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Enabling poor rural people
to overcome poverty

Revised outline for President's reports for Executive Board approval of projects and programmes

Note to Executive Board representatives

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For: **Approval**

Abbreviations and acronyms

PRP	President's report for projects and programmes
RB-COSOP	results-based country strategic opportunities programme
PDR	project design report

Recommendation for approval

The Executive Board is invited to approve the proposed revised outline of the President's report for Executive Board approval of projects and programmes, in accordance with paragraph 16 herein and as defined in the annex.

Revised outline for President's report for Executive Board approval of projects and programmes

I. Introduction

1. The current format for approval of projects by the Executive Board is referred to as the "President's report". The present format was approved by the Executive Board in September 2006 and became effective in December 2006. A President's report is prepared for all IFAD projects financed by loans or grants.
2. As part of commitments for the Eighth Replenishment of IFAD's resources, IFAD was to present a revised format for the President's report for projects and programmes (PRP) to the Executive Board. The changes in the PRP were to be supported by revision of the guidelines for results-based country strategic opportunities programmes (RB-COSOPs) and for project design reports (PDRs). Both sets of guidelines were to include minimum standards for results frameworks and logical frameworks (logframes).
3. With respect to the revised format, it was expected that it should include more information on the purpose of the project, what it is to achieve and how this will be done, and should better address project costs, benefits, sustainability and risks.

II. Background on the PRP paper

4. The PRP is the document that IFAD management submits to the Executive Board to request project approval. The present format of the PRP has a length limit of five pages for the main text, plus annex and/or appendices.
5. The PRP is drafted in English. The main text is then edited and translated. The PRP is distributed to Executive Board representatives in all four official IFAD languages: Arabic, English, French and Spanish. In accordance with rule 6 of the Rules and Procedures of the Executive Board, final documents must be distributed to Executive Board representatives not less than four weeks before the Board is scheduled to meet.
6. The main purpose of the PRP is to assure the Executive Board that project proposals are compliant with the Agreement Establishing IFAD, the Lending Policies and Criteria, and with broader IFAD policies and priorities. It should also assure the Board that IFAD procedures have been observed. The PRP should provide adequate information with respect to the implementation capacity of the borrower and be sufficiently clear about the sustainability of expected benefits at project completion.
7. The main text of the existing PRP covers the following:
 - A. Main development opportunity addressed by the project
 - B. Proposed financing
 - C. Target group and participation
 - D. Development objectives

- E. Harmonization and alignment
- F. Components and expenditure categories
- G. Management, implementation responsibilities and partnerships
- H. Benefits and economic and financial justification
- I. Knowledge management, innovation and scaling up
- J. Main risks
- K. Sustainability
- L. Legal instruments and authority
- M. Recommendation
- Annex and appendices

8. While Executive Board representatives initially appreciated the more succinct PRP format, very soon comments were being made on the limited information provided. The PRP did not allow Board representatives to obtain sufficient information on what the project was to achieve, how it would go about delivering its activities and outputs, and with what costs and benefits.
9. It was these observations that led Board representatives to request the IFAD management team, as part of its Eighth Replenishment commitments, to review the guidelines for RB-COSOPs and for PDRs and to propose a new format for the PRP.

