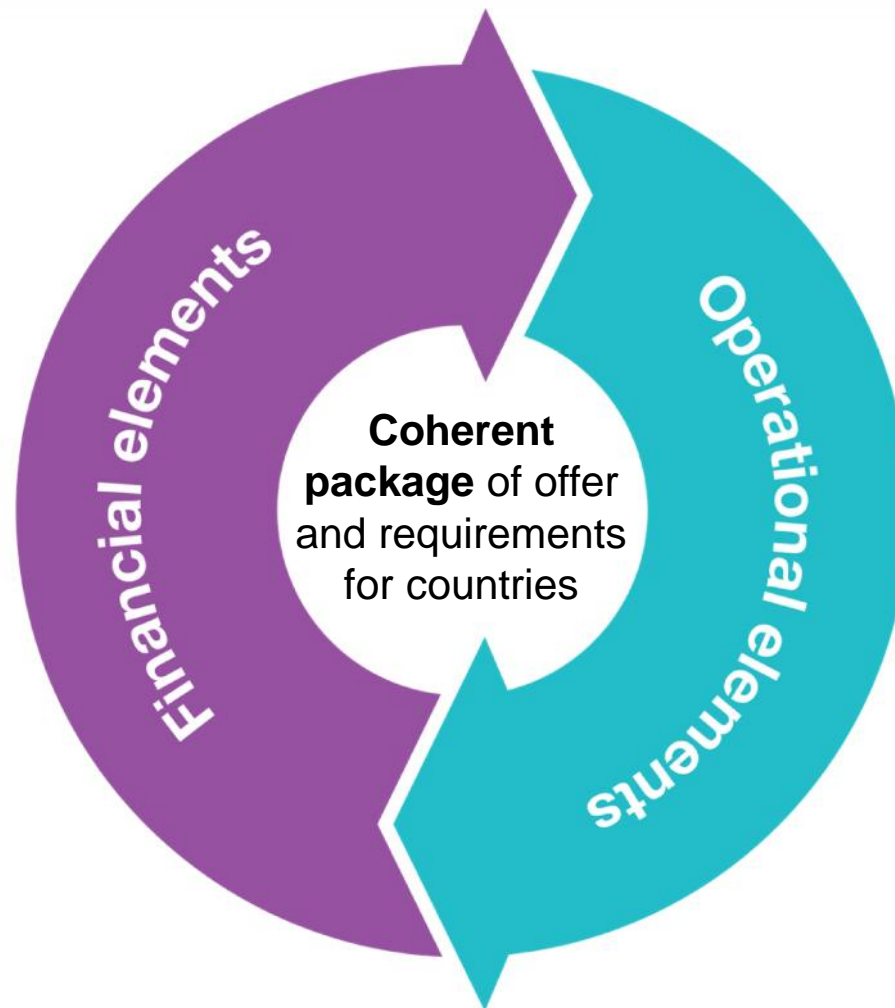
Enhance resource **mobilization/allocation/ utilization/transformation** with innovative approaches



Means

- Reengineering programmatic and **tailored approach** to country
- **Broader offer** of financing instruments and match to demand

