Investing in rural people

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Report on operational items discussed at the Executive Board consultation on 31 August 2026

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I. Introduction

1. The Executive Board met virtually on 31 August 2026 for pre-consultations on the batch of country strategic opportunities programmes (COSOPs) submitted for the Board's online review and the project/programme and grant proposals being submitted for approval at the upcoming Executive Board session in September. The consultation was held to enable Member States to engage in an in-depth discussion of the items ahead of their presentation at the Board session.

2. The items discussed included two investment projects, two COSOPs (one of which was accompanied by a country strategy and programme evaluation [CSPE]) and two grants to the private sector. The COSOPs under review were for Mali and Mauritania (in the West and Central Africa region) and the investment proposals were for projects in Kenya (East and Southern Africa region) and Morocco (Near East, North Africa and Europe region). The two grants to the private sector also focused on Morocco.

3. In attendance at the session were representatives from 17 Member States on the Executive Board,[1] along with representatives from seven other Member States.[2] Some of the latter representatives took the floor when the COSOPs and projects for their respective countries were discussed. Representatives of Indigenous Peoples and the European Union also attended as observers.

4. The consultation was chaired by the Associate Vice-President, Department for Country Operations, and attended by the Director, Independent Office of Evaluation of IFAD (IOE); the directors of the relevant divisions; country directors; project technical leads; the Officer-in-Charge, Office of the Secretary; and other IFAD staff. The consultation comprised a morning and an afternoon session.

5. Delegates raised queries and provided strategic and technical feedback, while expressing broad support for the COSOPs, projects and grant proposals presented. Several common themes emerged from the discussions. Water availability and management, together with associated environmental risks, featured prominently, as did the longer-term sustainability of investments and services beyond project closure. Members also highlighted the challenges of delivering results in fragile and remote contexts, the importance of effective partnerships, and the need for precise targeting, particularly of women. Linkages between policy engagement and investment were also considered important. Management noted that cost increases subsequent to project design, especially for infrastructure, were affecting implementation across the portfolio, and underscored the continued importance of strong government ownership of projects and country strategies.

6. Management thanked the Membership for their active engagement and expressed the hope that their observations and queries had been adequately addressed. Members were reminded that they could also request written responses directly from country and project teams. The consultation deliberations are summarized below.

   - **COSOPs (Mali and Mauritania).** Members supported the strategic direction of both country strategies and, for Mauritania, the alignment with the recommendations made in the CSPE. Members were particularly focused on fragility and asked about how IFAD operated where government control was

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[1] Executive Board representatives from Angola, Brazil, Canada, China, France, Germany, India, Japan, Mexico, Kingdom of the Netherlands, Norway, Saudi Arabia, Spain, Sweden, Switzerland, United States and Bolivarian Republic of Venezuela.

[2] Greece, Kenya, Luxembourg, Mali, Mauritania, Morocco and South Africa.

limited and the role of civil society. Members also commented on resource mobilization and financing gaps, collaboration with bilateral donors, and targeting, notably of women and youth, and, with regard to Mauritania, on water use as the programme was expanding into oasis areas.

- **Projects (Kenya and Morocco).** Members focused on delivery-related issues, including absorptive capacity, implementation and financial oversight, and the governance and operational arrangements needed to sustain infrastructure after the projects close. Higher-than-anticipated costs at design, concessionality and cofinancing arrangements featured in the discussion, as did the resilience of water investments under conditions of drought and water scarcity, the role of the private sector in commercialization, and the links between policy engagement and investment.
- **Grants to the private sector.** Members welcomed the potential to advance financial inclusion, while probing IFAD's additionality, role and safeguards against market distortion and querying how sustained use and household resilience would be measured beyond initial onboarding. Management confirmed that the European Union was the source of the funds, that the grants were aligned with the national financial inclusion strategy of Morocco, and that they fell outside the scope of IFAD's Non-Sovereign Operations Investment Strategy.

II. Summary of proposals and discussions

A. East and Southern Africa

Kenya – Kenya Livestock Commercialization Project (EB 2026/148/R.2)

7. The Government of Kenya expressed its full support for the additional financing proposal. Member States, too, unanimously expressed their support. In response to requests for clarification from some Members, it was explained that the international cofinancing initially planned did not materialize because of the Government's decision not to use the planned cofinancier as a service provider. It was also explained that the COVID-19 pandemic, the war in Ukraine and the conflicts in the Middle East had caused input and energy prices to rise unexpectedly, rendering the cost estimates made at the time of project design inadequate.

8. The initial delay in establishing the project management unit had been resolved, and the team was confident that the activities covered by the additional financing could be completed within the planned time frame. The formation of community-based water users' associations, as provided for in the project, would be one of the elements that would ensure the sustainability of the water infrastructure. It was further clarified that the loan terms for this additional financing differed from the initial terms because of Kenya's transition from low-income country status to middle-income country status. Management confirmed that the financing was consistent with the Government's international borrowing and debt management strategies. Finally, it was noted that, where possible, synergies with the activities of the International Land Coalition would be explored.

