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**CLOSING STATEMENT
BY PRESIDENT AL-SULTAN
TO THE SIXTY-NINTH SESSION OF THE EXECUTIVE BOARD
ROME, 3-4 MAY 2000**

Distinguished Directors,

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

The Executive Board began its consideration of financial matters by reviewing the Status of Contributions to the Fourth Replenishment of IFAD's Resources (document EB 2000/69/R.2 and addendum) and the Report on IFAD's Investment Portfolio for 1999 (document EB 2000/69/R.3). With respect to the latter, Directors congratulated the Fund on the overall 1999 rate of return obtained of 8.78% and the fact that this represented the fourth consecutive year in which the Fund achieved its target of a real rate of return of 5%. Directors also recognized that the stable level of income in 1999 was due mainly to the diversification programme, as the 49.7% gross rate of return in equities counterbalanced the negative return of -1.85% for fixed-interest investments. While welcoming this, Directors recommended that the Fund maintain its cautious approach to its diversification programme.

The Report on IFAD's Investment Portfolio for the First Quarter of 2000 (document EB 2000/69/R.4) was also reviewed. Initial returns for the year indicated an annualized rate of 6.2%. The effect of fluctuations affecting the technology sector of the market, experienced in the month of April, were mitigated by the fact that IFAD's equity investments are widely diversified between value and growth stocks in all sectors of the market on a global basis.

The Board then reviewed the Status Report on Principal and Interest Payments (document EB 2000/69/R.5 and addendum). Directors expressed some concern at the slight increase in payment arrears by end 1999 over those of the previous year, and urged the Fund's management to continue its efforts to reduce payment arrears.

The Executive Board reviewed the Audited Financial Statements of IFAD for 1999 (document EB 2000/69/R.6), took note of the External Auditor's clean report, and approved the recommendation to submit the financial statements to the Twenty-Fourth Session of the Governing Council for final approval.

It then approved the twenty-first drawdown of Members' contributions in 2000 and the Thirteenth Drawdown from the Special Resources for Sub-Saharan Africa in 2000 (respectively documents EB 2000/69/R.7 and EB 2000/69/R.8).

The Board endorsed the Report of the Audit Committee (document EB 2000/69/R.9) on its Sixty-Eighth Meeting in March and noted that the Sixty-Ninth Meeting had been postponed. That report will be given at the next session of the Board in September.

The Executive Board noted the oral report on the work of the Consultation to Review the Adequacy of the Resources Available to IFAD. It further noted that the forthcoming Seventh Session of the Consultation would be reviewing the Fund's drawdown policy and finalizing the Report of the Consultation and the draft Resolution on the Fifth Replenishment of IFAD's Resources. The Board also noted that the Governing Council's approval of the Report and its adoption of the Fifth Replenishment Resolution would be obtained through a vote by correspondence.

Directors welcomed document EB 2000/69/R.11 on Grant Financing: A New Approach. However the complexity of the paper and the various issues it covered, generated a number of comments from Directors, many of whom indicated that they would welcome the opportunity to contribute further comments towards the finalization of the policy. In this respect, it was decided to present the September Board with a paper dealing with the establishment of the Programme Development and Implementation Facility (PDIF) and its budgetary implications. The remaining recommendations would need further review and would be presented to the Board at a future session.

In reviewing the IFAD Rural Finance Policy (document EB 2000/69/R.12), Directors congratulated management on the thorough and impressive work put into the document presented, which clearly demonstrated the role of rural financing as a vital tool in poverty reduction and rural development. The Board endorsed the main policy framework proposed, and Directors looked forward to receiving the operational guidelines and regional strategies, together with selection criteria and monitoring indicators, at a future Board session.

