



IFAD
INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT
Executive Board — Sixty-Fifth Session
Rome, 2-3 December 1998

EXECUTIVE BOARD
MINUTES OF THE SIXTY-FIFTH SESSION

TABLE OF CONTENTS

CHAPTER	PARAGRAPHS	PAGES
I. INTRODUCTION	1-3	1
II. DECISIONS OF THE EXECUTIVE BOARD	4-69	1-13
A. Opening of the Session	4	1
B. Adoption of the Agenda	5	1
C. Financial Matters	6-20	1-3
D. Review of the Adequacy of the Resources Available to IFAD	21	3
E. Revision of the General Conditions Applicable to Loan and Guarantee Agreements: General Conditions for Agricultural Development Financing	22-23	4
F. Report on the Implementation Status of the Heavily-Indebted Poor Countries Debt Initiative (HIPC-DI) and Financial Implications for IFAD	24-25	4
G. Planned Policy Papers	26	4
H. Projects for the Consideration of the Executive Board	27-56	5-10
I. Proposed Grants for Technical Assistance	57-61	10-12
J. Planned Project Activities	62	12
K. Progress Report on the Establishment of the Global Mechanism of the United Nations Convention to Combat Desertification	63	12
L. Other Business	64-69	12-13
ANNEXES		
I. List of Participants to the Sixty-Fifth Session of the Executive Board		15-20
II. List of Documents Placed Before the Executive Board at its Sixty-Fifth Session		21-24
III. Agenda		25-27



MINUTES OF THE SIXTY-FIFTH SESSION OF THE EXECUTIVE BOARD

I. INTRODUCTION

1. The Sixty-Fifth Session of the Executive Board was held in Rome on 2-3 December 1998. A list of participants is attached as Annex I.
2. The Executive Board had before it the documents listed in Annex II.
3. These minutes record the decisions of the Executive Board on the matters considered by it.

II. DECISIONS OF THE EXECUTIVE BOARD

A. Opening of the Session (Agenda Item 1)

4. In his capacity as Chairman, the President of IFAD, Mr Fawzi H. Al-Sultan, opened the Sixty-Fifth Session of the Executive Board.

B. Adoption of the Agenda (Agenda Item 2)

5. The Executive Board considered the provisional agenda presented in document EB 98/65/R.1/Rev.1 and, upon concluding its discussion of this item, adopted the agenda contained in document EB 98/65/R.1/Rev.2. The agenda is attached as Annex III.

C. Financial Matters (Agenda Item 3)

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

6. The Executive Board reviewed the Status of Contributions to the Fourth Replenishment of IFAD's Resources (document EB 98/65/R.2 and addendum), noting that the Instruments of Contribution deposited and payments made against pledges not supported by Instruments of Contribution now amounted to 94% of total pledges. Directors welcomed the momentum with which the Fourth Replenishment has progressed but also urged countries which had not yet deposited their Instruments of Contribution to do so.

- (b) Report on IFAD's Investment Portfolio for the First Three Quarters of 1998

7. Directors expressed appreciation of the Report on IFAD's Investment Portfolio for the First Three Quarters of 1998 (document EB 98/65/R.3 and addendum), and complimented IFAD on the quality of the document which introduced quarterly reporting to the Executive Board. Further appreciation was expressed with regard to the satisfactory rate of return achieved during the first nine months of the year, particularly in view of the extreme volatility of the financial markets. Management's slower approach to funding mandates during this period of volatility was also commended. Directors reiterated the hope that this prudent approach would be continued, and noted the need to achieve the intended geographic balance in the equities portfolio.



8. Executive Board Directors welcomed the addendum to the Report outlining the process by which reports will be made to the Executive Board at times when extreme volatility might seriously affect asset values. To this effect, reports will be made to the Board whenever total monthly investment income falls below -5%, or whenever monthly income of either the equities or the fixed-income sectors of the portfolio falls below -10%.

9. Directors were pleased to note that a second seminar on the diversification of the investment portfolio was to be held on Friday, 4 December 1998, to provide insights into the evolving market situation and factors underlying the Fund's investment policy.

(c) Status Report on Principal and Interest Payments

10. In reviewing the Status Report on Principal and Interest Payments (document EB 98/65/R.4 and addendum), the Executive Board expressed concern at the slight increase in payment arrears over the last report. While noting that this was a temporary situation, Directors stressed the importance of efforts being taken to reduce the payment arrears.

(d) Programme of Work and Budget of IFAD for 1999

11. The Programme of Work and Budget for 1999 (document EB 98/65/R.5 and addendum) was well received by Directors, who commended the Fund on the thoroughness and clarity of the documents. The Executive Board approved a programme of work for 1999 of USD 472.77 million (SDR 335.23 million), including a technical assistance grant programme of USD 35.45 million which is within the 7.5% ceiling. On an exceptional basis, the Board agreed to add an additional USD 12.63 million (SDR 9 million) to the 1999 programme of work for the Zambia loan, which was being postponed from the Programme of Work of 1998 to 1999. The document submitted to the Governing Council on this item will duly explain that the original programme of work for 1999 was USD 472.77 million and that it was raised by the Executive Board to reflect the loan for Zambia. The Executive Board Director for the United States expressed his country's view that it was in IFAD's best interests to have commitments more in line with currently available resources in order to ensure a stable lending level. As such, the United States did not support the proposed level of the programme of work.

12. The overview of the 1999 regional strategies provided in the addendum to the document was seen by Directors as representing a useful working tool. With respect to regional lending levels, appreciation was expressed of the renewed focus given to Africa. It was felt that the current situation in Central America might merit further review of lending in that region. A similar view was expressed with respect to lending levels in Asia, in the context of the financial and environmental disruptions faced by many countries in the region over the last two years.

