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**IFAD**  
**INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT**  
**Executive Board – Seventy-Ninth Session**  
Rome, 10-12 September 2003

**CLOSING STATEMENT**  
**BY PRESIDENT BÅGE**  
**TO THE SEVENTY-NINTH SESSION OF THE EXECUTIVE BOARD**

Distinguished Directors,

I would now like to summarize our deliberations and briefly highlight the decisions taken at this Session.

The Executive Board considered the document on the Performance-Based Allocation System. The Board, in terms of the mandate and timetable given by the Governing Council, approved the PBAS as elaborated in document EB 2003/79/R.2 and amended in C.R.P.3.

Board Members agreed that in the course of the development of the operational guidelines for performance assessment, IFAD would review, within the proposed indicators, the descriptive text of guidelines for assessment of Rural Development Sector Framework performance to ensure that those guidelines are consistent with approved IFAD policies and IFAD experience of the impact of different institutional and policy factors upon sustainable poverty reduction. A Panel of the Executive Board to be agreed with Convenors would work with IFAD in this task, and a report on progress will be provided to the Executive Board in December 2003, along with any possible recommendations for change. It was also recalled that the lending programme for 2004 and 2005 will be developed within the existing regional allocations. Close involvement of the Executive Board will continue between now and September 2004, when the Programme of Work and Budget for 2005 will be submitted to the Executive Board.

I would like to express our deep gratitude to the informal panel, the Convenors and Friends and all the members who participated in various consultations and meetings whose tireless efforts and consistent cooperation with the Secretariat made the realization of this document possible. I am sure you will all join with me in commending them for their hard work and congratulating them.

The Board then reviewed the document on IFAD Field Presence and In-Country Capacity (document EB 2003/79/R.3 and C.R.P.1). Directors authorized the Fund to elaborate clear guidelines and criteria for selection of countries and instruments to enhance in-country presence and capacity, for the consideration of the December 2003 Executive Board. On this basis, a three year pilot programme, covering up to 15 initiatives and for a total budget of USD 3 million will be launched.

Our gratitude must go to the Ad-hoc Working Group of the Executive Board which worked closely with the Secretariat and the team of five consultants who carried out the rapid country analyses of 15 countries. Their contributions have gone a long way in facilitating the process of analysing the important issue of IFAD's field presence.

The newly-elected Chairman of the Evaluation Committee, Mr Govindan Nair of India presented the Report of the Evaluation Committee on its Thirty-Fourth Session (document EB 2003/79/R.4). Due to time constraints, the Board did not have adequate time to discuss the Report. Therefore, while endorsing the Report, the Board invited further comments from Members which will be considered by the Evaluation Committee at its next session and reported back to the Board in December.

I would like to congratulate Mr Nair on his appointment to chair the Evaluation Committee until April 2006 and I wish him every success in his new capacity. I am sure I speak on behalf of all of you in expressing our appreciation to the outgoing Chairman, Mr Víctor Hugo Morales Meléndez for his dedication and hard work during his term of office.

The Executive Board considered the first Annual Report on the Results and Impact of IFAD Operations (ARRI) (document EB 2003/79/R.5). The Office of Evaluation was commended on the work done and the Board provided valuable guidance for the production of future ARRIs. Management confirmed that it will provide the Board with an annual report on the status of adoption and implementation of evaluation recommendations and an annual report on the consolidated results of the ongoing operations.

The Board then noted the oral report on the Independent External Evaluation of IFAD, as presented by the Director of the Office of Evaluation, as well as the related documentation (document EB 2003/79/R.6). The Board reviewed the document on Resource Requirements for the Independent External Evaluation of IFAD (document EB 2003/79/R.7) and approved the use of USD 1 702 030 as a one-time below-the-line cost in the 2003 IFAD budget for the implementation of the IEE to be offset by voluntary contributions. At the same time the Board emphasized the need to exercise all possible diligence in order to ensure the cost-effectiveness of the consultancy services that will be procured for the IEE.

The Board considered the Report on the Sixth Replenishment of IFAD's Resources (document EB 2003/79/R.8) and the Status of Contributions to the Sixth Replenishment (document EB 2003/79/R.9 and its addendum). Directors noted that, as at 3 September 2003, aggregate pledges, including complementary contributions, amounted to USD 492.8 million equivalent, or 88% of the target of USD 560 million. In response to queries, Directors were informed that every effort was being made to reduce the current 12% gap between pledges received and the target amount. Further pledges are expected in the near future.

Instruments of contribution deposited and payments made against pledges not supported by instruments of contribution amounted to USD 159.8 million or 32.4% of total pledges as at

3 September 2003. Directors were reminded that the Replenishment will only become effective once Instruments of Contribution have been deposited in the amount equivalent to 50% of pledges. Member States which have not already deposited their instrument of contribution are urged to do so as soon as possible.

The document on the Strategic Priorities and Programme of Work of IFAD and its Independent Office of Evaluation, for 2004 (document EB 2003/79/R.10) followed the format based on the process introduced last year; specifically, linking resource allocations to the Fund's strategic priorities. Your helpful suggestions will greatly facilitate the formulation of the final proposals which will be submitted for consideration at the December Board Session. As agreed, we will have a seminar before the December Board on the activity-based presentation of the Programme of Work and Budget.