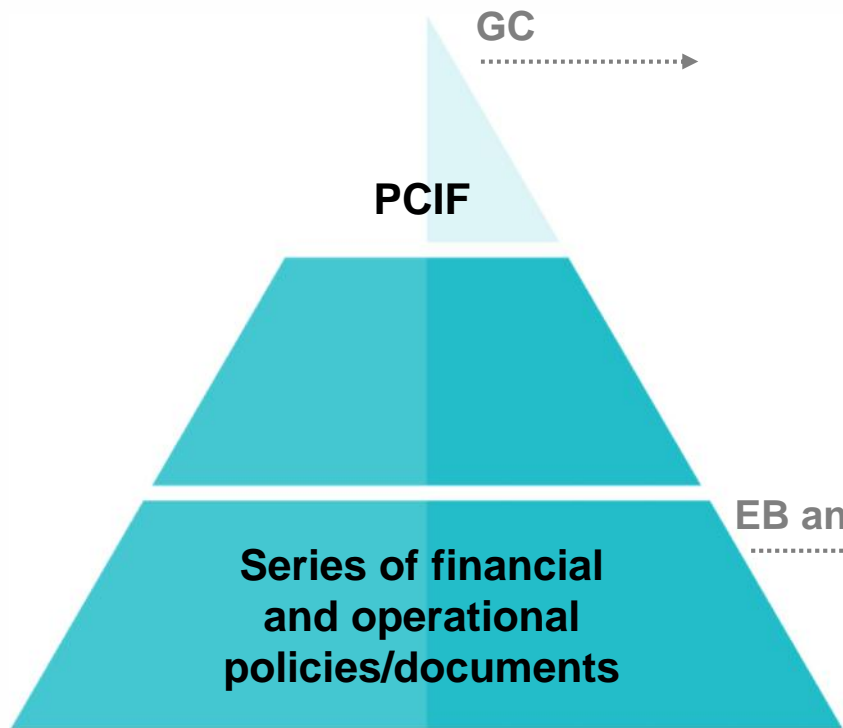
Proposed approach



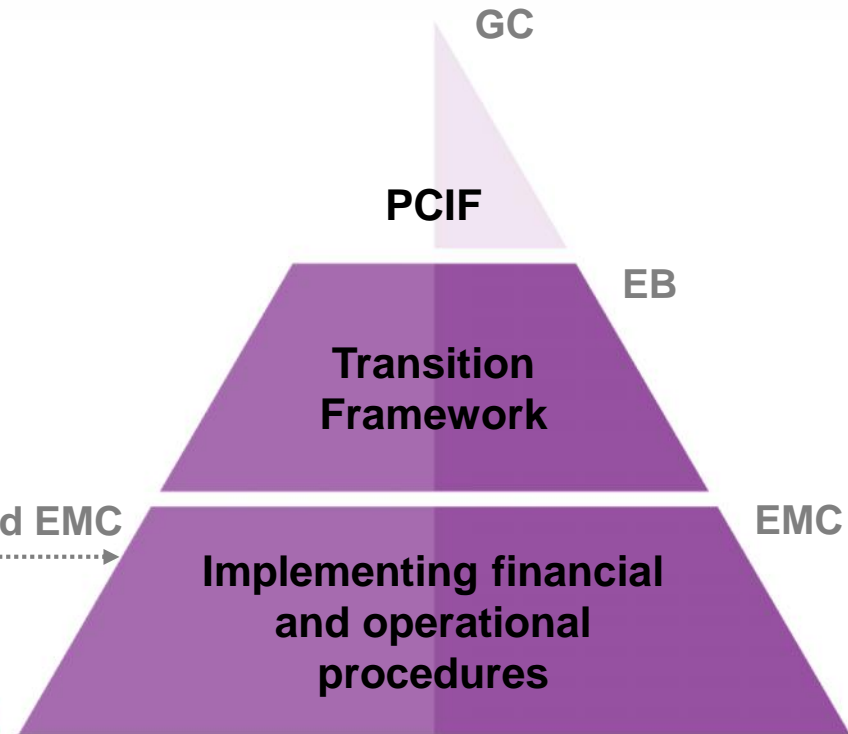
Concept based approach

Proposed hierarchy

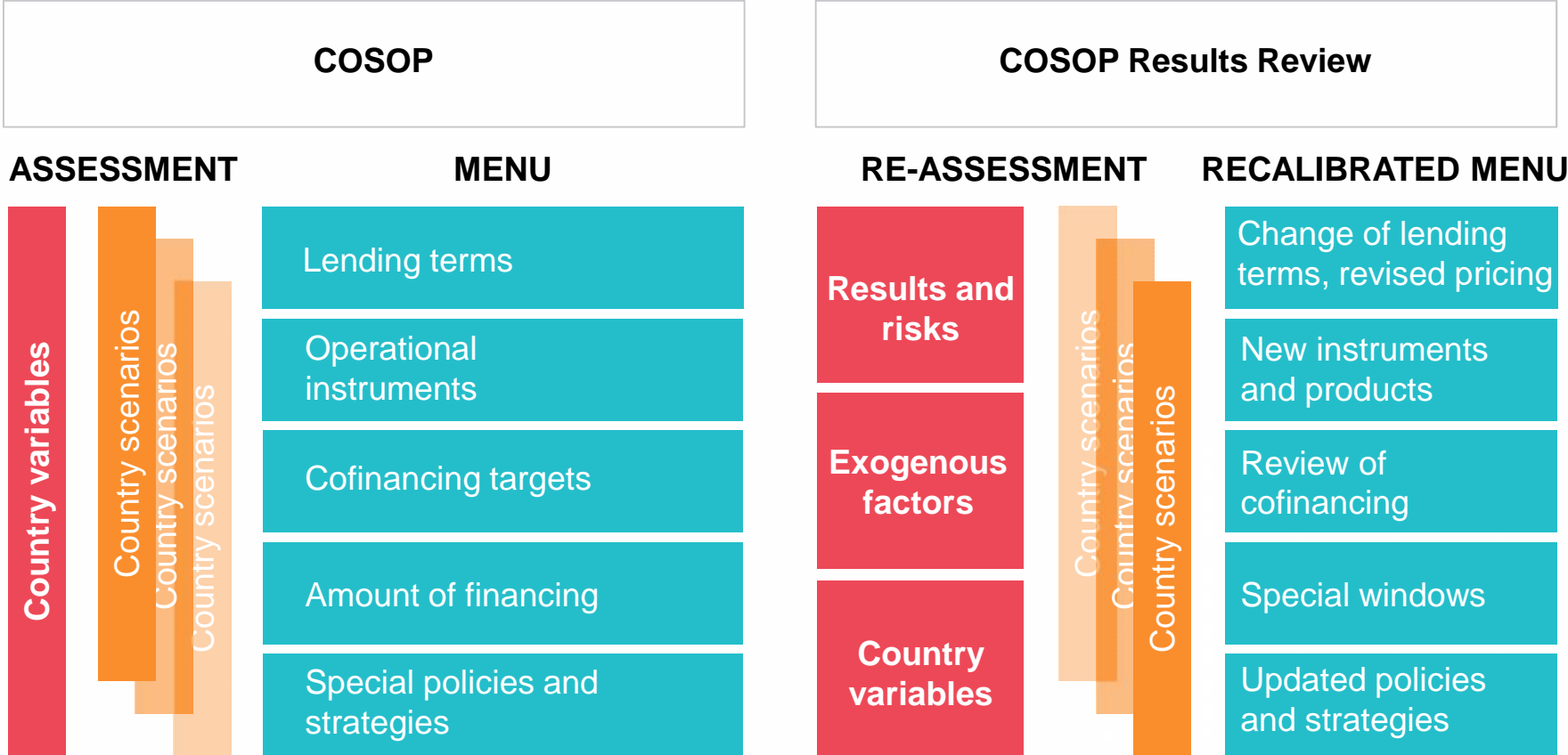
Current status



Proposed status



Having a longer term view increases effectiveness on the short term

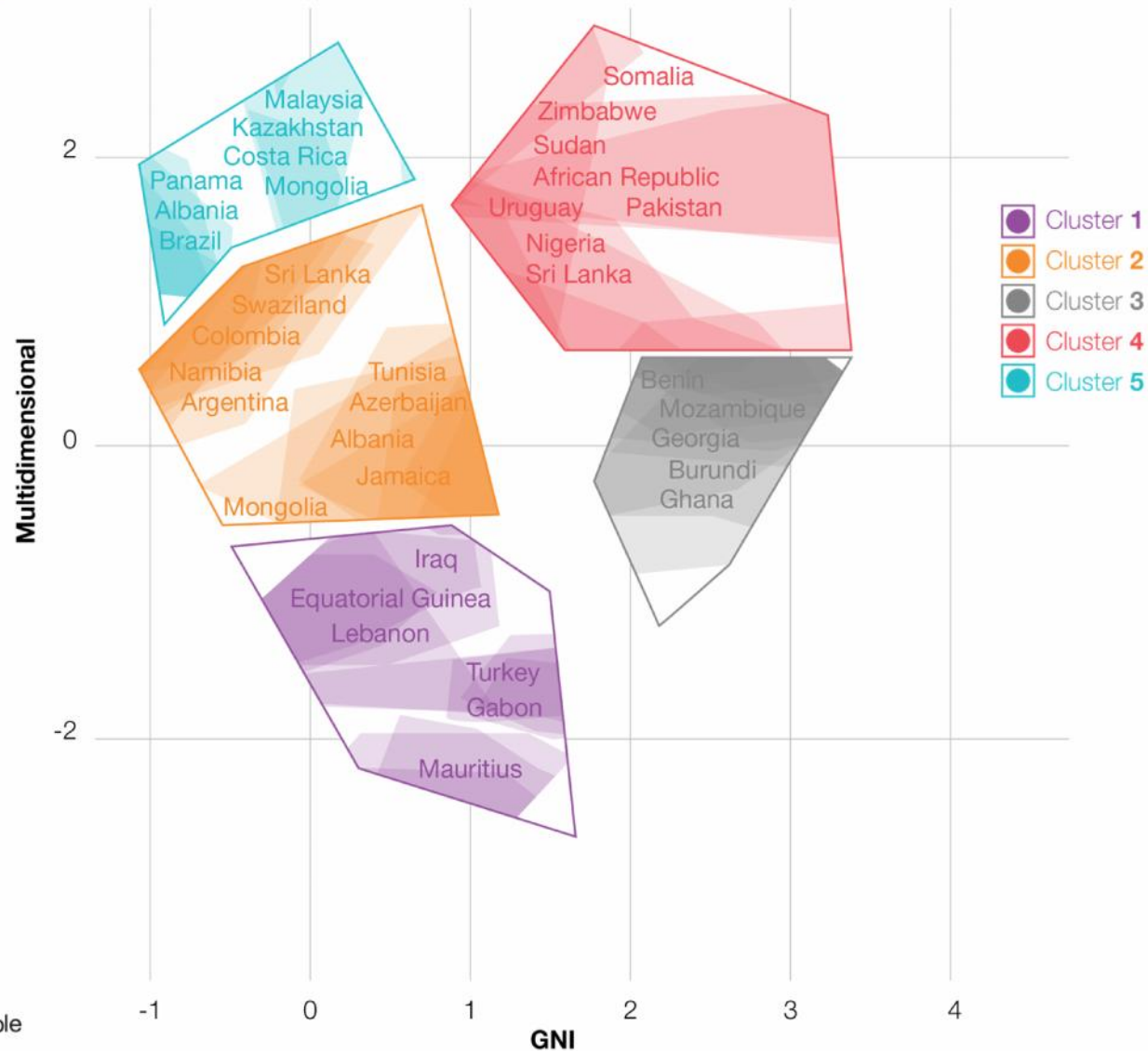


