



**IFAD**  
**INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT**  
**Executive Board – Eighty-Fifth Session**  
Rome, 6-8 September 2005

**EXECUTIVE BOARD**  
**MINUTES OF THE EIGHTY-FIFTH SESSION**





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## MINUTES OF THE EIGHTY-FIFTH SESSION OF THE EXECUTIVE BOARD

### I. INTRODUCTION

1. The Eighty-Fifth Session of the Executive Board was held in Rome from 6 to 8 September 2005. 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. In his capacity as chairperson, the President of IFAD, Mr Lennart Båge, opened the Eighty-Fifth Session of the Executive Board.

### III. DECISIONS OF THE EXECUTIVE BOARD

#### A. Adoption of the Agenda (agenda item 2)

4. The Executive Board considered the provisional agenda (document EB 2005/85/R.1) and adopted the agenda as contained in document EB 2005/85/R.1/Rev.1 (attached as Annex III).

#### B. Report on the Implementation of the IFAD Policy for Grant Financing (agenda item 3)

5. The Executive Board reviewed the report on the implementation of the IFAD Policy for Grant Financing (document EB 2005/85/R.2 and its corrigendum – to be revised as EB 2005/85/R.2/Rev.1). Directors welcomed the progress made and noted that the future implementation of the policy would also include qualitative reporting during the monitoring and evaluation of individual programmes as they matured and delivered their expected results and impact. On other related observations, clarifications were provided, while additional information on the activities financed through the grant programme was made available by the Secretariat to the Directors on request.

6. The issue of the debt sustainability framework was highlighted and it was noted that further discussions on the framework would be held in the context of the Consultation on the Seventh Replenishment of IFAD's Resources. The Executive Board approved the clarifications to the definitions of the strategic objectives and eligibility for grant proceeds, as described in the report, thus amending paragraphs 28 and 44 of the IFAD Policy for Grant Financing (EB 2003/80/R.5/Rev.1) adopted in December 2003. These amendments will be reflected in the revised document EB 2003/80/R.5/Rev.2.

#### C. Review of the Implementation of the Performance-Based Allocation System (agenda item 4)

7. Directors expressed appreciation for the work that had gone into the review of the implementation of the performance-based allocation system (document EB 2005/85/R.3) and acknowledged the continued evolution of the system in the light of both the experience in its implementation at IFAD and the lessons learned from other institutions. The Board called for further analysis to be undertaken with respect to the issue of regional allocations as well as in simulating the use of different weights for the components used in the formula and investigating the use of other components such as per capita income or rural income. This analysis and information would be brought to the Board at a future session. Some Directors also expressed the wish to have this issue considered by the Consultation at its Fourth Session in Doha.



**D. IFAD Policy on Crisis Prevention and Recovery (agenda item 5)**

8. The Executive Board considered the paper on the IFAD Policy on Crisis Prevention and Recovery (document EB 2005/85/R.4). There was a rich exchange of views and a general consensus that IFAD's comparative advantage in the field of crisis prevention and recovery, as well as the complementarity and specificity of its role vis-à-vis other actors, should be further emphasized. As some Directors noted, IFAD, in fulfilling its mandate to reduce rural poverty, was already contributing significantly to dealing with one of the root causes of conflict and violence. Management would draw on this experience and the valuable, constructive guidance provided by Directors to finalize a policy framework for the Board's consideration at a future session.

**E. IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations (agenda item 6)**

9. The Executive Board considered the IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations as contained in document EB 2005/85/R.5. Further elaboration and clarifications were sought on some aspects of the document, especially relating to the proposed structure and implementation of actions to combat fraud and corruption. It was decided to amend the policy document accordingly and to circulate it to all Executive Board Directors for approval on a no-objection basis after the session. The Board would be informed of the outcome of the approval request at its next session in December 2005.

