

Document: EB 2011/103/INF.9
Date: 26 September 2011
Distribution: Public
Original: English

E



Enabling poor rural people
to overcome poverty

Summary of project, programme and grant proposals discussed by the Executive Board

Executive Board — 103rd Session
Rome, 14-15 September 2011

For: **Information**

Summary of project, programme and grant proposals discussed by the Executive Board

I. Project/programme proposals

1. The following project/programme proposals were approved by the 103rd session of the Executive Board, and are in line with the Debt Sustainability Framework (DSF).

A. West and Central Africa

Ghana: Rural Enterprises Programme (REP) (EB 2011/103/R.16)

The Executive Board unanimously approved the provision of a loan of SDR 19.7 million to the Republic of Ghana to finance the Rural Enterprises Programme. While appreciating the relevance of the programme and effectiveness of its targeting approach, the Executive Board emphasised the opportunities for partnership with other ongoing programmes and initiatives in Ghana, including the Coalition for Africa's Rice development, spearheaded by JAICA, and other relevant Value Chain Development Programmes, as well as the Council for Technical, Vocational and Educational Training, the Ghana Skills and Technology Development Programme, the Skills Development Fund. In addition, the Executive Board acknowledged the complementarity with the Rural and Agricultural Finance Programme (RAFIP), which focuses on strengthening the capacity of Rural Financial Institutions, including the ARB Apex Bank, and which serves as a platform for a harmonized approach for Rural Finance in Ghana. Direct supervision and the establishment of a Country Office for Ghana with an out-posted Country Programme Manager earlier in 2011 will help IFAD to ensure that these partnerships are fully developed in implementation.

Mauritania: Poverty Reduction Project in the Aftout South and the Karakoro – Phase II (PASK II) (EB 2011/103/R.17)

2. The Executive Board unanimously approved a loan to the Islamic Republic of Mauritania in the amount equivalent to SDR 5.6 million and a grant in the amount equivalent to SDR 5.6 million. No questions were raised by EB members.

Senegal: Support to Agricultural Development and Rural Entrepreneurship Programme (PADAER) (EB 2011/103/R.18)

3. The Executive Board unanimously approved the PADAER Programme. The Board was informed that PADAER does not cover the conflict zone of Casamance and that local communities are fully involved in the implementation of the Programme. Regarding the weakness of the Ministry of Agriculture, IFAD informed the Board that PADAER will contribute to the capacity building of the Ministry of Agriculture in planning and in the operationalization of its monitoring and evaluation system. JIICA like other organizations and institutions working in the areas of PADAER's activities will be invited to the implementation workshop of the Programme.

B. East and Southern Africa

Ethiopia: Rural Financial Intermediation Programme – Phase II (EB 2011/103/R.20/Add.1/Sup.1)

4. The Executive Board unanimously approved a loan of SDR 31.3 million on highly concessional terms, and a grant of SDR 31.3 million for the Rural Financial Intermediation Programme – Phase II. In doing so, the Representative of United States of America particularly expressed support for the programme and commended the design for addressing a needy and priority area for intervention in Ethiopia. The representative of Ireland also expressed support but pointed out the need to ensure synergy with other donor initiatives in the financial sector in Ethiopia and especially to ensure synergy with the work of the Agricultural Transformation Agency, the Agricultural Growth Programme and the Household Asset Building Programme. The Representative of Brazil noted the programme's focus on capacity building, pastoral

areas and empowerment of women as well as linkages with the Growth and Transformation Plan. It was explained to the Board's satisfaction that this programme was fully aligned with the Government's priorities in the Growth and Transformation Plan, that the design had borrowed heavily from its own experiences under Phase I and also from experiences of other partners in Ethiopia in the rural finance sector and that more partners will be involved in this programme as it evolves.

**Rwanda: Project for Rural Income through Exports (PRICE)
(EB 2011/103/R.22/Add.1/Sup.1)**

5. The Executive Board unanimously approved a loan of SDR 11.6 million on highly concessional terms, and a grant of SDR 11.6 million for the Project for Rural Income through Exports. Written comments from the representative for Japan had been received and replied to before the session. In approving the financing, the representatives for the UK and France sought clarifications on: (i) the project's environmental impact; (ii) the measures to protect farmers from international price fluctuations; (iii) research effectiveness; (iv) the baseline study; and (v) the compatibility of the financing mechanisms with the tendency towards sector budget support. Responses were provided to the Board's satisfaction. In particular, the in-built mechanisms to allow tea farmers to participate in, and benefit from, international price peaks and to protect coffee farmers from excessive price fluctuations was explained, together with the contractual links to ensure responsive and results-based research. Moreover, it was explained that project implementation would be integrated into regular government structures rather than the creation of a new Project Coordination Unit, and that the flow-of-funds arrangements were consistent with agreed mechanisms and government systems.

