

Document: EB 2017/122/INF.10  
Date: 4 January 2018  
Distribution: Public  
Original: English

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

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Executive Board — 122<sup>nd</sup> Session  
Rome, 11-12 December 2017

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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 at the 122<sup>nd</sup> session of the Executive Board and are in line with the Debt Sustainability Framework (DSF).

#### A. West and Central Africa

Burkina Faso: Agricultural Value Chains Promotion Project (PAPFA)  
(EB 2017/122/R.6/Rev.1)

2. The Executive Board unanimously approved a loan of US\$19.0 million on highly concessional terms and a grant of US\$19.0 million under the DSF to Burkina Faso for the Agricultural Value Chains Promotion Project (PAPFA). The Board appreciated the project's general soundness and targeting strategy and the fact that it drew on successful experiences from other countries in the region. In particular, the Board commended the project's alignment with the Government's priorities and IFAD's support to Burkina Faso's development efforts.

Ghana: President's memorandum: Rural Enterprises Programme -  
Additional financing  
(EB 2017/122/R.7)

3. The Executive Board unanimously approved a loan of SDR 28.35 million on highly concessional terms to the Republic of Ghana as additional financing to the ongoing Rural Enterprises Programme, to support the establishment of viable enterprises and the creation of jobs for micro and small-scale rural entrepreneurs nationwide, particularly youth and women. The programme implementation period would be extended by two years, with the programme completion and loan closing dates moved to 31 March 2022 and 30 September 2022 respectively. The Executive Board representative for Canada questioned whether the targets were realistic given the slower than anticipated achievements since programme effectiveness. In response, the country team explained that the Government's fiscal challenges during the last five years had affected support to the programme. That experience had provided a valuable test case on the sustainability of business development services under the current institutional network; and had led the Government to seek additional funding from IFAD to enhance sustainability and increase impact of these services.

Nigeria: Livelihood Improvement Family Enterprises Project in the Niger Delta  
(EB 2017/122/R.8/Rev.1)

4. The Executive Board unanimously approved a loan of SDR 42.4 million on blend terms to the Federal Republic of Nigeria for the Livelihood Improvement Family Enterprises Project in the Niger Delta. The Executive Board appreciated the project approach, the targeting of youth and women, and the innovation of creating enterprises in the Niger Delta through the development of business incubators. The Board requested that Management remain vigilant in tracking the impact of the project on women and that collaboration be sought with similar initiatives of development partners such as Agence Française de Développement and the World Bank.

#### B. East and Southern Africa

Ethiopia: President's memorandum: Pastoral Community Development Project III - Additional financing  
(EB 2017/122/R.9)

5. The Executive Board unanimously approved additional financing through a loan of SDR 20.45 million on highly concessional terms to the Federal Democratic Republic of Ethiopia for the Pastoral Community Development Project III. Recognizing the relevance and good performance of the project, the Board highlighted the importance of enhancing its effectiveness in building livelihood resilience by: (i) strengthening linkages with the drought and disaster Resilience Framework of the Intergovernmental Authority on Development (IGAD); (ii) introducing a more differentiated approach to respond to the needs of the various livelihood groups involved (pastoralists, agro-pastoralists, etc.); and (iii) updating the risk management matrix of the project to monitor the effects of the Government's villagization programme, particularly with regard to pastoral mobility. Management acknowledged the Board's guidance and committed to addressing these concerns to the extent possible. Management referred to a study being undertaken by the World Bank and IFAD to assess the effectiveness of livelihood interventions in the Ethiopian lowlands and draw lessons from a wide range of projects. The study would inform the design of a new project with a strong strategic focus on livelihood resilience to be presented to the Executive Board in April 2019.

Kenya: Aquaculture Business Development Programme  
(EB 2017/122/R.10)

6. The Executive Board unanimously approved a loan of US\$40.0 million on highly concessional terms to the Republic of Kenya for the Aquaculture Business Development Programme. In approving the programme, the Board commended its design and stressed the importance of policy dialogue to address food safety concerns. The Board also highlighted the need to develop synergies with other initiatives in the aquaculture subsector in Kenya.

Madagascar: Inclusive Agricultural Value Chains Development Programme  
(EB 2017/122/R.11)

7. The Executive Board unanimously approved a loan of SDR 18.90 million on highly concessional terms and a grant of SDR 18.90 million under the DSF to the Republic of Madagascar for the Inclusive Agricultural Value Chains Development Programme. The Board acknowledged the programme's alignment with Madagascar's rural development strategies and its focus on scaling up the results achieved from ongoing and past IFAD-funded projects. Prior to the session, written clarification was provided to the Board on: (i) support to ongoing reform to strengthen the Government's capacity for coordination of donor support; (ii) counterpart funding; (iii) integration of capacity-building in all components; (iv) complementary investments in road infrastructure; and (v) security challenges in remote areas of the south.