**F. IFAD's Action Plan for Management's Response to the Independent External Evaluation (agenda item 7)**

10. The Executive Board reviewed IFAD's Action Plan for Management's Response to the Independent External Evaluation (document EB 2005/85/R.6). It was recognized that the action plan was a work in progress and acknowledged as a good first draft. There was, however, a need for more clarity, specifically in the identification of clearly stated strategic objectives, the priority actions to be undertaken, the sequencing of these actions and the indicators that would be used in measuring achievements. Directors also highlighted the need to address the issue of resource implications and details relative to the one-off and recurrent costs inherent in implementation of the action plan.

11. Further development of the action plan would be rooted in a realistic approach, striking a balance between deliverables and related costs. In this regard, a ceiling could be agreed upon based on the basic thrust of the action plan, and Board authorization would be sought once concrete figures were available. Directors were assured that IFAD's management and staff were wholly committed to the success of the action plan, and it was through ownership of the plan across the house that its effectiveness could be ensured.

12. The Board was informed that Consultation Members had been provided with a copy of the action plan; based on the discussions held during this session, further information would be provided at the Doha session of the Consultation. A presentation would be made at that session on the strategic objectives, together with a road map for the action plan, and information would be provided on the composition and terms of reference of the steering committee that would supervise the further development and implementation of the action plan. A more comprehensive document on the action plan would be provided to the Board at its December session.



**G. Strategic Priorities and Programme of Work and Budget of IFAD and its Office of Evaluation for 2006 (agenda item 8)**

13. The Executive Board complimented the document on the Strategic Priorities and Programme of Work and Budget of IFAD and its Office of Evaluation for 2006 (document EB 2005/85/R.7 and its corrigendum – to be revised as EB 2005/85/R.7/Rev.1) and endorsed the institutional priorities for 2006. There was general consensus regarding a programme of work for 2006 of USD 550 million, given the availability of resources. Concern was expressed, however, at the departure from zero real growth in the administrative budget. At the same time, considering the increase in the programme of work in terms of volume and projects, several Directors acknowledged that the zero real growth approach was no longer tenable. It was agreed, therefore, that the budget and Programme Development Financing Facility proposal would be reworked starting from a zero real growth budget base, showing clearly the rationale for the cost increments required in real terms and identifying efficiency gains and cost savings. This information, inclusive of the rationale for the increase in the number of projects, would be provided for consideration by the Audit Committee at its meeting in November. In this regard, the Chairman of the Audit Committee invited Directors to address their comments and questions to the Committee in advance of the meeting so that a thorough and exhaustive review could be carried out and reported on to the Board in December.

14. The Board also endorsed the preview of the 2006 work programme and budget for the Office of Evaluation, which had been discussed by the Evaluation Committee during its Fortieth Session and would be modified on the basis of guidance received from the Committee.

**H. Evaluation (agenda item 9)**

**(a) Report of the Evaluation Committee**

15. The Executive Board considered the report of the Chairperson of the Evaluation Committee on the Committee's Fortieth Session (document EB 2005/85/R.8) and endorsed the two recommendations contained therein. With regard to the first recommendation, the Board agreed to request that the Governing Council, at its 2006 session, authorize IFAD to extend the Direct Supervision Pilot Programme until the final closing date of all 15 projects included in the programme. With respect to the second recommendation, the evaluation of the Flexible Lending Mechanism (FLM) was removed from the Office of Evaluation work programme and IFAD management was entrusted with the task of undertaking a thorough self-evaluation of the FLM instrument and to report its findings and conclusions to the Board at a future session. Under this agenda item, it also noted that a field visit of the Evaluation Committee would be organized to attend the national round-table workshop on the Mexico country portfolio evaluation in October.

**(b) Corporate-Level Evaluation on the Direct Supervision Pilot Programme**

16. The Executive Board considered the corporate-level evaluation on the Direct Supervision Pilot Programme (document EB 2005/85/R.9) and commended the Office of Evaluation on the excellent quality of the evaluation, which generated important findings on the pilot programme and recommendations of significance to the Fund. The Board endorsed the agreement at completion point as the proposed course of action for implementing the evaluation's recommendations, taking into account the comments provided.

