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**IFAD**

**INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT**

**Executive Board – Eighty-Second Session**

Rome, 8-9 September 2004

**EXECUTIVE BOARD**

**MINUTES OF THE EIGHTY-SECOND SESSION**



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## **MINUTES OF THE EIGHTY-SECOND SESSION OF THE EXECUTIVE BOARD**

### **I. INTRODUCTION**

1. The Eighty-Second Session of the Executive Board was held in Rome on 8-9 September 2004. A list of participants is attached as Annex I.
2. The Executive Board had before it the documents listed in Annex II.

### **II. OPENING OF THE SESSION**

3. The President of IFAD, Mr Lennart Båge, opened the Eighty-Second Session of the Executive Board in his capacity as chairperson. He reiterated the Fund's position on the desert locust emergency in North Africa and in the Sahel region, which posed a direct risk to smallholder farmers and herders (IFAD's target group). IFAD was working in coordination with the Food and Agriculture Organization of the United Nations and bilateral donors to help the countries concerned respond to this threat in a number of ways, building on the experience it had gained in past years. The Fund was using country programmes or specific grants, as appropriate, and its overriding strategy was to enhance the capacity of the affected countries to find a sustainable, safe, environmentally friendly and long-lasting solution to the desert locust threat.

### **III. DECISIONS OF THE EXECUTIVE BOARD**

#### **A. Adoption of the Agenda (Agenda Item 2)**

4. The Executive Board considered the Provisional Agenda (EB 2004/82/R.1) and, upon concluding its discussion of this item, adopted the Agenda as contained in document EB 2004/82/R.1/Rev.1. The Agenda is attached as Annex III.

#### **B. IFAD's Private-Sector Development and Partnership Strategy (Agenda Item 3)**

5. The Executive Board reviewed document EB 2004/82/R.2 on IFAD's Private-Sector Development and Partnership Strategy, and welcomed the broad thrust presented therein. After a rich exchange of views, it was agreed that more work was needed on some elements of the document and that it would need to be augmented by a results framework by which the planned private-sector activities could be monitored and evaluated. The revised document, together with the results framework, will be presented to the Board at its Eighty-Fourth Session in April 2005 for approval.

#### **C. Strategic Priorities and Programme of Work and Budget of IFAD and its Office of Evaluation for 2005 (Agenda Item 4)**

6. The Executive Board considered the document on the Strategic Priorities and Programme of Work and Budget of IFAD and its Office of Evaluation for 2005 (EB 2004/82/R.3 and its corrigendum). It found it to be far more strategic and thus an improvement over last year's presentation. The document elaborated a scenario for a planned programme of work at a level of USD 475 million, which the Fund aims to increase to a level of USD 500 million, subject to availability of resources. There was general appreciation of the levels of the lending programme and administrative budget proposed for the Fund. Directors expressed their hope that the USD 500 million level for the programme of work could be attained, and they were reassured that it was management's intention to maintain as high a lending programme as available resources would allow.

7. The document also provided the allocation, to date, of funds carried over from the 2003 administrative budget, as well as a preview of the 2005 work programme and budget for the Office of Evaluation, the latter not entailing any increase in real terms. A comprehensive document on the 2005 work programme and budget of the Office of Evaluation was to be prepared and reviewed by the Evaluation Committee on 15 October 2004.

8. Directors looked forward to receiving final proposals, at the Eighty-Third Session of the Executive Board, in both the traditional budget category format and the new activity-based format. As decided in April of this year, budget proposals to be presented for consideration at the December 2004 Board Session would first be reviewed by the Audit Committee at its meeting on Wednesday, 3 November 2004, and a subsequent report would be submitted to the Board.

#### **D. Evaluation (Agenda Item 5)**

##### **(a) Reports of the Evaluation Committee**

9. The Executive Board considered the reports of the chairperson of the Evaluation Committee on the committee's Thirty-Sixth and Thirty-Seventh Sessions (documents EB 2004/82/R.4 and EB 2004/82/R.5). In endorsing the reports, the Board agreed to postpone the evaluation of the flexible lending mechanism by the Office of Evaluation until 2006/2007. Directors also noted that the Evaluation Committee's recommendations on the revised Terms of Reference and Rules of Procedure of the Evaluation Committee would be provided to the Executive Board at its Eighty-Third Session in December 2004.

##### **(b) Annual Report on the Results and Impact of IFAD Operations (ARRI)**

10. The Executive Board reviewed the second Annual Report on the Results and Impact of IFAD Operations – Operations Evaluated in 2003 (document EB 2004/82/R.6) and commended the Office of Evaluation on the report, which provided a transparent and succinct account of the results and impact of IFAD operations based on evaluations undertaken in 2003. Directors took note of the important recurrent issues and implications for IFAD raised in the document. In this context, it was agreed that IFAD management would provide a response to the issues raised in the ARRI in the annual Progress Report on the Project Portfolio.

##### **(c) Fourth Status Report on the Progress of the Independent External Evaluation of IFAD**

11. The Director of the Office of Evaluation presented the Fourth Status Report on the Progress of the Independent External Evaluation of IFAD (document EB 2004/82/R.7). While taking note of the timely progress of the Independent External Evaluation (IEE), the Board requested that the terms of reference of the IEE human resources consultant be provided to the Board in December 2004, together with the next status report.

