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Enabling poor rural people  
to overcome poverty

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

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**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 104<sup>th</sup> session of the Executive Board, and are in line with the Debt Sustainability Framework (DSF).

#### A. West and Central Africa

##### **Côte d'Ivoire: Support to Agricultural Development and Marketing (EB 2011/104/R.13/Rev.1)**

The Executive Board unanimously approved the PROPACOM project.

##### **Guinea: National Support Programme for Agricultural Value Chain Actors (PNAFA), Upper Guinea component (EB 2011/104/R.14/Rev.1)**

2. The Executive Board unanimously approved a grant to the Republic of Guinea in the amount equivalent to SDR 5.75 million for the Upper-Guinea component of the National Support Programme for Agricultural Value Chain Actors (PNAFA). The representative of the United States expressed support to the programme and thanked the Country Programme Manager for the responses provided to comments sent before the session. No questions were raised by the Executive Board members.

##### **Liberia: Smallholder Tree Crop Revitalization Support Project (EB 2011/104/R.15)**

3. The Executive Board unanimously approved a loan of SDR 10.5 million on highly concessional terms for the Smallholder Tree Crop Revitalization Support Project. The representative of the United States of America expressed support and commended the programme. The representative of Ireland questioned the choice of HIFAB as the Road Implementing partner and Maintenance. Response was provided by specifying that HIFAB was chosen because its experience and is already implementing a complementary road program in the same area for SIDA and will ensure coordination and efficiency of IFAD funds in this area. Innovation in terms of maintenance road system will be implemented until the finalization of the National Road Master Plan for Liberia.

##### **Niger: Project to Support Food Security and Development in the Maradi Region (PASADEM)**

##### **(EB 2011/104/R.16/Rev.1)**

4. The Executive Board unanimously approved the provision of a loan of SDR 14 million to the Republic of Niger to finance the Food Security and Development Support Project in the Maradi Region (PASADEM). Comments have been provided by the representative of the United States on the rationale and management of the Investment Fund for Initiative and Innovation (F3I). The Representative of Denmark sought clarifications about the relevance, coordination and the alignment of the project with the national Rural Development Strategy (SDR), in particular related to its "regionalisation" process. Responses were provided to the Board's satisfaction by the CPM in advance. Regarding the F3I mechanisms, it was explained that the mechanism aims to finance micro-small-scale business development and to promote links between local communities, farmers' organizations and local micro-finance institutions. Moreover, IFAD assured the Board that the project is fully aligned with the SDR process, at national as well as regional level, and that IFAD is presently supporting the design of the new national food security and agricultural strategy the 3N "the Nigeriens feed the Nigeriens". Regarding the financial and management procedures, IFAD explained that the project will be fully integrated in the national system and the project's PMU will be set up within the Ministry of Agriculture.

## **B. East and Southern Africa**

### **Comoros: President's memorandum: National Programme for Sustainable Human Development (EB 2011/104/R.60)**

5. The Executive Board unanimously approved the provision of a supplementary grant of SDR 1.68 million to the Union of the Comoros to finance the National Programme for Sustainable Human Development. The representative of the United States appreciated the new logical framework that was included in the President's memorandum and thanked the Country Programme Manager and his team for the comprehensive responses to the representative's written questions.

### **Madagascar: Vocational Training and Agricultural Productivity Improvement Programme (FORMAPROD) (EB 2011/104/R.17)**

### **Madagascar: President's memorandum: Project to Support Development in the Menabe and Melaky Regions (EB 2011/10/R.18/Rev.1)**

6. The Executive Board decided that both projects will be approved on a "no objection" basis by 15 February 2012. IFAD assured the Executive Board that it is monitoring the implementation of the political "road map" for Madagascar, a precondition for the international community to re-engage with the country. Regarding the capacity of the Ministry of Agriculture to implement projects, it was pointed out that these capacities are adequate and that the current country programme is performing very well. The disbursement rate of the Project to Support Development in the Menabe and Melaky Regions is expected to increase substantially over the coming months, thus justifying a supplementary loan to make up for an existing financing gap and to deal with marketing issues due to major increases in food production due to successful project interventions.

### **Malawi: Sustainable Agriculture Production Programme (SAPP) (EB 2011/104/R.19)**

7. The Executive Board unanimously approved a loan of SDR 14.65 million on highly concessional terms and a grant of SDR 14.25 (plus a Programme Preparatory Facility grant of US\$ 0.6 million (total equivalent to approximately US\$ 22.85 million) for the Republic of Malawi for the Sustainable Agricultural Production Programme (SAPP). The Representative from Ireland noted that the SAPP was fully in line with Malawi's development needs, and that it had been developed in close coordination and consultation with Development Partners in Malawi. The United States also commended IFAD for its close consultation with USAID during the design of the SAPP, and thanked IFAD for its responses to questions that were sent earlier.

