



IFAD
INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT
Executive Board – Seventy-Sixth Session

Rome, 4-5 September 2002

SUMMARY OF PROJECT, PROGRAMME AND GRANT PROPOSALS
DISCUSSED BY THE EXECUTIVE BOARD

I. PROJECT/PROGRAMME PROPOSALS

1. The following project/programme proposals were approved by the Seventy-Sixth Session of the Executive Board:

AFRICA I

Ghana: Rural Enterprises Project – Phase II
EB 2002/76/R.12 + Add.1 + Sup.1 (now EB 2002/76/R.12/Rev.1)

2. The Executive Board approved a loan of SDR 8.50 million for the project. The project design was commended for having incorporated the lessons learned from the former phase, especially concerning the development of market linkages and the delivery of financial services. The Board sought clarification on aspects related to human resources management and the replication in northern Ghana of models developed in the central part of the country. It also expressed some concern about the risks of overextending the project area and of limiting the access of project beneficiaries to working capital. It requested further details on the participation of other donors in project design. The Board was informed that all Project Coordination and Management Unit (PCMU) staff will be appointed through a competitive process and recruited under performance-based contractual arrangements. The Board was assured that no top-ups will be provided to civil servants in this project. It was also explained that the replication of microenterprise development models developed during Phase I will not be mechanical. Rather, specific efforts will be made in the northern areas to adapt to prevailing conditions, including a higher level of support to building the capacities of local trade associations as deemed necessary. The Board was also informed that the project will be very cautious in expanding the project area (one of the major lessons of Phase I). The districts, selected on the basis of poverty criteria, will enter into a four-year agreement with the project, specifying the contribution of each district assembly and the exit strategy to be implemented once four-year project support has ceased. Concerning access to financial services, IFAD will pursue its long-term support to rural financial institutions in Ghana through the national Rural Financial Services Project, which is cofinanced by the World Bank and the African Development Bank. This will enable rural financial institutions to deliver financial services on a sustainable basis by leveraging savings and mobilizing their own resources. The Rural Enterprises Project – Phase II will complement these efforts by



providing limited financial resources so as to increase the access of project clients to credit. Finally, the Board was informed that the design involved intensive participation by major donors. The process started with the November 2000 round-table conference on microenterprise development to share the lessons learned from Phase I. It was pursued through the IFAD- and Government of Ghana-initiated working group on microenterprise development, which in addition to the main local stakeholders includes the major bilateral and multilateral donors in Ghana. The working group was closely associated with project design throughout the project cycle: evaluation of Phase I, inception, formulation and appraisal. Continued support is envisaged under this phase for the working group, with the aim of fostering policy dialogue and strengthening partnership and learning in the microenterprise development area.

Guinea: Sustainable Agriculture Development Project in the Forest Region

EB 2002/76/R.13 + Add.1 + Sup.1 (now EB 2002/76/R.13/Rev.1)

3. The Executive Board approved a loan of SDR 9.4 million for the project. The Board raised the issue of risk for project implementation related to the security situation in the forest region. It also emphasized the need to fully incorporate lessons learned in a previous project, the Smallholder Development Project in the Forest Region, into the present project. The Board was informed that the security situation in the region has improved and that in general activities have fully resumed in the area. It was also noted that this project will build upon the lessons of the first project.

Mauritania: Maghama Improved Flood Recession Farming Project – Phase II

EB 2002/76/R.14 + Add.1 + Sup.1 (now EB 2002/76/R.14/Rev.1)

4. The Executive Board unanimously approved a loan of SDR 7.6 million for the project. At the request of the Executive Director for the United States of America, clarifications were given to the Board regarding the role of the Ministry of Rural Development and Environment in the implementation of the project. The Ministry will have a role of oversight, but will delegate field implementation to a project coordination and management unit, under time-bound and performance-based contractual arrangements. Implementation of activities will be entrusted to beneficiary organizations and to service providers from both the public and private sectors.

AFRICA II

Uganda: Rural Financial Services Programme

EB 2002/76/R.15 + Add.1 + Sup.1 (now EB 2002/76/R.15/Rev.1)

5. The Executive Board unanimously approved a loan of SDR 13.9 million to finance Uganda's seven-year Rural Financial Services Programme. The Board commended the overall thrust of programme objectives and expressed satisfaction with the wide in-country consultation undertaken in the process of developing the programme. Members concurred with the approach of focusing attention primarily on institutional development as a basis to increase and expand the outreach of rural financial services, especially to rural areas and underserved communities. The Board noted with satisfaction that design of the programme and implementation of activities are within the framework of the policies and guidelines established by the Government for the country's microfinance industry, notably the poverty eradication action plan, the plan for modernization of agriculture, the expansion of microfinance outreach and the capacity-building framework. However, in approving the loan and in recognition of the speed with which Uganda's microfinance industry is presently developing, the Board reiterated the need to ensure effective coordination in implementation of programme activities, especially in view of the decision to contract out implementation of most sub-components to existing



structures/agencies. In this regard, the Board stressed the need to ensure that the choice of implementing partners is based strictly on performance.

ASIA AND THE PACIFIC

Mongolia: Rural Poverty-Reduction Programme

EB 2002/76/R.17 + Add.1 + Sup.1 (now EB 2002/76/R.17/Rev.1)

6. While approving the programme with a loan of SDR 11.2 million, the Executive Board expressed some concern about the capacity of the Ministry of Food and Agriculture (MFA) as executing agency and the lack of focus on rural development in the poverty-reduction strategy paper (PRSP). It was clarified that MFA will be acting as a coordinator and facilitator, while actual implementation will be devolved to the local government structure at province, district and subdistrict levels. It was explained, moreover, that programme beneficiaries will be the main executing agents for a number of activities through their association into rangeland management and monitoring committees. It was stated that substantial input has been provided to the PRSP process through support for the organization of stakeholder workshops at the provincial level and through technical advice from a national resource person. The importance of rural development has been emphasized throughout the process and it is expected that the rural development focus will be stressed in the final report.