13. The Executive Board recommended that the proposed administrative budget for 1999 be submitted to the Governing Council for approval in the amount of USD 55 366 000, plus USD 343 000 for the 1999 consultation meetings on the review of the adequacy of resources available to IFAD. In so doing, the Board expressed appreciation of the continued efforts the Fund has made over the past seven years in limiting, and indeed reducing, the level of the administrative budget. Management was urged to maintain its efforts in this regard.

14. The Executive Board authorized the President to allocate amounts under Contingency Items to other categories of expenditure as the need arises, and to inform the Executive Board of such action.



(e) Report of the Audit Committee

15. The Executive Board endorsed the Report of the Audit Committee (document EB 98/65/R.6) presented by its chairman, and approved the External Auditor's fee for 1998 of ITL 162 million, plus out-of-pocket expenses.

(i) Revised Terms of Reference and Rules of Procedure of the Audit Committee

16. The Executive Board approved the Audit Committee's revised terms of reference and rules of procedure as outlined in document EB 98/65/R.38.

(ii) General Reserve - A Review of Adequacy
Provision for Unfunded Liabilities

17. In reviewing the proposal submitted by the Audit Committee in document EB 98/65/R.39, the Executive Board authorized annual transfers of USD 2.6 million from the accumulated surplus of IFAD's resources in each of the five consecutive years commencing 1999, in order to build up a provision account to fund the after-service medical scheme actuarial deficit.

18. The Executive Board also recommended that the Twenty-Second Session of the Governing Council adopt a resolution authorizing the Executive Board to amend the ceiling of the General Reserve. The Director for the United States stated that he could not join the consensus approving the submission of this resolution and, accordingly, abstained from the approval.

(f) Contribution from a Non-Member State

19. The Executive Board accepted the voluntary contribution of USD 5 000 made by the Government of the Republic of Iceland to the resources of the Fund, and expressed appreciation of Iceland's support of IFAD's work (document EB 98/65/R.37).

(g) Provision of Advance Financing to the Global Mechanism of the United Nations
Convention to Combat Desertification

20. The Executive Board approved that the President of IFAD advance, during 1999, to the Global Mechanism amounts, up to a maximum of USD 1 000 000, necessary for its proper operation, on the condition that the Fund shall recover such amounts from sums received by the Global Mechanism for the same purpose, no later than 31 March 2000 (document EB 98/65/R.40).

**D. Review of the Adequacy of the Resources Available to IFAD
(Agenda Item 4)**

21. The Executive Board decided to submit a draft resolution to the Twenty-Second Session of the Governing Council for the purpose of establishing a Consultation to Review the Adequacy of the Resources Available to IFAD (document EB 98/65/R.7). It noted Management's intention to review the impact of past IFAD operations; and, in the light of its findings, consider future programme requirements and priorities, analyse the resources at the Fund's disposal, and determine the additional resources required.



E. Revision of the General Conditions Applicable to Loan and Guarantee Agreements: General Conditions for Agricultural Development Financing (Agenda Item 5)

22. The Executive Board concluded its consideration, initiated at its Sixty-Third Session, of the revision to the General Conditions Applicable to Loan and Guarantee Agreements, and approved the adoption of the General Conditions for Agricultural Development Financing, as outlined in the annex to document EB 98/65/R.35, for application to all agreements for agricultural development projects and programmes submitted for approval by the Executive Board during and subsequent to its Sixty-Sixth Session in April 1999.

23. The Executive Board also authorized the President to approve, from time to time, such modifications to the General Conditions as he judges to be non-substantive or as reflect policies previously approved by the Executive Board. The President will report any such modifications to the next following session of the Executive Board.

F. Report on the Implementation Status of the Heavily-Indebted Poor Countries Debt Initiative (HIPC DI) and Financial Implications for IFAD (Agenda Item 6)

24. Directors welcomed IFAD's participation in the HIPC DI, many stressing the importance they attach to reducing the debt burden of the heavily-indebted poor countries (document EB 98/65/R.8). After reviewing the requirements of the six programmes approved under the initiative in 1997 and 1998, the Executive Board authorized the President of IFAD to transfer an amount equivalent to USD 16 million from the uncommitted accumulated surplus of IFAD's regular resources to the IFAD HIPC-DI Trust Fund. The first instalment of the said amount, equivalent to USD 4 million, will be transferred by 31 December 1998 and the remainder in three equal yearly instalments of USD 4 million in the financial years 1999, 2000 and 2001, respectively. Additional amounts committed for debt relief programmes for eligible countries under the HIPC DI by the Executive Board will be transferred by the President of IFAD upon Executive Board approval thereof.

25. The text of document EB 98/65/R.8 will be modified to reflect the comments made by the Directors for The Netherlands and France and issued as EB 98/65/R.8/Rev.1.

G. Planned Policy Papers (Agenda Item 7)

26. The Executive Board reviewed document EB 98/65/R.9 on Planned Policy Papers, noting that two papers were foreseen for presentation to the Executive Board in 1999: (a) Country Strategy Work, Managing Strategic Partnerships and Cofinancing; and (b) IFAD's Approach to Rural Financial Services. During the discussions, Directors provided very useful comments and insights on issues to be addressed in future. Directors also noted the opportunity cost of preparing policy papers and emphasized the need to focus on issues that had an operational impact. These comments will be considered when planning future policy papers. With regard to the governance issue, IFAD is now considering the work being carried out by other organizations and will report back to the Board on this matter.



H. Projects for the Consideration of the Executive Board (Agenda Item 8)

(a) Resources Available for Commitment

27. The Executive Board reviewed the information contained in document EB 98/65/R.10 and noted that sufficient resources were available under IFAD's Regular Programme for commitment to all projects and technical assistance grants submitted for the Board's consideration at this session.