III. Rationale and proposed changes to the PRP

10. In elaborating a revised outline for the PRP, the starting point has been the recently approved guidelines for RB-COSOPs, for logframes and for PDRs. The proposed PRP outline is centred on the four chapters of the new PDR: I. Strategic context and rationale; II. Project description; III. Project implementation; IV. Project costs, financing, benefits, sustainability. In accordance with the new PDR guidelines, the executive summary will constitute the main input into the PRP to ensure coherence and promote greater efficiency in processing.
11. In order to address the specific requirements of the Executive Board, it is proposed to add **chapter V, "Corporate considerations"**. This new chapter will include sections on **Alignment and harmonization**, and **Innovations and scaling up**, which at present are included in the PRP (see paragraph 7, sections E and I).
12. In addition to these two, it is proposed to add two other sections: the first is **Compliance with IFAD policies**, which is included in the new PDR outline. This section should provide assurance that the project is compliant with IFAD policies (for example, the IFAD Rural Finance Policy and the IFAD Policy on Engagement with Indigenous Peoples, among others). The other proposed section, **Policy engagement**, would reflect what and how the project is contributing to national policy dialogue and development. Chapter V may include any additional aspect necessary, depending on specific country circumstances, the project proposal or an evolution in Executive Board requirements.
13. The PRP text would be succinct – about 8 pages but never more than 10. Its content would be constituted primarily by the executive summary of the appraisal version of the PDR.
14. As is the case at present, Executive Board representatives will have electronic access to the appraisal version of the PDR and its associated annexes. This supplementary information would be accessed in its original language. The appraisal version of the PDR will continue to be posted on the IFAD website once the final version is cleared by the Associate Vice-President, Programmes.
15. The principal means of communication on technical and operational issues will be through: (i) working-level contacts at the country level between IFAD country programme managers and the donor community during the project design and implementation process; and (ii) the current practice of direct e-mail exchanges

between Executive Board representatives and IFAD operations staff prior to the Board session.

IV. Recommendation

16. It is recommended that the Executive Board approve the proposed revised outline of the President's report for projects, to take effect as of the December 2011 session of the Executive Board.

Annotated PRP table of contents

The following annotated table is a proposed new outline for the President's report for the approval of projects by the Executive Board. The outline is closely aligned with new guidelines for the outline of the project design report approved by the Associate Vice-President, Programmes, in January 2011. Its main difference is the addition of a chapter V, "Corporate considerations". Finally, it will include the logical framework as an appendix. The logframe will comply with guidelines for the IFAD logframe template approved in January 2011. The new guidelines for RB-COSOPs, also approved in January 2011, were considered and have contributed to the relevant sections of the PRP.

Table of contents	
I. Strategic context and rationale	
A. Country and rural development and poverty context	<p>This section provides a succinct overview of the key aspects of country economic and social development and poverty reduction strategy, including special country circumstances (e.g. fragile states, middle-income countries (MICs), emergencies, etc.) and policy and institutional issues relevant to the achievement of results in rural poverty reduction.</p> <p>It will present a brief summary of the key constraints on and opportunities for agricultural and rural development, as well as strategic issues emerging from rural poverty analysis relevant to the project's gender and targeting strategies.</p>
B. Rationale and alignment with government priorities and RB-COSOP	<p>This section focuses on why IFAD should finance the project. It includes the rationale and underlying development hypothesis for IFAD involvement.</p> <p>It briefly explains how the project development objective contributes to the specific objectives of the Government's poverty reduction strategy programme (PRSP) or Comprehensive Africa Agriculture Development Programme (CAADP) and the relevant RB-COSOP objectives, and how the project links (e.g. synergies/complementarities) with ongoing IFAD projects/grants and with the activities and policies of other international agencies (harmonization) and major stakeholders.</p>
II. Project description	
A. Project area and target group	<p>This section focuses on the geographical coverage of the project and the primary target group. Critical issues emerging from poverty analyses should be summarized. A description is to be provided of "who" constitutes the primary target group. Specific characteristics and sex/poverty/ethnic disaggregated data should be provided for: total number of households, household size, farm size, sex of household head, farming system, rural economic occupation and ethnicity.</p>
B. Project development objective	<p>The project development objective is elaborated, including its expected outcome(s) and impacts for the primary target group(s).</p>
C. Components/outcomes	<p>This section presents a summary description of the interventions that will be financed under the project. Each of these interventions should be clearly focused and synergies among them described, so as to make linkages clear with respect to achievement of the development objective. For each component, this section also provides a description of implementing agencies and delivery mechanisms for broad groups of activities.</p>

