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

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Executive Board — 119th 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 and programme proposals were approved by the 119th session of the Executive Board.

A. East and Southern Africa

Zambia: Enhanced Smallholder Agribusiness Promotion Programme (EB 2016/119/R.22/Add.1/Sup.1)

2. The Executive Board approved a loan of SDR 15.50 million on highly concessional terms and a grant of SDR 0.74 million to the Republic of Zambia for the financing of the Enhanced Smallholder Agribusiness Promotion Programme (E-SAPP). In approving the programme, the Executive Board highlighted the importance of ensuring that subsistence farmers were not left behind, but duly included in the programme, and were provided with activities tailored to their development needs. The envisaged graduation platform should be carefully crafted to allow subsistence farmers to become economically active agents in their communities. The Executive Board drew attention to the entry point for ensuring environmental management and climate change adaptation in the programme. The Board reiterated that the programme should work at three levels: policy, capacity-building and investments made by the farmers through access to matching grants. The Executive Board took note of the explicit support to nutrition-sensitive agriculture and agribusiness investments and requested that E-SAPP link its nutrition interventions with those of the Scaling Up Nutrition (SUN) movement. The Executive Board emphasized the importance of South-South and Triangular Cooperation and expected E-SAPP to make use of lessons learned in neighbouring countries.

B. Asia and the Pacific

Cambodia: Accelerating Inclusive Markets for Smallholders Project (EB 2016/119/R.23/Add.1/Sup.1)

3. The Executive Board unanimously approved a loan of US\$36.3 million on highly concessional terms to the Kingdom of Cambodia to finance the Accelerating Inclusive Markets for Smallholders Project. In approving the project, the Executive Board representatives for France, Germany and United States of America highlighted the selection of pro-poor value chains and strengthening of smallholder farmers' organizations to enable producers to benefit from production contracts and marketing modalities.

India: Andhra Pradesh Drought Mitigation Project (EB 2016/119/R.24/Add.1/Sup.1)

4. The Executive Board unanimously approved a loan of US\$75.5 million to the Republic of India towards financing the Andhra Pradesh Drought Mitigation Project (APDMP). Written comments were received from the Executive Board representatives for France and United States and further comments were shared by the Executive Board representative for Germany during the Board session. Responses were provided to queries raised by Board representatives on (i) the size and nature of protective irrigation in the project area; (ii) the institutional set up for the management of common property rangelands; (iii) the measures taken for the diversification of agricultural production and income sources as well as soil conservation; and (iv) the actions taken by the State Government to ensure effective donor coordination.

Viet Nam: Commercial Smallholder Support Project in B c Kan and Cao B ng
(EB 2016/119/R.26)

5. The Executive Board unanimously approved a loan of US\$42.5 million on blend terms and a grant of US\$0.5 million to the Socialist Republic of Viet Nam to finance the Commercial Smallholder Support Project in B c Kan and Cao B ng. In approving the project, the Executive Board highlighted the need to incorporate gender action more clearly into the project documentation. In addition, the Executive Board noted the importance of (i) NGO involvement in project implementation; (ii) close monitoring of private-sector support; (iii) potential support for ecotourism; and (iv) incorporation of the IFAD Climate Change Strategy into the project.

C. Latin America and the Caribbean

Ecuador: Catalysing Inclusive Value Chain Partnerships Project
(DINAMINGA)
(EB 2016/119/R.27/Add.1/Sup.1)

6. The Executive Board unanimously approved a loan of US\$25.66 million on ordinary terms and a grant of US\$0.25 million to the Republic of Ecuador towards the financing of the Catalysing Inclusive Value Chain Partnerships Project (DINAMINGA). The Executive Board representative for Mexico acknowledged that the selected value chains, in particular those for non-traditional fruits, provided favourable opportunities for IFAD's target group. In addition, the support to the production process was appreciated, as was the emphasis on addressing the bottlenecks in market integration, post-harvest processes and the related associations. The representative for Japan underscored that the project was aligned with the approach of the Government of Japan in the country as it would help reduce regional disparities through the value chain approach. The representative for Argentina recognized the relevance of the project, noting that despite the past decade of sustained growth and the consequent expansion of social services and pro-poor programmes in the country, the level of poverty had increased from 22.5 per cent in 2014 to 23.3 per cent in 2015, as a result of a general decline in economic activity and the contraction of domestic consumption. The representative for Argentina also commended the selection of a value chain that benefited smallholder producers and commented on the high quality of the project's economic analysis.