28. The Executive Board noted that, with the approvals given at this session, 13 projects had been approved for direct supervision by IFAD and that the remaining two projects identified for direct supervision (those for India and Zambia) would be presented in 1999.

(b) Africa I

(i) *The Gambia: Rural Finance and Community Initiatives Project (RFCIP)*

29. The Executive Board considered the project proposal contained in document EB 98/65/R.11 with its addendum and supplement and, upon concluding its review of the proposed loan to the Republic of The Gambia, adopted the following resolution:

“RESOLVED: that the Fund shall make a loan to the Republic of The Gambia in various currencies in an amount equivalent to six million six hundred thousand Special Drawing Rights (SDR 6 600 000) to mature on and prior to 15 November 2038 and to bear a service charge of three fourths of one per cent (0.75%) per annum, and to be upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board in this Report and Recommendation of the President.”

30. In approving this project proposal, the Executive Board also approved its direct supervision by IFAD.

(ii) *Guinea: Village Communities Support Project*

31. The Executive Board considered the project proposal contained in document EB 98/65/R.12 with its addendum and supplement and, upon concluding its review of the proposed loan to the Republic of Guinea, adopted the following resolution:

“RESOLVED: that the Fund shall make a loan to the Republic of Guinea in various currencies in an amount equivalent to five million Special Drawing Rights (SDR 5 000 000) to mature on and prior to 1 October 2038 and to bear a service charge of three fourths of one per cent (0.75%) per annum, and to be upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board in this Report and Recommendation of the President.”

(iii) *Mali: Sahelian Areas Development Fund Programme*

32. The Executive Board considered the programme proposal contained in document EB 98/65/R.13 with its addendum and supplement and, upon concluding its review of the proposed loan to the Republic of Mali, adopted the following resolution:



“RESOLVED: that the Fund shall make a loan to the Republic of Mali in various currencies in an amount equivalent to fifteen million six hundred and fifty thousand Special Drawing Rights (SDR 15 650 000) to mature on and prior to 1 November 2038 and to bear a service charge of three fourths of one per cent (0.75%) per annum, and to be upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board in this Report and Recommendation of the President.”

33. In approving this programme proposal, the first to be formulated under the Flexible Lending Mechanism, the Executive Board also approved its direct supervision by IFAD.

(iv) *Senegal: Agroforestry Project to Combat Desertification*

34. The Executive Board considered the project proposal contained in document EB 98/65/R.14 with its addendum and supplement and, upon concluding its review of the proposed loan to the Republic of Senegal, adopted the following resolution:

“RESOLVED: that the Fund shall make a loan to the Republic of Senegal in various currencies in an amount equivalent to five million eight hundred and fifty thousand Special Drawing Rights (SDR 5 850 000) to mature on and prior to 1 October 2038 and to bear a service charge of three fourths of one per cent (0.75%) per annum, and to be upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board in this Report and Recommendation of the President.”

(c) **Africa II**

(i) *Zambia: Forest Resource Management Project*

35. The Executive Board accepted the request of the Government of the Republic of Zambia that consideration of this project proposal be postponed to 1999. It also noted that the project was proposed for direct supervision by the Fund.

(ii) *Zimbabwe: Smallholder Irrigation Support Programme*

36. The Executive Board considered the programme proposal contained in document EB 98/65/R.16 with its addendum and supplement and, upon concluding its review of the proposed loan to the Republic of Zimbabwe, adopted the following resolution:

“RESOLVED: that the Fund shall make a loan to the Republic of Zimbabwe in various currencies in an amount equivalent to eight million six hundred and fifty thousand Special Drawing Rights (SDR 8 650 000) to mature on and prior to 1 October 2038 and to bear a service charge of three fourths of one per cent (0.75%) per annum, and to be upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board in this Report and Recommendation of the President.”

37. In approving this programme proposal, the Executive Board also approved its direct supervision by IFAD.



(d) **Asia and the Pacific**

- (i) *D.P.R. Korea: Report on Implementation of the Crop and Livestock Rehabilitation Project*

38. The Executive Board took note of the report on the implementation of the Crop and Livestock Rehabilitation Project in D.P.R. Korea contained in document EB 98/65/R.17, and of an oral report by the Assistant President, Programme Management Department.

- (ii) *Laos: Xieng Khouang Agricultural Development Project – Phase II*

39. The Executive Board considered the project proposal contained in document EB 98/65/R.19 with its addendum and supplement and, upon concluding its review of the proposed loan to the Lao People's Democratic Republic, adopted the following resolution:

“RESOLVED: that the Fund shall make a loan to the Lao People's Democratic Republic in various currencies in an amount equivalent to four million nine hundred and fifty thousand Special Drawing Rights (SDR 4 950 000) to mature on and prior to 15 November 2038 and to bear a service charge of three fourths of one per cent (0.75%) per annum, and to be upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board in this Report and Recommendation of the President.”

- (iii) *Pakistan: Barani Village Development Project*

40. The Executive Board considered the project proposal contained in document EB 98/65/R.20 with its corrigendum and supplement and, upon concluding its review of the proposed loan to the Islamic Republic of Pakistan, adopted the following resolution:

“RESOLVED: that the Fund shall make a loan to the Islamic Republic of Pakistan in various currencies in an amount equivalent to eleven million one hundred and fifty thousand Special Drawing Rights (SDR 11 150 000) to mature on and prior to 1 August 2038 and to bear a service charge of three fourths of one per cent (0.75%) per annum, and to be upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board in this Report and Recommendation of the President.”