III. Project implementation	
A. Approach	This section describes the specific implementation approach to be followed, e.g. community-driven development, value chains, etc. It includes the rationale for selection of approach – which may include experiences from existing or completed projects – and the implementation strategy, including proposed duration and phases of implementation. If the project focuses on indigenous peoples, provide a summary description of the consultations and participatory processes leading to the free prior and informed consent of indigenous peoples' communities and their participation throughout the project cycle.
B. Organizational framework	The organizational framework covers the key institutions responsible for project implementation. The focus of this section should be on their capacities, relationships among them and structures for project management and oversight.
C. Planning, monitoring and evaluation, and learning and knowledge management	This section describes the processes, systems and activities related to planning, monitoring, learning and knowledge generation, including responsibilities of the national agency responsible for data collection (where possible); responsibilities for analysis of results and if and how capacity will be strengthened; the learning mechanism that will be developed to support continuous improvement and adaptation by project management; identification of how the knowledge generated by the project, including innovations, will be captured, analysed and shared.
D. Financial management, procurement and governance	This section provides an overview of the key aspects of financial management: systems that will be used for financial management, including flow of funds and whether they are integrated into (part of) country systems; arrangements for audit.; and the governance aspects, including anticorruption measures.
E. Supervision	Summary description of the key aspects of supervision for the project's first 12-18 months.
IV. Project costs, financing, benefits	
A. Project costs	This section describes the main features of project costs and the underlying assumptions. It includes main assumptions for the derivation of costs, e.g. inflation, exchange rates, physical contingencies and costs by component.
B. Project financing	This section identifies project financing sources: IFAD, Government, international and domestic cofinanciers, including the beneficiary contribution. It includes: <ul style="list-style-type: none"> ○ Amount of contribution, terms, status of commitment; ○ Special considerations with respect to financing arrangements, e.g. <i>pari passu</i>, treatment of taxes, differences in phasing, etc.; ○ Table of financing by component .
C. Summary benefit and economic analysis	This section describes the benefits expected from project interventions and a justification for the financial/economic costs. Both quantitative and qualitative benefits (e.g. strengthening of organizations) should be described.
D. Sustainability	This section provides a summary of the key elements that enhance the likelihood of sustainability of the benefits. It includes key assumptions vis-à-vis sustainability of project benefits to the target group and measures built into the project design to promote sustainability, including at institutional or grass-roots levels.
E. Risk identification and mitigation	This section focuses on country- and project-related risks: e.g. fragile state, institutional and implementation capacity, or features of project innovation or scaling up that increase implementation risks and/or the likelihood of failure. Include mitigation strategies specifically related to project design elements.

V. Corporate considerations	
A. Compliance with IFAD policies	Reflect those key aspects of IFAD policies that are relevant and how they will be or have been dealt with in the project design. This section will include a compulsory subsection on gender to report on compliance with new gender policy and a compulsory subsection on environmental risk summarizing the findings of IFAD's environmental assessment process and listing the mitigation measures required during implementation.
B. Alignment and harmonization	Demonstrate how the project objectives align with specific sections of the national poverty reduction strategy and policies (or its equivalent), and use national systems. Describe IFAD's complementary positioning with respect to other donors working in the same sector. Describe the actions taken to ensure harmonization of the project with the activities of development partners in the country (participation in the donor group for the sector concerned, joint sector reviews).
C. Innovations and scaling up	With reference to the innovation objectives stated in the RB-COSOP, summarize innovations that the project would promote or introduce. If this is a scaled up design, this section will briefly describe the chosen scaling up pathways/drivers and list the potential barriers to be removed.
D. Policy engagement	This section highlights policy dialogue that might occur at national level in the context of the proposed intervention on proposed project activities and outputs. In addition, this section may highlight engagement in policy processes from local institutions (e.g. municipalities, farmer organizations, women's organizations) to national institutions (ministries, parliamentary committees, private sector).
VI. Legal instruments and authority – no change from current practice in PRP.	
VII. Recommendation – no change from current practice in PRP.	
Annex	
Negotiated financing agreement	This is the negotiated financing agreement between the respective government and IFAD.
Appendix	
Logical framework	In compliance with guidelines on logframe template of January 2011.
Addendum	Summary of changes resulting from negotiations. No change from current practice in PRP.