



**IFAD**  
**INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT**  
**Executive Board - Sixty-Third Session**  
Rome, 22-23 April 1998

**PROVISIONAL AGENDA**

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10. Revision of the General Conditions Applicable to Loan and Guarantee Agreements: General Conditions for Agricultural Development Financing
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## ANNOTATIONS

### 1. **Opening of the Session**

The Sixty-Third Session of the Executive Board will be held on Wednesday and Thursday, 22-23 April 1998, in Room 201 of IFAD premises on Via del Serafico 107, EUR, Rome. The Session will be opened at 10.00 hours on Wednesday, 22 April 1998.

### 2. **Adoption of the Agenda**

The Provisional Agenda is contained in the present document EB 98/63/R.1/Rev.1.

### 3. **Financial Matters**

#### (a) Status of Contributions to the Fourth Replenishment of IFAD's Resources

Document EB 98/63/R.2 provides the current status of contributions to the Fourth Replenishment of IFAD's Resources.

#### (b) Report on IFAD's Investment Portfolio for 1997

The status of the Fund's investment portfolio as at 31 December 1997 and the return on the portfolio during 1997 are presented for the information of the Board in document EB 98/63/R.3.

#### (c) Status Report on Principal and Interest Payments

Document EB 98/63/R.4 provides the status of principal and interest/service charge payments as at 31 December 1997.

#### (d) Audited Financial Statements of IFAD for 1997

Regulation XII of the Financial Regulations of IFAD provides that the Fund's audited financial statements are to be submitted by the Executive Board to the Governing Council for approval at its annual session. Accordingly, the Financial Statements of IFAD for 1997 and the Report of the External Auditor thereon, reviewed by the Audit Committee, are presented in document EB 98/63/R.5 for consideration by the Board and for submission to the next annual session of the Governing Council. In accordance with Article 6, Section 11, of the Agreement Establishing IFAD, these statements will be included in the Annual Report for 1997.

#### (e) Requirements for the Nineteenth Drawdown of Members' Contributions in 1998

Document EB 98/63/R.6 sets out a proposed level of drawdown of Members' contributions in 1998.



- (f) Requirements for the Eleventh Drawdown from the Special Resources for Sub-Saharan Africa (SRS)

At its Forty-Sixth Session, the Executive Board requested that future drawdowns from the Special Resources for Sub-Saharan Africa (SRS) be reviewed and approved by the Board. The Board is invited to approve the Drawdown from the Special Resources for Sub-Saharan Africa (SRS) with information on the drawdown requirements for 1998 contained in document EB 98/63/R.7.

- (g) Report of the Audit Committee

Document EB 98/63/R.8, to be tabled at the Session, will contain the report of the Audit Committee on its recent meeting. At its Sixty-First Session in September 1997, the Executive Board decided upon a change in the composition of the Audit Committee, necessitating a revision of the Terms of Reference and Rules of Procedure of the Committee. The Revised Terms of Reference and Rules of Procedure reviewed by the Audit Committee at its Sixty-Second Meeting on 21 April 1998 will be presented for the consideration of the Executive Board in document EB 98/63/R.9 (to be tabled at the Session).

- (h) Appointment of Members to the Audit Committee

In accordance with the decision of the Twentieth Session of the Governing Council with regard to the election of the Members and Alternate Members of the Executive Board, the Twenty-First Session of the Governing Council endorsed the exchange of seats within Sub-List C1 and C2 Member States. Accordingly, there is a need to review the composition of the committee to appoint replacements for the Democratic People's Republic of Korea and the United Republic of Tanzania as presented in document EB 98/63/R.10.

#### **4. IFAD Policy and Strategy for Grant Financing**

Document EB 98/63/R.11 presents an overview of the IFAD Grant Programme for the review of the Executive Board.

#### **5. A Policy Framework for Bridging Post-Crisis Recovery and Long-Term Development**

Document EB 98/63/R.12 will make recommendations for the consideration of the Executive Board on a proposed framework for IFAD involvement and a proactive role in post-emergency development. The document will present the rationale for the Fund's involvement, delineating its specific role in a post-emergency situation in relation to and in cooperation with other partners, such as donors and non-governmental organizations.