**I. President's Report on the Implementation Status of Evaluation Recommendations and Management Actions (agenda item 10)**

17. The Executive Board reviewed the second Report of the President on the Implementation Status of Evaluation Recommendations and Management Actions (PRISMA) (document EB 2005/85/R.10),



together with the comments of the Office of Evaluation. Directors expressed appreciation for the collaborative efforts made by the Programme Management Department and the Office of Evaluation in preparing the document. The Board further welcomed the considerable improvement in the report overall, including its revised layout, which allowed for a higher-level synthesis of the recommendations and actions taken and the identification of substantive policy themes that emerged from 2003 evaluations. The categorization of the recommendations and follow-up actions of the agreement at completion point was also appreciated in that it ensured a better understanding of the critical issues at hand.

**J. IFAD's Participation in the Debt Initiative for Heavily Indebted Poor Countries (agenda item 11)**

18. The Executive Board considered the document entitled "IFAD's Participation in the Debt Initiative for Heavily Indebted Poor Countries: Proposal for Rwanda and 2005 Interim Progress Report" (document EB 2005/85/R.11). Upon concluding its review of the proposed top-up of IFAD's contribution to reducing the debt of Rwanda to IFAD as of December 2003, the Board adopted the following resolution:

"RESOLVED: that the Fund, upon the decision of the Executive Board, shall lower the value of Rwanda's debt to IFAD through the reduction by up to 100% of its respective semi-annual debt-service obligations to IFAD (principal and service-charge payments), as these fall due, and up to the revised aggregate NPV [net present value] amount of up to SDR 13.26 million (consisting of SDR 8.55 million in 1999 NPV terms and SDR 4.71 million in 2003 NPV terms)."

19. The Board also noted the possibility of future increases in HIPC Debt Initiative costs for IFAD due to the extension of the "sunset clause" until December 2006 and the likely inclusion of additional countries, over and above the current 38. Directors urged IFAD to continue its efforts to gain access to the core resources of the World Bank-administered HIPC Trust Fund. In this regard, details on the financial implications for IFAD and the results of continuing efforts to access the Trust Fund will be reported to the Board.

**K. Country Strategic Opportunities Papers (COSOPs) (agenda item 12)**

20. Executive Board Directors expressed appreciation of the Fund's continued endeavour to ensure that COSOPs were the result of a thorough consultative process and that they represented a strategic framework for its country programmes.

21. The Executive Board reviewed the following COSOPs:

(a) **Angola**

22. The Executive Board reviewed the COSOP for Angola (document EB 2005/85/R.12), recognizing it as an appropriate strategy for IFAD's intervention in Angola, with a clear focus on food security and on increasing incomes. The policy areas identified were also deemed appropriate to Angola's rural areas. The Board noted that the Government of the Republic of Angola had been consulted throughout the process and was in agreement with IFAD's strategy. Clarification was provided with regard to the trigger for a higher-case scenario, measurable by an improvement in the Performance Based Allocation System (PBAS) score in 2006, while it was acknowledged that programme development in an election year would be slow. Future PBAS allocations to Angola might increase, subject to improved performance in the Rural Sector Assessment, Country Policy and Institutional Assessment (CPIA) and portfolio performance. The adoption of an IFAD Policy on Crisis Prevention and Recovery, as well as the possible change in weight assigned to population in the





allocation formula, might also have a favourable impact on future PBAS allocations to the country. Given the current low allocation, the strategy covered a six-year time-frame, enabling Angola to access two PBAS cycle allocations in a future loan-funded project. An in-house review of the COSOP in 2007 would further clarify IFAD's tentative lending framework. The Board was also assured of the importance accorded to gender issues in the Angola programme as described in the document.

