



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

Rome, 10-11 December 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-Seventh Session of the Executive Board:

AFRICA I

Niger: Project for the Promotion of Local Initiative for Development in Aguié
EB 2002/77/R.15 + Add. 1 + Sup.1 (now EB 2002/77/R.15/Rev.1)

2. The Executive Board approved a loan of SDR 7.60 million for the above project and congratulated the Fund for the project's innovative approach. It also expressed its wishes that the lessons learned from this project benefit the whole institution. The representative of Belgium also confirmed that the Belgian Survival Fund (BSF) is keen to cofinance the project. The Executive Board stressed the need to adopt a balanced approach to institutional building between civil society organizations and local government institutions within the evolving context of decentralization, as well as the need to mainstream gender and natural resources management (NRM) considerations into project mechanisms. It was explained that the project aims to reduce poverty through a local development approach. This implies building strong grassroots organizations, and fostering partnerships between local and central government organizations, private sector, non-governmental organizations (NGOs) and farmer, women and end-users' organizations. Moreover, the project has the necessary flexibility to adapt to the evolving decentralization arrangements in Niger. It also includes institutional mechanisms for information exchange, learning and policy dialogue, to allow, *inter alia*, for an effective articulation with the other ongoing development operations in the project area. The attention of the Board was also drawn to the fact that IFAD had approved a grant to support the mainstreaming of gender considerations before project start-up. It was also highlighted that NRM activities will represent a significant portion of the activities financed under the present project, based on the lessons learned from the pilot Support to Farmers' Initiative and Innovation Project, which demonstrated that NRM concerns are identified by communities as priority activities. Finally, the Board was informed that innovations and initiatives would be identified based on the following



criteria (i) expected impact in terms of poverty and vulnerability reduction and improvement in food security; (ii) cost-effectiveness; (iii) potential for replication; and (iv) potential for partnership-building.

**Nigeria: Community-Based Natural Resource Management Programme – Niger Delta
EB 2002/77/R.16 + Add. 1 + Sup.1 (now EB 2002/77/R.16/Rev.1)**

3. The Executive Board approved a loan of SDR 11.35 million for the above programme. The Board noted that the programme area covers one of the most complex parts of the country. The large number of rural poor, the weak institutions, the different ethnic communities living off an environmentally sensitive natural resource base and the unequitable benefits from development, all add to justify IFAD interventions. However, given this background there are major risks with implementation and, as such, the Board sought assurances that the financial and regulatory capacity of local governments could realistically support the initiatives proposed, and that loan agreements and supplementary assurances would adequately address these issues. The Board also underlined the importance of technical assistance support, with possible cofinancing from the World Bank. Also, the Board expressed satisfaction with donor coordination in supporting the Niger Delta Development Commission. Clarification on the scope of the community development fund was provided confirming that the fund will be made available on a demand driven basis, to finance local level initiatives in the production sector, to support rural livelihoods or to finance village level infrastructure. The Board was also informed that due to unforeseen circumstances, the timely finalization of loan negotiations for the programme could not take place. However, all efforts have since been made by the Federal Government, IFAD and World Bank (as cooperating institution) to ensure that the agreements are negotiated promptly in the new year. There are no other reasons known to IFAD which could compromise the further processing of this programme. The Executive Board approval will be resought if the supplementary assurances change substantially after negotiations and an information note will be submitted at the Seventy-Eighth Session of the Executive Board in April 2003 advising of the outcome.

AFRICA II

**Kenya: Mount Kenya East Pilot Project for Natural Resource Management
EB 2002/77/R.18 + Add.1 + Sup.1 (now EB 2002/77/R.18/Rev.1)**

4. The Executive Board approved a loan of SDR 12.70 million for the above project. The Board welcomed this intervention which focused on poverty alleviation in an area affected by the decline in global coffee prices, and on natural resource management in a major water catchment area of the country. The Board noted that the environmental impact of uncoordinated deforestation in the adjacent National Forest Reserve was an important cause of environmental degradation, and was informed that while this area was not specifically covered by the IFAD project, the Secretariat of the Global Environment Facility (GEF) had recently approved funds to prepare an associated GEF project specifically for the National Park and Forest Reserve. The Board endorsed the physical and financial controls proposed to ensure that expenditures conform to activities and objectives of the project document. The Executive Board also noted that significant efforts had been made by IFAD to address issues of institutional complexity that have hampered the smooth implementation of previous activities in Kenya. The Board urged IFAD to make every effort to develop with the borrower clear monitoring indicators, on the basis on the baseline survey, for assessing project performance relative to its objectives.