The Board also discussed Part II of the document containing the work programme and resource issues for the Independent Office of Evaluation for 2004. A comprehensive document on its 2004 work programme and budget will be prepared and discussed with the Evaluation Committee on 27 October, and subsequently the final proposal will be presented to the December Board.

The Board considered the Status of Contributions to the Fifth Replenishment of IFAD's Resources (document EB 2003/79/R.11 and its addendum) and noted that, as at 31 August 2003, instruments of contribution deposited, including payments in cash and promissory notes against pledges not supported by instruments of contribution, amounted to USD 394.9 million equivalent or 85.4% of total pledges. Payments in cash or promissory notes amounted to USD 317.4 million equivalent or 68.6% of pledges. I wish to make a strong appeal to Member States who have not yet made their payments to the Fifth Replenishment to do so as soon as possible.

The Board reviewed the report on the investment portfolio for the second quarter of 2003 (document EB 2003/79/R.12 and its addendum). Directors noted that net investment income in the period January – August 2003 amounted to USD 46 million equivalent which is broadly in line with our target income level.

The Executive Board reviewed the Resources Available for Commitment (document EB 2003/79/R.13 and its addendum) at this Session and approved the use of the advance commitment authority (ACA) for an amount of up to USD 99.8 million. It noted that, taking account of net inflows expected up to the end of August 2003, total ACA use after the current Session of the Board would be about USD 266.1 million. Directors also welcomed the fact that the net use of additional ACA in 2003, on the basis of expected net inflows up to December 2003, was expected to be USD 67.3 million. This continues the trend of declining additional utilization of ACA when compared to the USD 154 million ACA use required in 2001 and the USD 124 million required in 2002.

The Executive Board endorsed the Report of the Audit Committee (document EB 2003/79/R.14) which was presented by the newly-elected Chairman of the Audit Committee, Mr Alain Guillouët of France. On behalf of the Board and myself, let me congratulate him on his election.

The Board considered and approved the Country Strategic Opportunities Papers for Azerbaijan (document EB 2003/79/R.15), Burundi (document EB 2003/79/R.16), D.R.Congo (document EB 2003/79/R.17) and The Gambia (document EB 2003/79/R.18). It then approved six programmes and projects: three in Africa, one in Latin America and the Caribbean and two for Near East and North Africa. The Board also approved the proposal for the collaboration with UNEP and GEF in Kenya (document EB 2003/79/R.35) and the revision of the Rural Livelihoods Support Programme in Malawi (document EB 2003/79/R.21). It also noted the conversion of the Second Eastern Zone Agricultural Programme in Bhutan to a standard non-FLM operation (document EB 2003/79/R.23). The Board also approved six grant proposals.

Board Members raised a number of important policy issues regarding strengthening the synergies between IFAD operations and wider country strategic processes and we will come back to the Board for a discussion on these issues at a convenient time.

The Board reviewed the Planned Project Activities 2003-2004 (document EB 2003/79/R.29) and approved the revised procedure whereby detailed project descriptions in the form of two-page information notes will be posted on IFAD's public website in the four official languages in place of the former Annex A. This will ensure that relevant information is provided in a more timely and efficient manner in the future.

The Board then approved the Draft Provisional Agenda for the forthcoming Twenty-Seventh Session of the Governing Council (document EB 2003/79/R.32) to be held 18-19 February 2004. It noted that the programme of events for the Council would be provided in due course and offered suggestions in this regard.

The proposal to implement a programme of field visits by Executive Board Directors (document EB 2003/79/R.31) was well received by the Board, which authorized the financing of this programme from the Fund's annual administrative budget.

The Board endorsed the Proposal to Mainstream Implementation of the Brussels Programme of Action for the Least Developed Countries in the Programme of Work of IFAD (document EB 2003/79/R.33). The Board subsequently authorized IFAD's accession to the Strategic Partnership Agreement for UNCCD Implementation in the Central Asian Republics (document EB 2003/79/R.34). Directors also welcomed the oral report on the Global Mechanism reflecting the outcome of the Sixth Conference of Parties which took place last week.

The Board welcomed the report given by the Vice-President on the progress made, and the key milestones reached, in the Fund's Strategic Change Programme, as well as the Information Note (document EB 2003/79/R.36) provided. It looked forward to the Progress Report to be submitted to the forthcoming Session of the Board in December.

Finally, the Board approved the disclosure on IFAD's public website of the documents submitted to this Session.

#### Distinguished Directors

We have dealt with a wide range of issues during the past two days, which has required a lot of hard work from all of you. I believe we have made considerable progress on issues of importance for strengthening further the Fund's impact and effectiveness – issues that we have discussed for a long time and that we will come back to in the future. However, we have taken a milestone step further in strengthening the Fund and following up on the decisions taken by the Governing Council and in the Replenishment negotiations last year.

May I finally wish all of you a safe journey home. We leave with not only the expectation but the determination that, in the future, we will be able to conduct the Board sessions in the time frame we have allotted to them. At times, however, exceptional circumstances require additional work and I would thank you all once again for the exceptional work done at this Session.