- (iv) *Sri Lanka: Matale Regional Economic Advancement Project*

41. The Executive Board considered the project proposal contained in document EB 98/65/R.21 with its addendum and supplement and, upon concluding its review of the proposed loan to the Democratic Socialist Republic of Sri Lanka, adopted the following resolution:

“RESOLVED: that the Fund shall make a loan to the Democratic Socialist Republic of Sri Lanka in various currencies in an amount equivalent to eight million three hundred and fifty thousand Special Drawing Rights (SDR 8 350 000) to mature on and prior to 15 August 2038 and to bear a service charge of three fourths of one per cent (0.75%) per annum, and to be upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board in this Report and Recommendation of the President.”

42. In approving this project proposal, the Executive Board also approved its direct supervision by IFAD.



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

(i) *Brazil: Sustainable Development Project for Agrarian Reform Settlements in the Semi-Arid North-East*

43. The Executive Board considered the project proposal contained in document EB 98/65/R.22 with its addendum and supplement, noting that loan negotiations for this proposal had not been held, and, upon concluding its review of the proposed loan to the Federative Republic of Brazil, adopted the following resolution:

“RESOLVED: that the Fund shall make a loan to the Federative Republic of Brazil in various currencies in an amount equivalent to seventeen million eight hundred thousand Special Drawing Rights (SDR 17 800 000) to mature on and prior to 1 March 2017 and to bear an interest rate equal to the reference interest rate per annum as determined by the Fund annually, and to be upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board in this Report and Recommendation of the President.”

44. The Executive Board approved the loan for Brazil on the condition that, should any important variations to the terms presented to the Board arise during the negotiations, these will be brought to the attention of the Board at its next session.

45. The Executive Board expressed concern regarding this procedure, but accepted it as an exception.

46. In approving this project proposal, the Executive Board also approved its direct supervision by IFAD.

(ii) *Dominican Republic: South Western Region Small Farmers Project – Phase II*

47. The Executive Board considered the project proposal contained in document EB 98/65/R.23 with its addendum and supplement and, upon concluding its review of the proposed loan to the Dominican Republic, adopted the following resolution:

“RESOLVED: that the Fund shall make a loan to the Dominican Republic in various currencies in an amount equivalent to eight million seven hundred and fifty thousand Special Drawing Rights (SDR 8 750 000) to mature on and prior to 15 January 2019 and to bear an interest rate of one half of the reference interest rate per annum as determined by the Fund annually, and to be upon such other terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board in this Report and Recommendation of the President.”

48. In approving this project proposal, the Executive Board also approved its direct supervision by IFAD.

(iii) *Haiti: Food Crops Intensification Project – Phase II*

49. The Executive Board considered the project proposal contained in document EB 98/65/R.24 with its addendum and supplement and, upon concluding its review of the proposed loan to the Republic of Haiti, adopted the following resolution:



“RESOLVED: that the Fund shall make a loan to the Republic of Haiti in various currencies in an amount equivalent to ten million nine hundred and fifty thousand Special Drawing Rights (SDR 10 950 000) to mature on and prior to 15 December 2038 and to bear a service charge of three fourths of one per cent (0.75%) per annum, and to be upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board in this Report and Recommendation of the President.”

(iv) *Honduras: Rural Development Project in the South-Western Region (PROSOC)*

50. The Executive Board considered the project proposal contained in document EB 98/65/R.25 with its addendum and supplement and, upon concluding its review of the proposed loan to the Republic of Honduras, adopted the following resolution:

“RESOLVED: that the Fund shall make a loan to the Republic of Honduras in various currencies in an amount equivalent to thirteen million seven hundred and fifty thousand Special Drawing Rights (SDR 13 750 000) to mature on and prior to 1 September 2038 and to bear a service charge of three fourths of one per cent (0.75%) per annum, and to be upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board in this Report and Recommendation of the President.”

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

(i) *Oman: Community Resources Management Project*

51. The Executive Board considered the project proposal contained in document EB 98/65/R.26 with its addendum and supplement, noting that loan negotiations for this proposal had not been held, and, upon concluding its review of the proposed loan to the Sultanate of Oman, adopted the following resolution:

“RESOLVED: that the Fund shall make a loan to the Sultanate of Oman in various currencies in an amount equivalent to three million eight hundred and fifty thousand Special Drawing Rights (SDR 3 850 000) to mature on and prior to 1 March 2017 and to bear an interest rate equal to the reference interest rate per annum as determined by the Fund annually, and to be upon such other terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board in this Report and Recommendation of the President.”

52. The Executive Board approved the loan for Oman on the condition that, should any important variations to the terms presented to the Board arise during the negotiations, these will be brought to the attention of the Board at its next session.

53. The Executive Board expressed concern regarding this procedure, but accepted it as an exception.

54. The Executive Board Director for Germany expressed his country’s reservations regarding the commencement of loan activities at this time when Oman has a relatively high GNP.

55. In approving this project proposal, the Executive Board also approved its direct supervision by IFAD.

- (ii) *Tunisia: Integrated Agricultural Development Project in the Governorate of Zaghouan*

56. The Executive Board considered the project proposal contained in document EB 98/65/R.27 with its addendum and supplement and, upon concluding its review of the proposed loan to the Republic of Tunisia, adopted the following resolution:

“RESOLVED: that the Fund shall make a loan to the Republic of Tunisia in various currencies in an amount equivalent to eleven million four hundred thousand Special Drawing Rights (SDR 11 400 000) to mature on or prior to 15 October 2016 and to bear an interest rate equal to the reference interest rate per annum as determined by the Fund annually, and to be upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board in this Report and Recommendation of the President.”