#### **E. Report of the President on the Status of Implementation of Evaluation Recommendations (Agenda Item 6)**

12. In line with the new IFAD evaluation policy, the Board reviewed the first Report of the President on the Status of Implementation of Evaluation Recommendations (document EB 2004/82/R.8). Directors welcomed the summary of cross-cutting themes that had emerged from 2002 evaluations, as well as the main highlights regarding implementation of the various evaluation recommendations. As stipulated in the evaluation policy, the comments of the Office of Evaluation on the report were also provided.

**F. Country Strategic Opportunities Papers (Agenda Item 7)**

13. Executive Board Directors expressed appreciation of the Fund's continued efforts to ensure that country strategic opportunities papers (COSOPs) represent a strategic framework for its country programmes. They put forward suggestions and ideas for improving the existing COSOP framework.

14. The Executive Board then reviewed the following COSOPs:

**(a) Mozambique**

15. The Executive Board reviewed the COSOP for Mozambique (document EB 2004/82/R.9). Board Directors expressed their support of the document and comments were provided regarding the format applied, including the logical framework, strategic coverage and implementation of the identified strategic thrusts. There was general agreement that the analysis, strategic issues and coverage, focused exclusively at the macro and strategic level, provided a comprehensive framework for future IFAD programme alignment and concentration on the key areas identified. Questions were raised regarding specific follow-up actions for implementation and the consequences for pipeline programmes. In addition, the importance of the cross-cutting issues, gender and, in particular, HIV/AIDS was emphasized. Based on the identified strategic thrusts, the Directors for Germany and Switzerland expressed their countries' interest and confirmed complementarity with their country programmes. Follow-up discussions will be undertaken in this respect.

**(b) Uganda**

16. The Executive Board reviewed the updated COSOP for Uganda (document EB 2004/82/R.10). This COSOP built on the first version (1998) and provided a basis for IFAD's future participation in and contribution to the development of a coherent and supportive national strategy, planning, policy, institutional and material framework for smallholder agricultural commercialization. It set out a process by which IFAD's future support would move from projects and area-based interventions to sector-wide approaches supported by multi-donor, basket funding mechanisms and complementary innovative projects. Directors expressed satisfaction with the quality of the document, its synergy with the Government of Uganda's Poverty-Eradication Action Plan and its Plan for Modernization of Agriculture. They further appreciated the document's clarity in setting out the direction and intention of IFAD's future enhanced support for, and contribution to, coherent donor efforts to strengthen the national effort in poverty reduction. Directors concurred with IFAD's intention to maintain the flexibility offered by the project approach, especially relating to areas and issues that require a very site-specific, innovative approach and for which there are few concrete experiences for scaling up.

17. Directors made a number of positive and valuable suggestions, which will be taken into consideration in finalizing the COSOP: mention of the cost reduction to the Government implied in the sector-wide approach, reference to repercussions of the ongoing Vegetable Oil Development Project and improvements to the logical framework.

**G. Resources Available for Commitment (Agenda Item 8)**

18. The Executive Board reviewed the document on Resources Available for Commitment (EB 2004/82/R.11) and noted that total net flows from January to August 2004 were estimated at USD 252.6 million – sufficient to cover the amount required for the proposals submitted to this session. Thus no additional advance commitment authority was required at this session of the Board.

## H. Project/Programme Proposals for Consideration by the Executive Board (Agenda Item 9)

19. While it was not possible, for logistical reasons, to negotiate the loan proposals for Brazil and Nepal originally scheduled for submission to this Board Session, Directors provided comments and considerations that would expedite the approval process of the two proposals, which will be finalized and submitted to the Eighty-Third Session of the Board in December 2004.

20. The Executive Board considered the following project/programme proposals:

### (a) Eastern and Southern Africa

(i) *Burundi: Transitional Programme of Post-Conflict Reconstruction*

21. The Executive Board considered the programme proposal contained in document EB 2004/82/R.12, with its addendum and supplement, and adopted the following resolution:

“RESOLVED: that the Fund shall make a loan to the Republic of Burundi in various currencies in an amount equivalent to eleven million three hundred thousand Special Drawing Rights (SDR 11 300 000) to mature on or prior to 1 December 2044 and to bear a service charge of three fourths of one per cent (0.75%) per annum, and to be upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board in this Report and Recommendation of the President.”

(ii) *Rwanda: President’s Memorandum: Revised Scope and Implementing Arrangements for the Umutara Community Resource and Infrastructure Development Project (Loan 537-RW)*

22. The Executive Board considered the proposal contained in document EB 2004/82/R.13 and approved “the new implementing arrangements for cycle II within the existing envelope, through the following amendments to Loan 537-RW designed under the flexible lending mechanism:

- (i) streamline the project from five components to three: (a) support for decentralization and infrastructure development; (b) rural economic transformation; and (c) project management;
- (ii) extend the project area from the initial four districts to all eight districts of Umutara province;
- (iii) revise loan categories and the percentage of expenditures eligible for IFAD financing of 537-RW to harmonize with the loan categories of 573-RW and reallocate funds accordingly, as indicated in Annex I; and
- (iv) adjust the triggers for proceeding from cycle II to III to take into account recent implementation experience (Annex II).

