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IFAD
INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT
Executive Board – Eighty-Fourth Session
Rome, 18-20 April 2005

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 Eighty-Fourth Session of the Executive Board.

Western and Central Africa

Chad: Batha Rural Development Project
(EB 2005/84/R.10) (now EB 2005/84/R.10/Rev.1)

2. The Executive Board unanimously approved a loan of SDR 8.4 million and a grant of SDR 270 000 for this project. In giving his support to the project, the Executive Director for Germany stated that while Germany supports several programmes in Chad, they were not active in the Batha region.

**Mali: Northern Regions Investment and Rural Development Programme
(EB 2005/84/R.11 + Add.1 + Sup.1) (now EB 2005/84/R.11/Rev.1)**

3. In approving a loan of SDR 9.55 million and a grant of SDR 530 000 for the programme, the Executive Board commended the programme design, which targets the most vulnerable communities and meets the country's expectations. The Board requested, and received, clarification on the functional differences between the programme's steering committee and the national coordination of IFAD projects and programmes in Mali.

**Senegal: Promotion of Rural Entrepreneurship Project – Phase II
(EB 2005/84/R.12 + Add.1 + Sup.1) (now EB 2005/84/R.12/Rev.1)**

4. In approving a loan of SDR 8.70 million to finance the project, the Executive Board commended IFAD on the design and targeting of the project, and stressed the importance of close donor coordination.

Asia and the Pacific**Bhutan: Agriculture, Marketing and Enterprise Promotion Programme
(EB 2005/84/R.13 + Add.1 + Sup.1) (now EB 2005/84/R.13/Rev.1)**

5. The Executive Board approved a loan of SDR 9.25 million and a grant of SDR 70 000 to finance the programme. Citing the Bhutan programme as an example, the Executive Board commented on the general issue regarding the importance of ensuring adequate donor consultation at the country level.

**Lao People's Democratic Republic: Rural Livelihoods Improvement Programme in Attapeu
and Sayabouri (EB 2005/84/R.14 + Add.1 + Sup.1) (now EB 2005/84/R.14/Rev.1)**

6. In approving a loan of SDR 11.30 million and a grant of SDR 450 000 for the above-mentioned programme, the Executive Board requested IFAD to continue supporting the Government in implementing the new agricultural extension approach under the programme, in close coordination with other development agencies. The Board also commended IFAD on the successful establishment of joint planning, monitoring and evaluation systems, as well as on the programme's management structure.

**Philippines: Rural Microenterprise Promotion Programme
(EB 2005/84/R.15 + Add.1 + Sup.1) (now EB 2005/84/R.15/Rev.1)**

7. The Executive Board approved a loan of SDR 14.05 million and a grant of SDR 340 000 for the programme. In so doing, it noted that the financing agreements had not been formally negotiated due to the Government's inability to obtain the necessary approval/authority in time for formal discussions before the current session of the Board. The proposal was therefore approved with the proviso that the Board would be informed of any substantial changes in the programme's design at the time of loan negotiations.

IFAD's Response to the Tsunami in the Asia and the Pacific Region**India: Post-Tsunami Sustainable Livelihoods Programme for the Coastal Communities of Tamil
Nadu (EB 2005/84/R.16 + Add.1) (now EB 2005/84/R.16/Rev.1)**

8. In approving a loan of SDR 9.95 million for the programme, the Executive Board felt that the planned programme activities would enhance the crisis-coping capabilities of communities hit by the tsunami of 26 December 2004. It was recommended that due attention be paid to targeting, in

particular of women and orphans, in addition to the stated target group comprising marginalized groups (including women-headed households), wage labour, *dalits* (scheduled castes) and scheduled tribes. The Board emphasized the need for caution with regard to intensive fishing in a somewhat depleted fishing environment in the Bay of Bengal. Concern was also expressed about the increased debt burden of households as a result of the tsunami. Lastly, the Board raised the issue of IFAD's participation in the joint needs assessment for the tsunami-affected areas. Clarification was provided to the effect that women had been identified as a separate target group for interventions and that specific measures would be designed to address the needs of orphaned children. The Board was informed that the IFAD-funded programme would not support overfishing as it would adopt a sustainable livelihoods approach and a sustainable coastal resources management approach. In response to the Board's recommendation that a baseline survey be undertaken and an exit strategy developed, it was informed that the baseline survey already undertaken by the Government in collaboration with other agencies would form the basis of IFAD's programme interventions.

9. As the programme proposal was approved without loan negotiations, the Board will be advised at a future session of the results of the negotiations with the Government of the Republic of India.