I. Proposed Grants for Technical Assistance (Agenda Item 9)

- (a) Technical Assistance Grants for Agricultural Research and Training by CGIAR-Supported International Centres

57. The Executive Board considered the information contained in document EB 98/65/R.28 concerning the financing, in part, of the Validation and Delivery of New Technologies for Increasing the Productivity of Flood-Prone Rice Lands in South and Southeast Asia by the International Rice Research Institute, and Integrated Feed and Livestock Production in the Steppes of Central Asia by the International Centre for Agricultural Research in the Dry Areas, and approved the grants by adopting the following resolutions:

“RESOLVED: that the Fund, in order to finance, in part, the Validation and Delivery of New Technologies for Increasing the Productivity of Flood-Prone Rice Lands in South and Southeast Asia, shall make a grant not exceeding one million United States dollars (USD 1 000 000) to the International Rice Research Institute (IRRI) upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board in this Report and Recommendation of the President.

FURTHER RESOLVED: that the Fund, in order to finance, in part, the Integrated Feed and Livestock Production in the Steppes of Central Asia, shall make a grant not exceeding one million five hundred thousand United States dollars (USD 1 500 000) to the International Centre for Agricultural Research in the Dry Areas (ICARDA) upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board in this Report and Recommendation of the President.”

- (b) Technical Assistance Grant for Agricultural Research and Training by a Non-CGIAR-Supported International Centre

58. The Executive Board considered the information contained in document EB 98/65/R.29 concerning the financing, in part, of the Programme for the Sustainable Management of African Fruit Flies by the International Centre of Insects Physiology and Ecology and approved the grant by adopting the following resolution:



“RESOLVED: that the Fund, in order to finance, in part, the Programme for the Sustainable Management of African Fruit Flies, shall make a grant not exceeding one million United States dollars (USD 1 000 000) to the International Centre of Insects Physiology and Ecology upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board in this Report and Recommendation of the President.”

- (c) Technical Assistance Grant to the Food and Agriculture Organization of the United Nations for the East African Subregional Pilot Project for Farmer-Field Schools in Kenya, the United Republic of Tanzania and Uganda

59. The Executive Board considered the information contained in document EB 98/65/R.30 concerning the financing, in part, of the East African Subregional Pilot Project for Farmer-Field Schools in Kenya, the United Republic of Tanzania and Uganda, by the Food and Agriculture Organization of the United Nations, and approved the grant by adopting the following resolution:

“RESOLVED: that the Fund, in order to finance, in part, the East African Subregional Pilot Project for Farmer-Field Schools in Kenya, the United Republic of Tanzania and Uganda, for a period of three years commencing in January 1999, shall make a grant not exceeding one million two hundred thousand United States dollars (USD 1 200 000) to the Food and Agriculture Organization of the United Nations upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board in this Report and Recommendation of the President.”

- (d) Technical Assistance Grant to the Service for Information Technology in International Agriculture (SITIA) for the Purpose of Creating a Regional Network in West and Central Africa (FIDAFRIQUE)

60. The Executive Board considered the information contained in document EB 98/65/R.31 concerning the financing, in part, of Creating a Regional Network in West and Central Africa by the Service for Information Technology in International Agriculture, and approved the grant by adopting the following resolution:

“RESOLVED: that the Fund, in order to finance, in part, the Regional Network in West and Central Africa (FIDAFRIQUE) for three years, commencing in April 1999, shall make a grant not exceeding nine hundred thousand United States dollars (USD 900 000) to the Service for Information Technology in International Agriculture (SITIA) upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board in this Report and Recommendation of the President.”

- (e) Technical Assistance Grant for Microinitiatives in Rural Finance for the Poor

61. The Executive Board considered the information contained in document EB 98/65/R.36 concerning the financing, in part, of a programme of activities relating to the operational follow-up of the IFAD-supported international workshop on “Innovations in Microfinance for the Rural Poor - Exchange of Knowledge and Implications for Policy”, and approved the grant by adopting the following resolution:



“RESOLVED: that the Fund, in order to support follow-up action on the Ghana workshop, shall make a grant of six hundred ten thousand United States dollars (USD 610 000); and that the President of IFAD shall be authorized to approve, within a maximum of USD 610 000, individual microgrants to appropriate grass-roots, national and regional organizations to enable them to carry out the proposed activities, within the ceilings established for grants under IFAD’s lending programme.”

J. Planned Project Activities (Agenda Item 10)

62. The Executive Board reviewed the documents on Planned Project Activities 1998-99 (EB 98/65/R.32 and addenda) and took note of the information available on projects in the pipeline.

K. Progress Report on the Establishment of the Global Mechanism of the United Nations Convention to Combat Desertification (Agenda Item 11)

63. The Executive Board took note of the oral progress report given on the establishment of the Global Mechanism of the United Nations Convention to Combat Desertification. Noting that the memorandum of understanding approved at its Sixty-Fourth Session was currently being considered by the Conference of the Parties meeting in Dakar, Senegal, Directors expressed the hope that a more detailed report would be presented to the forthcoming session of the Governing Council.

L. Other Business (Agenda Item 12)

(a) Revised Provisional Agenda for the Twenty-Second Session of the Governing Council

64. The Executive Board approved the revised provisional agenda for the Twenty-Second Session of the Governing Council (document EB 98/65/R.33) containing the new items on the General Reserve, the Global Mechanism and the Follow-up to the Conference on Hunger and Poverty.

(b) Report on the Commemoration of the Twentieth Anniversary of IFAD

65. The Executive Board considered the Report on the Commemoration of the Twentieth Anniversary of IFAD (document EB 98/65/R.34) and was pleased to note the favourable response of the Fund’s Member States to the commemoration.

(c) Report on IFAD’s Headquarters Building

66. The Executive Board took note of the oral report given on IFAD’s headquarters building, which explained how the most recent exchanges with the proprietors of the building adjacent to the present IFAD building had led to the identification of June 2000 as the target date for the Fund to be able to occupy the new premises.

