

Document: EB 2010/100/R.15/Rev.1
Agenda: 13(a)(iv)
Date: 16 September 2010
Distribution: Public
Original: English

E



Enabling poor rural people
to overcome poverty

President's memorandum

Proposed supplementary grant to the Republic of Mali for the

Northern Regions Investment and Rural Development Programme

Note to Executive Board representatives

Focal points:

Technical questions:

Léopold Sarr
Country Programme Manager
Tel.: +39 06 5459 2126
e-mail: l.sarr@ifad.org

Dispatch of documentation:

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

Executive Board — 100th Session
Rome, 15-17 September 2010

For: Approval

Recommendation for approval

The Executive Board is invited to approve the recommendation for the proposed supplementary financing to the Republic of Mali for the Northern Regions Investment and Rural Development Programme as contained in paragraph 11.

President's memorandum

Proposed supplementary grant to the Republic of Mali for the Northern Regions Investment and Rural Development Programme

I. The programme

A. Background

1. At its ninety-seventh session in September 2009, the Executive Board approved the use of Sweden's complementary contribution to the Eighth Replenishment of IFAD's resources for both grant financing and the enhancement of the design and implementation of regular IFAD projects and programmes to increase food security in the least developed countries (EB 2009/97/R.40/Rev.2).
2. This memorandum seeks your approval for supplementary financing of US\$1.05 million, equivalent to SDR 0.70 million, for the Northern Regions Investment and Rural Development Programme approved by the Executive Board in April 2005. These funds are available under Sweden's complementary contribution.
3. As highlighted in paragraph 23 of the relevant Report and Recommendation of the President (EB 2005/84/R.11/Rev.2), the programme is financed by IFAD with a loan of US\$14.6 million and a grant of US\$0.8 million. The supplementary funding will complement IFAD's original financing envelope for this programme.

B. Justification and rationale

4. The northern regions of Mali are part of the Sahelo-Saharan belt; they are consequently categorized by uncertain rainfall and are often subject to drought. Food security remains a challenge in this area. Faced with considerable drought-related losses, the Government of Mali needs more than ever to reach its target of 50,000 hectares of irrigated perimeters.
5. To ensure that the targets set out in the original appraisal document are met, the programme will use the additional grant funds mainly for the construction of irrigated perimeters and the production of improved seeds, supplementing the programme funds already devoted to these activities. This is in line with the Government's goal of increasing rice production.

C. Programme costs

6. The total revised programme cost is US\$34.7 million over seven years. The sources of financing are (i) IFAD, with a loan of SDR 9.55 million (equivalent to approximately US\$14.6 million, representing 42 per cent), a grant of SDR 0.53 million (equivalent to approximately US\$0.8 million, representing 2 per cent) and the requested supplementary grant of US\$1.05 million (3 per cent); (ii) the Belgian Fund for Food Security Joint Programme, with a grant of US\$5.9 million (17 per cent); (iii) the West African Development Bank, with a contribution of US\$5.2 million (15 per cent); (iv) the Government, US\$5.1 million (15 per cent); and (v) beneficiaries, US\$2 million (6 per cent).

D. Proposed modifications to the financing agreement

7. Upon agreement of the Executive Board, the financing agreement will be amended to reflect the supplementary IFAD financing. As this supplementary financing complements the financing plan initially agreed at design, it does not imply any modification to the programme description.

II. Legal instruments and authority

8. An amendment to the current financing agreement between the Republic of Mali and IFAD will constitute the legal instrument for extending the proposed additional financing to the borrower/recipient.
9. The Republic of Mali is empowered under its laws to receive financing from IFAD.
10. I am satisfied that the proposed additional financing will comply with the Agreement Establishing IFAD.

III. Recommendation

11. I recommend that the Executive Board approve the proposed supplementary financing in terms of the following resolution:

RESOLVED: that the Fund shall make a supplementary grant to the Republic of Mali in an amount equivalent to seven hundred thousand special drawing rights (SDR 700,000), and upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented herein.

Kanayo F. Nwanze
President