Indonesia: IFAD's Response to the Tsunami Disaster: Revised Coverage, Scope, Implementation Arrangements and Lending Terms for the P4K – Phase III Pembinaan Peningkatan Pendapatan Petani Kecil – Phase III (Income-Generating Project for Marginal Farmers and Landless – Phase III) (Loan 458-ID) (EB 2005/84/R.17)

10. The Executive Board noted information contained in the President's Memorandum and approved: (i) the revised scope of works, geographical coverage and implementation arrangements; and (ii) the revised financing conditions. In response to questions as to the feasibility of implementing the P4K Phase III project within December 2006, the Board was informed that the closing date had been stipulated by the Ministry of Finance of Indonesia and that it was intended to align the IFAD loan with that of the Asian Development Bank (AsDB). The selected date was intended to help the Government to avoid paying additional loan management costs to AsDB, which would absorb most of the funds reallocated to help rehabilitate the livelihoods of the tsunami-affected communities. The reallocation of both loans had been worked in such a way that the AsDB loan would cover the grants for the communities, while the capacity-building and extension services rehabilitation components – that potentially required a longer time-frame – would be supported by the IFAD loan. As a result, both grants would be easily disbursed by December 2006 and the Government would not have to pay extra loan management fees on the AsDB loan. However, IFAD would certainly give consideration to extending its loan should it be required by the Government as it would not lead to additional management costs being borne by the Fund.

Indonesia: IFAD's Response to the Tsunami - Aceh Recovery Programme (EB 2005/84/R.18)

11. The Executive Board took note of the Aceh Recovery Programme. The programme is expected to be financed through external grant funding yet to be identified, a grant from Italian supplementary funds and a domestic contribution, for a total amount of USD 36.5 million.

Maldives: Post-Tsunami Agricultural and Fisheries Rehabilitation Programme (EB 2005/84/R.19 + Add.1) (now EB 2005/84/R.19/Rev.1)

12. In approving a loan of SDR 1.40 million and a grant of SDR 140 000, the Executive Board expressed full support for the programme and thanked IFAD for its timely response in assisting the victims of the tsunami disaster of December 2004. It further noted that: (i) due to time constraints, no negotiations could take place between IFAD and the Government of Maldives concerning the

proposed financing agreement for the loan and grant amounts. Such negotiations will take place as soon as possible and the Executive Board will be informed of the conclusions reached in due course; (ii) the amounts approved by the Executive Board at the current session will be additional to those allocated to Maldives under the Performance-Based Allocation System (PBAS). This means that preparation of the normal country programme for Maldives should not be unduly disrupted; and (iii) in order to fill the current financing gap, a further USD 2.05 million (equivalent) will be mobilized from other donors or covered from loan allocations under the Programme of Work and Budget of IFAD for 2006. Should the latter scenario apply, the Executive Board agreed that the funds should be taken from the PBAS for Maldives for that year.

Sri Lanka: Post-Tsunami Coastal Rehabilitation and Resource Management Programme (EB 2005/84/R.20 + Add.1) (now EB 2005/84/R.20/Rev.1)

13. In approving a loan of SDR 9.4 million, the Executive Board expressed its full support for the programme and thanked IFAD for its timely response in assisting the victims of the tsunami disaster of December 2004. It further noted that: (i) due to time constraints, no negotiation could take place between IFAD and the Government of Sri Lanka concerning the loan agreement for the programme. Such negotiations will take place as soon as possible and the Executive Board will be informed of the conclusions reached in due course; (ii) the amount approved by the Executive Board at the current session will be additional to that allocated to Sri Lanka under the PBAS, which means that preparation of the normal country programme should not be unduly disrupted; and (iii) in order to fill the current financing gap, a further USD 14.2 million (equivalent) will be mobilized from other donors or covered from loan allocations under the Programme of Work and Budget of IFAD for 2006. Should the latter scenario apply, the Executive Board agreed that the funds should be taken from the PBAS for Sri Lanka for that year. The Board also underscored the need to balance improvements to enhance fishers' productive capacities (by replacing assets that were destroyed or damaged by the tsunami) without the risk of overexploiting fisheries resources.

Sri Lanka: Post-Tsunami Livelihoods Support and Partnership Programme (EB 2005/84/R.21 + Add.1) (now EB 2005/84/R.21/Rev.1)

14. In approving a loan of SDR 1.56 million, the Board expressed full support for the programme and thanked IFAD for its timely response in assisting the victims of the tsunami disaster of December 2004. It further noted that: (i) due to time constraints no negotiations could take place between IFAD and the Government of Sri Lanka concerning the proposed loan agreement for the programme. These negotiations will take place as soon as possible and the Executive Board will be informed of the conclusions reached in due course; (ii) the amount approved by the Executive Board at the current session will be additional to the PBAS for Sri Lanka, which means that preparation of the normal country programme should not be unduly disrupted; and (iii) in order to fill the current financing gap, a further USD 2.35 million (equivalent) will be mobilized from other donors or covered from loan allocations under the Programme of Work and Budget of IFAD for 2006. Should the latter scenario apply, the Executive Board agreed that the funds should be taken from the PBAS for Sri Lanka for that year. The Board also urged caution with regard to the distribution of subsidies under the programme as, in similar circumstances in the past, such subsidies have tended to cause increased social tensions and other problems not initially foreseen.