B. Near East, North Africa and Europe

Morocco – Integrated Rural Development Project in the Province of Khenifra (PDRIK) (EB 2026/148/R.3)

9. Member States welcomed the PDRIK investment proposal, highlighting its strong focus on strengthening smallholder farming systems and livelihoods in the Khenifra province, where poverty remained comparatively high. They sought clarification on the links between the policy component (component 3) and project investments in components 1 and 2. IFAD explained that integrated territorial development was central to Morocco's rural development strategy and that experience gained under the project would inform approaches to achieving more sustainable impact,

engaging the private sector and building viable cooperatives. On implementation support and oversight, IFAD noted Morocco's strong institutional framework and confirmed that an experienced consultancy firm would provide technical assistance to the Regional Directorate for Agriculture in Khenifra, the implementing institution, to support smooth implementation.

10. Regarding the economic internal rate of return under water scarcity scenarios, IFAD explained that the model used reflected the drought conditions that Morocco has faced over the past seven years and that the project was economically viable. Specifically, the project featured water-harvesting investments and targeted drought-resilient and water-efficient crop varieties (e.g. cactus, carob and olives), the by-products of which could be used as livestock forage. IFAD also confirmed that coordination would be pursued with development partners active in Khenifra, as the province's integrated development plans extended beyond agriculture. The Director of Morocco's Directorate for the Development of Rural Areas and Mountain Areas confirmed that the project was fully aligned with national strategies and priorities and that the Government was closely involved in its design.

C. West and Central Africa

Mali – Country strategic opportunities programme (EB 2026/OR/4)

11. The Minister of Agriculture of Mali welcomed the proposed COSOP, reaffirmed the Government's commitment to its implementation and underlined its alignment with Vision Mali 2063 and national agricultural priorities. Members expressed broad support for the COSOP and welcomed its alignment with national priorities, its integrated approach, and its emphasis on resilience and adaptive management. Several members welcomed the focus on rural vocational training, local governance and community-based approaches. Key issues raised concerned conflict-sensitive implementation in insecure areas, including the safety of participants and implementing partners where government control may be limited. Members also pointed to the importance of resource mobilization and cofinancing, in particular to fill the financing gap identified in the COSOP; strengthened partnerships, with some noting the continued engagement of their countries in Mali; and concrete measures to address nutrition, climate resilience, youth inclusion and gender equality, including how women's specific constraints would be addressed separately from youth-focused interventions.

12. Management provided clarifications on the adaptive implementation approach, explaining that implementation in insecure areas would be supported by community organizations, local institutions, NGOs and United Nations partners, guided by the COSOP's fragility assessment and conflict-sensitive programming. On the question of differentiated targeting, Management confirmed that women and youth were treated as distinct priority groups, with sex- and age-disaggregated indicators allowing results to be tracked separately. Management also explained that resource mobilization would be pursued progressively using IFAD core resources, and through international cofinancing, supplementary funds and climate and food security financing opportunities. IFAD would continue to engage with bilateral and multilateral development partners to maximize complementarities and leverage additional resources.

Mauritania – Country strategic opportunities programme (EB 2026/OR/5 + Add.1) and country strategy and programme evaluation (EB 2026/OR/6)

13. Member State representatives endorsed the COSOP, noting its alignment with the CSPE recommendations, including on the expansion of interventions in oasis areas based on past successful IFAD projects and stronger coordination for monitoring and delivery. They also welcomed IFAD's efforts to establish a country presence through a United Nations Volunteers proxy arrangement. The Government expressed appreciation for IFAD's long-standing collaboration and for the new COSOP's alignment with national policies and plans.

14. IFAD acknowledged the priorities and appreciation voiced by the Government. In response to Member States' concerns regarding sustainability, social targeting and oasis hydrology, IFAD emphasized the added value of the territorial approach, early engagement of local organizations, stronger farmer and community governance, and inter-ministerial coordination. IFAD also highlighted the relevance of best practices identified by IOE and noted the forthcoming irrigation systems study to be conducted in West and Central Africa, which would strengthen hydrology work in Mauritania and in the region as a whole. On social disparities, IFAD committed to promoting stronger pro-poor targeting for youth and vulnerable groups and to using community-based approaches to help prevent and manage conflict. IFAD also welcomed Member States' suggestions to strengthen collaboration with United Nations agencies and international financial institutions and further clarify the programme's social targeting.

D. Grants to the private sector

DigitRemit Morocco – From Remittances to Inclusion: Expanding digital remittances and financial services for rural and peri-urban families in Morocco (EB 2026/148/R.4)

DigitRemit Morocco – From Remittances to Resilience: Expanding access to accounts, credit and insurance for rural and peri-urban families in Morocco (EB 2026/148/R.5)

15. Members welcomed the two DigitRemit Morocco grants and expressed support for their strong rural and financial inclusion focus. They sought clarification on targeting, development additionality, sustained use of digital services, women's participation, private sector engagement and lessons from the Platform for Remittances, Investments and Migrants' Entrepreneurship in Africa (PRIME Africa). Management pointed out that the grants cofinanced by the European Union would complement Morocco's financial inclusion priorities and use catalytic support to reach underserved remittance recipients, with a strong focus on rural areas. The grants would promote sustained financial inclusion through digital payments, encourage savings behaviours and responsible use of credit, and expand access to insurance. Management also highlighted that both projects would feature customer-centred approaches, regulatory and consumer protection safeguards, effective-use monitoring, and had potential to generate scalable models for underserved rural markets.