Malawi: Financial Access for Rural Markets, Smallholders and Enterprise Programme  
(EB 2017/122/R.12/Rev.1)

8. The Executive Board unanimously approved a loan of US\$21.0 million on highly concessional terms and a grant of US\$21.0 million under the DSF to the Republic of Malawi for the Financial Access for Rural Markets, Smallholders and Enterprise Programme. The Executive Board underlined the importance of proactively promoting demand for rural financial services, as well as targeting women in the village saving and loan groups by ensuring that they accounted for more than 50 per cent of the beneficiaries. The Board reiterated the need to ensure close monitoring of fiduciary risks and prompt remedial action if needed. The Board also requested the addition of indicators to the logical framework, inter alia "quality of financial services provided".

## C. Asia and the Pacific

Bangladesh: Promoting Resilience of Vulnerable through Access to Infrastructure, Improved Skills and Information (PROVATI<sup>3</sup>)  
(EB 2017/122/R.15/Rev.1)

9. The Executive Board unanimously approved a loan of US\$63.25 million on highly concessional terms and a grant of US\$1.25 million to the People's Republic of Bangladesh towards financing of Promoting Resilience of Vulnerable through Access to Infrastructure, Improved Skills and Information (PROVATI<sup>3</sup>). The Executive Board representative for Ghana, on behalf of List C, stated that the rationale of the PROVATI<sup>3</sup> project was consistent with the situations observed during the Board's visit to Bangladesh in November. The Executive Board also recognized the focus on the four cross-cutting aspects of climate, youth, gender and nutrition. The representative for Netherlands, on behalf of List A, complimented the country team on the project design. The Board noted the importance of water management and inter-ministerial coordination in ensuring the transformation of the target group's livelihoods in the medium term.

India: Fostering Climate Resilient Upland Farming Systems in the North-East Project  
(EB 2017/122/R.17/Rev.1)

10. The Executive Board unanimously approved a loan of US\$75.50 million on blend terms and a grant of US\$1.0 million to the Republic of India towards financing of the Fostering Climate-Resilient Upland Farming Systems in the North-East Project. In approving the project, the representative for Switzerland requested clarification on how project activities would address climate change and promote climate resilient agricultural practices and on the suggestion to collaborate with the Swiss Development Cooperation in their support to the State Climate Change cell in Nagaland.

Myanmar: Eastern States Agribusiness Project – Additional loan  
(EB 2017/121/R.17/Rev.1)

11. The Executive Board expressed its satisfaction with the oral update provided by Management which contained the latest information on the project and the country context. The Executive Board thus provided its full approval for the resolutions contained in document EB 2017/121/R.17/Rev.1 for an additional loan of SDR 20.4 million on highly concessional terms to the Republic of the Union of Myanmar for the Eastern States Agribusiness Project, and a 12-month extension of the time limit for signing of the financing agreement to 22 April 2018.

Nepal: Agriculture Sector Development Programme  
(EB 2017/122/R.19/Rev.1)

12. The Executive Board unanimously approved a loan of SDR 27.2 million on highly concessional terms and a grant of SDR 1.3 million to Nepal towards financing of the Agriculture Sector Development Programme. During the discussions clarification was sought on the funding gap of US\$10 million, which was subsequently addressed through the addendum to the President's report.

## D. Latin America and the Caribbean

Mexico: Social Economy Project: Territory and Inclusion  
(EB 2017/122/R.22/Rev.1)

13. The Executive Board unanimously approved a loan of US\$35.37 million on ordinary terms to the United Mexican States towards financing of the Social Economy: Territory and Inclusion Project. The Executive Board representative for Egypt, on behalf of List C-1, recognized the relevance of IFAD's work in Mexico where significant poverty gaps persisted, especially in rural areas, and commended the focus on promoting rural development processes through a productive inclusion approach. The representative for Argentina, on behalf of List C-3, highlighted the

importance of supporting rural development projects in upper-middle-income countries. The representatives for Brazil and Dominican Republic also expressed strong support for the project. The representative for Mexico expressed appreciation for IFAD's work in the country, and noted that the project would contribute to the country's efforts to reduce poverty in isolated rural areas, including the earthquake-stricken states.

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

Egypt: Promoting Resilience in Desert Environments (PRIDE) Project  
(EB 2017/122/R.23/Rev.1)

14. The Executive Board unanimously approved a loan of EUR 53.20 million on ordinary terms and a grant of EUR 0.86 million to the Arab Republic of Egypt towards financing of the Promoting Resilience in Desert Environments (PRIDE) Project. The Board commended the quality of the design which had a clear gender and nutrition focus and was closely aligned with both the country's and the Fund's strategic priorities. The Board observed that the experiences derived from the project's implementation in Egypt's desert areas could be shared with other countries with similar desert environments.