Country strategies to facilitate **sustainable transitions**

Deeper understanding of country characteristics to better define toolkit



Deeper understanding of country characteristics to better define toolkit



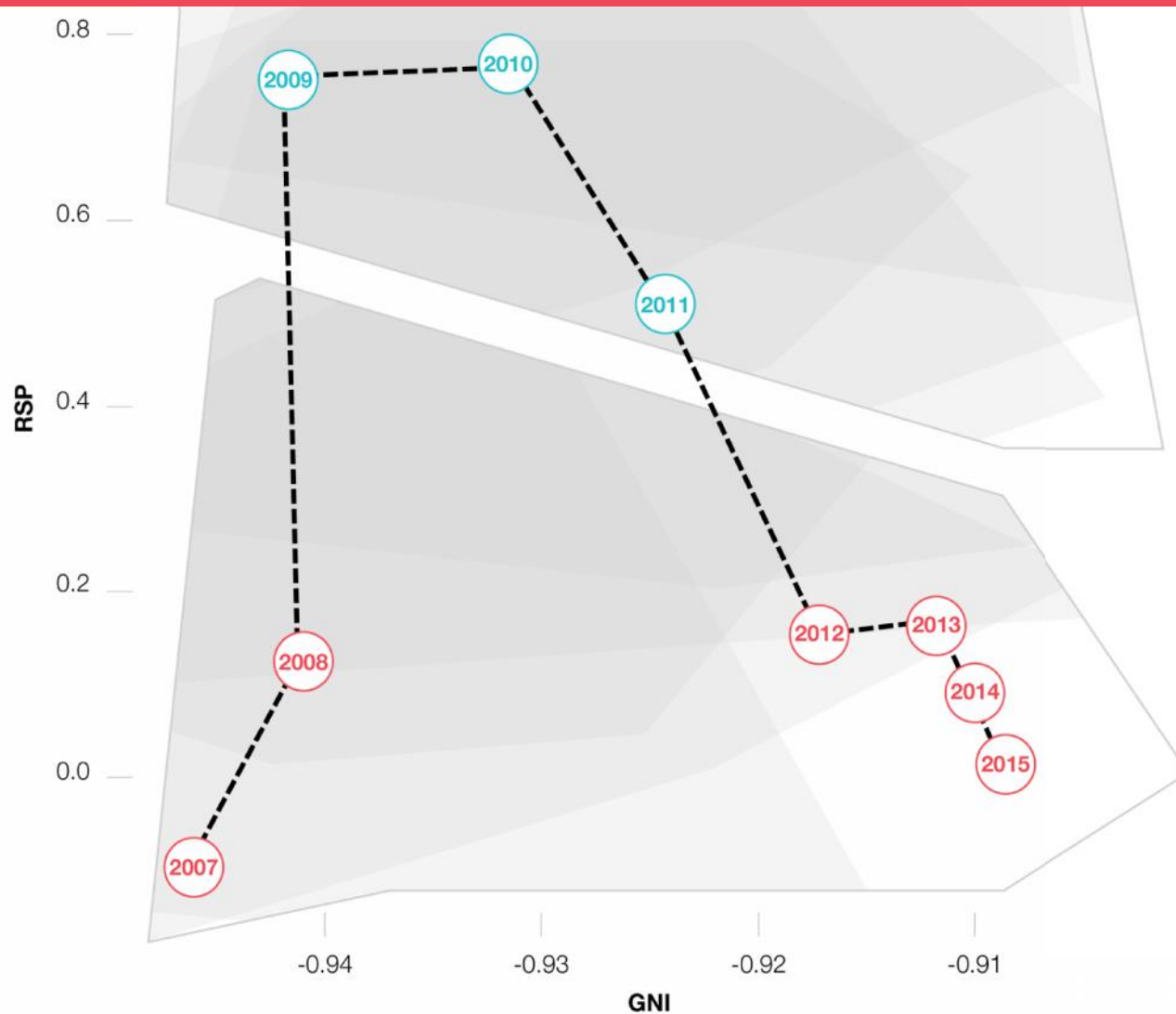
Understanding the drivers of country's transitions to tailor strategies



