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**CLOSING STATEMENT
BY PRESIDENT AL-SULTAN
TO THE SIXTY-SIXTH SESSION OF THE EXECUTIVE BOARD
ROME, 28-29 APRIL 1999**

Distinguished Directors,

I would like to summarize briefly the discussions and decisions taken at this Session of the Executive Board.

The Board reviewed the Status of Contributions to the Fourth Replenishment of IFAD's Resources (document EB 99/66/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 96.2% of total pledges, tangible evidence of the continued support of the Fund's Member States for its work.

In reviewing the Report on IFAD's Investment Portfolio for 1998 (document EB 99/66/R.3), the Executive Board welcomed the return achieved, especially during such a turbulent market year. However, precisely because of the volatility of the financial markets, Directors once again urged a continued cautious approach to diversification, in order to ensure continued good results.

For the first time at its April Session, the Executive Board was also presented with a Report on IFAD's Investment Portfolio for the First Quarter of the current year (document EB 99/66/R.4).

There was a constructive exchange of views during the review of the Status Report on Principal and Interest Payments (document EB 99/66/R.5 and addendum). Directors, who had been able to follow the progress made over the years, complimented the Fund on its achievements in containing its arrears situation. It was noted that a large part of the outstanding arrears was due to a handful of countries. Directors recognized that with the exception of those few countries, the Fund maintained an excellent track record in recovering its arrears and urged it to continue to be vigilant in this regard.

The Board reviewed the Audited Financial Statements of IFAD for 1998 (document EB 99/66/R.6), took note of the External Auditor's clean report, and approved the recommendation to submit the Financial Statements to the Twenty-Third Session of the Governing Council for final approval.

The Executive Board then considered the Requirements for the Twentieth Drawdown of Members' Contributions in 1999 (document EB 99/66/R.7) and approved a single obligatory drawdown of 35% of the total estimated loan and grant disbursements, equivalent to USD 114 million. It further approved the Twelfth Drawdown from the Special Resources for Sub-Saharan Africa in 1999 of approximately USD 14.9 million to meet loan and grant disbursements relating to the First and Second Phases of the Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification (document EB 99/66/R.8).

The Board endorsed the Report of the Audit Committee (document EB 99/66/R.9) on its Sixty-Fifth Meeting in March and noted that the Sixty-Sixth Meeting had been postponed, the report for which will be given at our next Session in September.

The Executive Board noted the oral report on the First and Second Sessions of the Consultation to Review the Adequacy of the Resources Available to IFAD. In accordance with the decision taken at the Second Session to establish an *ad hoc* Committee to review regional allocations, it was decided that the Committee would be composed of nine members: four from List A - Canada, Finland, France and Germany; two from List B - Indonesia and Venezuela; and three from List C. As Directors of this latter List required more consultation with regard to their representation on this Committee, it was agreed that the Convenor would convey the names of List C representatives to the Secretariat next week. It was further agreed that the Committee would carry out its work in English and would submit an oral report to the Consultation at its Third Session on 1 and 2 July. The Secretariat will provide the Committee with requisite support.

Directors praised the Fund's efforts to improve the Progress Report on the Project Portfolio (document EB 99/66/R.10 and corrigendum), which now placed emphasis on the analysis of the performance of the portfolio. They welcomed the additional inputs on directly supervised projects, on the flexible lending mechanism and the special section on participation. Members offered a number of very helpful suggestions for next year's report, most notably with respect to its main theme. In this regard, both gender and environment mainstreaming were submitted as possible themes.

The Executive Board reviewed the Resources Available for Commitment (document EB 99/66/R.11) and approved an IFAD contribution towards the debt relief of the Republic of Mali under the Heavily-Indebted Poor Countries Debt Initiative (document EB 99/66/R.12).

The Board approved ten projects: four in Africa, three in Asia, one in Latin and America and the Caribbean and two in the Near East and North Africa region. It also approved the reallocation of undisbursed amounts in the loan for the Cotton Sub-Sector Development Project in Uganda. The projects for India and The Sudan were approved for direct supervision by the Fund, the latter in substitution of the project in Oman approved for direct supervision at our last session.