### (b) Asia and the Pacific

*Sri Lanka: Dry Zone Livelihood Support and Partnership Programme*

23. The Executive Board considered the programme and grant proposal contained in document EB 2004/82/R.15, with its addendum and supplement, and adopted the following resolutions:



“RESOLVED: that the Fund shall make a loan to the Democratic Socialist Republic of Sri Lanka in various currencies in an amount equivalent to fifteen million one hundred thousand Special Drawing Rights (SDR 15 100 000) to mature on and prior to 1 September 2044 and to bear a service charge of three fourths of one per cent (0.75%) per annum, and to be upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board in this Report and Recommendation of the President.”

“RESOLVED FURTHER: that the Fund shall provide a grant to the Democratic Socialist Republic of Sri Lanka in various currencies in an amount equivalent to two hundred forty thousand Special Drawing Rights (SDR 240 000) and to be upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board in this Report and Recommendation of the President.”

(c) **Near East and North Africa**

(i) *Azerbaijan: North-East Development Project*

24. The Executive Board considered the project proposal contained in document EB 2004/82/R.17, with its addendum and supplement, and adopted the following resolution:

“RESOLVED: that the Fund shall make a loan to the Republic of Azerbaijan in various currencies in an amount equivalent to eight million six hundred thousand Special Drawing Rights (SDR 8 600 000) to mature on or prior to 1 September 2044 and to bear a service charge of three fourths of one per cent (0.75%) per annum, and to be upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board in this Report and Recommendation of the President.”

(ii) *Yemen: Al-Dhala Community Resource Management Project*

25. The Executive Board considered the project proposal contained in document EB 2004/82/R.18, with its corrigendum and supplement, and adopted the following resolution:

“RESOLVED: that the Fund shall make a loan to the Republic of Yemen in various currencies in an amount equivalent to nine million eight hundred thousand Special Drawing Rights (SDR 9 800 000) to mature on or prior to 1 September 2044 and to bear a service charge of three fourths of one per cent (0.75%) per annum, and to be upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board in this Report and Recommendation of the President.”

**I. Grant Proposals for Consideration by the Executive Board (Agenda Item 10)**

26. The Executive Board considered the following grant proposals:

(a) **Technical Assistance Grants under the Global/Regional Grants Window for Agricultural Research and Training by CGIAR-Supported International Centres**

27. The Executive Board considered the grant proposals contained in document EB 2004/82/R.19 and, by adopting the following resolutions, agreed to support three agricultural research and training programmes to be implemented through CGIAR centres:

“RESOLVED: that the Fund, in order to finance, in part, the Programme for Improving Livelihoods in Rural West and Central Africa through Productive and Competitive Yam Systems – Phase II, shall make a grant not exceeding one million five hundred thousand United States dollars (USD 1 500 000) to the International Institute of Tropical Agriculture (IITA) upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board in this Report and Recommendation of the President.

FURTHER RESOLVED: that the Fund, in order to finance, in part, the Programme for Overcoming Poverty in Coconut-Growing Communities: Coconut Genetic Resources for Sustainable Livelihoods, shall make a grant not exceeding one million United States dollars (USD 1 000 000) to the International Plant Genetic Resources Institute (IPGRI) upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board in this Report and Recommendation of the President.

FURTHER RESOLVED: that the Fund, in order to finance, in part, the Programme for Managing Rice Landscapes in the Marginal Uplands for Household Food Security and Environmental Sustainability, shall make a grant not exceeding one million one hundred and ninety thousand United States dollars (USD 1 190 000) to the International Rice Research Institute (IRRI) upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board in this Report and Recommendation of the President.”

(b) **Technical Assistance Grants under the Global/Regional Grants Window for Agricultural Research and Training by Non-CGIAR-Supported International Centres**

28. The Executive Board considered the grant proposals contained in document EB 2004/82/R.20 and, by adopting the following resolutions, agreed to support two agricultural research and training programmes to be implemented through non-CGIAR centres:

“RESOLVED: that the Fund, in order to finance, in part, the Programme for Building Strategic Coalitions and Promoting Innovation and Learning in Rural Finance, shall make a grant not exceeding one million two hundred thousand United States dollars (USD 1 200 000) to the Consultative Group to Assist the Poor (CGAP) upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board in this Report and Recommendation of the President.

FURTHER RESOLVED: that the Fund, in order to finance, in part, the Regional Water Demand Initiative, shall make a grant not exceeding one million two hundred thousand United States dollars (USD 1 200 000) to the International Development Research Centre (IDRC) upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board in this Report and Recommendation of the President.”

(c) **Technical Assistance Grant to the International Land Coalition for the Programme to Strengthen the Secure Access of the Rural Poor to Land and Related Support Services**

29. The Executive Board considered the information contained in document EB 2004/82/R.21 and approved the technical assistance grant by adopting the following resolution:

“RESOLVED: that the Fund, in order to finance, in part, the Programme to Strengthen the Secure Access of the Rural Poor to Land and Related Support Services, for the first of two years, commencing in January 2005, shall make a grant not exceeding nine hundred thousand United States dollars (USD 900 000) to the International Land Coalition upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board in this Report and Recommendation of the President.”