- Cluster 1
- Cluster 2
- Cluster 3
- Cluster 4
- Cluster 5

Lending Terms

2007-2008 DHC
 2009-2012 D
 2013-2015 DHC

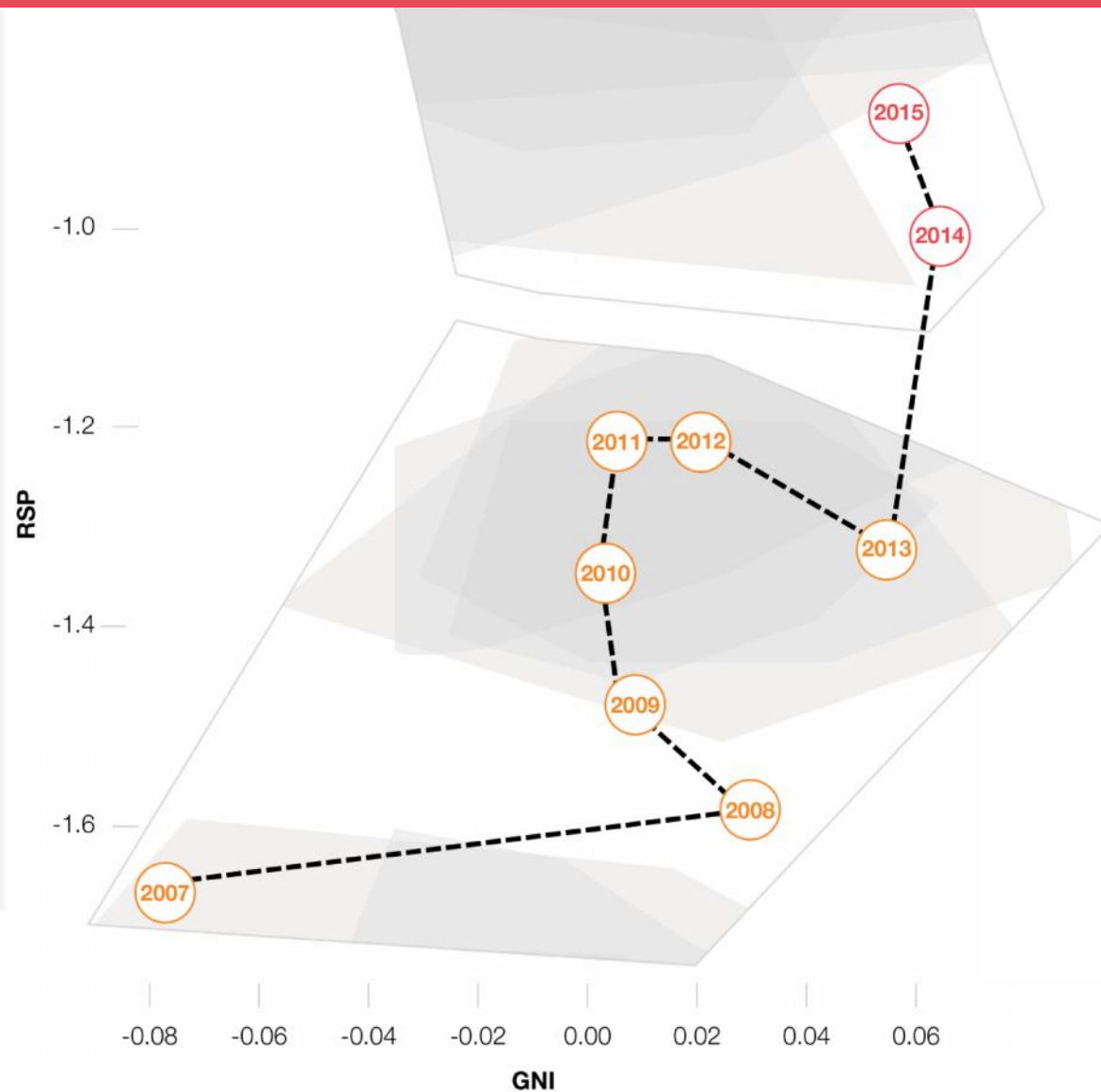


Understanding the drivers of country's transitions to tailor strategies

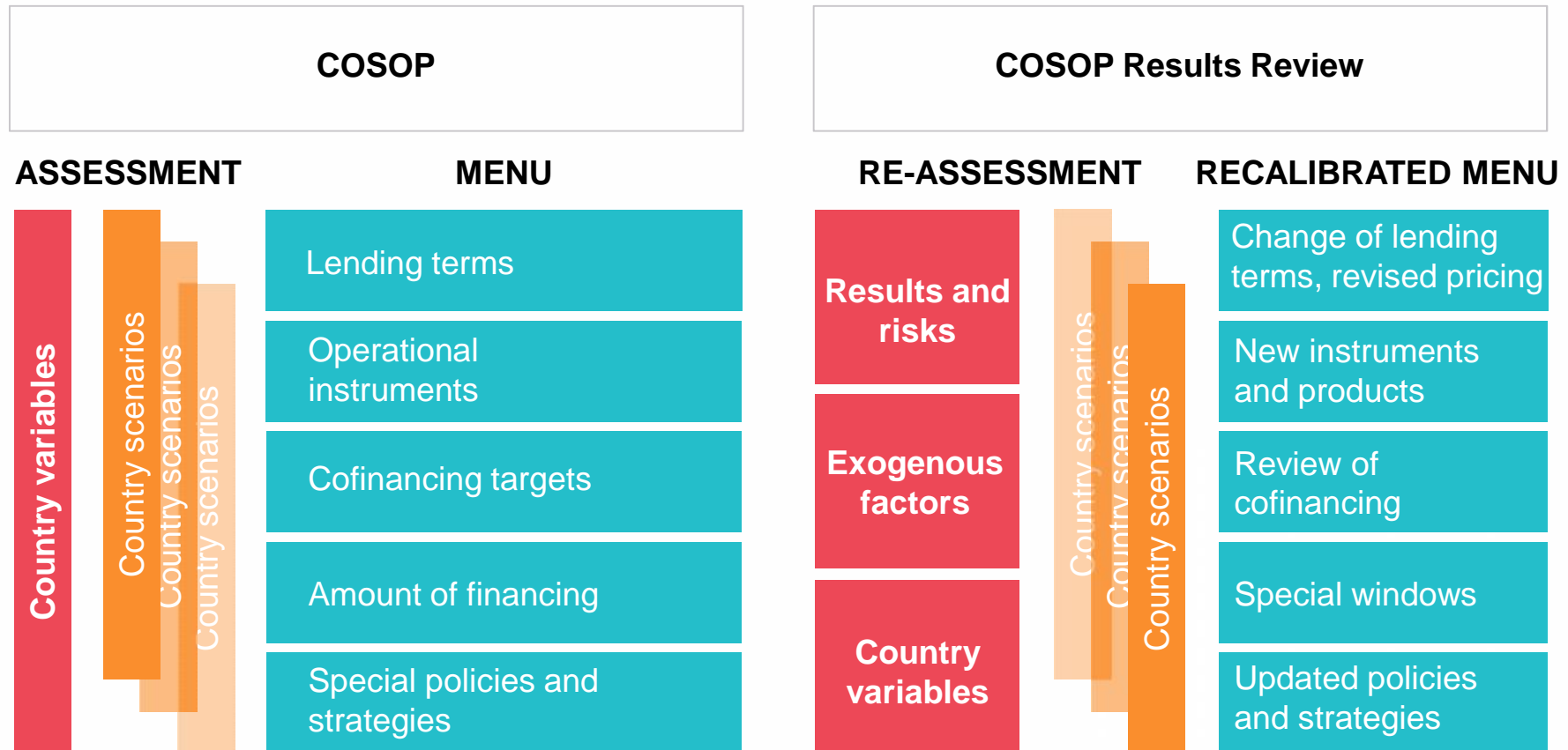


- Cluster 1
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Lending Terms
2007-2012 HC
2013-2014 Blend
2015 O