#### **6. Progress Report on Project Implementation**

Document EB 98/63/R.13 contains an overview of the overall progress made in the implementation of IFAD's projects, which is presented annually to the Executive Board for its information. The document also contains a consolidated review of projects that closed during the year. Executive Board members will be requested to give suggestions on specific topics to be covered in the following year's report. A summary of the implementation status for all ongoing projects is contained in document EB 98/63/INF.2.



## 7. Projects for the Consideration of the Board

### (a) Resources Available for Commitment

Document EB 98/63/R.14 provides the Executive Board with information on the level of committable resources available to the Fund for the projects and technical assistance grants proposed for approval by the Board at the Session.

### (b) Africa I

Benin: Microfinance and Marketing Project (document EB 98/63/R.15)

This six-year IFAD-initiated project, proposed to be directly supervised by the Fund, will build upon experience and lessons learned from two previous IFAD-financed interventions concerned with establishing innovative rural finance mechanisms and marketing and supporting women's income-generating activities. The main objectives will be to: (i) facilitate access of poor rural households and women to financial services adapted to their specific needs; (ii) increase women's income and empowerment; (iii) increase market opportunities and reduce constraints to market transactions; and (iv) promote the establishment of self-managed and self-financed local enterprises for the provision of financial and commercial services. The project's target group, living in three departments of northern Benin (Borgou, Atacora and northern Zou) where there is a high incidence of poverty, will be poorer households and rural women (about 40 000) involved in agricultural production, marketing and processing activities. The total population benefiting from the project is estimated at 300 000, with women the major beneficiaries. The project is particularly designed around their needs, and they will become major shareholders in the financial services and other associations to be promoted under it. Total project costs are estimated at USD 15 million, of which USD 13 million will be covered by an IFAD loan. Highly concessional terms are proposed.

### (c) Africa II

Malawi: Smallholder Flood Plains Development Programme  
(document EB 98/63/R.16)

At the request of the Government of Malawi, the Danish Government and IFAD have joined efforts to assist the Government in the development of a programme that will form part of a prospective Agricultural Sector Investment Programme. A first step was to derive a conducive policy framework and within that framework to support a number of sub-programmes and activities. The main objective of the seven-year IFAD-initiated programme is to: (i) improve household food security and income levels of vulnerable smallholder families in the flood plains, engaged in irrigation and water use; (ii) provide basic infrastructure and health services for those families; and (iii) create capabilities at two levels, i.e., at the grass-roots level water users' associations to manage their own irrigation systems, and at the national level to support improved farm water use in the irrigation



sector that is environmentally sustainable. The programme will focus its activities in three districts, Karonga, Nkhotakota and Machinga, which were selected using three sets of criteria: poverty considerations; occurrence and distribution of various wetland types; and potential for development. All households that participate would do so voluntarily. Irrigation schemes coming under the programme would be transferred over time to farmer ownership and all interventions would be farmer-led and farmer-managed. Women play a central role as producers, with responsibility for about 70% of farm work in the smallholder subsector, and women-headed households will be proportionately represented in the target group. Total programme costs are estimated at USD 14 million, of which USD 11 million will be covered by an IFAD loan. Cofinancing will be provided by the Irish Trust Fund for USD 1 million (subject to confirmation). Highly concessional terms are proposed.

(d) **Asia and the Pacific**

(i) Bangladesh: Aquaculture Development Project (document EB 98/63/R.17)

Building on experience gained and lessons learned from the IFAD-funded Oxbow Lakes Small-Scale Fishermen Project, this seven-year IFAD-initiated project will focus on two disadvantaged groups of the rural poor, namely: (i) the landless, the near-landless and women, a category that will cover the majority of the small-scale fishing population; and (ii) marginal and small-scale farmers, which includes a large number of aquaculture households. The project will have as its overall goal the improvement of the living standards and conditions of the fishing communities and women's groups in some of the poorest districts of the country, where 49% of the households live below the absolute poverty line. The specific objectives will be to: (i) boost fisheries/aquaculture production and incomes; (ii) establish and strengthen community organizations to ensure access of the target group to water bodies and the provision of technical and social services on a sustainable basis; (iii) improve the status of women by including them in the project mainstream activity of pond aquaculture and providing support for income-generating activities; (iv) upgrade the resource base through the rehabilitation of suitable large water bodies and fish ponds; and (v) facilitate access to and from rural communities through the upgrading of rural roads, thereby improving marketing possibilities for the inhabitants of 450 project villages (about 43 300 people will directly benefit). The project will benefit some 24 220 households, including 9 000 fishermen and fish farmers. Total project costs are estimated at USD 23.8 million, of which USD 20.0 million will be financed by an IFAD loan. Cofinancing of USD 1.2 million will be provided for earthworks under its Food for Work programme by the World Food Programme. Government and beneficiaries will contribute about USD 2.6 million. Highly concessional terms are recommended.