The Minutes of the Session will record that the Executive Board Director for the United States abstained from the approval of the proposed project in Burundi. Similarly, the Executive Board Director for the United Kingdom stated that he could not join the consensus approval of this project proposal.

The Minutes will also record the abstentions made by the Executive Board Directors for Canada, Denmark, Japan, Sweden, the United Kingdom and the United States from the consensus to approve the project proposal in The Sudan.

Five technical assistance grants were approved by the Board: two for Agricultural Research and Training by CGIAR-Supported International Centres; one for Agricultural Research and Training by a Non-CGIAR-Supported International Centre; one to the Food and Agriculture Organization of the United Nations; and one towards the Fund's assistance to an FAO/Netherlands Conference. Two other grants were approved, the first to the Global Mechanism of the United Nations Convention to Combat Desertification and the second for the preparation and finalization of IFAD's Rural Poverty Report.

The Minutes will record that the Executive Board Director for Germany could not join the consensus approval of the grant proposal for IFAD's Rural Poverty Report.

The Executive Board then reviewed the Planned Project Activities 1999-2000 (document EB 99/66/R.30 and addenda), noting the information available on projects in the pipeline. I once again invite Directors to communicate to us their views on pipeline activities. This assists us in ensuring that the Board's views are properly reflected with respect to our future projects.

The Progress Report on Evaluation (document EB 99/66/R.31) was welcomed by Directors, especially with regard to the fresh approaches introduced in the proposed work programme for 1999, including a review of the adequacy of IFAD's evaluation function. During discussions, it was stressed that evaluation was of strategic importance to the Fund and that it should maintain a central role in order to feed into all aspects of operations, particularly knowledge management and dissemination. In this respect, it was felt that the Fund's intellectual capital was one of its most important assets and that the evaluation function greatly contributes to it.

In introducing the Report of the Evaluation Committee (document EB 99/66/R.32), the chairman of the committee presented a proposal to have an additional item on the Board's Agenda for evaluation reports. After deliberation, it was decided that the Evaluation Committee would undertake an overall review of its specific role and reporting practice, with a view to finalizing it by its September session and submitting a report to the next Executive Board Session.

The Board took note of the Progress Report on the IFAD/NGO Extended Cooperation Programme (ECP) and welcomed the Fund's continued strong collaboration with civil-society partners (document EB 99/66/R.33).

The Executive Board noted, with interest, the oral Progress Report on the Human Resource Management Strategy, which highlighted the work already undertaken and the improvements in communications and management performance. Directors looked forward to receiving the Final Report on the Human Resource Management Strategy at its next session.

The Board also noted the oral report on IFAD's Headquarters Building and welcomed the progress being made in the negotiations with the Italian authorities and the management of the Unione Immobiliare (UNIM) regarding the availability of the premises adjacent to the Fund's current main building. The Board expressed its hope that the matter will soon be settled in a satisfactory manner.

The Executive Board noted and approved the minor modifications made to the Memorandum of Understanding Between the Conference of the Parties of the United Nations Convention to Combat Desertification in those Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa and IFAD Regarding the Modalities and Administrative Operations of the Global Mechanism (document EB 99/66/INF.10).

The Board also took note of the Fund's intention to collaborate with Italy and the United Nations Office for Project Services (UNOPS) by acting as a channel for Italian funds being utilized by UNOPS for an assistance project in Albania, which will not involve the use of any IFAD resources or net cost to IFAD. The Executive Board Directors for the United Kingdom and the United States indicated they could not support this initiative.

Finally, the Executive Board approved the disclosure of the documents that had been approved at this Session and noted that these would be subsequently posted on IFAD's public website.

Distinguished Directors,

We have come to the close of our Sixty-Sixth Session. May I thank you for your contributions and wish you each a safe journey home.