Having a longer term view increases effectiveness on the short term

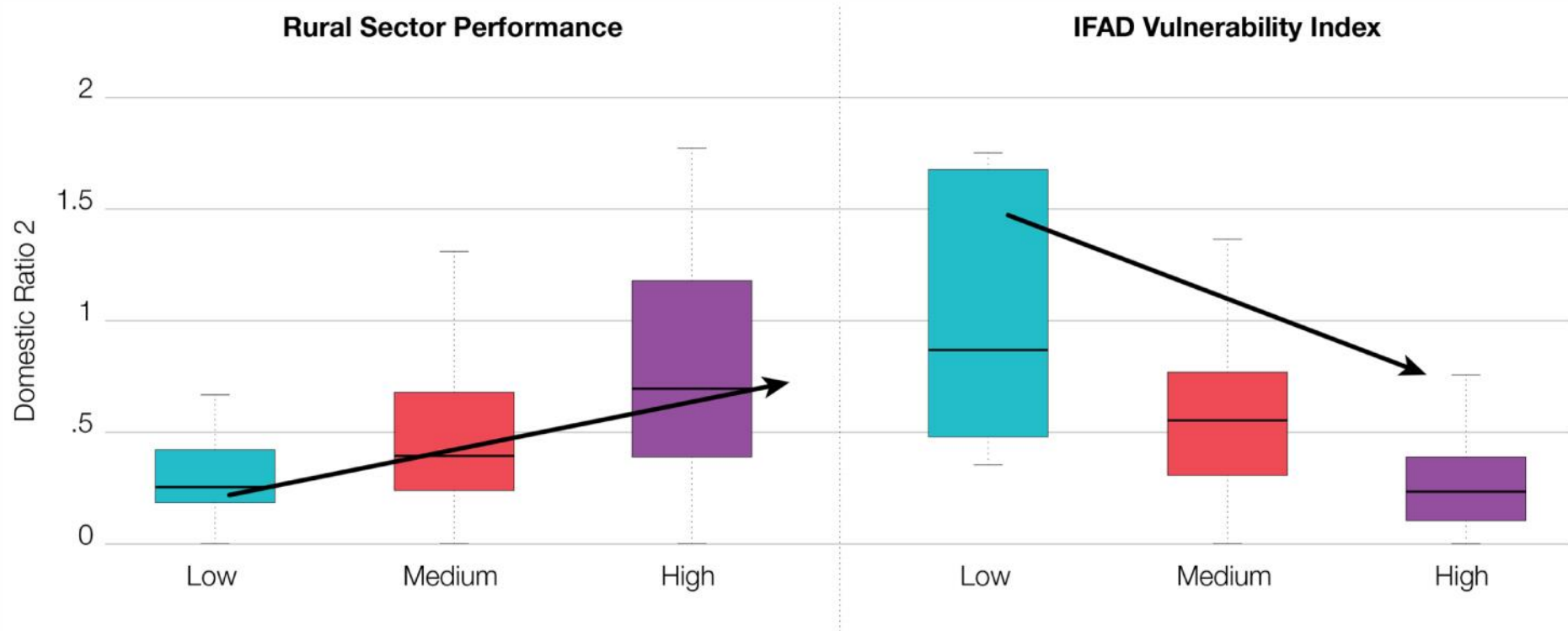


Country strategies to facilitate **sustainable transitions**

Distinct regional trends must be accounted for