(ii) Kyrgyzstan: Agricultural Support Services Project (document EB 98/63/R.18)

The overall objective of the Agricultural Support Services Project will be to provide restructured farms and private farmers with information and



access to essential inputs necessary to reduce rural poverty. Within this overall context, the five-year IFAD-supported agricultural advisory service component will aim to alleviate rural poverty, improve household incomes and food security through strengthening grass-roots-level agricultural advisory services, and support the privatization process. This will be achieved by: (i) promoting a participatory approach to technology transfer; (ii) training farmers in the use of improved production practices; (iii) assisting them in preparation of business plans; (iv) facilitating their access to input supply, seed, fertilizer and marketing; (v) assisting them in organizing groups so as to obtain better services and solve common problems; (vi) creating a unified, semi-autonomous advisory service for farmers and meeting their needs. The advisory service will be introduced across the whole country, based on a learning approach. It will also integrate with the livestock advisory services introduced recently under the IFAD-financed Sheep Development Project. The project beneficiaries will include resource-poor farmers and farmers' groups. The emphasis on village/community participation will have a direct impact on the functioning of water users' associations and women's and youth groups. Particular attention will be paid to women and benefiting women-headed households through the provision of training and better access to relevant agricultural and market information. At full development, it is expected that approximately 67 000-100 000 households will benefit from the project. Total project costs are estimated at around USD 29.0 million, of which USD 7.9 million will be financed by an IFAD loan. Cofinancing will be provided by the World Bank for USD 14.2 million, the Government of Switzerland for USD 400 000, and NGOs for USD 800 000. An amount of USD 1.7 million will be channelled under the ongoing IFAD-financed Sheep Development Project. The balance will be contributed by the Government and the beneficiaries. Highly concessional terms are recommended.

- (iii) Philippines: Western Mindanao Community Initiatives Project  
(document EB 98/63/R.19)

This six-year IFAD-initiated project will have as its overall objective raising the level of farm and fishing household incomes and improving nutritional standards in selected areas of Western Mindanao. More specifically, the project will seek to: (i) develop cohesive communities capable of identifying and articulating their own constraints and able to mobilize resources to cover their priority needs; (ii) achieve sustainable and more productive use of natural resources at the community sites; and (iii) increase household incomes through higher productivity from on and off-farm enterprises. Western Mindanao, a region that has remained underdeveloped largely as a result of turbulent events over the last 20 years, is one of the most depressed and deprived regions in the country. The natural resource base has remained underdeveloped with traditional monocropping prevailing; fish stocks have been depleted and fishing incomes have declined substantially. Nearly a quarter of a million people live in poverty, the majority in rural areas. The target group will consist of approximately 16 000 families. An estimated 10 200 small-scale farmers and fishermen will be direct project beneficiaries. It is anticipated that the present low level of socio-economic development of women in the region will improve to





compare more favourably with the higher status normally accorded to Filipino women in other regions. Total project costs are estimated at USD 17.0 million, of which USD 14.7 million will be financed by an IFAD loan plus a grant of USD 750 000 for agricultural rehabilitation of ex-combatants. Highly concessional terms are recommended.

(e) **Latin America and the Caribbean**

Belize: Community-Initiated Agriculture and Resource Management Project (document EB 98/63/R.20)

The overall goal of this seven-year IFAD-initiated project will be to develop the productive potential of balanced, sustainable land-use systems and ensure accessible support services to poor smallholder farm families. To achieve this, the project will assist in developing agricultural and natural resource potential through: (i) strengthening communities and local organizations in development planning and management, and supporting the preparation of co-managed implementation and associated investment proposals; (ii) developing financing channels that provide sustainable services promoting savings and access to credit; and (iii) institutionalizing and reinforcing a local, demand-driven delivery system of rural development services. The target population will total some 25 000 people, or 3 900 families in all rural communities in the southern region, including Toledo and Stann Creek Districts with the highest percentage of rural poor in the country. Total project costs are estimated at USD 6.5 million, of which USD 2.2 million will be financed by an IFAD loan. Cofinancing will be provided by the Caribbean Development Bank for USD 3.2 million. Ordinary terms are recommended.