30. The Board noted that the total financing for the programme considered by IFAD was about USD 1.87 million, in two phases of one year each – 2005 and 2006. Upon satisfactory review by IFAD of progress and achievements in 2005, a second-phase grant of USD 965 000 will be submitted to the Executive Board for its consideration.

(d) **Technical Assistance Grant through the United Nations Office for Project Services for the Regional Programme in Support of a Medicinal Plants Development Network in Argentina, Brazil, Paraguay and Uruguay**

31. The Executive Board considered the information contained in document EB 2004/82/R.22 and approved the technical assistance grant by adopting the following resolution:

“RESOLVED: that the Fund, in order to finance, in part, the Regional Programme in Support of a Medicinal Plants Development Network in Argentina, Brazil, Paraguay and Uruguay, for three years, commencing in December 2004, shall make a grant not exceeding one million United States dollars (USD 1 000 000) available for the administration of the United Nations Office for Project Services upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board in this Report and Recommendation of the President.”

(e) **Technical Assistance Grant to Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama for the Regional Unit for Technical Assistance (RUTA) – Phase VI**

32. The Executive Board considered the information contained in document EB 2004/82/R.23/Rev.1 and approved the technical assistance grant by adopting the following resolution:

“RESOLVED: that the Fund, in order to finance, in part, the Regional Unit for Technical Assistance (RUTA) – Phase VI, for three years, commencing in September 2004, shall make a grant not exceeding one million two hundred and thirty thousand United States dollars (USD 1 230 000) to Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board in this Report and Recommendation of the President.”

**J. Planned Project Activities (Agenda Item 11)**

33. The Executive Board considered the document on Planned Project Activities 2004-2005 (EB 2004/82/R.24) and noted the information provided on the projects and programmes in the pipeline, as well as the COSOPs under preparation and planned for 2004 and 2005. Directors welcomed plans for an in-house review of the project development process with a view to identifying areas that might be streamlined, thus ensuring a more even distribution of proposals for presentation to Board sessions in 2005.

**K. Financial Reports (Agenda Item 12)****(a) Report on the Status of Contributions to the Sixth Replenishment of IFAD's Resources**

34. The Executive Board reviewed the Report on the Status of Contributions to the Sixth Replenishment of IFAD's Resources (EB 2004/82/R.25). In the oral update provided, Directors noted that instruments of contribution deposited and payments made to date against pledges not supported by instruments of contribution amounted to USD 420.4 million, or 84% of pledges. Aggregate pledges, including complementary contributions, amounted to USD 500.3 million or 89.3% of the target amount of USD 560 million. This represented an improvement over the Fund's position at the same stage of the Fifth Replenishment.

35. During the Session, the Director for Kuwait informed the Board that his Government was currently finalizing its pledge of USD 2 million towards the Sixth Replenishment and that it might consider increasing this level. Member States that had not yet announced their pledges to the Sixth Replenishment were urged to do so as soon as possible, while those that had not yet deposited their respective instruments of contribution or paid their contribution to the Sixth Replenishment were invited to do so promptly.

**(b) Report on IFAD's Investment Portfolio for the Second Quarter of 2004**

36. The Executive Board reviewed the Report on IFAD's Investment Portfolio for the Second Quarter of 2004 (document EB 2004/82/R.26). A further oral report provided up-to-date figures. Directors noted that, while in the second quarter of 2004, in aggregate, the investment portfolio generated a net investment loss of USD 14.4 million, as at 31 August 2004 net investment income was estimated at USD 54 million. Furthermore, in June 2004 the last portion of inflation-indexed bonds was funded in the amount of USD 180 million, thus bringing the portfolio's allocation for such bonds closely in line with the 18% allocation stipulated by the investment policy.

**(c) Report of the Audit Committee**

37. The chairperson of the Audit Committee presented the committee's report on its Eighty-Sixth Meeting (document EB 2004/82/R.27). The Executive Board endorsed the committee's recommendations that the level of the General Reserve should be maintained at USD 95 million and that it should be reviewed again in 2006 with regard to adequacy – taking into consideration the impact of the Asset Liability Management action points to be implemented in the meantime.

38. The Board also endorsed the following recommendations with respect to the After-Service Medical Coverage Scheme (ASMCS):

- “(a) The accounting gain arising from the 2003 actuarial valuation should be fully released through the 2004 profit-and-loss account. Under the regulations governing the IFAD ASMCS Trust Fund, any release of funds back to IFAD requires authorization from the Executive Board. The Audit Committee therefore recommends that the Executive Board authorize the release of the 2003 accounting gain at its Eighty-Second Session.
- (b) For the present, IFAD should remain in the FAO group scheme, based on practical considerations such as the additional administrative and human-resource requirements involved in setting up an individual scheme. In addition, IFAD has provided input to the selection of certain key base assumptions for the 2003 valuation, not least the method of allocation. IFAD will continue to actively participate in operational decisions in

subsequent valuations, and the Secretariat will evaluate whether or not this decision should be modified.