(d) IFAD’s Response to the Consequences of Hurricane Mitch in Central America

67. The Executive Board noted the oral report given on IFAD’s response to the consequences of Hurricane Mitch in Central America. It welcomed the action taken by the Fund with respect to both its ongoing projects and its planned lending operations for 1999 in El Salvador, Guatemala, Honduras and Nicaragua.



(e) Approval of Disclosure of Documents

68. The Executive Board approved the disclosure of the documents that had been approved at the present session, and noted that the documents would be subsequently posted on IFAD's public website.

(f) Evaluation Items on Executive Board Agendas

69. At the request of the Executive Board Director for Germany, the Executive Board considered a proposal to include evaluation items on the agendas of the September and December Executive Board sessions. The Executive Board agreed that the proposal would be developed further, in consultation with the new Director of the Office of Evaluation and Studies during the next meeting of the Evaluation Committee.

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English



IFAD
INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT
Executive Board - Sixty-Fifth Session

Rome, 2-3 December 1998

**LIST OF PARTICIPANTS TO THE SIXTY-FIFTH SESSION OF THE
EXECUTIVE BOARD**



ANNEX I

State/Member
État/Membre
Estado Miembro

State/Alternate Member
État/Membre suppléant
Estado Miembro suplente

LIST A

Canada

Jean DEVLIN
Counsellor (Development)
Alternate Permanent Representative
of Canada to the United Nations
Food and Agriculture Agencies
Rome

France

Jean-Pierre LABOUREIX
Ministre conseiller financier
Ambassade de France
Rome

Germany

Karl-Gerhard DILG
Counsellor
Alternate Permanent Representative
of the Federal Republic of Germany
to IFAD
Rome

Italy

Augusto ZODDA
Directeur général
Affaires internationales
Ministère du Trésor
Rome

Finland

Seija TORO
Counsellor
Deputy Permanent Representative
of the Republic of Finland to the
United Nations Agencies
Rome

Belgium

Christian PANNEELS
Conseiller
Chef de la section de coopération
au développement
Représentation permanente
du Royaume de Belgique
auprès du FIDA
Rome

Switzerland

Lothar CAVIEZEL
Conseiller scientifique
Direction du développement
et de la coopération
Département fédéral des affaires
étrangères
Berne

Austria

Klaus OEHLER
Counsellor
Federal Ministry of Finance
Vienna



**State/Member
État/Membre
Estado Miembro**

Japan

Nobutaka SHINOMIYA
Minister
Embassy of Japan
Rome

Sweden

Dorrit ALOPAEUS-STÅHL
Minister
Permanent Representative of
the Kingdom of Sweden to IFAD
Rome

United Kingdom

Anthony BEATTIE
Minister
Permanent Representative of the
United Kingdom to the United
Nations Food and Agriculture
Agencies
Rome

United States

William B. BAUCOM
Attaché for Development Affairs
United States Mission to the
United Nations Agencies for
Food and Agriculture
Rome

LIST B

Kuwait

Hisham Ibrahim AL-WOQAYAN
Deputy Director-General
Kuwait Fund for Arab
Economic Development
Kuwait

**State/Alternate Member
État/Membre suppléant
Estado Miembro suplente**

Denmark

Jorgen MAERSK-PEDERSEN
Counsellor
The Royal Danish Embassy
Rome

Norway

Dag BRISEID
Minister Counsellor
Permanent Representative
of the Kingdom of Norway to IFAD
Rome

Netherlands

Ewald J. N. BROUWERS
Counsellor
Deputy Permanent Representative
of the Kingdom of The Netherlands
to IFAD
Rome

Australia

Catherine WALKER
Counsellor for Development
Assistance
Australian Embassy
Rome

United Arab Emirates

Mohammed Fahad AL DUHAIM
Ambassador of the United Arab
Emirates to Italy
Rome



ANNEX I

**State/Member
État/Membre
Estado Miembro**

Nigeria

Onyeabo Emmanuel ONWUKEME
First Counsellor
Alternate Permanent Representative
of the Federal Republic of Nigeria
to the United Nations Agencies
Rome

Saudi Arabia

Ahmed Ben Souleiman AL-AQUIL
Minister Plenipotentiary
Permanent Representative of
the Kingdom of Saudi Arabia
to FAO
Rome

Venezuela

José Raúl ALEGRETT RUIZ
Embajador
Representante
Fondo de Inversiones
de Venezuela
Embajada de la República
de Venezuela
Roma

LIST C

Sub-List C1 - Africa

Egypt

Mohamad KHALIFA
Agricultural Counsellor
Deputy Permanent Representative
of the Arab Republic of Egypt
to IFAD
Rome

**State/Alternate Member
État/Membre suppléant
Estado Miembro suplente**

Libyan Arab Jamahiriya

Indonesia

Suharyo HUSEN
Director
Bureau for International Cooperation
Ministry of Agriculture
Jakarta

Algeria

Ahmed SADOUDI
Directeur général du budget
Ministère des finances
Alger

Côte d'Ivoire

Emmanuel Kouassi NOUAMA
Ambassadeur de la République
de Côte d'Ivoire en Italie
Rome



**State/Member
État/Membre
Estado Miembro**

Kenya

Eliazar Babu MUGA
Economist
Ministry of Agriculture
Nairobi

**State/Alternate Member
État/Membre suppléant
Estado Miembro suplente**

Chad

Bintou MALLOUM
Ambassadeur de la République
du Tchad
Bonn

LIST C

Sub-List C2 - Europe, Asia and the Pacific

China

LIANG Qu
Minister Plenipotentiary
Permanent Representative of
the People's Republic
of China to IFAD
Rome

Pakistan

Sajid HASSAN
Joint Secretary (Banks)
Economic Affairs Division
Ministry of Finance and
Economic Affairs
Islamabad