**(b) Benin**

23. The Executive Board considered the updated COSOP for Benin (document EB 2005/85/R.13), noting the significant consultative process undertaken by IFAD during its preparation, as well as the country programme evaluation undertaken in 2004 which had been instrumental in the COSOP formulation. Directors expressed appreciation of the document as well articulated and praised IFAD's support for the COSOP's strategic thrusts, which would certainly contribute to rural poverty reduction. With respect to the country allocation from 2006 to 2010 under the PBAS, the need to explore all opportunities for the provision of non-lending resources was stressed. During the discussions, information was provided in response to queries related to the timing of the next poverty reduction strategy paper (PRSP) in relation to the COSOP, land tenure, access to financial services, and the challenge posed by the decentralization activities currently taking place in Benin.

**(c) Bosnia and Herzegovina**

24. The Executive Board reviewed the COSOP for Bosnia and Herzegovina (document EB 2005/85/R.14). The COSOP's alignment with the Government's own poverty reduction strategy was commended and it was agreed that strengthening agricultural commodity supply chains to enhance small farmers' access to markets was vital for long-term poverty reduction. The Board was informed that (i) the COSOP consultation process involved most of the active donors in the agricultural sector; (ii) support to savings and credit associations (SCAs) would not lead to crowding out the banking sector as these SCAs would primarily deal with micro-loans in rural areas which banks were not well equipped to handle; and (iii) the COSOP's initial focus would be on import substitution in the livestock products market where the country currently imports 60% of its needs. Export market exploitation would come later as the country product quality and safety standards rose to European Union levels. The attention of the Executive Board was directed to the expected substantial reduction in Bosnia and Herzegovina's lending share under the PBAS, despite its very high performance score.

**(d) Lao People's Democratic Republic**

25. The Executive Board considered the updated COSOP for the Lao People's Democratic Republic (document EB 2005/85/R.15). The Executive Board complimented the document and welcomed the thorough analyses provided therein. The Board recommended that IFAD should continue to improve the livelihoods of the poor rural population in upland areas and resettled villages and focus on natural resource management, investment in rural infrastructure and engagement with the government and other development agencies on policy issues of land allocation, stabilization of shifting cultivation, resettlement and opium reduction. The Board also raised the issue of increased grant financing from IFAD to the country.

**(e) Malawi**

26. The updated COSOP for Malawi (document EB 2005/85/R.16) was reviewed by the Executive Board, which commended IFAD on the excellent document and its emphasis on the agricultural sector as the driver of pro-poor growth in this extremely poor country. Noting the current food crisis situation in Malawi, the Board also endorsed IFAD's approach in focusing on sustainable productivity gains at the household level, building upon the emergency and safety-net grant programmes of other



donors. The Board also expressed its satisfaction with the attention paid in the paper to gender issues and the policy dilemmas associated with subsidized input programmes, as well as the emphasis placed on taking account of the impact of the HIV/AIDS epidemic in the design of future programmes for the country. The Board asked for more information to be provided on the specific triggers to access different levels of assistance as foreseen under the PBAS.

(f) **Niger**

27. The Executive Board considered the COSOP for the Niger (document EB 2005/85/R.17). After an extensive discussion on the recent crisis in the Niger, and its implications with respect to IFAD's mandate, Directors recommended that the priorities defined by the proposed COSOP should be revised to better address the chronic malnutrition and recurrent famine problems in the country. The COSOP will be revised in line with Board recommendations.

**L. Resources Available for Commitment (agenda item 13)**

28. The Executive Board reviewed the document on resources available for commitment (document EB 2005/85/R.18 and its addendum) and noted that total net resource inflows from January to August 2005 were estimated at USD 223.8 million, which was sufficient to cover the amount required for the proposals submitted to the session. No additional advance commitment authority was therefore required.