- (c) Any future actuarial gains and losses should be recognized immediately in IFAD's Financial Statements where required under International Financial Reporting Standards (IFRS), without having to make a formal request through the Audit Committee to the Executive Board in each relevant year for a mandatory accounting entry. It is recommended that the President of IFAD make transfers of internal resources to the Trust Fund when required. The Audit Committee and the Executive Board should be informed of any such transfers."

39. The Board also noted the committee's intention to continue pursuing consensus on the Guidelines for the Procurement of Goods, Works and Consulting Services under IFAD Loans and Grants and to report to the Board on the matter in December 2004.

#### **L. Human Resources Policy (Agenda Item 13)**

40. The Executive Board commended IFAD management on the work involved in compiling the proposed Human Resources Policy as contained in document EB 2004/82/R.28 and suggested minor editorial changes, which will be reflected in document EB 2004/82/R.28/Rev.1. In approving the policy and authorizing the President of IFAD to amend the procedures accordingly, Directors offered various views and comments that will be taken into consideration as the procedures are amended. Once these supporting procedures have been approved by the President, the policy, as contained in EB 2004/82/R.28/Rev.1, will enter into force and replace the current Personnel Policies Manual (PPM).

#### **M. Draft Provisional Agenda for the Twenty-Eighth Session of the Governing Council (Agenda Item 14)**

41. The Executive Board reviewed the Draft Provisional Agenda for the Twenty-Eighth Session of the Governing Council, to be held on 16-17 February 2005, as contained in document EB 2004/82/R.29, and approved the Provisional Agenda as contained in document EB 2004/82/R.29/Rev.1. It noted that the programme of events for the Governing Council would be provided at the December 2004 session of the Board.

#### **N. Progress Report on Implementation of the Performance-Based Allocation System (Agenda Item 15)**

42. The Executive Board reviewed the Progress Report on Implementation of the Performance-Based Allocation System (PBAS), contained in document EB 2004/82/R.30. While Directors expressed appreciation of the work that had gone into the preparatory phase of implementing the performance-based allocation system, it was also recognized that the process of consultations and validation of all data had not yet been completed. It was therefore agreed not to publicly disclose the document at this stage. PBAS allocations and all components of country scores will be presented as a Board document and subsequently disclosed at the Eighty-Third Session of the Board in December 2004 after the process has been completed (including the planned consultations).

43. With regard to the proposals made in paragraph 12 of document EB 2004/82/R.30, the Board agreed to only the second and fourth proposals, namely, on the pragmatic approach to small-island developing countries and other countries with extremely small populations, and with reference to the consideration of projects that are already at an advanced stage of preparation and whose planned loan amounts may exceed the PBAS allocation. As a transitional measure, these projects will be considered by the Board. To this effect, management's intention to bring such projects before the Board in April

2005 was noted. In addition, the Board supported the view that there should be a six-year perspective, i.e. two replenishment cycles, for the application of the PBAS.

**O. Other Business (Agenda Item 16)**

**(a) Application for Non-Original Membership**

44. The Executive Board reviewed the application for non-original membership in the Fund submitted by the Republic of Kiribati, as contained in document EB 2004/82/R.35, and recommended its submission to the Twenty-Eighth Session of the Governing Council for approval.

**(b) Election of Representatives of the Governing Council to the IFAD Staff Pension Committee**

45. The Executive Board elected Mr B. Dunnzloff of Germany as Member, Mr E.R.M. Perera of Sri Lanka as first Alternate Member and Mr A. Al-Aquil of Saudi Arabia as second Alternate Member, to represent the Fund's Governing Council on the IFAD Staff Pension Committee for a period of three years ending 30 September 2007.

**(c) Accession of IFAD to the Financial and Administrative Framework Agreement (FAFA) between the European Union and the United Nations**

46. The Executive Board considered document EB 2004/82/R.32 and authorized the President to negotiate and finalize the legal documentation required for IFAD to become a partner in the Financial and Administrative Framework Agreement between the European Union and the United Nations, along the lines of similar agreements already signed with other partners, and any consequent and related contribution agreements.

**(d) Cooperation Agreement with the Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH**

47. The Executive Board considered document EB 2004/82/R.33 and authorized the President to negotiate and finalize a cooperation agreement between IFAD and the Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH (the German Agency for Technical Cooperation) along the lines of similar agreements already signed between IFAD and other institutions.

**(e) Special Expenditure for IFAD's New Headquarters**

48. The Executive Board considered document EB 2004/82/R.34 and recommended that the Governing Council approve a special expenditure of EUR 4.4 million (USD 5.4 million at the July 2004 exchange rate), over the period 2005-2007, to finance the common areas and facilities of IFAD's new Headquarters in Via Paolo di Dono 44, Rome. Directors expressed their appreciation of the generosity of IFAD's host country and looked forward to receiving more detailed information in December 2004 on the costs involved. The Board will also be presented, at the end of each year over the three-year period 2005-2007, with reports on expenditure together with reports on Member State voluntary contributions.

**(f) Informal Executive Board Seminar on the Asset Liability Management Review**

49. The Executive Board was presented with an oral report on the informal Executive Board Seminar on the Asset Liability Management (ALM) Review held on 17 June 2004. Directors welcomed the progress in implementing the four action points of the ALM review, presented to the Board in December 2003, and the plans for the respective next steps.