Latin America and the Caribbean

El Salvador: Rural Development and Modernization Project for the Eastern Region (EB 2005/84/R.23 + Add.1 + Sup.1) (now EB 2005/84/R.23/Rev.1)

15. The Executive Board approved a loan of SDR 9.95 million and a grant of SDR 670 000 to finance this project, which was highly commended by the Executive Directors for Argentina, Mexico

and Guatemala on behalf of List C countries. It was mentioned that, apart from being one of the poorest countries of the region, El Salvador has been affected both by a lengthy civil war and by natural disasters. The project was recognized as an important initiative for addressing rural poverty in El Salvador.

Paraguay: Empowerment of Rural Poor Organizations and Harmonization Investments (Paraguay Rural) Project
(EB 2005/84/R.24 + Add.1 + Sup.1) (now EB 2005/84/R.24/Rev.1)

16. The Board approved a loan in the amount of SDR 7.85 million for this project. While supporting the approval of the project, the Executive Board Director for the United States stated that Paraguay's performance in terms of project implementation could not be deemed good. The Board agreed that in this case the exception to applying PBAS was justified inasmuch as this was the first IFAD loan the country would receive in 10 years because, like other financial institutions, IFAD was awaiting full maturity of the democratic process launched with the election of President Duarte Frutos. The World Bank and the Inter-American Development Bank are now financing projects in Paraguay's agricultural sector. This IFAD project is part of a common effort to combat poverty under a harmonization of investments and accumulation of social capital programme, which is fully consistent with a new governmental strategy.

Near East and North Africa

Georgia: Rural Development Project
(EB 2005/84/R.25 + Add.1 + Sup.1) (now EB 2005/84/R.25/Rev.1)

17. The Executive Board approved total financing of SDR 6.60 million for this project, comprising a loan of SDR 6.05 million and a grant of SDR 550 000. In approving this financing package, the Executive Board requested that a separate results framework for the grant component be provided so as to measure separately the impact of grant-financed activities. This was made available to the Board Directors by the Division.

Yemen: Pilot Community-Based Rural Infrastructure Project for Highland Areas
(EB 2005/84/R.26 + Sup.1) (now EB 2005/84/R.26/Rev.1)

18. The Executive Board approved a loan of SDR 5.9 million and a grant of SDR 270 000 for the partial financing of the Pilot Community-Based Rural Infrastructure Project for Highland Areas in the Republic of Yemen. It commended the Near East and North Africa Division on the project, which addresses in a participatory manner the pressing needs of poor, highland-community people for basic infrastructure. The Board felt that provision of drinking water and village access roads was a very important feature of the project, which would contribute significantly towards achieving the Millennium Development Goals in Yemen.

II. GRANT PROPOSALS

19. The following grant proposals were approved by the Eighty-Fourth Session of the Executive Board:

Grant under the Global/Regional Grants Window for Agricultural Research and Training by a CGIAR-Supported International Centre – International Water Management Institute: Programme for Enhancing Mekong Region Water Governance
(EB 2005/84/R.27)

20. A grant in the amount of USD 900 000 was approved by the Board. In response to comments by the Executive Directors for Switzerland and Norway, the Board was informed that the project will

address many of the concerns raised by the CGIAR assessment of challenge programmes. The IFAD-supported project will involve putting in place a multistakeholder platform for policy dialogue among a range of stakeholders, including the Mekong River Commission, and support action-research with rural communities on testing and validating innovative institutional arrangements for sound water governance and for integrating social learning processes to inform development initiatives in the region.

Grants under the Global/Regional Grants Window to Non-CGIAR-Supported International Centres

(EB 2005/84/R.28)

21. The following grants were approved under this category:

ICIMOD: Programme for Securing Livelihoods in the Uplands and Mountains of the Hindu Kush-Himalayas, Phase-II

22. A grant of USD 1.2 million was approved.

INBAR: Programme for the Enhanced Bamboo- and Rattan-Based Smallholder Livelihood Opportunities

23. A grant of USD 1.5 million was approved.

TECHNOSERVE: Programme for Building a Pro-Poor, Competitive Cashew Industry in East Africa

24. A grant of USD 1.5 million was approved.

WARF: Management-Capacity-Strengthening Programme for IFAD-Funded Projects in Western and Central Africa.

25. The Executive Board unanimously approved a grant of USD 1.5 million for this programme.

Grant under the Global/Regional Grants Window to the International Land Coalition for Phase II of the Programme to Strengthen the Secure Access of the Rural Poor to Land and Related Support Services

(EB 2005/84/R.29)

26. The Executive Board approved a grant of USD 965 000 as a second-phase grant for the two-year programme to strengthen the capacity of the International Land Coalition in terms of achieving the results of its ongoing programmes and their contribution towards implementation of its strategic plan for 2004-2006. Furthermore, the grant will support joint activities to strengthen the programme relationship between the Land Coalition and IFAD in order that the latter will be better able to assess the value added by the Land Coalition and, thereby, determine the nature of any future relationship.

27. The Executive Director for the United States abstained from approval of the above grant proposal.

