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**CLOSING STATEMENT  
BY PRESIDENT AL-SULTAN  
TO THE SIXTY-THIRD SESSION OF THE EXECUTIVE BOARD  
ROME, 22-23 APRIL 1998**

Distinguished Directors,

I would now like to summarize the discussions and highlight the decisions taken over the past two days.

Under Financial Matters, the Executive Board began its deliberations with a review of the Status of Contributions to the Fourth Replenishment of IFAD's Resources (document EB 98/63/R.2 and addendum). It welcomed the excellent progress made, with instruments of contribution equivalent to 84% of total pledges and payments equivalent to 42% of pledges having been received. The Board urged Member States which had not yet done so to deposit their instruments of contribution and make their first payment instalments.

The Board considered the Report on IFAD's Investment Portfolio for 1997 (document EB 98/63/R.3). It noted the return of 7.54% achieved in 1997, which exceeded the return of 6.6% for the previous year. The Board also took note of the information provided on the diversification of the investment portfolio which began in the fourth quarter of 1997.

In reviewing the Status Report on Principal and Interest Payments (document EB 98/63/R.4 and addendum), the Board welcomed the Fund's efforts to reduce the arrears. It noted that the majority of the arrears were due from countries receiving loans on intermediate terms. In this context, the Board expressed the hope that, with the implementation of the new arrears policy related to ordinary and intermediate term countries, there would be further improvement in the arrears situation.

The Board reviewed the Audited Financial Statements for 1997 (document EB 98/63/R.5). Directors took note of the External Auditor's clean report and approved the recommendation to submit the financial statements to the Twenty-Second Session of the Governing Council for final approval.

The Executive Board then considered the Requirements for the Nineteenth Drawdown of Members' Contributions in 1998 (document EB 98/63/R.6) and approved a single obligatory drawdown of 35% of the total estimated loan and grant disbursements, equivalent to USD 95.8 million. It was decided that the reference calling for accelerated encashment of promissory notes over and above the minimum requirement should be deleted.

The Board further approved the Eleventh Drawdown from the Special Resources for Sub-Saharan Africa of approximately USD 23.1 million to meet loan and grant disbursements relating to the First and Second Phases of the Special Programme (document EB 98/63/R.7).

The Chairman of the Audit Committee presented the Committee's report (document EB 98/63/R.8/Rev.1). In endorsing the Report, the Board expressed its appreciation for the work of the Committee.

The Executive Board appointed the People's Republic of China and the Republic of Kenya as Members of the Audit Committee (document EB 98/63/R.10). The representatives of the two countries were welcomed by the Board to their new and important capacities.

Under the additional agenda item relating to the Remuneration of General Service Staff in Rome, the Board considered the situation arising out of the ILO Administrative Tribunal's recent decision. In the light of its consideration, the Board recommended that the draft resolution contained in document EB/98/63/R.28, for a supplement of USD 1 million to the 1998 budget, be submitted to the Governing Council for its approval through a vote by correspondence.

The Board considered the document (EB 98/63/R.11) on IFAD's Policy and Strategy for Grant Financing . While regretting the late dispatch of the paper, Directors expressed their appreciation of the information contained therein. However, following an extensive discussion and exchange of ideas on IFAD's policy for grant financing, it was decided that further consultation would be necessary, in an informal setting, before the paper could be finalized and a decision taken on extending eligibility for grants under the Special Operations Facility. It was therefore agreed to arrange such informal consultations around the dates of the Board's next session and that the issue would be again taken up at the September 1998 session.

There was an equally stimulating discussion on the Policy Framework for Bridging Post-Crisis Recovery and Long-Term Development (document EB 98/63/R.12), and the Fund was commended for the work that had been put into preparing the document. While the framework presented was favourably received, Directors made a number of very useful suggestions for strengthening the paper. These comments, particularly regarding the clarification of definitions and cooperation with other United Nations system organizations, will be taken into account in finalizing the paper for presentation to the Board in September 1998.