**M. Project/Programme Proposals for Consideration by the Executive Board (agenda item 14)**

29. The Executive Board was informed of the successful completion of loan negotiations for three of the post-tsunami programme proposals, one for Maldives and two for Sri Lanka, as well as the proposal for the Philippines, all of which had been approved at the April 2005 session of the Board. Formal negotiations for the loan proposal for Brazil approved at the Board's Eighty-Third Session in December 2004 had also been completed and were substantially in line with the terms presented at that time. The relevant documentation would be revised where necessary to reflect any additional information arising from the negotiation of these proposals.

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

(a) **Western and Central Africa**

*Ghana: Root and Tuber Improvement and Marketing Programme*

31. The Executive Board considered the programme proposal contained in document EB 2005/85/R.19 with its corrigendum, and adopted the following resolution:

“RESOLVED: that the Fund shall make a loan to the Republic of Ghana in various currencies in an amount equivalent to thirteen million fifty thousand special drawing rights (SDR 13 050 000) to mature on or prior to 1 May 2045 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.”



(b) **Eastern and Southern Africa**

- (i) *Rwanda: Support Project for the Strategic Plan for the Transformation of Agriculture (PSTA)*

32. The Executive Board considered the project proposal contained in document EB 2005/85/R.20 with its supplement, and adopted the following resolutions:

“RESOLVED: that the Fund shall make a loan to the Republic of Rwanda in various currencies in an amount equivalent to five million six hundred and fifty thousand special drawing rights (SDR 5 650 000) to mature on or prior to 15 June 2045 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 Republic of Rwanda in various currencies in an amount equivalent to one hundred and forty thousand special drawing rights (SDR 140 000) and 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) *United Republic of Tanzania: Agricultural Sector Development Programme – Livestock: Support for Pastoral and Agro-Pastoral Development*

33. The Executive Board considered the programme proposal contained in document EB 2005/85/R.21 with its addendum and supplement. Following consultation with the donor group and subject to a written report from IFAD to the Board in December 2005 with clear commitments in terms of actions and milestones agreed jointly, through the Food and Agricultural Sector Working Group structure at the country level, to (a) contribute to and utilize the Agricultural Sector Development Programme (ASDP) structures, including the sector basket; and (b) more fully address pastoralism as a livelihood issue, the Board adopted the following resolution:

“RESOLVED: that the Fund shall make a loan to the United Republic of Tanzania in various currencies in an amount equivalent to fourteen million two hundred and fifty thousand special drawing rights (SDR 14 250 000) to mature on or prior to 1 September 2045 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.”

(c) **Asia and the Pacific**

*China: South Gansu Poverty-Reduction Programme*

34. The Executive Board considered the programme proposal contained in document EB 2005/85/R.22 with its addendum and supplement, and adopted the following resolution:

“RESOLVED: that the Fund shall make a loan to the People’s Republic of China in various currencies in an amount equivalent to twenty million one hundred and fifty thousand special drawing rights (SDR 20 150 000) to mature on or prior to 15 June 2045 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.”



(d) **Latin America and the Caribbean**

- (i) *Dominican Republic: President's Memorandum: Social and Economic Development Programme for Vulnerable Populations in the Border Provinces (Loan No. 595-DO) – Extension of Loan Effectiveness*

35. The Executive Board considered the proposal contained in document EB 2005/85/R.23 and approved the extension of the loan effectiveness date for the Social and Economic Development Programme for Vulnerable Populations in the Border Provinces of the Dominican Republic (Loan 595-DO) by six months, to 12 December 2005, to allow sufficient time for the conditions for loan effectiveness to be fulfilled.

- (ii) *Mexico: Sustainable Development Project for Rural and Indigenous Communities of the Semi-Arid North-west*

36. The Executive Board considered the project proposal contained in document EB 2005/85/R.24 with its addendum and supplement, and adopted the following resolution:

“RESOLVED: that the Fund shall make a loan to the United Mexican States in various currencies in an amount equivalent to seventeen million two hundred and fifty thousand special drawing rights (SDR 17 250 000) to mature on or prior to 1 August 2023 and to bear an interest rate equal to the reference interest rate per annum as determined by the Fund annually, 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.”