**Rwanda: Smallholder Cash and Export Crops Development Project
EB 2002/77/R.19 + Add. 1 + Sup.1 (now EB 2002/77/R.19/Rev.1)**

5. The Executive Board approved a loan of SDR 12.30 million for the above project. The Board appreciated the design of this innovative project, and emphasised the need for close follow-up on activities benefiting women. Strategies to ensure high and effective participation of women will need to be further sharpened during implementation, and an effective monitoring system will have to be put in place. The Board welcomed the project's intention to promote smallholder "top quality" coffee production with a view to securing access to international markets, especially through fair trade channels. The participation of TWIN, Fair Trade Organization, as the major technical partner, was particularly appreciated by the Board.

ASIA AND THE PACIFIC

**China: Environment Conservation and Poverty-Reduction Programme in Ningxia and Shanxi
EB 2002/77/R.20 + Add. 1 + Sup.1 (now EB 2002/77/R.20/Rev.1)**

6. In approving a loan of SDR 21.95 million, the Executive Board provided full support for this programme.

**Indonesia: East Kalimantan Local Communities Empowerment Programme
EB 2002/77/R.22 + Add.1 + Sup.1 (now EB 2002/77/R.22/Rev.1)**

7. In approving a loan of SDR 15.10 million, under the Flexible Lending Mechanism, the Executive Board expressed full support for the programme, but commented on the possible weaknesses in the implementation capacity of local agencies. This area will require intensive implementation support from both IFAD and the cooperating institution, for which the importance of field presence was stressed.

LATIN AMERICA AND THE CARIBBEAN

**Dominican Republic: Social and Economic Development Programme for Vulnerable Populations in the Border Provinces
EB 2002/77/R.23 + Add.1 + Sup.1 (now EB 2002/77/R.23/Rev.1)**

8. The Executive Board approved a loan of SDR 10.60 million for the above-mentioned programme as well as the country strategic opportunities paper (COSOP) for the Dominican Republic. Board members stated their appreciation for the strategic study. The Executive Director for Eritrea requested a clarification with regard to the status of people in transit and coherence between Dominican Republic laws and IFAD's proposal with respect to issues concerning regularization of citizenship. The response provided the necessary legal explanation. In particular, it was stressed that the President of the Dominican Republic, Mr Hipólito Mejía, and his government requested IFAD's participation to help resolve the situation of permanent migrants from Haiti. They are already part of the Dominican rural society, are considered the poorest of the poor, and are those for whom the IFAD programme will carry out an important part of its activities.

**Peru: Market Strengthening and Livelihood Diversification in the Southern Highlands Project
EB 2002/77/R.24 + Add. 1 + Sup.1 (now EB 2002/77/R.24/Rev.1)**

9. The Executive Board approved a loan of SDR 12.10 million for the above-mentioned project. The Executive Board Directors for Argentina, Brazil, France, Spain and the United States expressed satisfaction with this new intervention. In approving the project, the Executive Board Director for France inquired about the links the project expected to establish between technical support services



and credit in the component dedicated to strengthening local markets. He further requested information on what local products could be supported through the knowledge management component.

10. The Board was informed that the project expected to generate links between credit and technical assistance in some small businesses, although its main effort would focus on the financial services component, with an emphasis on rural savings. IFAD will work together with the German Agency for Technical Cooperation (GTZ) in this field. It was also noted that this project will support certain products, such as Andean cereals, meat and others, and in particular, local services linked to tourism, with the aim of increasing their quality and prices, thus increasing local income. On this item, IFAD will work closely with the Spanish Development Cooperation.

NEAR EAST AND NORTH AFRICA

Djibouti: Microfinance and Microenterprise Development Project EB 2002/77/R.25 + Add. 1 + Sup.1 (now EB 2002/77/R.25/Rev.1)

11. In approving a loan of SDR 2.75 million for the above project, the Executive Board requested clarification on why enhanced agricultural production was not directly addressed by the project. It was explained that, given the extremely limited agricultural resource base of the country, the conditions required to achieve a high level of food self-sufficiency do not exist. Project efforts will focus on generating additional income to enable beneficiaries to access food. The Executive Board also requested clarifications regarding the ability of local communities to mobilize savings and the management capacities for the Savings and Credit Association (SCAs) network. It was explained that the savings and credit approach has been validated through the existence of informal savings and credit networks (*tontines*). The Executive Board's attention was also drawn to the significant technical assistance for capacity-building activities foreseen throughout the implementation period, which will enhance management capacities of the SCAs.