## **C. Asia and the Pacific**

### **Cambodia: President's memorandum: Rural Livelihoods Improvement Project in Kratie, Preah Vihear and Ratanakiri (EB 2011/104/R.20/Rev.1)**

8. The Executive Board approved a grant for the amount of SDR 0.85 million and a highly concessional loan of SDR 0.85 million to the Kingdom of Cambodia as a supplementary financing for the Rural Livelihoods Improvement Project in Kratie, Preah Vihear and Ratanakiri. In approving the grant and loan, the Executive Board Director for the United States provided written comments seeking clarification on: (i) the linkage of this project with the SIDA supported PSDD project; (ii) confirmation that no new groups have been or will be created after the MTR mission; (iii) Status of implementation of audit recommendations and fiduciary recommendations made by the MTR; (iv) The funding of vaccination campaigns, their funding and the role of Village Animal Health Workers; (v) Data collection. During the Board session, the Executive Board Director from the United States acknowledged receipt of written comments from the Country Programme Team and was informed that further

clarifications can be provided if necessary to the USAID Country Team who will be participating to the COSOP Annual Review Meeting in Phnom Penh on 19 and 20 December.

**China: Guangxi Integrated Agricultural Development Project**

**(EB 2011/104/R.21/Rev.1)**

9. The Executive Board unanimously approved a loan of SDR 29.65 million in support of the Guangxi Integrated Agricultural Development Project on ordinary terms and conditions (18 years, including a grace period of 5 years, with an interest rate equal to the reference interest rate per annum as determined by IFAD semi-annually). In approving the project, the Executive Board noted that it was well formulated and welcomed its innovative approaches in areas such as crop and livestock development, biogas development, and village sanitation improvement. The Executive Board noted that given past experiences the project duration of 5 years may be tight. In this context, it encouraged the Government of China to continue, with the support of IFAD, their usual vigilance and meticulous attention to detail in ensuring the timely implementation of the project. It also noted that attention should continue to be paid on ensuring sustainability of the project achievements and impact.

**India: Uttarakhand Integrated Livelihood Support Project**

**(EB 2011/104/R.22/Rev.1)**

10. The Executive Board unanimously approved a loan of SDR 56.7 million on highly concessional terms to finance ILSP. The Board requested clarification on three issues: the project approach to impact assessment; the need for harmonization with the existing World Bank financed watershed management project in Uttarakhand; and, progress in out-posting the CPM to India. It was explained that the project will adopt the standardized IFAD RIMS impact survey methodology which is applied to all IFAD initiated projects. It was further explained that the ILSP watershed management component was designed in close consultation with the World Bank financed watershed project, and that this close consultation will continue during implementation. Finally, it was explained that IFAD has a standard procedure for out-posting CPMs. The procedure starts with a Note Verbale sent from IFAD. This is followed by a response from the Government. If the response is positive, a host country agreement is prepared and negotiated. Finally, a certification process is undertaken. In the specific case of India, it was clarified that IFAD Management has committed to outpost a CPM by the end of 2015. It was further clarified that the first step in the process has already been taken. A Note Verbale has been sent to the Government, and IFAD is waiting for a response.

**Lao People's Democratic Republic: Soum Son Seun Jai – Community-based Food Security and Economic Opportunities Programme**

**(EB 2011/104/R.23/Rev.1)**

11. The Executive Board unanimously approved the provision of a grant of SDR 8.85 million to Lao People's Democratic Republic to finance the Community-based Food Security and Economic Opportunities Programme in Soum Son Seun Jai region.

**Sri Lanka: Iranamadu Irrigation Development Project**

**(EB 2011/104/R.24/Rev.1)**

12. The Executive Board unanimously approved the provision of a loan of SDR 14.35 million to the Democratic Socialist Republic of Sri Lanka to finance the Iranamadu Irrigation Development Project. Japan provided written comments and conveyed the willingness of interacting closely with IFAD at the country level. India sought clarification on the arrangement to address the issue of weak project management capacity. It was noted that the project will use existing institutions and capacity, which will be complemented by recruitments from the open market where necessary. IFAD will also step up implementation support.

### **Timor Leste: Maize Storage Project**

#### **(EB 2011/104/R.25/Rev.1)**

13. The Executive Board approved a grant for the amount of SDR 3.2 million, to the Republic of Timor-Leste for the Timor-Leste Maize Storage Project. In approving grant, the Executive Board Director for the United States provided written comments seeking clarification on: (i) adequacy of training and capacity building provided by the project; (ii) the demand from upland maize growers for drums and their willingness to pay a USD 10 contribution; (iii) the risk of procuring and importing raw materials and the project's approach to private sector development; (iv) seed quality and storage; (v) donor coordination, harmonization and alignment; (vi) sustainability. During the Executive Board session, the Executive Board Director from the United States also complimented the project's inclusion of a clear plan for scaling up.

