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## Summary of Project and Programme Proposals discussed at the Executive Board

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For: **Information**

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### I. Introduction

1. An Executive Board consultation on project and programme proposals scheduled for submission to the Board at its 128<sup>th</sup> session was held on 28 November 2019. The deliberations of Board representatives in this consultation are reflected in the minutes of the 128<sup>th</sup> session.
2. The Executive Board noted that the proposal for the Gwadar-Lasbela Livelihoods Support Project – Phase II in Pakistan (EB 2019/128/R.23), which had been discussed at the consultation, would be presented to a consecutive Board session for approval to allow for the Government to complete internal procedures and finalize negotiations.
3. The project focuses on providing livelihood support to 100,000 households in the coastal communities of Balochistan, giving priority to artisanal fishing communities and the related value chains. It features Pakistan's first tripartite partnership among the Rome-based agencies, with IFAD focusing on productive value chain investments, the Food and Agriculture Organization of the United Nations on agricultural training and the World Food Programme on nutrition packages for the ultra poor. During the consultation, representatives were highly appreciative of this project proposal, and urged the country team to ensure close coordination with other development initiatives in Balochistan.

### II. Project and programme proposals

4. The following proposals were approved at the 128<sup>th</sup> session of the Executive Board and are in line with the Debt Sustainability Framework. Comments reflect feedback received from members during the consultation on project and programme proposals on 28 November and the 128<sup>th</sup> Executive Board session on 11 December.

#### A. Asia and the Pacific

##### **Afghanistan: Arghandab Integrated Water Resources Development Project (EB 2019/128/R.20)**

5. The Executive Board approved a grant of US\$40 million under the Debt Sustainability Framework. The project is co-financed with the AsDB and has a total project cost of US\$395.93 million. AsDB will administer and supervise the IFAD grant and is financing a major civil works component, while IFAD is financing complementary command area development initiatives. Representatives recognized the high-risk and fragile context and supported the choice to partner with AsDB, and asked for IFAD to remain visible as financier and carefully manage risks. Representatives also recognized the efforts made to ensure that the entire community, including women, benefit from implementation of the project.

##### **Indonesia: The Development of Integrated Farming Systems in Upland Areas Project (EB 2019/128/R.22)**

6. The Executive Board approved a loan of US\$50 million for this project which focuses on productive diversification of vegetable and fruit farming in upland areas. The project targets 30,000 households, of smallholders, marginalized subsistence farmers, women processors and youth. Representatives commended the cofinancing arrangement with IsDB, with an amount of US\$70 million mobilized. Representatives recognized the importance of improving natural resource management in uplands areas, commended the climate focus of the project (83 per cent of total IFAD financing) and urged the country team to ensure

effective coordination and supervision, given the decentralized context of project implementation.

**Sri Lanka: Smallholder Agribusiness and Resilience Project  
(EB 2019/128/R.24/)**

7. The Executive Board approved a loan of US\$41.7 million and a grant of US\$1 million, focusing on reducing poverty and vulnerability among 40,000 households in Sri Lanka's dry zones, the country's most vulnerable area to climate change. Management clarified that the public-private-producer partnership (4P) value chain approach being pursued builds on extensive experience in Sri Lanka, and that sustainability considerations had guided project design. This had led to a focus on water conservation, climate resilient value chains, and sound operation and maintenance.

**B. East and Southern Africa**

**Malawi: Transforming Agriculture through Diversification and Entrepreneurship Programme (EB 2019/128/R.25)**

8. The Executive Board approved a loan of US\$51.1 million and a DSF grant of US\$18.9 million for a programme classified as gender transformational, nutrition-sensitive and youth-sensitive. It will promote climate-smart agriculture and focus on commercial value chains. TRADE is expected to reach about 300,000 households, of which 127,000 will benefit directly. Representatives raised several questions, including how the different value chains for the seven commodities will be organized, and how the political economy and macroeconomic risks and the country's debt distress will be taken into account in the risk mitigation strategy. The Country Director provided answers to several questions during the meeting, and will provide further responses in writing. An addendum to the President's report will be prepared and shared.

**Mozambique: Inclusive Agrifood Value Chain Development Programme  
(EB 2019/128/R.26)**

9. The Executive Board approved a loan of US\$8.4 million and a DSF grant of US\$33.6 million for a programme in Mozambique. The programme has 47 per cent of climate finance and will support production improvement, market linkages and market-related climate resilient infrastructure, in addition to institutional and policy strengthening. It is classified as youth-sensitive and is expected to benefit 180,500 households. PROCAVA also has a fourth component on disaster risk reduction and management, which was supported by Executive Board representatives. The Country Director clarified that funding for this as yet unfunded component would be made available through reallocation across components in the event of a natural disaster.