(f) **Near East and North Africa**

- (i) Gaza and the West Bank: Participatory Natural Resource Management Programme for the Palestine Liberation Organization, for the Benefit of the Palestinian Authority, to be Financed under the IFAD Fund for Gaza and the West Bank (document EB 98/63/R.21)

Building on its ongoing experience of development assistance in Gaza and the West Bank and in response to the increasing demand for support for the expanded area of the West Bank under Palestinian Authority jurisdiction, IFAD initiated a broad-based agricultural development strategy in collaboration with the Palestinian Authority and the newly created Ministry of Agriculture. This five-year IFAD-initiated programme, to be directly supervised by the Fund, will contribute to the peace process through its support to economic development and will be the first major agricultural investment programme to be implemented by the Ministry of Agriculture. Within this context and recognizing that unemployment in rural areas remains very high and potentially productive natural resources are underused, the objectives of the programme will be to increase the incomes and living standards of small farmers (with less than 1 hectare of land). The programme area covers 146 villages and a population of about 350 000 (40 000 households). It is expected that 3 600 rural families in the programme area



will benefit from increased incomes and employment opportunities, and that women will share fully in the benefits generated through increased income and greater economic security for the family. Women are also expected to play an active role in the decision-making process through their participation in the programme committees that design and oversee programme implementation at the village level. Total project costs are estimated at USD 24.9 million, of which USD 8.0 million will be financed by a loan from the IFAD Fund for Gaza and the West Bank. Cofinancing will be provided by the Arab Fund for Economic and Social Development for USD 8.0 million; the balance will be provided by the beneficiaries and the Palestinian Authority. Highly concessional terms are recommended.

(ii) Syria: Badia Rangelands Development Project (document EB 98/63/R.23)

In the past, the Badia provided a large part of the Bedouins' livelihood. However, various factors, including excessive utilization and a recent decree totally banning barley cropping in low rainfall areas, have led to an increasing degradation of the steppe. This has drastically diminished the contribution of the area to the feeding of flocks of sheep, reducing Bedouin economic well-being. The main objective of this eight-year IFAD-initiated project will be to re-establish the productive capacity of rangelands in Badia, while introducing measures to protect the environment, and so enable the Bedouins to once again obtain a significant proportion of their flock's feed requirements. The project will be executed in two phases: (i) a three-year preparatory phase to establish the grounds for the participatory approach, identify the needs of the Bedouins and conduct and assess the results of the relevant physical and socio-economic studies; and (ii) a five-year phase for implementation of large-scale investment activities. Approximately 25-30% of the steppe inhabitants live below the poverty threshold; about 73% have access to limited water supply and suffer from poor health services due to distance from health units; and families are characterized by the young age and high illiteracy of their members. The project will directly benefit about 16 820 flock owners who rely mostly on sheep to provide their income and sustenance. Project activities are expected to reduce rangeland degradation, preserve more natural resources and improve living conditions in the Bedouin community. There will be emphasis on improving the socio-economic status of women, who have traditionally played a less active role. Total project costs are estimated at USD 105 million, of which USD 20.2 million will be financed by an IFAD loan. Cofinancing will be provided by the Arab Fund for Economic and Social Development for USD 61.1 million. The Government will contribute USD 20.3 million, the Cooperative Agricultural Bank USD 1.8 million and the beneficiaries USD 1.5 million. Intermediate terms are recommended.

**8. Proposed Grants for Technical Assistance**

(a) Technical Assistance Grants for Agricultural Research and Training by CGIAR-Supported International Centres (document EB 98/63/R.24)

An IFAD grant is proposed to support two agricultural research programmes to be implemented through CGIAR centres as follows: (i) a grant of USD 1.0 million for



developing an integrated approach to the assessment of trypanosomiasis control technologies and their impact on agricultural production, human welfare and natural resources in the tsetse-affected areas of Africa by the International Livestock Research Institute (ILRI); and (ii) a grant of USD 250 000 for research on the potential for growth of the non-farm sector, particularly concerning self and wage employment, in light of changing economic scenarios in the Asia and the Pacific Region, in order to develop a range of investment options, based on experiences in the region, for poverty-alleviation strategies that reach the poorest groups in rural areas, through the International Food Policy Research Institute (IFPRI).

