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

### Note to Executive Board representatives

#### Focal points:

#### Technical questions:

Ya Tian  
Programme Manager  
Programme Management Department  
Tel.: +39 06 5459 2062  
e-mail: [y.tian@ifad.org](mailto:y.tian@ifad.org)

#### Dispatch of documentation:

William Skinner  
Chief  
Governing Bodies Office  
Tel.: +39 06 5459 2974  
e-mail: [gb\\_office@ifad.org](mailto:gb_office@ifad.org)

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

#### A. West and Central Africa

Niger: President's memorandum: Family Farming Development Programme (ProDAF) in the Regions of Maradi, Tahoua and Zinder (EB 2016/118/R.17)

2. The Executive Board unanimously approved a loan of special drawing rights (SDR) 8.15 million and a grant of SDR 8.15 million to the Republic of the Niger to address the financing deficit of the Family Farming Development Programme in the regions of Maradi, Tahoua and Zinder. The Executive Board representative for Egypt, on behalf of List C, along with the representatives for Switzerland, Spain, Algeria and Nigeria highlighted the importance of this initiative in fostering rural development in one of the poorest countries in the world.

#### B. East and Southern Africa

Ethiopia: Participatory Small-scale Irrigation Development Programme – Phase II (PASIDP II) (EB 2016/118/R.18)

3. The Executive Board approved the provision of a loan of SDR 72.95 million and a grant of SDR 1.08 million, as well as a grant of SDR 7.87 million from the Adaptation for Smallholder Agriculture Programme (ASAP) Trust Fund to the Federal Democratic Republic of Ethiopia. In approving the programme, the Executive Board highlighted the need for IFAD, during implementation, to: (i) support the emergence and development of agricultural insurance; (ii) ensure close monitoring of risks relating to security, environmental and social issues, as well as corruption; (iii) ensure collaboration and coordination with the major flagship programmes of the Government of Ethiopia, including the Agricultural Growth Programme, the Sustainable Land Management Project and the Productive Safety Net Programme; (iv) improve nutrition indicators; (v) ensure that the programme's knowledge management strategy covered the ASAP-supported activities, particularly the differentiated approach being taken to deal with agroecological diversity in Ethiopia; and (vi) promote linkages with the private sector, including with NGOs.

The Board took note of the abstention by the United States from the approval of the programme in Ethiopia given that the environmental due diligence presented for the programme did not meet the legislative requirements of the United States for such programmes, particularly with respect to the timing of the disclosure of environmental impact documents.

Rwanda: Rwanda Dairy Development Project (RDDP) (EB 2016/118/R.19/Rev.1)

4. The Executive Board unanimously approved a loan of SDR 31.35 million on highly concessional terms and a grant of SDR 0.79 million to the Republic of Rwanda towards the financing of the Rwanda Dairy Development Project. In approving the project, the Executive Board highlighted the strategic importance of the dairy subsector for rural development, poverty reduction and food and nutrition security in Rwanda and the East Africa Region. The Executive Board representative for Switzerland requested that additional consideration be given to the risks associated with working with the most vulnerable members of the rural population in the context of a commercial dairy value chain (perishable commodities). Management assured the Executive Board that IFAD had accumulated extensive experience in supporting the Government of Rwanda in designing and implementing

asset-building mechanisms targeted at the poorest and the most vulnerable segments of the rural population. For the Rwanda Dairy Development Project, this experience was being replicated to build the asset base of very poor households in order to improve their food security, nutrition and overall livelihoods, and support their gradual and sustainable integration into the dairy value chain. IFAD would work in partnership with Heifer Project International, the project cofinancier, to scale up the approach at the national level. The Government highly appreciated this approach as a way of making a real impact on rural poverty alleviation within the framework of the Girinka (one-cow-per-poor-family) programme.

Zimbabwe: Smallholder Irrigation Revitalization Programme  
(EB 2016/118/R.20/Rev.1)

5. The Executive Board unanimously approved a grant of SDR 18.30 million under the DSF to the Republic of Zimbabwe to finance the Smallholder Irrigation Revitalization Programme. The Executive Board commended the programme's relevance in view of the widespread drought affecting Southern Africa in 2016, particularly in Zimbabwe, which had pushed many rural people into starvation and deep poverty. The Executive Board also commended that the focus was on both irrigation rehabilitation and smallholder market development and appreciated that the schemes would be financially viable and sustainable as they would promote market-oriented production. In addition, the Board commended IFAD for strengthening water users' associations and national capacity to ensure the sustainability of the rehabilitated schemes. Management assured the Board that it would collaborate closely with other development partners to avoid overlapping and enhance mutual efficiencies and lesson learning, and that it would carry out fiduciary and technical supervision of the programme. The grant would be provided in SDR. It was not expected that the inclusion of the Chinese renminbi in the SDR basket would affect programme financing as the price and physical contingencies in the cost estimate took account of currency and price fluctuations.

### C. Near East, North Africa and Europe

Morocco: Atlas Mountains Rural Development Project (EB 2016/118/R.22)

6. The Executive Board unanimously approved a loan of EUR 40.61 million and a grant of EUR 1.29 million to the Kingdom of Morocco towards the financing of the Atlas Mountains Rural Development Project. The Executive Board representative for Egypt, on the behalf of List C, expressed strong support for the proposed project, noting that the socioeconomic and institutional targeting approach would also benefit the landless, woman headed-households and young people. This would revitalize rural areas and lessen rural outmigration. The project would make major developmental impacts through improved irrigation, adoption of improved farming techniques and value chain development. It would also increase resilience in the rural areas and promote social protection. With regard to the project's animal husbandry activities, the Board highlighted the broader issue of antimicrobial resistance build up (resistance to antibiotics) which could generate risks not only for food security but also for public health in general. The Board was satisfied with the written responses to its questions received prior to the session. The discussion with the African Development Bank on future financing (to reach additional mountainous provinces) was mentioned. The Board also noted the inclusion of funding to promote South-South and triangular cooperation within the project. In the context of the proposed value chain approach, the Executive Board highlighted the novel concept of "aggregators" as an institutional innovation to attract and mobilize private investments.

## II. Grant proposals

Grant under the country-specific grants window to ABC Microfinance to support Malian diaspora financing for rural youth (EB 2016/118/R.23)

7. A grant under the country-specific grants window to the private entity and social enterprise ABC Microfinance to support Malian diaspora financing for rural youth was unanimously approved by the Board in the amount of US\$425,000. The purpose of the grant was to: increase the impact and sustainability of the IFAD country programme in Mali, linking young people supported by the Rural Youth Vocational Training, Employment and Entrepreneurship Support Project and the Rural Microfinance Programme with Malian migrants and their organizations through a crowd-funding platform and local microfinance institutions. The Executive Board expressed appreciation for the innovative features of the grant and requested further information on operational aspects. The country programme manager provided details of the crowd-funding platform, its benefits for the young people in Mali, the involvement of the Malian Government in the initiative and the motivation for migrants to invest in the initiative. The Executive Board recommended that in future grant proposals to private-sector entities more details be provided on the status of the recipient.