**Uganda: National Oilseeds Project (EB 2019/128/R.27)**

10. Pending finalization of the financing agreement, the Executive Board approved a loan of US\$99.6 million to accelerate the commercialization of key oilseeds value chains in Uganda. The project is classified as gender transformational, nutrition-sensitive and youth-sensitive, and is expected to benefit around 120,000 smallholder households directly and 350,000 households indirectly. The Country Director reassured Executive Board representatives that appropriate environmental and social safeguards are in place.

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

**Egypt: Sustainable Transformation for Agricultural Resilience in Upper  
Egypt Programme (EB 2019/128/R.29)**

11. The Executive Board approved a loan of US\$63.23 million and an IFAD grant of US\$1.3 million for a programme in Egypt to strengthen rural institutions,

enterprises and markets, and improving smallholder productivity and resilience. The programme is classified as gender transformative, youth-sensitive and nutrition-sensitive. It will provide digital solutions to the threat of water scarcity and heat waves in the form of early warning systems, and will facilitate market access by setting up digital platforms focusing in particular on youth employment. Representatives complimented the quality of the project design. In doing so, they recognized its relevance to the needs of the targeted governorates, the country's poorest, underscoring the programme's close alignment with the Government's own vision 2030 and relevant strategies. They also acknowledged the value of having a national programme coordination unit with staff recruited on a competitive basis. Finally, the representatives noted that the newly opened subregional hub in Cairo had already contributed to IFAD's high standing in the national arena, as evidenced by the cofinancing and partnerships leveraged through STAR.

**Uzbekistan: Agriculture Diversification and Modernization Project (EB 2019/128/R.30)**

12. The Executive Board approved an additional financing of a US\$46.2 million loan and US\$0.8 million grant to fill a financing gap for the existing project. The original project was approved in December 2017. The US\$163 million project (of which the first IFAD investment was \$46.5 million) focuses on viable value chain systems in agriculture (horticulture, small ruminant, honey and aquaculture) through supporting small-scale agricultural producers and rural enterprises in Namangan, Fergana and Andijan regions.

**D. West and Central Africa**

**Cameroon: Commodity Value Chain Development Support Project - Phase II (EB 2019/128/R.31)**

13. The Executive Board approved a loan of US\$47 million to increase the incomes and resilience of family farmers producing rice and onions. Building on the successful implementation of phase I, and fully in line with the Government's strategy, phase II of the project will provide support for production, value chain structuring, marketing and access to a more diverse diet. The project is classified as gender transformative, youth-sensitive and nutrition-sensitive. Representatives were supportive of the project.

**Democratic Republic of the Congo: Inclusive and Resilient Rural Development Support Programme (EB 2019/128/R.32)**

14. The Executive Board approved a loan of US\$26.64 million and a DSF grant of US\$9.86 million for this programme. IFAD has assembled various cofinanciers to make this the largest publicly financed programme in the country's agricultural and rural development sector. This programme will adopt a comprehensive and targeted approach to tackling structural poverty in the Democratic Republic of Congo. The representatives fully supported this nutrition-sensitive and youth-sensitive programme proposal.

**The Gambia: Resilience of Organizations for Transformative Smallholder Agriculture Project (EB 2019/128/R.33)**

15. Against the backdrop of a country in political transition, the Executive Board approved a loan of US\$4.25 and a DSF grant of US\$17.02 million to increase agricultural productivity and access to agricultural services, particularly for youth-led businesses. With the cofinancing assembled, this project – with a budget of US\$80 million – will be the largest agricultural project ever in Gambia. Of particular note is the priority assigned to persons with disabilities, representing 10 per cent of the target group. Representatives recognized the quality of the design and the programmatic approach and asked questions on management arrangements, procurement and IFAD's leadership of the technical working group. Management responded to these questions during the meeting.

**Guinea-Bissau: Agricultural Diversification, Integrated Markets, Nutrition and Climate Resilience Project (EB 2019/128/R.34)**

16. The Executive Board approved a loan of US\$ 11.8 million and a DSF grant of US\$4.37 million, and will assemble an additional US\$50 million from various cofinanciers, to increase the incomes and dietary diversity of rural households in Guinea-Bissau. As nearly 85 per cent of the population depend on cashews as their main source of income, IFAD will invest in new seed varieties for horticulture and the rehabilitation of roads to facilitate access to markets and nutritious food. Rural microenterprises, set up primarily by cooperatives of women and young people, will be supported in family farm development and related activities. Representatives broadly supported this project, and noted the pioneering attention to citizen engagement tools.

**Nigeria: President's memorandum: Value Chain Development Programme (EB 2019/128/R.35)**

17. The VCDP programme in Nigeria can be considered IFAD's flagship programme for private sector involvement, youth employment and scaling up potential. With an additional financing for a loan of US\$50 million for expanding its outreach, VCDP will become IFAD's largest programme in West and Central Africa. It is classified as gender transformative, youth-sensitive and nutrition-sensitive, with 27 per cent climate finance. IFAD's work in Nigeria's fragile context was appreciated by the Executive Board representatives, but they also highlighted IFAD's relatively small size and visibility compared to the volume of investment and development impact. Several representatives expressed interest in learning more about this programme.