**N. Grant Proposals under the Global/Regional Grants Window for Consideration by the Executive Board (agenda item 15)**

37. The Executive Board considered the following grant proposals:

(a) **CGIAR-Supported International Centre**

38. The Executive Board considered the grant proposal contained in document EB 2005/85/R.25 and, by adopting the following resolution, agreed to support an agricultural research and training programme to be implemented through a Consultative Group on International Agricultural Research (CGIAR)-supported centre:

“RESOLVED: that the Fund, in order to finance, in part, the Programme for Strengthening Livelihood Strategies in the West African Sahel through Improved Management and Utilization of Parkland Agroforests, shall make a grant not exceeding one million four hundred and fifty thousand United States dollars (USD 1 450 000) to the World Agroforestry Centre for a four-year programme from 2006 to 2009 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) **Non-CGIAR-Supported International Centres**

39. The Executive Board considered the grant proposals contained in document EB 2005/85/R.26 and, by adopting the following resolutions, agreed to support four agricultural research and training programmes to be implemented through non-CGIAR-supported centres:



“RESOLVED: that the Fund, in order to finance, in part, the Programme for Improved Management of Agricultural Water in Eastern and Southern Africa, shall make a grant not exceeding one million five hundred thousand United States dollars (USD 1 500 000) for a three-year programme from 2006 to 2008<sup>1</sup>, to the Association for Strengthening Agricultural Research in Eastern and Central Africa (ASARECA) 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 Capacity-Building in Managing for Results and Impact, shall make a grant not exceeding one million nine hundred thousand United States dollars (USD 1 900 000) for a three-year programme from 2006 to 2008, to Capacity Building International (InWent) 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 to Support Rural Finance Knowledge Management Partnership for Eastern and Southern Africa, shall make a grant not exceeding six hundred and sixty thousand United States dollars (USD 660 000) for a two-year programme from 2006 to 2007, to the Kenya Gatsby Trust (KGT) 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 Strengthening the Southern African Natural Products Trade Association, shall make a grant not exceeding one million five hundred thousand United States dollars (USD 1 500 000) for a three-year programme from 2006 to 2008, to the Southern African Natural Products Trade Association (PhytoTrade Africa) 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) **Commission on Family Farming of the Southern Cone Common Market (MERCOSUR): Strengthening of the Participation of Small Farmers’ Organizations in Policy Dialogue within the Commission on Family Farming of MERCOSUR**

40. The Executive Board considered the information contained in document EB 2005/85/R.27 and approved the proposed grant by adopting the following resolution:

“RESOLVED: that the Fund, in order to finance, in part, the Strengthening of the Participation of Small Farmers’ Organizations in Policy Dialogue within the Commission on Family Farming of the Southern Cone Common Market (MERCOSUR) for three years, commencing in October 2005, shall make a grant not exceeding one million and ninety thousand United States dollars (USD 1 090 000) to the Commission on Family Farming of MERCOSUR 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.”

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<sup>1</sup> In accordance with document EB 2005/85/R.26/Rev.1, the programme will have a duration of three years, from 2006 to 2008, and not two years as originally shown in the recommendation.



**O. Planned Project Activities (agenda item 16)**

41. The Executive Board considered the document on planned project activities for 2005-2006 (document EB 2005/85/R.28) and took note of the information it provided on the projects and programmes in the pipeline and the COSOPs under preparation and planned for 2005 and 2006.

**P. Financial Reports (agenda item 17)**

**(a) Report on the Seventh Replenishment of IFAD's Resources**

42. The Executive Board considered the report on the Seventh Replenishment of IFAD's Resources (document EB 2005/85/R.29), summarizing the deliberations of the Second and Third Sessions of the Consultation, and looked forward to receiving an account of the outcome of the Fourth Session held in Doha at the beginning of October.