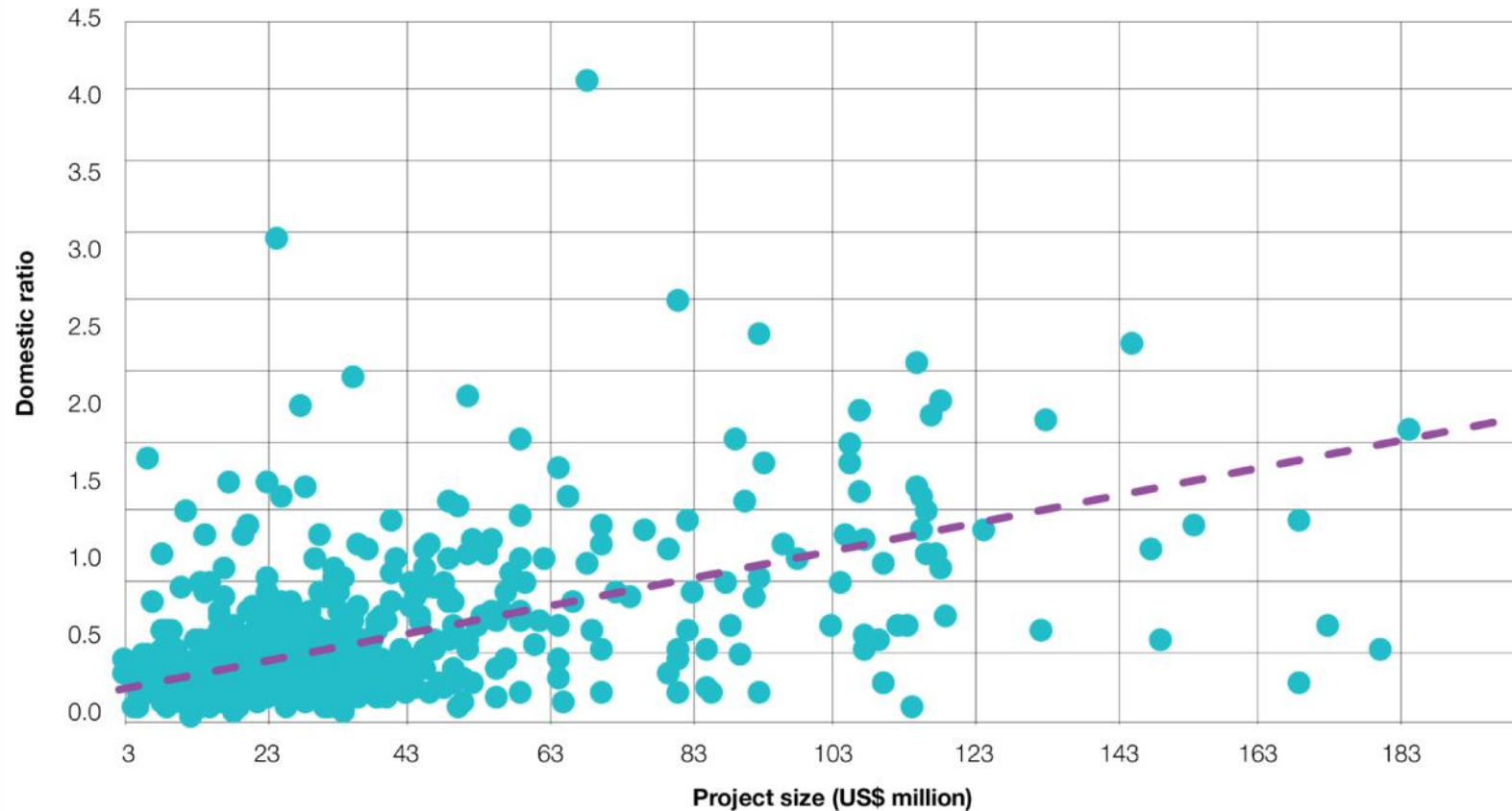


Tailoring cofinancing requirement with country characteristics in addition to GNI

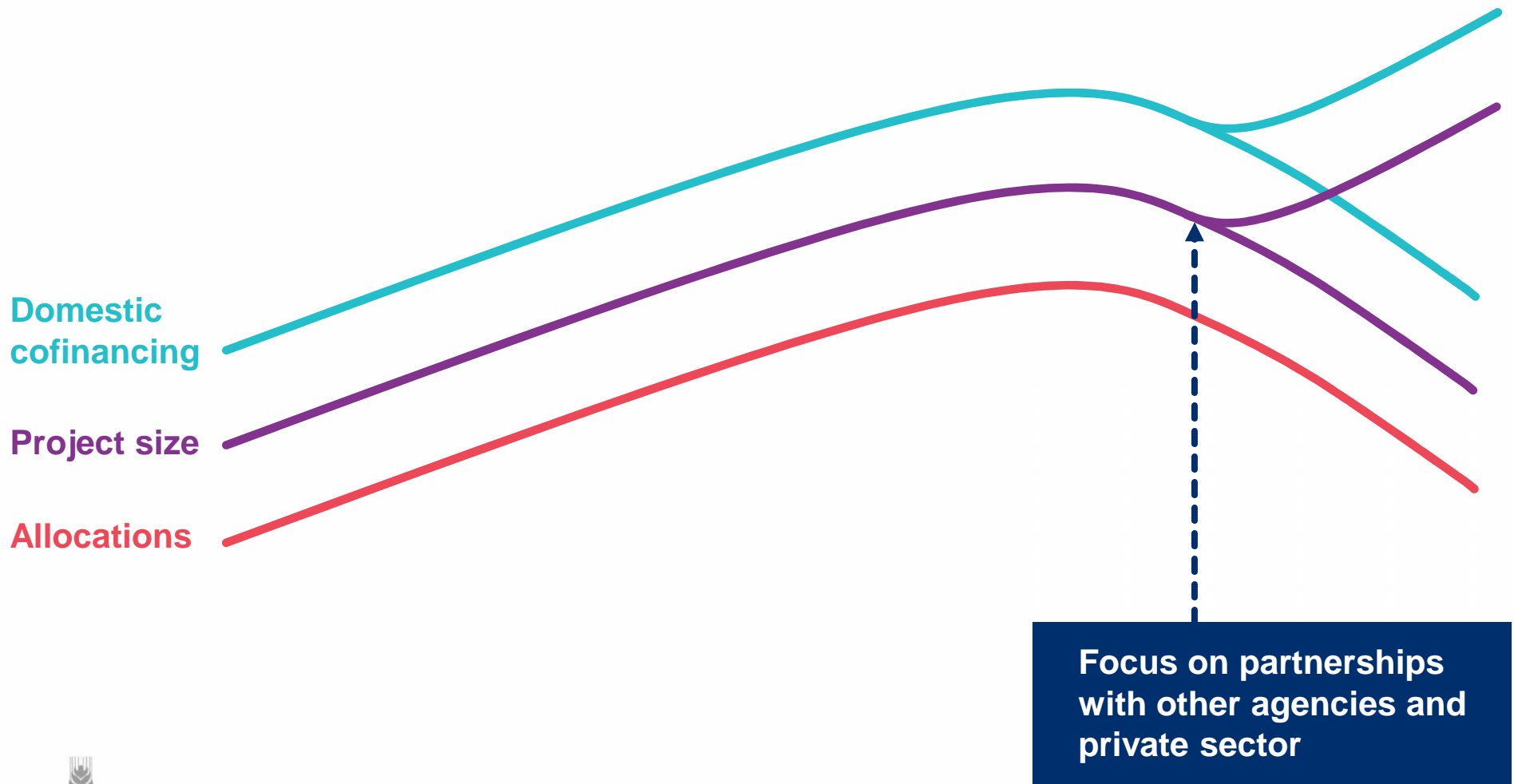


All countries' characteristics must be evaluated when setting **realistic targets**