- (b) Technical Assistance Grants for Agricultural Research and Training by Non-CGIAR-Supported International Centres (document EB 98/63/R.25)

Grant support is proposed to meet the requirements of two agricultural research, training and technical assistance programmes to be implemented through non-CGIAR centres as follows: (i) a grant of USD 750 000 for the establishment of an Internet-based network linking IFAD-funded projects, IFAD headquarters, cooperating institutions, research agencies and other partners in the Asia and the Pacific Region, following a participatory communications approach, in order to recognize local knowledge, support the creation of human networks to improve sustainability, and enhance the effectiveness of IFAD project management and implementation, through the International Development Research Centre (IDRC) in partnership with NEXUS Research; and (ii) a grant of USD 320 000 to build stronger awareness, knowledge and capacity regarding participatory tools and processes within the Asia and the Pacific Region and IFAD. The programme seeks to ensure wider participation of IFAD beneficiaries and partners in the IFAD project cycle, drawing from the best practices of civil-society organizations in the region through the Centre for Integrated Rural Development for Asia and the Pacific (CIRDAP) in partnership with the Asian NGO Coalition for Agrarian Reform and Rural Development (ANGOC).

- (c) Technical Assistance Grant for the Regional Training Programme in Rural Development - Phase II by the Foundation for Training and Applied Research in Agrarian Reform (CIARA) (document EB 98/63/R.26)

This phase has the goal of consolidating the positive results of the programme's first phase. A grant of approximately USD 1.0 million will foster the institutional capacity of CIARA as a training-agencies network leader and help establish mechanisms to ensure the financial sustainability of the CIARA-led network. In addition to the countries participating in the first phase (Brazil, Colombia, Cuba, the Dominican Republic, and Ecuador), the second phase will include Haiti and Portuguese/Spanish-speaking countries in Africa, attending exclusively to the training needs of IFAD projects.

## 9. Planned Project Activities

Document EB 98/63/R.27 contains information on planned project activities for the information of the Executive Board.



10. **Revision of the General Conditions Applicable to Loan and Grant Agreements: General Conditions for Agricultural Development Financing**

Documents EB 98/63/R.29 contains the draft new version of the General Conditions for the consideration and approval of the Executive Board. Due to extensive editorial changes it was not possible to mark deletions and additions. Instead, the major substantive and stylistic changes are described within the document.

11. **Evaluation**

(a) Progress Report on Evaluation

Information on IFAD's evaluation activities during 1997 and the proposed activities for 1998 is contained in document EB 98/63/R.30.

(b) Report of the Evaluation Committee

The Report of the Evaluation Committee, contained in document EB 98/63/R.31, will be presented for the Board's consideration.

12. **Progress Report on the IFAD/NGO Extended Cooperation Programme (ECP)**

Document EB 98/63/R.32 contains a progress report on the grants provided in 1997 under the IFAD/NGO Extended Cooperation Programme in support of NGO activities.

13. **Other Business**

(a) Report on IFAD's Headquarters Building

An oral report will be delivered giving information on developments relating to IFAD's Headquarters Building.

(b) Approval of the Disclosure of the Documents Presented to the Sixty-Third Session of the Executive Board

With regard to the IFAD Policy on the Disclosure of Documents, the Twenty-First Session of the Governing Council approved an 18-month interim phase during which governing body documents will be made available on the Internet. It authorized the Executive Board, at the end of this interim phase, to review the best implementation procedures and to adopt a final policy. As part of this decision, the provision for the disclosure of such documents for any particular session is the prerogative of the governing body. Accordingly, the Executive Board will be requested to approve that all documents submitted to the Sixty-Third Session be disclosed and put on the Internet.

(c) Progress Report on the Commemoration of the Twentieth Anniversary of IFAD

Document EB 98/63/R.33, to be tabled, will provide an update on activities related to the commemoration of the Twentieth Anniversary of IFAD since the Twenty-First Session of the Governing Council in February 1998.