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Enabling poor rural people
to overcome poverty

Summary of project, programme proposals discussed by the Executive Board

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For: Information

Summary of project, programme proposals discussed by the Executive Board

I. Project/programme proposals

1. The following project/programme proposals were approved by the 110th session of the Executive Board, and are in line with the Debt Sustainability Framework (DSF).

A. West and Central Africa

Gabon: President's memorandum: Agricultural and Rural Development Project (EB 2013/110/R.46)

2. The Executive Board unanimously approved a Spanish Trust Fund loan for a total amount of EUR 4,250,000 (approximately USD 5,4 million), to the Republic of Gabon, as a supplementary financing for the Agricultural and Rural Development Project (PDAR). No questions were raised by the Board Members. The Executive member from Angola expressed the support of List C countries to the objectives of the project.

Mali: Rural Youth Vocational Training, Employment and Entrepreneurship Support Project (FIER) (EB 2013/110/R.16/Rev.1)

3. The Executive Board unanimously approved the provision of a loan of SDR 10.8 million and a grant of SDR 10.8 million to the Republic of Mali, to finance the "Rural Youth Vocational Training, Employment and Entrepreneurship Support Project (FIER)". The Executive Board welcomed the new well-targeted project in Mali and concurred with the relevance of the investment. FIER is in line with the country development strategies and complements well the interventions of other donors in Mali. It has the potential for creating stability, particularly through its expansion to the North of the country. Emphasis was put on the need for strong coordination with other donors and a dedicated support to the public sector. The Country Portfolio Manager assured that donor representatives will participate in the FIER steering committee and that institutional support will be provided to the Ministry of Employment and Vocational Training at central and regional levels.

Mali: President's memorandum: Fostering Agricultural Productivity Project in Mali – Financing from the Adaptation for Smallholder Agriculture Programme (PAPAM/ASAP) (EB 2013/110/R.17/Rev.1)

4. The Executive Board unanimously approved the provision of additional project financing in the form of a grant of SDR 6.5 million from the Adaptation for Smallholder Agriculture Programme (ASAP) Trust Fund to the Republic of Mali. The ASAP will complement the financing of the Fostering Agricultural Productivity Project (PAPAM). The Executive Board welcomed the ASAP intervention in Mali. A specific question was raised on the need to integrate climate risk assessments and water resources evaluations in component 2. It was confirmed that risk assessments are planned for this component which focuses on small scale irrigation and supports Malian meteorological services to provide farmers with relevant data to adapt to water scarcity.

Nigeria: Climate Change Adaptation and Agribusiness Support Programme in the Savannah Belt (EB 2013/110/R.18)

5. The Executive Board approved IFAD loan of USD 70 million, IFAD grant of USD 0.48 million, and ASAP grant of USD 15 million for the Climate Change Adaptation and Agribusiness Support Programme in the Savannah Belt of Nigeria (CASP). The Board approved the Climate Change Adaptation and Agribusiness Support Programme in the Savannah Belt of Nigeria subject to the completion of negotiations in accordance with the terms and conditions presented to the Board. The negotiated text would be duly shared with the Board for its information.

**Senegal: Agricultural Value Chains Support Project - Extension
(EB 2013/110/R.19/Rev.1)**

6. The Executive Board approved unanimously the PAFA-Extension project of SDR 22.6 million. The Board had some concerns about the priorities of the targeted value chains in terms of existing national demand and the inter-profession forums which, could be expensive to run. The Board also emphasized the need to work more with national APEX farmers' organisations rather than with local and regional farmers' organisations. IFAD indicated that the project objectives are to ensure food security of the smallholders in the Groundnut Basin (Bassin arachidier) area of Senegal and improve their access to market for the sales of surpluses. The value chains were selected on the basis, among others, of existing strong local, national and regional markets. On the APEX organisations, IFAD pointed out that the project will work on all levels by establishing strong link between local, regional and national farmers' organisations. Regarding the inter-profession forums, IFAD indicated that these forums are managed by the value chains actors themselves with project facilitation

B. East and Southern Africa

**Ethiopia: Pastoral Community Development Project III
(EB 2013/110/R.20/Rev.1)**

7. The Executive Board unanimously approved a highly concessional loan of SDR 55.3 million to the Federal Democratic Republic of Ethiopia for financing the Pastoral Community Development Project III (PCDP III). Constructive comments and feedback were obtained from the Executive Board members from Angola, Canada, Germany, Italy, the Netherlands, Switzerland, the United Kingdom and the United States of America. Many of the comments were exchanged with the Country Portfolio Manager prior to the Executive Board Meeting and appropriate responses were provided. The main issue related to the lessons learned and how to present these in a systematic manner to the Executive Board. The second issue related to how women would benefit from this investment and the third issue concerning the decentralization of the implementation arrangements to the local levels, bearing in mind that implementation capacity weaknesses at the Federal and the Regional levels. The Regional Director and the Country Portfolio Manager provided appropriate responses to these issues and assured the Executive Board members that dialogue on the above issues would continue with the development partners at the country level.

**Rwanda: Climate Resilient Post-Harvest and Agribusiness Support Project
(EB 2013/110/R.21/Rev.1)**

8. The Executive Board unanimously approved a highly concessional loan of SDR 8.77 million, a grant of SDR 8.77 million and an Adaptation for Smallholder Agriculture Programme (ASAP) grant of SDR 4.51 million to the Republic of Rwanda for financing of the Post-Harvest and Agribusiness Support Project. Constructive comments and feedback were obtained from the Executive Board members from the Netherlands, Switzerland, Germany, Japan and Angola. Many of the comments were exchanged with the Country Programme Manager prior to the Executive Board Meeting and appropriate responses were provided. The main issue that came out of these exchanges related to the lessons learned and how to present these in a systematic manner to the Executive Board.