After reviewing the favourable results obtained during the interim phase established by the Governing Council in February 1998, the Executive Board agreed to expand the IFAD Policy on the Disclosure of Documents (document EB 2000/69/R.13 and corrigendum) to include the public disclosure of evaluation reports as well as documentation submitted to the Evaluation Committee. Directors welcomed management's intention to examine the possibility of disclosing other types of documents in the future, especially in the context of the knowledge-management strategy currently being developed in IFAD. They strongly encouraged the further expansion of the disclosure policy, particularly with a view to encouraging public participation in the Fund's work.

Directors praised the Fund's continued efforts to improve the Progress Report on the Project Portfolio (document EB 2000/69/R.14) by maintaining its emphasis on the analysis of portfolio performance. They welcomed as well the presentation of the Gender and Household Food Security CD ROM that accompanied the report, whose major theme this year was gender perspective. As with past reports, Directors offered a number of helpful suggestions that we will use in formulating next year's report.

The Executive Board reviewed the Resources Available for Commitment (document EB 2000/69/R.15) and approved ten projects: seven in Africa, two in Asia and one in the Latin America and the Caribbean region. As regards the proposal for The Sudan, there was a rich discussion, and a final decision on the proposal will be taken at the September Board. In the meantime we will have bilateral consultations with Directors who have raised specific concerns or have had queries on the proposal. In this respect, I would underline the need to evaluate project proposals against clear, objective reference points on matters such as macroeconomic performance and the security situation.

The loans for the programmes for India, Niger and Rwanda were formulated and approved under the flexible lending mechanism. The Board also approved 14 technical assistance grants.

The Board then reviewed Planned Project Activities 2000-2001 (document EB 2000/69/R.35 and addenda) giving information on projects in the pipeline. For the benefit of those Directors who are new to our procedures, I would like to emphasize the importance of receiving your comments and feedback on projects in the pipeline. This helps us reflect even better the concerns of Board Directors in project design.

The Executive Board received its first Annual Report on Evaluation (EB 2000/69/R.36), in place of the two previous reports, the Progress Report on Evaluation and the Report of the Evaluation Committee. The new reporting format was well received, with particular appreciation expressed for the emphasis placed on the review of the adequacy of IFAD evaluation and the new approach to this function.

The Progress Report on the IFAD/NGO Extended Cooperation Programme (ECP) (document EB 2000/69/R.38) was welcomed by Directors as further evidence of the Fund's continued strong collaboration with civil-society partners. To this effect, the Board considered Use of ECP Grant Allocation for the Tenth IFAD/NGO Consultation (document EB 2000/69/R.39) and approved a grant allocation to finance the Tenth Consultation to be held in Pune, India, at the end of May 2000.

The Executive Board considered the Appointment of Members of the Audit Committee (document EB 2000/69/R.10) and the Appointment of Members of the Evaluation Committee (document EB 2000/69/R.37) and appointed six of the nine members for the Audit and Evaluation Committees, respectively, for a term of office ending April 2003. I remind Directors in List B and Sub-List C1 to provide the remaining three nominations for each of the committees to the Secretariat as soon as possible. I would reiterate the Board's best wishes to our colleagues for the success of the work they have before them. We look forward, with great interest, to their advice and recommendations. With regard to the Election of a Representative of the Governing Council to the IFAD Staff Pension Committee (document EB 2000/69/R.40), the Board elected Mr Rudolf J. Huber of Germany. We thank Mr Huber for his nomination and also wish him every success in this new capacity.

Finally, the Executive Board took note of the oral report on IFAD's headquarters building and approved the disclosure, on IFAD's public website, of the documents that had been approved at this Session.

Before I close this Session, I would like to bid farewell to the Executive Board Director for the United States, Mr Ralph Cummings. We have very much appreciated his contributions to our work. On behalf of the Board, I would like to thank Mr Cummings and wish him every success in his future endeavours.

Distinguished Directors,

This is the first time this newly elected Executive Board membership has worked together and I must say we have indeed made a very good start. Allow me to thank you for the excellent work done and to wish you a safe journey home.