**(g) Informal Executive Board Seminar on Sector-Wide Approaches in Agriculture**

50. The Executive Board was presented with an oral report on the informal Executive Board seminar on Sector-Wide Approaches in Agriculture (SWAp), held on 7 September 2004. The Government of Ireland was thanked for its support and for its active involvement in the seminar – presenting a broad overview paper and two sets of experiences in the implementation of social-sector SWAps in Africa. Discussions at the seminar made it clear that SWAps could play an important role in harmonizing efforts to achieve both the Millennium Development Goals and poverty-reduction strategy paper objectives. IFAD will support effective SWAps where they exist, and, indeed, governments have requested IFAD's participation in SWAps in order to help make them better instruments for rural poverty reduction. In this context, it was noted that IFAD does not provide, or intend to provide, budgetary support under SWAps.

51. The factors bearing upon success in SWAp-based and similar or more limited processes include IFAD's capacities for policy dialogue, knowledge management, partnership development and management for impact. All these issues were currently being reviewed in-house and were also covered by the Independent External Evaluation of IFAD. It was expected that discussion of areas for deepening these capacities, including the issue of field representation, will be an important element of discussions during negotiations for the Seventh Replenishment of IFAD's Resources. The seminar concluded that it might be better to address these issues in one coherent process, rather than hold a further partial debate on SWAp issues alone.

**(h) Progress Report on the Process Re-Engineering Programme (Strategic Change Programme)**

52. The Executive Board was presented with an oral update on the progress of the Strategic Change Programme. Directors looked forward to a further written report at the Eighty-Third Session of the Board in December 2004.

**(i) Progress Report from the Ad-hoc Working Group of the Executive Board on Field Presence**

53. The Executive Board welcomed the oral report on the progress of the Field Presence Pilot Programme, which was provided by the chairperson of the Ad-hoc Working Group of the Executive Board, Mr Peter Reid. It was noted that a written report would be provided to the Eighty-Third Session of the Board in December 2004.

**(j) Approval of Disclosure of Documents**

54. The Executive Board approved the disclosure on IFAD's public website of the documents submitted in hardcopy to the current session, with the exception of documents R.2, R.30 and R.34 on IFAD's Private-Sector Development and Partnership Strategy, the Progress Report on Implementation of the Performance-Based Allocation System and the Special Expenditure for IFAD's New Headquarters, respectively. Public disclosure of the information papers posted on the Fund's restricted website was also approved.





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**IFAD**  
**INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT**  
**Executive Board – Eighty-Second Session**  
Rome, 8-9 September 2004

**LIST OF PARTICIPANTS AT THE EIGHTY- SECOND SESSION  
OF THE EXECUTIVE BOARD**

**LISTE DES PARTICIPANTS A LA QUATRE-VINGT- DEUXIEME SESSION  
DU CONSEIL D'ADMINISTRATION**

**LISTA DE LOS PARTICIPANTES EN EL 82º PERÍODO DE SESIONES  
DE LA JUNTA EJECUTIVA**

**Member  
Membre  
Miembro**

**Alternate Member  
Membre suppléant  
Miembro suplente**

**LIST A**

**Canada**

Charles PARKER  
Counsellor (Development)  
Alternate Permanent Representative  
of Canada to the United Nations  
Food and Agriculture Agencies  
Rome

**Ireland**

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First Secretary (Agriculture)  
Alternate Permanent Representative  
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Food and Agriculture Agencies  
Rome

**France**

Alain GUILLOUËT  
Ministre Conseiller  
Chef de la Mission économique  
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Direction Générale de la Coopération  
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to IFAD  
Rome

**Switzerland**

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Ministre  
Représentant permanent de la  
Confédération suisse  
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Rome

**Italy**

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Affaires générales, personnel et  
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**Austria**

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International Finance Institutions  
Federal Ministry of Finance  
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**Member  
Membre  
Miembro**

**Alternate Member  
Membre suppléant  
Miembro suplente**

**Japan**

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Food and Agriculture Agencies  
Rome

**Denmark**

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Minister  
Deputy Permanent Representative  
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Rome

**Netherlands**

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Counsellor  
Deputy Permanent Representative  
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Rome

**United Kingdom**

Matthew WYATT  
Ambassador of the United Kingdom of  
Great Britain and Northern Ireland  
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Agriculture Agencies  
Rome

**Sweden**

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Permanent Representative of the  
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**Norway**

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Rome

**United States**

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**Australia**

**Member**  
**Membre**  
**Miembro**

**Alternate Member**  
**Membre suppléant**  
**Miembro suplente**

**LIST B**

**Kuwait**

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Kuwait Fund for Arab  
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Kuwait City

**United Arab Emirates**

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Assistant Director  
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Ministry of Finance  
and Industry  
Dubai

**Nigeria**

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Minister  
Permanent Representative of the  
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to the United Nations Food  
and Agriculture Agencies  
Rome

**Saudi Arabia**

Ahmad Ben Souleiman AL-AQUIL  
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**Indonesia**