### **D. Latin America and the Caribbean**

#### **Plurinational State of Bolivia: Economic Inclusion Programme for Families and Rural Communities in the Highlands, Lowlands and Inter-Andean Valleys (ACCESOS)**

##### **(EB 2011/104/R.26/Rev.1)**

14. The Executive Board unanimously approved IFAD and Spanish Food Security Trust Fund loans of SDR 11.6 million and Euro 11.2 million, respectively, to the Plurinational State of Bolivia to finance ACCESOS. The Executive Board Directors highlighted the programme's alignment with the social and inclusive policy agenda of President Evo Morales. Confirmation was requested that targeted local governments were involved during formulation. The Country Programme Manager indicated that consultations were conducted during the design phase with participation of local governments and Indigenous Peoples as ACCESOS is subject to compliance with the principle of "informed, prior consent" embedded into government policy and IFAD 2009 Indigenous People Policy. In addition, ACCESOS will support implementation of Bolivia's national food sovereignty policy, especially in the context of the Autonomy and Decentralization Framework Law whose execution is fundamental for the 2009 founding of the Plurinational State.

#### **Haiti: President's memorandum: Productive Initiatives Support Programme In Rural Areas (PAIP)**

##### **(EB 2011/104/R.29/Rev.1)**

15. The Executive Board unanimously approved a grant of SDR 4.85 million as supplementary financing to the Republic of Haiti to finance the third FLM cycle of the Productive Initiatives Support Programme in Rural Areas (PAIP). The Executive Board Directors expressed their endorsement to the proposal on the basis of the satisfactory results achieved by the Programme during its second FLM cycle, despite the country challenging circumstances.

#### **Nicaragua: President's memorandum: Inclusion of Small-Scale Producers in Value Chains and Market Access Project**

##### **(EB 2011/104/R.30/Rev.1)**

16. With positive comments, the Executive Board approved the supplementary financing of a total amount of SDR 7.35 million, including a loan of SDR 3.85 million on highly concessional terms and a grant for SDR 3.50 million, for the Inclusion of Small-scale Producers in Value Chains and Market Access Project (PROCAVAL). Additional information was requested and answers were provided.

### **E. Near East, North Africa and Europe**

#### **Bosnia and Herzegovina: Rural Business Development Project**

##### **(EB 2011/104/R.32/Rev.1)**

17. The Executive Board unanimously approved a loan to Bosnia and Herzegovina of the amount equivalent to SDR 8.05 million on hardened terms and a grant in the amount equivalent to SDR 0.5 million. No questions were raised by the Executive Board members.

**Egypt: Promotion of Rural Incomes through Market Enhancement Project  
(EB 2011/104/R.33/Rev.1)**

18. The Executive Board unanimously approved a loan of SDR 44.14 million on intermediate terms, and a grant of SDR 0.63 million for the PRIME Project. In doing so, the Representatives of Kuwait, Netherlands, Saudi Arabia, Denmark, Japan, The United States of America, Germany, United Kingdom and Egypt expressed strong support for the project and commended the design for addressing the needs of a large and diversified target group in rural Egypt. The representative of the Netherlands, while commanding the Farmers Organisations-Private sector partnership, inquired about other similar initiatives and the potential for synergy with the proposed project. The Near East, North Africa and Europe Division informed the Executive Board about similar initiatives supported by donors, such as the World Bank, AfDB, EU, AFD, UNIDO, JICA and USAID. The Executive Board was informed that the Social Fund for Development and the Agricultural Research and Development Fund are the main implementation partners of this project as well as the other donor-supported initiatives, hence the high potential for synergy. The representative of Japan informed the Executive Board about a stakeholders workshop held by JICA in October 2011 in Cairo where JICA-supported Master Plan for Rural Development was discussed. The Near East, North Africa and Europe Division welcomed the initiative and informed the Executive Board that the project design mission met and discussed the initiative with JICA representative in Cairo through-out the design process. The Representative of Germany inquired about a generic issue related to risk assessment and mitigation in view of the recent political changes. NEN informed that in Egypt this project is fully participatory with a strong private sector-farmers organisations partnership with limited government involvement, hence no major risks foreseen.

