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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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Executive Board — 105<sup>th</sup> Session  
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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 105<sup>th</sup> session of the Executive Board, and are in line with the Debt Sustainability Framework (DSF).

#### A. West and Central Africa

##### **Nigeria: Value Chain Development Programme (EB 2012/105/R.9/Rev.1)**

2. The Executive Board unanimously approved the provision of a loan and a grant of SDR 47.85 million and SDR 0.33 million respectively, to the Federal Republic of Nigeria to finance the Value Chain Development Programme. The Executive Board sought clarification on (i) whether IFAD would collaborate with the Japan International Cooperation Agency-funded Rice Post-Harvest and Marketing Project under implementation in Nasarawa and Niger States; and (ii) whether the subsidy level would decrease over time. These issues were addressed to the satisfaction of the Executive Board.

##### **Sierra Leone: President's memorandum: Rural Finance and Community Improvement Programme – supplementary financing (EB 2012/105/R.10/Rev.1)**

3. The Executive Board unanimously approved a supplementary loan on highly concessional terms in an amount equivalent to SDR 695,000 and a supplementary grant in an amount equivalent to SDR 695,000 to the Republic of Sierra Leone for the Rural Finance and Community Improvement Programme. No questions were raised by Executive Board members.

#### B. East and Southern Africa

##### **Kenya: Upper Tana Catchment Natural Resource Management Project (EB 2012/105/R.11/Rev.1)**

4. The Executive Board unanimously approved an IFAD loan of SDR 21.25 million and a Spanish Food Security Cofinancing Facility Trust Fund (Spanish Trust Fund) loan of EUR 12.8 million, both on highly concessional terms, to the Republic of Kenya for the Upper Tana Catchment Natural Resource Management Project. The representatives for the United States and Netherlands commended IFAD for the prompt and detailed responses to the questions sent prior to the session.

##### **Madagascar: Vocational Training and Agricultural Productivity Improvement Programme (FORMAPROD) (EB 2012/105/R.12)**

##### **Madagascar: President's memorandum: Project to Support Development in the Menabe and Melaky Regions – supplementary loan (EB 2012/105/R.13)**

5. On the proposals presented for Madagascar, while no technical issues with respect to the contents of the two Madagascar loan proposals were raised, there were concerns among Board members regarding progress by the transitional government on the road map towards a return to a constitutional government. IFAD's General Counsel argued that a reasonable interpretation of IFAD's guidelines for dealing with de facto governments was that all conditions of the guidelines had been met and that the two loans could be approved by the Board. It was noted that the current transitional government had respected their fiduciary commitments with the Fund and existing projects were being implemented well. It was further noted that the World Bank had approved a new investment project, as an exception to their de facto government guidelines, that the United Nations had restarted its programmes, and that the EU was considering a restart in June. Therefore, after intense discussion and on an

exceptional basis, the Board approved the supplementary loan to the ongoing Project to Support Development in the Menabe and Melaky Regions in Madagascar. On the Vocational Training and Agricultural Productivity Improvement Programme (FORMAPROD), having noted the opposition of the United States of America and Sweden, the Executive Board agreed that the project would be deemed to be approved by lapse of 90 days, unless any other member opposes by that time.

6. The Representative of the United States of America specified that due to her country's current legislative mandate against the provision of US Aid to or through the government of Madagascar due to concerns over trafficking in persons, the United States opposed the use of IFAD funding in Madagascar and asked that this position be recorded in the minutes of the session.

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

### **Cambodia: Project for Agricultural Development and Economic Empowerment (EB 2012/105/R.15/Rev.1)**

7. The Executive Board approved a loan on highly concessional terms in an amount equivalent to SDR 11.3 million and a grant in an amount equivalent to SDR 11.3 million to the Kingdom of Cambodia for the Project for Agricultural Development and Economic Empowerment. In approving the financing, the Executive Board representative for Denmark referred to the good prior dialogue and comprehensive answers received from the country programme manager on three main issues, namely sector coordination, alignment and harmonization, and risk identification and mitigation. Recognizing that the project was well aligned with relevant national strategies, the Board representative for Denmark encouraged IFAD to continue to support the Ministry of Agriculture, Forestry and Fisheries in implementing decentralization and progressing further on the above issues. The country programme manager responded that the formulation of the new country strategic opportunities programme (COSOP) for Cambodia, which would start later this year, would provide a valuable opportunity to strengthen such linkages between subsectors and donors.

### **Nepal: President's memorandum: Leasehold Forestry and Livestock Programme – supplementary financing (EB 2012/105/R.18/Rev.1)**

8. The Executive Board unanimously approved a grant for the amount of SDR 0.97 million and a loan of SDR 0.97 million on highly concessional terms for the Leasehold Forestry and Livestock Programme in Nepal. Written comments from the country programme manager were provided in response to questions received by e-mail from the United States Board representative the week prior to the Executive Board session.

### **Tonga: Tonga Rural Innovation Project (EB 2012/105/R.19/Rev.1)**

9. The Executive Board approved a grant for the amount of SDR 2.6 million to the Kingdom of Tonga for the Tonga Rural Innovation Project. In approving the grant, the Executive Board representative for Japan expressed Japan's support for the project, recognizing the project's commitment to rural communities in Tonga. He emphasized the need for coordination with other projects in the country, such as the new social protection projects currently being designed by both the Asian Development Bank and the World Bank with potential financial support from Japan and the Tongan Vocational Training Project. The country programme manager responded that the Tonga Rural Innovation Project would actively coordinate and collaborate with other projects in Tonga.

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

### **Colombia: Building Rural Entrepreneurial Capacities Project: Trust and Opportunity (EB 2012/105/R.20/Rev.1)**

10. The Executive Board unanimously approved IFAD and Spanish Trust Fund loans of SDR 19.30 million and EUR 14.3 million, respectively, and a grant of SDR 0.4 million

to the Republic of Colombia to finance the Building Rural Entrepreneurial Capacities Project: Trust and Opportunity. In doing so, the representative for Netherlands recommended the involvement of the Colombian Ministry of the Environment (Ministerio del Ambiente) with the government bodies of the project.

**Honduras: President's memorandum: Project for Enhancing the Rural Economic Competitiveness of Yoro – Amendment to loan agreement (EB 2012/105/R.21)**

11. The Executive Board unanimously approved the amendment to loan agreement concerning the procurement rules and procedures of the United Nations Development Programme. In doing so, the United States representative recommended ensuring appropriate standards for procurement issues.

**Mexico: Rural Development Project in the Mixteca Region and the Mazahua Zone (EB 2012/105/R.22/Rev.1)**

12. The Executive Board unanimously approved IFAD and Spanish Trust Fund loans of SDR 12.05 million and EUR 10.7 million, respectively, and a grant of SDR 1.29 million to the United Mexican States to finance the Rural Development Project in the Mixteca Region and the Mazahua Zone.

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

**Uzbekistan: Horticultural Support Project (EB 2012/105/R.25/Rev.1)**

13. The Executive Board unanimously approved an IFAD loan of SDR 6.19 million and a grant of SDR 0.645 million and a Spanish Trust Fund loan of EUR 8.46 million to the Republic of Uzbekistan to finance the Horticultural Support Project.