The Board considered the Progress Report on Project Implementation (documents EB 98/63/R.13 and EB 98/63/INF.2). The Fund's efforts to make the report more analytical and issue-oriented were welcomed. Directors put forward a number of further improvements which, together with work already in hand within the house, will, I hope, allow us to present a paper next year that gives a clear analytic presentation of the state and health of the Fund's project portfolio.

The Executive Board considered the Resources Available for Commitment (document EB 98/63/R.14) and approved eight projects: two each in Africa and in the Near East and North Africa; three in Asia and the Pacific; and one in Latin America and the Caribbean. It was noted that the project for Benin and the programme in Gaza and the West Bank will be directly supervised by the Fund.

The abstentions of the United States on the proposals for the programme in Gaza and the West Bank and the project in Syria will be recorded in the Minutes.

The Board also approved five technical assistance grants: two for Agricultural Research and Training by CGIAR-Supported International Centres; two for Agricultural Research and Training by Non-CGIAR-Supported International Centres; and one for CIARA, for Phase II of the Regional Training Programme in Rural Development.

The Board then reviewed the documents on Planned Project Activities (EB 98/63/R.27 and addenda) regarding projects in the pipeline. As I have done on previous occasions, I would like to emphasize the importance of receiving your comments and feedback on projects in the pipeline. This will help us to reflect even better your concerns in project design.

In considering the revision of the Fund's General Conditions Applicable to Loan and Guarantee Agreements (document EB 98/63/R.29), the Board expressed its appreciation of the work done to bring the General Conditions up to date. However, as the revisions are extensive, Directors felt that they and their respective legal offices needed more time for a proper review. In this connection, it was agreed that Directors would send their comments to IFAD's Office of General Counsel and that a seminar on the document would be held before the next session of the Board. To facilitate the work of the seminar, the Secretariat will provide an outline and clear explanation of the changes in the revised General Conditions. This will allow Directors to examine the document carefully, with a view to having the General Conditions approved at the September 1998 session of the Board.

The Board reviewed the Progress Report on Evaluation (document EB 98/63/R.30) and the report of the Evaluation Committee (document EB 98/63/R.31). In welcoming the Committee's Report, the Board expressed appreciation of its work and proposed Programme for 1998. Directors also stressed the importance of undertaking more in-depth discussions of evaluation studies during Board sessions and requested that interested members of the Board should have access to documents available to the Evaluation Committee.

In reviewing the Progress Report on the IFAD/NGO Extended Cooperation Programme (ECP) (document EB 98/63/R.32), the Executive Board took particular note of the gradual increase in the programme over the last two years, which reflected the Fund's increasingly close collaboration with civil-society partners.

Under Other Business, the Board took note of the oral report on IFAD's Headquarters Building. Directors expressed satisfaction that additional accommodation in IFAD 2 would be ready for occupancy by the end of next month.

Under the same item, the Board considered the Progress Report on the Commemoration of the Twentieth Anniversary of IFAD (document EB 98/63/R.33), and was pleased to note the number of events that were planned to mark the occasion.

The Board also took note of the oral update on negotiations regarding the Memorandum of Understanding between IFAD and the Conference of Parties on the Housing of the Global Mechanism by the Fund and on the status of recruitment of staff for the Global Mechanism.

Finally, the Executive Board approved the disclosure of the documents which had been put forward to this session and noted that these documents would be posted on IFAD's public website in July 1998. Of course, the policy papers will be included only once they are finalized and approved by the Board. July 1998 marks the beginning of the 18-month interim phase of the IFAD disclosure policy approved by the Governing Council in February 1998.

Before I close today's session, I would like to bid farewell to the Executive Board Directors for Finland, Ms Katriina Kortteinen, and for Denmark, Mr Lars-Henrik Worsøe. I am certain I speak on behalf of all Directors in expressing our appreciation for their valuable contributions to the Board's work. We wish them well in the future.

Ladies and Gentlemen, we have come to the end of our work. May I thank you for your contributions and wish you a safe journey home.