India

Kalarickal Pranchu FABIAN
Ambassador of the Republic
of India to Italy
Rome

Jordan

Samir MASARWEH
Ambassador of the Hashemite
Kingdom of Jordan to Italy
Rome

LIST C

**Sub-List C3 - Latin America and the
Caribbean**

Argentina

Ariel FERNÁNDEZ
Secretario
Representante Permanente Alterno
de la República Argentina ante los
Organismos de las Naciones Unidas
Roma

Mexico

José ROBLES-AGUILAR
Consejero
Representante Permanente Adjunto
de los Estados Unidos Mexicanos
ante el FIDA
Roma



ANNEX I

State/Member
État/Membre
Estado Miembro

Brazil

Roberto BASTOS CARREIRO
Coordinator of Performance
Evaluation
Secretariat of International Affairs
Ministry of Planning and
Budget
Brasília, D.F.

State/Alternate Member
État/Membre suppléant
Estado Miembro suplente

Panama

Ismael BERNAL MAURE
Embajador de la República
de Panamá ante el FIDA
Roma

**LIST OF DOCUMENTS PLACED BEFORE THE EXECUTIVE BOARD AT ITS SIXTY-FIFTH SESSION**

Document No.	Agenda Item	Title
EB 98/65/R.1/Rev.1	2	Provisional Agenda and Annotations
EB 98/65/R.1/Rev.1/Add.1	2	Schedule of Work for the Session
EB 98/65/R.2 + Add.1	3(a)	Status of Contributions to the Fourth Replenishment of IFAD's Resources
EB 98/65/R.3 + Add.1	3(b)	Report on IFAD's Investment Portfolio for the First Three Quarters of 1998
EB 98/65/R.4 + Add.1	3(c)	Status Report on Principal and Interest Payments
EB 98/65/R.5 + Add.1	3(d)	Programme of Work and Budget of IFAD for 1999
EB 98/65/R.6	3(e)	Report of the Audit Committee
EB 98/65/R.7	4	Review of the Adequacy of the Resources Available to IFAD
EB 98/65/R.8	6	Report on the Implementation Status of the Heavily-Indebted Poor Countries Debt Initiative (HIPC DI) and Financial Implications for IFAD
EB 98/65/R.9	7	Planned Policy Papers
EB 98/65/R.10	8(a)	Resources Available for Commitment
EB 98/65/R.11 + Add.1 + Sup.1	8(b)(i)	Gambia, The: Rural Finance and Community Initiatives Project (RFCIP)
EB 98/65/R.12 + Add.1 + Sup.1	8(b)(ii)	Guinea: Village Communities Support Project
EB 98/65/R.13 + Add.1 + Sup.1	8(b)(iii)	Mali: Sahelian Areas Development Fund Programme
EB 98/65/R.14 + Add.1* + Sup.1	8(b)(iv)	Senegal: Agroforestry Project to Combat Desertification
EB 98/65/R.15 + Add.1 + Sup.1	8(c)(i)	Zambia: Forest Resource Management Project



ANNEX II

Document No.	Agenda Item	Title
EB 98/65/R.16 + Add.1 + Sup.1	8(c)(ii)	Zimbabwe: Smallholder Irrigation Support Programme
EB 98/65/R.17	8(d)(i)	D.P.R. Korea: Report on Implementation of the Crop and Livestock Rehabilitation Project
EB 98/65/R.19 + Add.1 + Sup.1	8(d)(ii)	Laos: Xieng Khouang Agricultural Development Project - Phase II
EB 98/65/R.20 + Corr.1 + Sup.1	8(d)(iii)	Pakistan: Barani Village Development Project
EB 98/65/R.21 + Add.1 + Sup.1	8(d)(iv)	Sri Lanka: Matale Regional Economic Advancement Project
EB 98/65/R.22 + Add.1 + Sup.1	8(e)(i)	Brazil: Sustainable Development Project for Agrarian Reform Settlements in the Semi-Arid North-East
EB 98/65/R.23 + Add.1 + Sup.1	8(e)(ii)	Dominican Republic: South Western Region Small Farmers Project - Phase II
EB 98/65/R.24 + Add.1 + Sup.1	8(e)(iii)	Haiti: Food Crops Intensification Project - Phase II
EB 98/65/R.25 + Add.1 + Sup.1	8(e)(iv)	Honduras: Rural Development Project in the South-Western Region (PROSOC)
EB 98/65/R.26 + Add.1 + Sup.1	8(f)(i)	Oman: Community Resources Management Project
EB 98/65/R.27 + Add.1* + Sup.1	8(f)(ii)	Tunisia: Integrated Agricultural Development Project in the Governorate of Zaghouan
EB 98/65/R.28	9(a)	Technical Assistance Grants for Agricultural Research and Training by CGIAR-Supported International Centres
EB 98/65/R.29	9(b)	Technical Assistance Grant for Agricultural Research and Training by a Non-CGIAR-Supported International Centre
EB 98/65/R.30	9(c)	Technical Assistance Grant to the Food and Agriculture Organization of the United Nations for the East African Subregional Pilot Project for Farmer-Field Schools in Kenya, the United Republic of Tanzania and Uganda
EB 98/65/R.31	9(d)	Technical Assistance Grant to Service for Information Technology in International Agriculture (SITIA) for the Purpose of Creating a Regional Network in West and Central Africa (FIDAFRIQUE)