**Morocco: Agricultural Value Chain Development Project in the Mountain Zones of Al-Haouz Province  
(EB 2011/104/R.34/Rev.1)**

19. The Executive Board unanimously approved a loan of SDR 4.10 million and a grant of SDR 0.09 million to the Kingdom of Morocco to finance the Agricultural Value Chain Development Project in the Mountain Zones of Al-Haouz Province. In doing so, the Executive Director of Belgium commended the approach and the design of the project and noted in particular one of its innovations relating to the assistance provided to smallholders and beneficiaries of small projects, in the areas of marketing, certification of origin and quality, and strengthening their business bargaining power with value chain operators. She expressed Belgium's interest in collaborating more with IFAD on these aspects. It was explained that this would be achieved through part-time legal counselling to farmers organisations in their contractual arrangements with above-mentioned operators. The Division indicated that it will establish contact with the Belgian team in Rabat to pursue further cooperation in this regards.

**Sudan: Seed Development Project  
(EB 2011/104/R.35/Rev.1)**

20. The Executive Board approved in its 104<sup>th</sup> session the DSF grant of SDR 6.35 million to the Republic of The Sudan to finance the Seed Development Project. The Executive Board appreciated the project's contribution to strengthening small producers' resilience to shocks by enabling their access to relevant and affordable seed varieties for food production and cash crops. The members of the board commented on the need to deepen the risk analysis of the project in relation to the potential impact of the on-going conflict in South Kordofan on the feasibility and sustainability of the project, emphasized the need for an inclusive targeting, and requested clarification on

the mechanisms used for the supervision of the implementation and fiduciary aspects of this project. The division addressed these concerns and clarified that: (i) the security situation is being monitored in South Kordofan and contingency measures are available and are building on the experience this year in managing two on-going programmes in the state and in safeguarding of funds; (ii) targeting is inclusive and will build on the results of the beneficiary assessment of the South Kordofan Rural Development Project (loan SD-544) which provides quantitative data on the project outreach to various social groups in the project area; and (iii) IFAD will use alternative methods relying on national consultants and staff from the Federal Ministries of Agriculture and Finance to carry out the project supervision if the restrictions on the travel of UN international and national staff to South Kordofan is maintained.

In accordance with the United States legislation, the Executive Board Director of the United States of America requested that their opposition to this project be recorded.

**Yemen: YemenInvest – Rural Employment Programme**

**(EB 2011/104/R.36/Rev.1)**

21. The Executive Board unanimously approved the proposed grant of SDR 5.72 million for the YemenInvest – Rural Employment Programme. Clarification was provided regarding policy linkages, potential sources of cofinancing, risk mitigation measures, and the status of the Economic Opportunities Fund (the Programme’s management entity).

**Tunisia: President’s memorandum: Integrated Agricultural Development Project in the Governorate of Siliana – Phase II**

**(EB 2011/104/R.63)**

**Tunisia: President’s memorandum: Agropastoral Development and Local Initiatives Promotion Programme for the South-East (PRODESUD)**

**(EB 2011/104/R.64)**

22. The Executive Board unanimously approved a supplementary loan of SDR 2.55 million and a supplementary grant of SDR 0.35 million to finance the Agropastoral Development and Local Initiatives Promotion Programme in the South-East, as well as a supplementary loan of SDR 3.20 million to finance the Integrated Agricultural Development Project in the Governorate of Siliana – Phase II in Tunisia. In doing so, the Executive Director of the United States of America commended IFAD’s swift response to the needs of member countries in transition undergoing processes of social and economic change. She supported the instrument of supplementary financing and indicated that two written questions had been submitted before the session in relationship with the Agropastoral Development and local Initiatives Promotion Programme in the South-East. She confirmed her full satisfaction with the replies provided by the Country Programme Manager. She further enquired whether the Logical Framework for the Siliana – Phase II Project was updated. It was clarified, to the Board satisfaction, that the Logframe will be updated early next year on the occasion of the Project Mid-term Review during which it will be validated with all the stakeholders.

## **II. Grant proposals**

23. The following grant proposals were approved by the hundred-fourth session of the Executive Board.

**(a) Grants to a for-profit private-sector entity (EB 2011/104/R.38)**

- (i) **Mali Biocarburant SA (MBSA): Building Farmers’ Income and Safety Nets while Securing Local Energy Supply in West Africa**

The Executive Board approved the proposal to provide a grant of SDR 323,076 (US\$ 500,000) to Mali Biocarburant SA (MBSA) The grant is

IFAD's first grant to a for-profit organization under its revised Procedures for Financing from the Grant programme. In light of this, the representative of the Canadian Government was reassured on the fact that IFAD has taken all measures required to ascertain MBSA business/financial soundness and to ensure that MBSA overall approach complies with social responsibility international standards. In the same way, the representative of the Angolan Government was assured that MBSA not only conforms to local legislations on the use of national resources to produce bio-carburant (as it has been the case in Mali), but also that it supports local institutions to develop national laws and regulations in line with international standards in those countries where they do not yet exist.