Domestic cofinancing vs project size



Project size drives cofinancing



In-kind cofinancing

OECD definition

Goods, works, use of services and facilities, professional services or expertise in the form of staff time, provision of or access to **equipment, special materials and space** or facilities which otherwise would need to be paid for by the project in order to carry out or complete its activities and outputs

Amount



- Around **13%** of project costs based on case studies

Actors involved

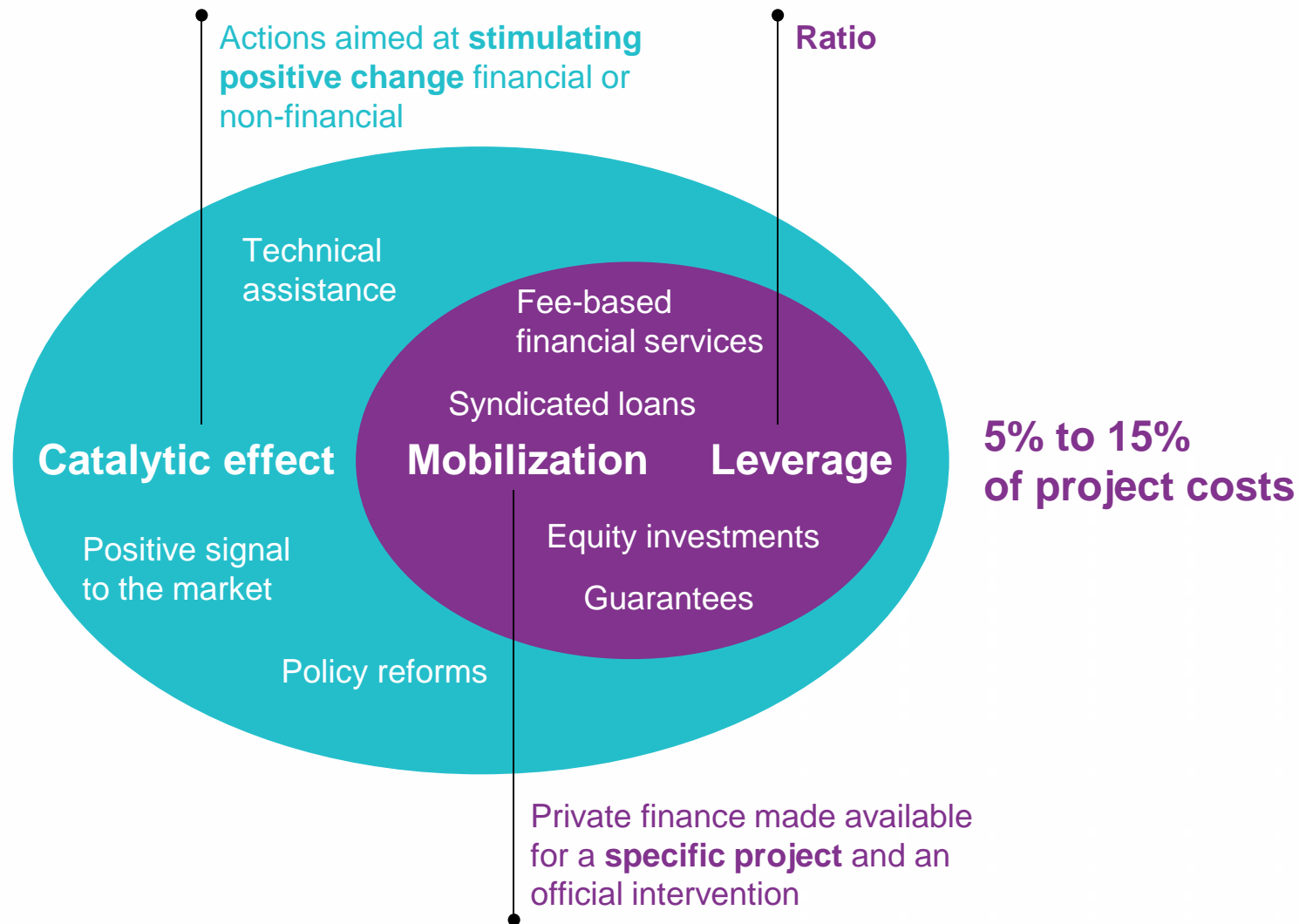


- Households
- Farmers
- Government

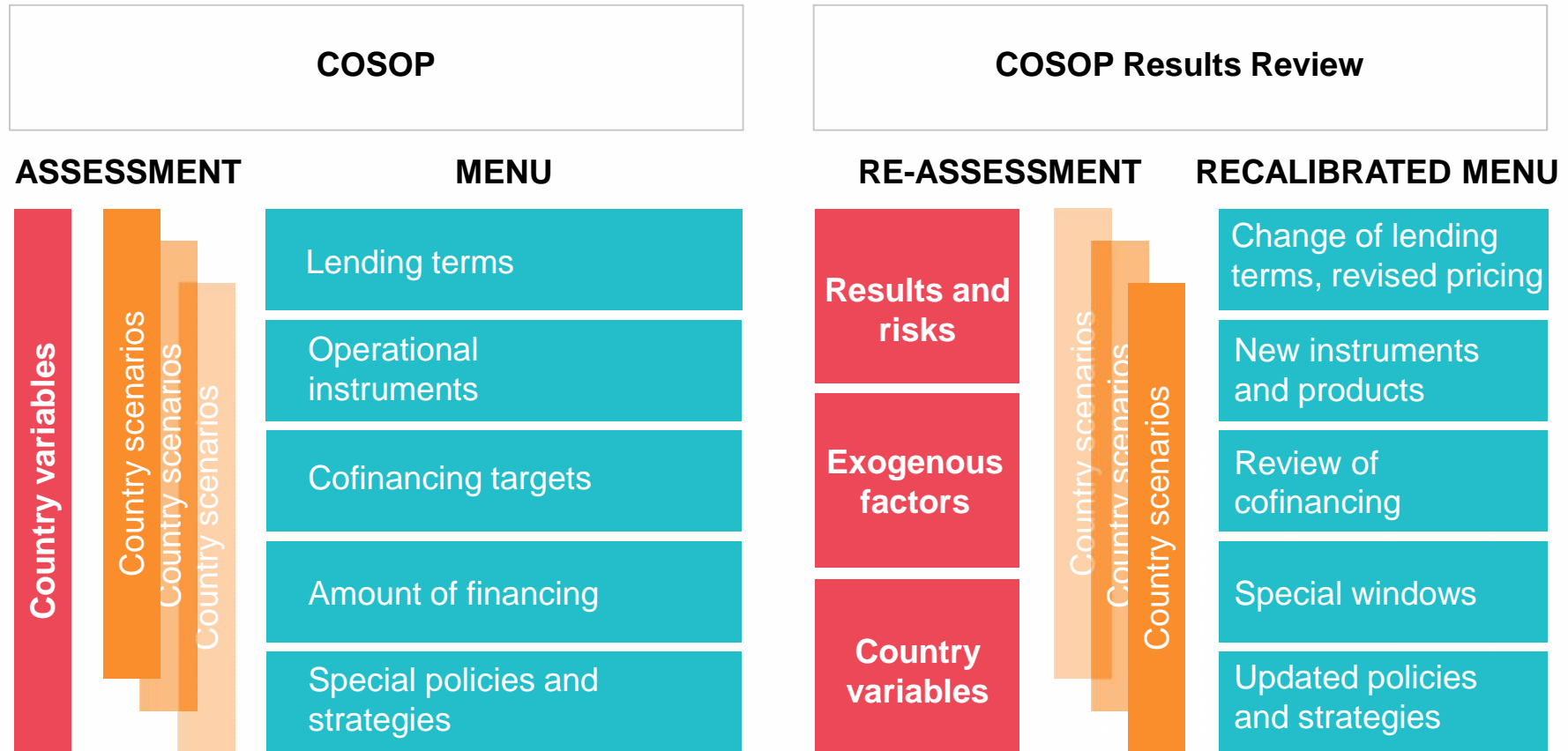


- Labor
- Materials
- Land
- Inputs
- Buildings
- Consultancies
- Matching grants
- Tax exemption
- Staff

Contribution from Private sector



Having a longer term view increases effectiveness on the short term



Country strategies to facilitate **sustainable transitions**

Addressing cross-border development through Regional Operations

Providing regional public goods



Disease and **pest** management