Document No.	Agenda Item	Title
EB 98/65/R.32 + Add.1** + Add.2*** + Add.3*	10	Planned Project Activities 1998-99
EB 98/65/R.33*	12(a)	Provisional Agenda for the Twenty-Second Session of the Governing Council
EB 98/65/R.34	12(b)	Report on the Commemoration of the Twentieth Anniversary of IFAD
EB 98/65/R.35	5	Revision of the General Conditions Applicable to Loan and Guarantee Agreements: General Conditions for Agricultural Development Financing
EB 98/65/R.36	9(e)	Technical Assistance Grant for Microinitiatives in Rural Finance for the Poor
EB 98/65/R.37	3 (f)	Contribution from Non-Member State
EB 98/65/R.38	3(e)(i)	Revised Terms of Reference and Rules of Procedure of the Audit Committee
EB 98/65/R.39	3(e)(ii)	General Reserve — A Review of Adequacy Provision for Unfunded Liabilities
EB 98/65/R.40	3(g)	Provision of Advance Financing to the Global Mechanism of the United Nations Convention to Combat Desertification
EB 98/65/INF.1		Arrangements for the Sixty-Fifth Session of the Executive Board
EB 98/65/INF.2		IFAD's Year 2000 Compliance Programme
EB 98/65/INF.3		World Bank Supervision Charges
EB 98/65/INF.4		Report of the Secretary-General of the United Nations on the Causes of Conflict and the Promotion of Durable Peace and Sustainable Development in Africa
EB 98/65/INF.5		Provisional List of Participants to the Sixty-Fifth Session of the Executive Board
EB 98/65/INF.6		The Impact of the Euro on IFAD
EB 98/65/INF.7*		IFAD's Response to the Consequences of Hurricane Mitch in Central America



ANNEX II

Document No.	Agenda Item	Title
EB 98/65/INF.8*	11	Progress Report on the Establishment of the Global Mechanism of the United Nations Convention to Combat Desertification

* English only

** English and French only

*** English and Spanish only

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EB 98/65/R.1/Rev.2
Agenda Item 2

December 1998
English



IFAD
INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT
Executive Board – Sixty-Fifth Session
Rome, 2-3 December 1998

AGENDA

1. Opening of the Session
2. Adoption of the Agenda
3. Financial Matters
 - (a) Status of Contributions to the Fourth Replenishment of IFAD's Resources
 - (b) Report on IFAD's Investment Portfolio for the First Three-Quarters of 1998
 - (c) Status Report on Principal and Interest Payments
 - (d) Programme of Work and Budget of IFAD for 1999
 - (e) Report of the Audit Committee
 - (i) Revised Terms of Reference and Rules of Procedure of the Audit Committee
 - (ii) General Reserve — A Review of Adequacy
Provision for Unfunded Liabilities
 - (f) Contribution from a Non-Member State
 - (g) Provision of Advance Financing to the Global Mechanism of the United Nations Convention to Combat Desertification
4. Review of the Adequacy of the Resources Available to IFAD
5. Revision of the General Conditions Applicable to Loan and Guarantee Agreements:
General Conditions for Agricultural Development Financing
6. Report on the Implementation Status of the Heavily-Indebted Poor Countries Debt Initiative (HIPC DI) and Financial Implications for IFAD
7. Planned Policy Papers



ANNEX III

8. Projects for the Consideration of the Executive Board
 - (a) Resources Available for Commitment
 - (b) Africa I
 - (i) The Gambia: Rural Finance and Community Initiatives Project (RFCIP)
 - (ii) Guinea: Village Communities Support Project
 - (iii) Mali: Sahelian Areas Development Fund Programme
 - (iv) Senegal: Agroforestry Project to Combat Desertification
 - (c) Africa II
 - (i) Zambia: Forest Resource Management Project
 - (ii) Zimbabwe: Smallholder Irrigation Support Programme
 - (d) Asia and the Pacific
 - (i) D.P.R. Korea: Report on Implementation of the Crop and Livestock Rehabilitation Project
 - (ii) Laos: Xieng Khouang Agricultural Development Project – Phase II
 - (iii) Pakistan: Barani Village Development Project
 - (iv) Sri Lanka: Matale Regional Economic Advancement Project
 - (e) Latin America and the Caribbean
 - (i) Brazil: Sustainable Development Project for Agrarian Reform Settlements in the Semi-Arid North-East
 - (ii) Dominican Republic: South Western Region Small Farmers Project – Phase II
 - (iii) Haiti: Food Crops Intensification Project – Phase II
 - (iv) Honduras: Rural Development Project in the South-Western Region (PROSOC)
 - (f) Near East and North Africa
 - (i) Oman: Community Resources Management Project
 - (ii) Tunisia: Integrated Agricultural Development Project in the Governorate of Zaghuan
9. Proposed Grants for Technical Assistance
 - (a) Technical Assistance Grants for Agricultural Research and Training by CGIAR-Supported International Centres
 - (b) Technical Assistance Grant for Agricultural Research and Training by a Non-CGIAR Supported International Centre



- (c) Technical Assistance Grant to the Food and Agriculture Organization of the United Nations for the East African Subregional Pilot Project for Farmer-Field Schools in Kenya, the United Republic of Tanzania and Uganda
 - (d) Technical Assistance Grant to the Service for Information Technology in International Agriculture (SITIA) for the Purpose of Creating a Regional Network in West and Central Africa (FIDAFRIQUE)
 - (e) Technical Assistance Grant for Microinitiatives in Rural Finance for the Poor
10. Planned Project Activities
11. Progress Report on the Establishment of the Global Mechanism of the United Nations Convention to Combat Desertification
12. Other Business
- (a) Revised Provisional Agenda for the Twenty-Second Session of the Governing Council
 - (b) Report on the Commemoration of the Twentieth Anniversary of IFAD
 - (c) Report on IFAD's Headquarters Building
 - (d) IFAD's Response to the Consequences of Hurricane Mitch in Central America
 - (e) Approval of Disclosure of Documents
 - (f) Evaluation Items on Executive Board Agendas