**Zambia: Rural Finance Expansion Programme
(EB 2013/110/R.22/Rev.1)**

9. The Executive Board approved a loan of SDR 5.5 million from IFAD resources and a Spanish Trust Fund Loan of EUR 9.00 million towards the financing of RUFEP. In the course of Board deliberations, the East and Southern Africa Division clarified the issues related to the Development Partners consultation by the design missions. More intensive consultations will continue with Partners involved. Potential

partnership opportunities with a view of enhancing provision of financial services and products in rural Zambia will also continue to be pursued. The Executive Board discussed the issue of the “lessons learnt” as a corporate issue, needing to be addressed in a more systematic manner. It was agreed that the lessons learnt from the implementation of the completed Rural Finance Programme (RFP) will be taken from the programme life file and shared.

C. Asia and the Pacific

China: Shiyang Smallholders Agribusiness Development Project (EB 2013/110/R.23/Rev.1)

10. The Executive Board unanimously approved a loan of SDR 28.55 million in support of the Shiyang Smallholder Agribusiness 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 members welcomed the fact that it is an innovative pilot project that benefits from substantial counterpart funding, indicating a greater commitment of the central and local governments in pursuing its development objectives even after it is completed. This should auger well for the sustainability of the interventions and the subsequent scaling up of the best practices emerging from the project. The Executive Board members further welcomed the focus on innovations in the areas of developing pro-poor farmer cooperatives, niche value chains for the poor, and carefully targeted internal value chain financing arrangements and market linkages.

Pakistan: Livestock and Access to Markets Project (EB 2013/110/R.24/Rev.1)

11. The Executive Board approved a loan of SDR 22.43 million and a grant of SDR 0.386 million to finance the Livestock and Access to markets Project. In approving the project, the Executive Board members requested clarifications on (i) how local government structures would have been incorporated in the project, and how the challenge of their weak capacity would have been addressed; (ii) whether the proposed fund for procuring and supplying vaccines would have affected the sustainability of the project; (iii) the amount of the expected co-financing from the private sector; and (iv) the risk of price fluctuations of milk and poultry products. It was clarified that (i) the project will be implemented the relevant local government institutions, and that a significant amount of resources is allocated to strengthen the capacity of these institutions; (ii) the fund for procuring and supplying the vaccines and medicines is conceived as a mechanism to ensure post-project sustainability; (iii) it is difficult to quantify the amount of resources from the private sector that will be leveraged by the project during implementation at this stage, but various private sector operators have expressed interest in linking to and partnering with the project; and (iv) on the basis of the data on prices of milk and poultry products in the target area for the past decade, the risk of price fluctuation is considered low. Written comments and requests for clarifications were received prior to the meeting on (i) the rationale for a project in Punjab; (ii) the rationale for communities and individual contributions to the community infrastructure sub-component; (iii) the underlying reasons that led to a prevalence of poverty in rural Punjab; and (iv) the target strategy. These comments have been responded in writing.

Viet Nam: Adaptation in Mekong Delta in Ben Tre and Tra Vinh Provinces (EB 2013/110/R.25/Rev.1)

12. The Executive Board approved a loan of SDR 14.35 million on highly concessional terms and an Adaptation for Smallholder Agriculture Programme (ASAP) Trust Fund grant of SDR 7.82 million towards the financing of the Project for Adaption to Climate Change (AMD). In the course of the Executive Board deliveries, the division clarified the issues related to the counterpart financing, scaling up of the

project activities, the existing initiatives for climate change adaption, rural finance and strategies for private sector engagement as well as gender.

D. Latin America and the Caribbean

Brazil: Policy coordination and Dialogue for Reducing Poverty and Inequalities in Semi-arid North-east Brazil (Dom Helder Câmara Project Phase II) (EB 2013/110/R.47/Rev.1)

Brazil: Rural Sustainable Development Project in the Semi-arid Region of Bahia (Pro-Semi-arid Project) (EB 2013/110/R.26/Rev.1)

13. The Executive Board unanimously approved a loan of SDR 2.0 Million and a loan of Euro 11.36 million to finance the Dom Helder Câmara Project, and a loan of SDR 29.26 million to finance the Pro-semiarid Project, both in Brazil. The Executive Board members appreciated the adequate geographical focus of these projects in the Northeast of Brazil considering this is the poorest region in the country, their potential to boost structural changes in benefit of the poor rural population, their alignment with current public policies for fighting against rural poverty and their aim to contribute to the successful implementation of these policies. The board members highlighted the successful experience of the first phase of the Dom Helder Câmara Project, which will contribute to the success of these newly approved projects as a source of innovations and good practices to be replicated and scaled-up. It was also appreciated the contribution of the Spanish Trust Fund, which enabled IFAD to co-finance the Dom Helder Câmara Project.

E. Near East, North Africa and Europe

Kyrgyzstan: Livestock and Market Development Programme II (EB 2013/110/R.27/Rev.1)

14. The Executive Board approved a highly concessional loan of SDR 7.2 million, a grant of SDR 7.2 million, and an Adaptation for Smallholder Agriculture Programme (ASAP) Trust Fund grant of SDR 6.5 million for financing the Livestock and Market Development Programme II. During the deliberations the Board expressed appreciation for the detailed replies to technical questions received in advance of the session.