E.g. coffee rust in Central America



Management of **natural resources**

E.g. sustainable forestry in South-East Asia



Management of **fisheries** resources

E.g. fishery in major inland lakes in Africa



Nomadic pastoralists

E.g. pastoralism in the Sahel



Resilience and emergency response to **weather events**

E.g. SIDS, including the Caribbean and Pacific islands



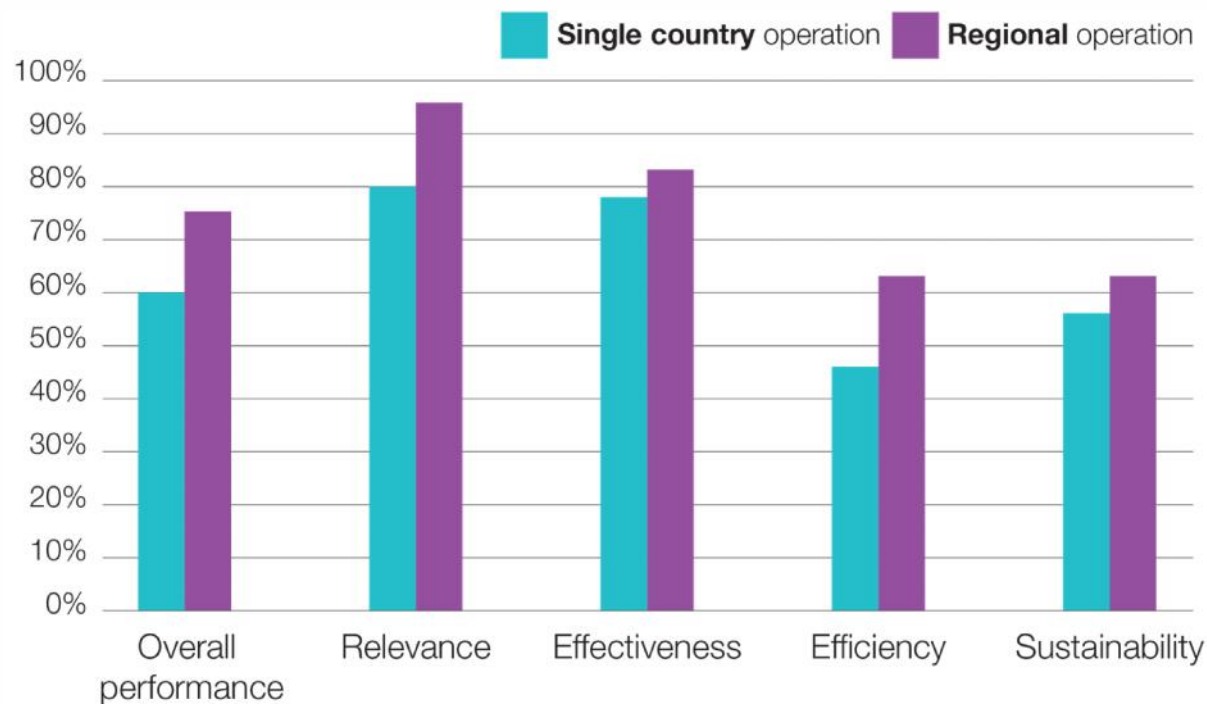
Multi-country **value chains**

E.g. value chain development in MICs



Investing in rural people

Percentage of satisfactory operations financed by AfDB (2000-2010)



Factors of success

- Solid project design
 - Strong country ownership
 - Assessed capacity of executing agencies
-

Allocating funds to Regional Operations

IFAD11

Pilot and learning phase



IFAD12 and beyond

Enhanced approach



Use **current PBAS** allocation

Special window with **additional financing** for RO

Include **regional grants** to finance public goods

Multi-country **COSOPs**

Pilot **subregional strategies**

Thank you