Natigor SIAGIAN  
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Department of Agriculture  
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**Venezuela**

Rudolf RÖMER  
Vicepresidente de Inversiones y  
Cooperación Internacional  
Banco de Desarrollo Económico y  
Social de Venezuela (BANDES)  
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Membre  
Miembro**

**Alternate Member  
Membre suppléant  
Miembro suplente**

**LIST C  
SUB-LIST C1 – Africa**

**Cameroon**

Médi MOUNGUI  
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**LIST C  
SUB-LIST C2 – Europe, Asia and the Pacific**

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Membre  
Miembro**

**Alternate Member  
Membre suppléant  
Miembro suplente**

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SUB-LIST C3 – Latin America and the Caribbean**

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Primera Secretaria  
Encargada de Negocios, a.i.  
Representante Permanente de  
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ante el FIDA  
Roma

**Mexico**

Víctor Hugo MORALES MELÉNDEZ  
Consejero  
Representante Permanente Adjunto  
de los Estados Unidos Mexicanos  
ante el FIDA  
Roma

**Argentina**

Ariel FERNÁNDEZ  
Secretario  
Representante Permanente Alterno  
de la República Argentina  
ante el FIDA  
Roma

**LIST OF DOCUMENTS PLACED BEFORE THE  
EIGHTY-SECOND SESSION OF THE EXECUTIVE BOARD**

Document No.	Agenda Item	Title
EB 2004/82/R.1	2	Provisional Agenda
EB 2004/82/R.1/Add.1	2	Schedule of Work for the Session
EB 2004/82/R.2	3	IFAD's Private-Sector Development and Partnership Strategy
EB 2004/82/R.3 + Corr.1	4	Strategic Priorities and Programme of Work and Budget of IFAD and its Office of Evaluation for 2005
EB 2004/82/R.4	5(a)(i)	Report of the Chairperson on the Thirty-Sixth Session of the Evaluation Committee
EB 2004/82/R.5	5(a)(ii)	Report of the Chairperson on the Thirty-Seventh Session of the Evaluation Committee
EB 2004/82/R.6	5(b)	Annual Report on Results and Impact of IFAD Operations (ARRI) – Operations Evaluated in 2003
EB 2004/82/R.7	5(c)	Fourth Status Report on the Progress of the Independent External Evaluation of IFAD (IEE)
EB 2004/82/R.8	6	Report of the President on the Status of Implementation of Evaluation Recommendations
EB 2004/82/R.9	7(a)	<b>Mozambique:</b> Country Strategic Opportunities Paper (COSOP)
EB 2004/82/R.10	7(b)	<b>Uganda:</b> Country Strategic Opportunities Paper (COSOP)
EB 2004/82/R.11	8	Resources Available for Commitment
EB 2004/82/R.12 + Add.1 + Sup.1	9(a)(i)	<b>Burundi:</b> Transitional Programme of Post-Conflict Reconstruction
EB 2004/82/R.13	9(a)(ii)	<b>Rwanda:</b> President's Memorandum: Revised Scope and Implementing Arrangements for the Umutara Community Resource and Infrastructure Development Project (Loan No. 537-RW)
EB 2004/82/R.15 + Add.1 + Sup.1	9(b)	<b>Sri Lanka:</b> Dry Zone Livelihood Support and Partnership Programme
EB 2004/82/R.17 + Add.1 + Sup.1	9(c)(i)	<b>Azerbaijan:</b> North-East Development Project

Document No.	Agenda Item	Title
EB 2004/82/R.18 + Sup.1 + Corr.1	9(c)(ii)	<b>Yemen:</b> Al-Dhala Community Resource Management Project
EB 2004/82/R.19	10(a)	Technical Assistance Grants under the Global/Regional Grants Window for Agricultural Research and Training by CGIAR-Supported International Centres
EB 2004/82/R.20	10(b)	Technical Assistance Grants under the Global/Regional Grants Window for Agricultural Research and Training by Non-CGIAR-Supported International Centres
EB 2004/82/R.21	10(c)	Technical Assistance Grant to the International Land Coalition for the Programme to Strengthen the Secure Access of the Rural Poor to Land and Related Support Services
EB 2004/82/R.22	10(d)	Technical Assistance Grant through the United Nations Office for Project Services (UNOPS) for the Regional Programme in Support of a Medicinal Plants Development Network in Argentina, Brazil, Paraguay and Uruguay
EB 2004/82/R.23 + Corr.1 <sup>1</sup>	10(e)	Technical Assistance Grant to Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama for the Regional Unit for Technical Assistance RUTA – Phase VI
EB 2004/82/R.24	11	Planned Project Activities 2004-2005
EB 2004/82/R.25	12(a)	Status of Contributions to the Sixth Replenishment of IFAD's Resources
EB 2004/82/R.26	12(b)	Report on IFAD's Investment Portfolio for the Second Quarter of 2004
EB 2004/82/R.27	12(c)	Report of the Audit Committee
EB 2004/82/R.28	13	Human Resources Policy
EB 2004/82/R.29	14	Draft Provisional Agenda for the Twenty-Eighth Session of the Governing Council
EB 2004/82/R.30	15	Progress Report on the Implementation of the Performance-Based Allocation System
EB 2004/82/R.31	16(b)	Election of Representatives of the Governing Council to the IFAD Staff Pension Committee
EB 2004/82/R.32	16(c)	Accession of IFAD to the Financial and Administrative Framework Agreement (FAFA) Between the European Union and the United Nations
EB 2004/82/R.33	16(d)	Cooperation Agreement with the Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH

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<sup>1</sup> In Spanish only.



