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**CLOSING STATEMENT
BY PRESIDENT AL-SULTAN
TO THE SEVENTIETH SESSION OF THE EXECUTIVE BOARD
ROME, 13-14 SEPTEMBER 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 with a review of the Status of Contributions to the Fourth Replenishment of IFAD's Resources (document EB 2000/70/R.2 and addendum). The Board noted that the value of the instruments of contribution and payments in cash or promissory notes to the Fourth Replenishment amounted to USD 405.7 million equivalent, or about 97% of total pledges.

The Board reviewed the Report on IFAD's Investment Portfolio for the Second Quarter of 2000, which, together with the first-quarter figures, also presented the rate of return for the first half of the year (document EB 2000/70/R.3). Although concerns were expressed regarding the low rate of return for the first half of 2000, it was also noted by Directors that a longer-term perspective had to be kept in mind especially with regard to equities. Directors urged management to continue its prudent and cautious approach with regard to investment issues. The Board also welcomed the suggestion to hold a seminar on investment issues at the time of the December Session.

The Board reviewed the Status Report on Principal and Interest Payments (document EB 2000/70/R.4 and addendum), expressing its appreciation for the continued efforts made to resolve the outstanding arrears. In this context, the Fund will monitor closely the position of countries considered eligible under the Heavily-Indebted Poor Countries Debt Initiative (HIPC DI).

With regard to the IFAD Drawdown Policy (document EB 2000/70/R.5), the Board had a very useful and positive exchange of views on a review of the Fund's present 35% drawdown policy. Noting that the Board needs to make a decision on this next April, it was agreed that management would have further consultations and present appropriate proposals on the issue.

The Board had a constructive and fruitful dialogue on the Preview of the Programme of Work and Budget of IFAD for 2001 (document EB 2000/70/R.6). The comments given by Directors will help greatly in the preparation of the Programme of Work and Budget to be submitted to the December Board. In particular, management noted the support expressed by various Directors for additional resources to implement the Plan of Action. As requested by Directors, the linkage between the overall Process Re-Engineering Programme and the Action Plan will be demonstrated.

Following upon suggestions, informal briefings or an informal seminar will be organized to brief Board members on the outcome and recommendations of the Process Re-Engineering Programme before the December Session of the Executive Board.

The Executive Board endorsed the Report of the Audit Committee, presented by its chairperson (document EB 2000/70/R.7). In doing so, the Board approved the external auditor's fee for 2000 as recommended by the committee.

The Executive Board noted the information regarding the Consultation to Review the Adequacy of the Resources Available to IFAD (document EB 2000/70/R.8 and Add.1/Rev.1). There was some concern expressed by List A Board Directors regarding the need for other countries to make pledges urgently regarding their contributions to the Fifth Replenishment. In this context, several important List C contributing countries confirmed their governments' intentions to announce their pledges soon.

As regards agenda item 5 on the Appointment of the President, the Board had a frank exchange of views on the proposals presented by the chairperson of the Governing Council. Members of all lists agreed on the importance of selecting the best candidate for the presidency. However, as regards procedures, members felt that further consultations were required and that there was not, so far, a consensus on this matter.

The Board expressed appreciation to the Secretariat for the presentation of an innovative mechanism on Market-Based Project Cofinancing (document EB 2000/70/R.10). However, Directors required additional information and time to study the proposal. It was therefore decided to hold an informal seminar similar to the one held on the Programme Development and Financing Facility to review a revised draft of the document before it is further considered by the Board and the Governing Council.

The Executive Board reviewed the Resources Available for Commitment (document EB 2000/70/R.11) and approved proposals under the HIPC DI (document EB 2000/70/R.12) for six countries: Bolivia, Burkina Faso, Mauritania, Mozambique, the United Republic of Tanzania and Uganda. The Board further approved five programmes and projects: two in Latin America and the Caribbean and three in the Near East and North Africa. The minutes of the Session will record the abstention of The Netherlands with regard to the project for Bolivia. With respect to the programme proposal for The Sudan, the minutes will also record that the Executive Directors for Canada, Germany, The Netherlands and the United Kingdom opposed the proposal, while Japan abstained. The United States strongly opposed this proposal. The Board also approved the expansion of the project area of the Jordan Income Diversification Project and reallocation of loan proceeds within the project area.

The Board reviewed Planned Project Activities 2000-2001, presenting information on projects and programmes in the pipeline (document EB 2000/70/R.21 and addenda). I would reiterate that management would very much welcome your comments and observations on pipeline projects.

The Executive Board approved the Draft Provisional Agenda for the Twenty-Fourth Session of the Governing Council (EB 2000/70/R.22) and the Dates for the 2002 Sessions of the Executive Board (EB 2000/70/R.24).

The Board also noted the Report of the Emoluments Committee (document EB 2000/70/R.23) and agreed to transmit the report and the draft resolution therein to the Twenty-Fourth Session of the Governing Council.

After considering document EB 2000/70/R.25, the Board approved that a cooperation agreement be concluded between IFAD and the Arab Authority for Agricultural Investment and Development (AAID), along the lines of previous cooperation agreements between the Fund and other institutions.

As regards the membership and chair of the Audit and Evaluation Committees, the Board noted that Tunisia had replaced Egypt on the Audit Committee and that the committee had decided to re-elect the representative of the United Kingdom as its chairperson. The Board also noted that the

Evaluation Committee had elected the representative of Mexico as its chairperson. On behalf of the Board may I congratulate the new chairpersons and member and offer them our best wishes.

With regard to the Election of a Representative of the Governing Council to the IFAD Staff Pension Committee (document EB2000/70/R.26), the Board elected a representative of India.

Finally, the Executive Board approved the disclosure of the documents that had been approved at this Session, with the exception of the document reviewed during its closed session, and noted that these would subsequently be posted on IFAD's public website.

Distinguished Directors,

Before I close this Session I would like to bid farewell to our colleague from Mexico, Mr José Robles-Aguilar. We have very much appreciated his contributions to our work. On behalf of the Board, I would like to thank Mr Robles-Aguilar and wish him every success in his future endeavours.

In closing, I thank you for the excellent work accomplished at this Session and wish you all a safe return home.