Egypt: Second Matruh Resource Management Project EB 2002/77/R.21 + Add. 1 + Sup.1 (now EB 2002/77/R.21/Rev.1)

12. The Executive Board, in approving a loan of SDR 9.60 million for the above-mentioned project, expressed its satisfaction with the partnership arrangements established with the World Bank and GEF. In response to queries regarding coordination issues between IFAD, the World Bank and GEF, it was explained that the cofinancing arrangements were carefully harmonized to ensure a smooth disbursement and financial management that would not negatively impact project implementation. This process will be facilitated by a carefully elaborated project implementation plan and financial management guidelines. The GEF components will be managed by a specialized and financially autonomous unit within the Project Management Unit. Overall project responsibility will remain with the Director General of the project.

Syria: Idleb Rural Development Project EB 2002/77/R.26 + Add.1 + Sup.1 (now EB 2002/77/R.26/Rev.1)

13. The Executive Board approved a loan of SDR 13.30 million for the above-mentioned project. The Board took note of the abstention of the United States. With regard to the issue of the optimistic character of the economic reforms in Syria, while the IFAD division responsible shares the view that such reforms constitute a slow process, it pointed out that the Government of Syria has demonstrated a strong commitment towards pushing a reform agenda forward. This is reflected by several resolutions already passed in relation to the deregulation of the banking system and price liberalization.



II. GRANT PROPOSALS

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

**Technical Assistance Grants for Agricultural Research and Training by CGIAR-Supported International Centres
EB 2002/77/R.27**

15. The following three grants were approved under this sub-category. The President highlighted the pro-poor nature of the Fund's research grant programme and the leadership niche of IFAD in this area, within the global agricultural research and development community. In approving the grants, it was clarified that an IFAD Task Force was working on a new IFAD grant policy scheduled to be presented to the Executive Board at its September 2003 session.

16. Various grant financing modalities were being considered, including grant financing of specific components of loan projects, where appropriate. The nature of the research grant programme would be both strategic (guiding the future loan portfolio) as well as downstream, with grassroots development links to the on-going loan portfolio, where appropriate. The emphasis would be very much on impact achievement and on establishing strategic partnerships, through IFAD leadership in the CGIAR Standing Panel on Impact Evaluation and the Global Forum on Agricultural Research (GFAR) platforms.

International Institute of Tropical Agriculture (IITA): Programme for the Development and Application of Sustainable Integrated-Pest-Management (IPM) Technologies for the Management of Cassava Pests and Diseases in Sub-Saharan Africa

17. The Executive Board approved the grant at a level of USD 1 000 000. In response to a request for clarification, the Board was informed that the programme was integrally linked to the global strategy under the IPM facility hosted at the Food and Agriculture Organization of the United Nations (FAO), and hence the proposed IITA programme would be of direct relevance to the FAO initiative.

International Rice Research Institute (IRRI) and International Centre for Maize and Wheat Improvement (CIMMYT): Multistakeholder Programme to Accelerate Technology Adoption to Improve Rural Livelihoods in the Rainfed Gangetic Plains

18. The Executive Board approved the grant at a level of USD 1 500 000.

International Food Policy Research Institute (IFPRI): Empowering the Rural Poor Under Volatile Policy Environments in the Near East and North Africa Region

19. The Executive Board approved the grant at a level of USD 931 000. The nature of the policy research was further clarified and placed in the context of an unstable and changing policy environment in the region. It was stated that a range of policy and economic reforms aimed at economic liberalization and decentralization as well as other shocks – both natural disasters and political changes – will be analyzed within the three country case studies, so as to develop a comprehensive operational policy framework that will guide policy dialogue, partnerships and the operational content of IFAD loan projects in Morocco, The Sudan and Tunisia, thus providing a platform for validation and incorporating lessons in project design for greater impact across the region.



Technical Assistance Grant to the United Nations Office for Project Services (UNOPS) for the FIDAFRIQUE II Programme: Creating a Regional Information Network in Western and Central Africa

EB 2002/77/R.28 + Add.1 (now EB 2002/77/R.28/Rev.1)

20. The Executive Board approved a grant for USD 1 500 000 for the above programme. Clarification was sought on the accomplishments of Phase I, and it was explained that the programme was on track to meet, or even exceed, its original objective of linking some 30 IFAD projects and 15 IFAD project partners. It was also mentioned that lessons learned during Phase I, as well as from similar initiatives in other regions, have been incorporated into the design of Phase II. Among these is the need to include an array of communications methods – not only the Internet but also more traditional means such as CD-ROMs, written publications and workshops. Another lesson learned was that it is important to develop a network for equipment repair and maintenance. While IFAD projects have the financial means to access repair services, they are often not aware of where such reliable services can be found. Information was also requested on the presence of qualified regional institutions that could eventually take over UNOPS' coordination role. It was mentioned that at least two such organizations possess this potential, and that they will be key implementation partners during Phase II.