ANNEX II

<b>Document No.</b>	<b>Agenda Item</b>	<b>Title</b>
EB 2004/82/R.34	16(e)	Special Expenditure for IFAD's New Headquarters
EB 2004/82/R.35	16(a)	Application for Non-Original Membership
EB 2004/82/INF.1		Arrangements for the Eighty-Second Session of the Executive Board
EB 2004/82/INF.2		List of IFAD Staff Involved in the Preparation of Country Strategic Opportunities Papers and Loan and Grant Proposals for Submission to the Eighty-Second Session of the Executive Board
EB 2004/82/INF.3		Memorandum of Understanding for a Cooperation Framework between IFAD and the New Partnership for Africa's Development (NEPAD)
EB 2004/82/INF.4		Implementation of the First Cycle of the Umutara Community Resource and Infrastructure Development Project (UCRIDP) in Rwanda Financed under the Flexible Lending Mechanism
EB 2004/82/INF.5		Status Report on Principal and Interest Payments
EB 2004/82/INF.6		IFAD's Lending Terms and Conditions – Interest Rate for the Year 2005 for Loans on Ordinary and Intermediate Terms
EB 2004/82/INF.7		Progress Report on Implementation of a Framework for a Results and Impact Management System for IFAD-Supported Country Programmes
EB 2004/82/INF.8		Field Presence Pilot Programme 2004-2007 – Initiative Briefs
EB 2004/82/INF.9		Provisional List of Participants at the Eighty-Second Session of the Executive Board
EB 2004/82/INF.10		Closing Statement by President Båge to the Eighty-Second Session of the Executive Board
EB 2004/82/INF.11		Summary of Project, Programme and Grant Proposals Discussed by the Executive Board



# a

## IFAD

### INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

#### Executive Board – Eighty-Second Session

Rome, 8-9 September 2004

## AGENDA

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3. IFAD's Private-Sector Development and Partnership Strategy
4. Strategic Priorities and Programme of Work and Budget of IFAD and its Office of Evaluation for 2005
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  - (b) Annual Report on the Results and Impact of IFAD Operations (ARRI)
  - (c) Fourth Status Report on the Progress of the Independent External Evaluation of IFAD (IEE)
6. Report of the President on the Status of Implementation of Evaluation Recommendations
7. Country Strategic Opportunities Papers (COSOPs)
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    - (ii) Rwanda: President's Memorandum: Revised Scope and Implementing Arrangements for the Umutara Community Resource and Infrastructure Development Project (Loan 537-RW)
  - (b) Asia and the Pacific

Sri Lanka: Dry Zone Livelihood Support and Partnership Programme
  - (c) Near East and North Africa
    - (i) Azerbaijan: North-East Development Project
    - (ii) Yemen: Al-Dhala Community Resource Management Project
10. Grant Proposals for Consideration by the Executive Board
  - (a) Technical Assistance Grants under the Global/Regional Grants Window for Agricultural Research and Training by CGIAR-Supported International Centres
  - (b) Technical Assistance Grants under the Global/Regional Grants Window for Agricultural Research and Training by Non-CGIAR-Supported International Centres
  - (c) Technical Assistance Grant to the International Land Coalition for the Programme to Strengthen the Secure Access of the Rural Poor to Land and Related Support Services
  - (d) Technical Assistance Grant through the United Nations Office for Project Services (UNOPS) for the Regional Programme in Support of a Medicinal Plants Development Network in Argentina, Brazil, Paraguay and Uruguay
  - (e) Technical Assistance Grant to Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama for the Regional Unit for Technical Assistance RUTA – Phase VI
11. Planned Project Activities
12. Financial Reports
  - (a) Report on the Status of Contributions to the Sixth Replenishment of IFAD's Resources
  - (b) Report on IFAD's Investment Portfolio for the Second Quarter of 2004
  - (c) Report of the Audit Committee
13. Human Resources Policy
14. Draft Provisional Agenda for the Twenty-Eighth Session of the Governing Council
15. Progress Report on Implementation of the Performance-Based Allocation System

## 16. Other Business

- (a) Application for Non-Original Membership
- (b) Election of Representatives of the Governing Council to the IFAD Staff Pension Committee
- (c) Accession of IFAD to the Financial and Administrative Framework Agreement (FAFA) between the European Union and the United Nations
- (d) Cooperation Agreement with the Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH
- (e) Special Expenditure for IFAD's New Headquarters
- (f) Informal Executive Board Seminar on the Asset Liability Management Review
- (g) Informal Executive Board Seminar on Sector-Wide Approaches in Agriculture
- (h) Progress Report on the Process Re-Engineering Programme (Strategic Change Programme)
- (i) Progress Report from the Ad-Hoc Working Group of the Executive Board on Field Presence
- (j) Approval of Disclosure of Documents