NEAR EAST AND NORTH AFRICA

Republic of Moldova: President's Memorandum: Expansion of the Project Area of the Rural Finance and Small Enterprise Development Project

EB 2002/76/R.18

7. This proposal regarding the expansion of the project area was approved by the Executive Board.

Tunisia: Agropastoral Development and Local Initiatives Promotion Programme for the South-East

EB 2002/76/R.19 + Add.1 + Sup.1 (now EB 2002/76/R.19/Rev.1)

8. The Executive Board approved a loan of SDR 14.1 million for the programme. The Board noted that the project was timely, and well targeted in terms of both the livelihoods of poor rural people and geographic area (drought-affected). The programme represents an ambitious challenge: triggering a process of sustainable and participatory development under particularly difficult conditions. The Board emphasized the need to pay adequate attention during implementation to the landless, youth and women. In response to a question on the extent of the programme management support component, it was explained that this component was designed after a thorough assessment of the existing institutional capacities of the development agencies concerned. The Board appreciated the need to upgrade these capacities at the required level to implement a programme of this magnitude.



**Yemen: Dhamar Participatory Rural Development Project
EB 2002/76/R.20**

9. The Executive Board approved a loan of SDR 10.9 million to finance the project. The Board raised issues regarding the marketing of perishable crops (potatoes and tomatoes), the structure of the community development component and the need to integrate the project management office (PMO) within the existing government administrative structure as an effort in capacity-building. It was explained that while the marketing problem is largely structural – associated with the lack of access roads, especially in remote mountainous areas – the project will support improved marketing through creation of marketing groups, capacity-building, provision of credit and transfer of know-how regarding preservation and transformation of agricultural produce. Community development will consist of demand-driven projects selected according to clear and transparent criteria. Priority will be given to activities with the lowest cost per beneficiary, and with high commitment and participation by beneficiaries. Community development will be implemented with the support of an international non-governmental organization. With respect to the PMO, the Fund agreed that it should be part of the government administration, provided that the environment is suitable and government remuneration of public servants is adequate. An agreement regarding the location of the PMO is expected to be reached with the Government of The Netherlands to ensure their participation in project cofinancing.

II. GRANT PROPOSALS

10. In approving the grant proposals submitted to the Board, the Executive Directors for Denmark, Japan, Indonesia, The Netherlands and the United States voiced explicit support for the innovative design of the research programmes presented. The Director for The Netherlands praised the Consultative Group on International Agriculture Research (CGIAR) programmes for the partnerships to be developed and strengthened with the National Agricultural Research Systems (NARS) of developing countries, with an element of capacity-building included as part of the collaborative research programme. The Director for Denmark sought clarification as to whether the grant resources provided by the Fund for research through CGIAR centres included core budgetary assistance – an aspect that she would wholeheartedly support. It was clarified that the Fund's support through the CGIAR system was for specific pro-poor, adaptive research projects with NARS partners and did not support international research centre core budgets as such. IFAD did, however, play an important role at the policy level at CGIAR in orienting the system towards greater resources for pro-poor technology development. In addition, in order to address the core budgetary shortfalls the system is experiencing, IFAD, as a member of the CGIAR finance committee, encouraged all donors to pay the full overhead associated with the programmes they were financing through CGIAR.

11. The following grant proposals were approved by the Seventy-Sixth Session of the Executive Board:

**Technical Assistance Grants for Agricultural Research and Training by CGIAR-Supported International Centres
EB 2002/76/R.21**

International Centre for Tropical Agriculture (CIAT): Programme for Integrated Upland Agriculture Development Using Participatory Approaches in China, Laos and Viet Nam

12. The Executive Board approved a grant of USD 1.45 million.



International Livestock Research Institute (ILRI): Programme for Small-Ruminant Health – Improved Livelihood and Market Opportunities for Poor Farmers in the Near East and North Africa Region

13. The Executive Board approved a grant of USD 1.1 million.

Technical Assistance Grant to the Popular Coalition to Eradicate Hunger and Poverty in Support of its Global Programmes, Activities and Services

EB 2002/76/R.22

14. The Executive Board approved a grant of USD 600 000. The grant will support the formal implementation of the Coalition's Executive Council and governance structure; activate and provide for the management of the next phase of the knowledge network; administer projects of the Community Empowerment Facility and the country relationships involved; provide for implementation of the Common Platform on Access to Land; and strengthen the communications for disseminating knowledge, lessons learned and network news to Coalition partners.

Grant for the Rehabilitation and Development Project in Gaza and the West Bank

EB 2002/76/R.23

15. The Executive Board welcomed the Rehabilitation and Development Project in Gaza and the West Bank and approved a grant of USD 3.0 million. In doing so, it raised issues concerning the involvement of the Palestinian Authority in the Steering Committee, and the participation of Palestinian Agricultural Relief Committees in technical and institutional aspects of the project. The Board requested that IFAD maintain close cooperation and coordination with other donors involved in assisting the Palestinian people. It also requested the establishment of additional women's business centres in other parts of the West Bank, especially the north and the south, to facilitate access of women to their services, which are in great demand.