Sudan: Integrated Agricultural and Marketing Development Project  
(EB 2017/122/R.24/Rev.1)

15. The Executive Board approved a grant of EUR 22.40 million under the DSF to the Republic of the Sudan for the Integrated Agricultural and Marketing Development Project. In approving the project, the Board noted that it would support rural poor people in Sudan, and complimented the quality of the design which scaled up IFAD's previous interventions on technical demonstration, technology adoption and market linkages. The Executive Board took note of the opposition of the United States to the approval of the project due to its policy and legislative mandates.

Tajikistan: Community-Based Agricultural Support Project  
(EB 2017/122/R.25)

16. The Executive Board unanimously approved a loan of US\$15.33 million on highly concessional terms and a grant of US\$15.33 million under the DSF to the Republic of Tajikistan for the Community-Based Agricultural Support Project. The representative for Dominican Republic noted the importance of agriculture for the economy, and emphasized the difficulties being faced by the sector, notably the limited access to finance, services and equipment. The Board commended the project for addressing the productivity gap in the target areas, and noted the inclusion of women in the community development and economic activities.

Turkey: Uplands Rural Development Programme  
(EB 2017/122/R.26/Rev.1)

17. The Executive Board unanimously approved a loan of EUR 35.15 million on ordinary terms and a grant of EUR 0.90 million to the Republic of Turkey for the Uplands Rural Development Programme. The Board commended the project for the quality of its design and strong alignment with national priorities and strategies. The Board recognized that in spite of Turkey's upper-middle-income country status and the fact that agriculture was no longer the country's main driver of economic growth, substantial socio-economic development disparities persisted in rural and remote upland areas. The Board noted the continued reliance on IFAD's experience and know-how in similar contexts to address inequalities in the sector. Through the programme, IFAD would build on its robust partnership with Turkey, spanning more than three decades, to generate and test innovative solutions that could be replicated in other country operations. The Board further noted that this project would pilot a smallholder guarantee facility within the Kredi Garanti Fonu, which was Turkey's – and the world's – largest guarantee facility. This could generate immense field experience and learning for policy dialogue.

Uzbekistan: Agriculture Diversification and Modernization Project  
(EB 2017/122/R.27/Rev.1)

18. The Executive Board unanimously approved a loan of US\$46.20 million on blend terms and a grant of US\$0.30 million to the Republic of Uzbekistan for the Agriculture Diversification and Modernization Project. The Board commended the high quality of the report, which clearly presented the project rationale, objectives and activities. The representative for Switzerland called for more coordination and synergy with similar donor projects in the agricultural sector. The representative for the United States voiced a concern about the use of funds for activities in silk cocoon production as this sector involved child and forced labour. The country team referred to the Government's confirmation of its commitment to respect the International Labour Organization (ILO) standards for the prohibition of child and forced labour, in general, and in particular with respect to the project. The Board decided that the silk sector would be excluded from the IFAD intervention, and that no project funds would be used to support activities in the silk sector or in any other sector associated with forced labour. The Board further decided that the project would respect ILO standards against child and forced labour.

## II. Grant proposals

19. The following grant proposals were approved at the 122<sup>nd</sup> session of the Executive Board:
- (a) Grant under the global/regional window to SunDanzer International for Green Technologies to Facilitate Development of Value Chains for Perishable Crops and Animal Products (EB 2017/122/R.28)
20. The Executive Board unanimously approved a grant of US\$2.20 million under the global and regional grants window to SunDanzer International for Green Technologies to Facilitate Development of Value Chains for Perishable Crops and Animal Products. The Board appreciated the grant's scaling-up potential, good technological solutions for collaboration with the private sector and use of clear indicators and monitorable outcomes. The Board made a number of suggestions for the implementation phase, namely (i) grant activities should not focus on testing technology that may have been already tested by other programmes using the same implementers (e.g. Winrock); (ii) special attention should be given to reducing the cost of the technology; (iii) viable business models should be identified for the farm businesses using the technology; (iv) consideration should be given to including a higher share of private capital in the project; (v) use of natural refrigerants (such as propane and isobutane) should be considered mandatory for the grant activities; (vi) research already carried out by other agencies on the topic (e.g. the 2015 BMZ report) should be used; (vii) local capacity should be in place for maintenance of the technology to promote sustainability; (viii) training of women should be emphasized to reduce the possibility of men capturing the benefits of the grant activities. The linkages with IFAD loan-funded projects and activities of the Food and Agriculture Organization of the United Nations were appreciated.
- (b) Grant under the global/regional window to Bioversity International for the Use of Genetic Diversity and Evolutionary Plant Breeding for Enhanced Farmer Resilience (EB 2017/122/R.46)
21. The Executive Board approved a grant of US\$3.50 million under the global and regional grants window to Bioversity International for the Use of Genetic Diversity and Evolutionary Plant Breeding for Enhanced Farmer Resilience. The Board took note of the goal of the programme to sustainably increase crop productivity and enhance resilience to climate change in farming communities under low-input, rain-fed and less-favourable production conditions. The Executive Board representative for the United States stated that his country, in light of its policy and legislative mandates, opposed the proposed grant.