Brazil: Maranhão Rural Poverty Alleviation Project
(EB 2016/119/R.53)

7. The Executive Board approved a loan of SDR 14.31 million on ordinary terms for the Maranhão Rural Poverty Alleviation Project (MARPA) in the Federative Republic of Brazil, subject to the completion of the negotiation of the financing agreement and guarantee agreement before 31 March 2017. A copy of the negotiated financing agreement and guarantee agreement would be tabled at the April 2017 Board session, as well as any substantive changes to the terms presented to the Board at the current session. The project had initially been submitted for approval under the lapse-of-time procedure, but upon the request of the Brazil representative, it was being presented for approval at the formal Board session because the negotiations would not be finalized by the end of the year.

D. Near East, North Africa and Europe

Kyrgyzstan: Access to Markets Project
(EB 2016/119/R.28/Add.1/Sup.1)

8. The Executive Board approved a highly concessional loan of SDR 9.4 million and a DSF grant of SDR 9.4 million to the Kyrgyz Republic for financing the Access to Markets Project. During the deliberations, the Executive Board stressed the importance of coordination with partners and other donors supporting the

agricultural sector, as this was a relatively large-scale project given the country's small population. IFAD Management assured the Executive Board that the close coordination and cooperation with partners initiated during project design would be continued and further strengthened during project implementation.

II. Grant proposals

9. The following grant proposals were approved:

Grant under the global/regional grants window to Transtec to Improve Dryland Livelihoods in Djibouti and Somalia through Productivity-enhancing Technologies (EB 2016/119/R.29)

10. A grant under the global/regional grants window to Transtec to improve the dryland livelihoods of pastoralist and agropastoralist communities in Djibouti and Somalia, was unanimously approved in the amount of US\$2 million. The objectives were to: (i) deliver technological packages to increase and stabilize the productivity of sorghum/maize-based rainfed production and irrigation-based fruit/vegetable-farming systems; (ii) deliver technological packages to increase and stabilize the productivity of rangelands and small ruminants; (iii) demonstrate and promote efficient watershed-management technologies; and (iv) improve the capacities of national research and extension staff to provide support services to pastoralists, agropastoralists and irrigation farmers. The Board appreciated the fact that the grant built on the achievements of two previous projects and that it focused directly crop-productivity issues, sub-optimal water management and livestock productivity constraints and addressed these in a sustainable way. The Board highlighted the need to address livestock disease prevention and control. Management clarified that this was already being addressed through veterinary clinics under the previous grant and that the second component of the proposed grant would continue to deal with the issue.

Grant under the regional/private sector grant window to the MicroInsurance Centre for Managing Risks for Rural Development: Promoting Microinsurance Innovations (EB 2016/119/R.30)

11. A grant under the global/regional grants window to the private entity MicroInsurance Centre was unanimously approved by the Board in the amount of US\$1.8 million. The overall goal was to increase resilience, strengthen capacity to manage risks, and improve the livelihoods of poor rural households depending on off-farm and on-farm income. The objectives were to (i) increase use of simple, understood, accessible, valuable and efficient (SUAVE) insurance by poor rural people either directly or indirectly by insuring the activities of microfinance institutions and other value chain players; and (ii) improve poor rural people's access to a suite of valuable financial tools and rural development opportunities. The grant would be managed by the Policy and Technical Advisory Division. Activities would be carried out in countries in three regions of IFAD operation – Asia and the Pacific, East and Southern Africa, and Near East, North Africa and Europe – and lessons would be shared across IFAD as a whole. The Board expressed appreciation for the focus of the grant and requested further information on the partnership strategy with key industry players (e.g. African Risk Capacity) and the rationale for providing grant resources to the private sector. The Director, Policy and Technical Advisory Division, provided details on the grant's strategy, which would be based on the results of thorough country mapping and diagnostics. Possible strategic partnerships beyond the ones already identified in the grant proposal would be determined subject to country-specific opportunities, constraints and needs. With regard to the selection of the grant beneficiary, it was explained that the MicroInsurance Centre was selected through a competitive process that was open to private sector entities, in line with the 2015 IFAD Policy for Grant Financing.