**Zambia: Smallholder Productivity Promotion Programme
(EB 2011/103/R.23/Add.1/Sup.1)**

6. The Board unanimously approved a loan of SDR 15.45 million to the Republic of Zambia to finance the Smallholder Productivity Promotion Programme. Comments were made about the programme's economic rate of return which should ensure that the loan does not add to Zambia's debt burden. Clarification was given about the management structure, which will follow government procedures and country systems and seek to support institutional transformation. A regular, timely and effective monitoring of implementation progress will be a key function of programme managers. The category of expenditure "services, technical assistance and studies" was explained. The representative from Japan encouraged country-level collaboration on rice production.

C. Asia and the Pacific

**Bangladesh: Haor Infrastructure and Livelihood Improvement Project
(EB 2011/103/R.24)**

7. The Executive Board unanimously approved the provision of a loan of SDR 34.45 million and a grant of SDR 630,000 to People's Republic of Bangladesh to finance the Haor Infrastructure and Livelihood Improvement Project. Brazil and Denmark appreciated IFAD responses on their comments by the CPM in writing and prior to the EB session. India acknowledged the project approach and highlighted the project's intention to the equitable use of natural resources by its stakeholders. The use of the Spanish Fund by this project was considered exemplary. The project showed many synergies with its precursor the Sunamganj Community Based Resource Management Project and the collaboration with the World Fish Centre was commended. India highlighted also that the main project investments (ca. 75%) would be on infrastructure. IFAD explained the widespread positive effects on infrastructure on livelihood development and environment issues have been addressed carefully. Denmark flagged the good collaboration opportunities identified by IFAD between the HILIP and the Danish funded interventions in Bangladesh especially in the sectors rural infrastructure, market access and extension. It was noted that intensive discussions took place during project design and would be continued with the

oncoming COSOP. Brazil highlighted its recent opening of the embassy in Bangladesh and commended that the project was developed on the basis of a government plan. IFAD elaborated on the many environmental studies which were prepared prior to design on infrastructure (block roads), water (arsenic water, natural resources and fisheries (by World Fish Centre). IFAD explained also the marked increase of local capacity and support to community based water resources management, along IFAD's some 20 years' long history in the country in support of common water-bodies' management through projects like the Oxbow Lake project. Canada inquired on gender disaggregated data for the NRM and fisheries activities and highlighted that a reference should be made to the experience of DFID. Additionally it would also be important to have a phased approach to engage communities. IFAD agreed to maintain a high attention on gender and explained IFAD's phased approach for involving communities with the help of local and national relevant institutions. The approach of HILIP and the current and forthcoming COSOP contain specific attention to women related activities in fishery and other sectors and will continue to gather gender disaggregated data. Bangladesh intervened expressing its gratitude to the longstanding and close collaboration on this and previous projects and looks forward to strengthen even further the collaboration with IFAD.

D. Latin America and the Caribbean

Argentina: Inclusive Rural Development Programme (PRODERI) (EB 2011/103/R.25)

8. The Executive Board approved the provision of an IFAD loan of SDR 4.95 million to Republic of Argentina with a co-financing of the Spanish Food Security Co-financing Facility Trust Fund of EUR 35.5 million to finance the Inclusive Rural Development programme (PRODERI). The Executive Board Members praised the quality and strategic relevance of this programme for rural development and poverty reduction in Argentina. The Board approved the project with full satisfaction.

Brazil: President's memorandum: Semi-arid Sustainable Development Project in the State of Piauí (Viva o Semi-Árido) (EB 2011/103/R.26)

9. The Executive Board approved the proposal to extend the time limit for signature of the financing agreement and the guarantee agreement for the Semi-arid Sustainable Development Project in the State of Piauí which was approved by the Executive Board in September 2009.

Ecuador: Buen Vivir Rural Territories Programme (EB 2011/103/R.27)

10. The Board approved an IFAD loan of SDR 10.75 million (US\$17.30 million) with a co-financing of the Spanish Food Security Co-financing Facility Trust Fund of EUR 10.7 million. No clarifications were requested on this programme. The Executive Board members approved the Buen Vivir in Rural Territories Programmes with full satisfaction.

II. Grant proposals

11. The following grant proposal was approved:

Grants under the global/regional grants window to a CGIAR-supported international centres (EB 2011/103/R.40)

(i) World Agroforestry Centre (ICRAF): Programme for the Development of Alternative Biofuel Crops

12. The grant, which was originally submitted for approval under the Lapse of Time procedures (LoT), was placed on the agenda at the request of the Bolivarian Republic of Venezuela. Further to concerns raised by representatives on the impact of this research on food crop availability and prices, the Board was assured that the proposed research was for non-food biofuel crops, which should alleviate the pressure

created by the diversion of food crops to biofuel. Management also reminded the Board that IFAD engaged in this research in response to encouragement from Member States to focus on research and dissemination, as well as research infrastructure and equipment. Management assured the Board that the proposed research programme was in line with IFAD's efforts to promote environmentally sustainable approaches to providing energy while fostering employment and income generation activities for smallholder farmers.

The representative for the Bolivarian Republic of Venezuela was not in agreement with the proposed financing by IFAD for biofuel research, having stated that the Fund should not be involved in this type of research. Therefore, she requested that her country's objection be recorded in the minutes. The representative for Nigeria requested that it be recorded that this grant would support an institution whose work (on-farm adaptive research) would be to the benefit of the poor.