**(b) Report on the Status of Contributions to the Sixth Replenishment of IFAD's Resources**

43. The Executive Board reviewed the report on the status of contributions to the Sixth Replenishment of IFAD's Resources (document EB 2005/85/R.30). In the oral report provided, Directors were informed that to date, including complementary contributions, Instruments of Contribution deposited and payments not supported by Instruments of Contribution amounted to USD 443.7 million, or 87.2% of pledges. Aggregate pledges amounted to USD 509 million, or 90.9% of the target amount of USD 560 million. New pledges and contributions were still being received, and Executive Board Directors and List Convenors were invited to further encourage the contributions of Member States in their respective regions and lists, in order to achieve a total amount of pledges as close as possible to the replenishment target.

**(c) Report on IFAD's Investment Portfolio for the Second Quarter of 2005**

44. The Executive Board reviewed the report on IFAD's investment portfolio for the second quarter of 2005 (document EB 2005/85/R.31). The document included an annex providing the figures for the entire first quarter of 2005, inclusive of the final cumulative proceeds from equities sales in March 2005, while an oral report also provided up-to-date figures. Directors noted that the second quarter of 2005 had ended with a positive net investment income of USD 41 million and that a net income of USD 7 million had been estimated for the two months of July and August. On a year-to-date basis at 31 August 2005, the estimated net income was USD 59 million, equivalent to an estimated annualized rate of return of 3.88%.

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

45. The Chairman of the Audit Committee presented a report on the Committee's Ninetieth Meeting (document EB 2005/85/R.32 and its addendum), which was held in July and reconvened on 5 September.

**Q. Draft Provisional Agenda for the Twenty-Ninth Session of the Governing Council (agenda item 18)**

46. The Executive Board approved the draft provisional agenda for the Twenty-Ninth Session of the Governing Council, to be held on 14-15 February 2006. It was noted that the programme of events for the Governing Council would be provided at the December 2005 session of the Board.



**R. Other Business (agenda item 19)**

**Approval of Disclosure of Documents**

The Executive Board approved the disclosure of the documents that had been submitted at its Eighty-Fifth Session inclusive of the revisions required, and noted that the documents would be posted on IFAD's public web site.





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ANNEX I



**IFAD**  
**INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT**  
**Executive Board – Eighty-Fifth Session**  
Rome, 6-8 September 2005

**قائمة بالمشاركين في الدورة الخامسة والثمانين  
للمجلس التنفيذي**

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

**LISTE DES PARTICIPANTS À LA QUATRE-VINGT-CINQUIÈME SESSION  
DU CONSEIL D'ADMINISTRATION**

**LISTA DE LOS PARTICIPANTES EN EL 85º PERÍODO DE SESIONES  
DE LA JUNTA EJECUTIVA**



ANNEX I

عضو

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

عضو مناوب

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

**LIST A**

**Canada**

James MELANSON  
Counsellor  
Deputy Permanent Representative  
of Canada to the United Nations  
Food and Agriculture Agencies  
Rome

**Ireland**

John Francis COGAN  
Ambassador of Ireland to the  
United Nations Agencies for  
Food and Agriculture  
Rome

**France**

Alain GUILLOUËT  
Ministre Conseiller  
Chef de la Mission économique  
Ambassade de France en Suisse  
Berne

**Belgium**

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Rome

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**Austria**

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International Finance  
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عضو

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

عضو مناوب

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

**Japan**

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Food and Agriculture Agencies  
Rome

**Denmark**

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Deputy Permanent Representative  
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to IFAD  
Rome

**Sweden**

Ann UUSTALU  
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Permanent Representative  
of Sweden to IFAD  
Rome

**Norway**

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Permanent Representative of the  
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Rome

**United Kingdom of Great Britain  
and Northern Ireland**

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of Great Britain and Northern Ireland  
to the United Nations Food and  
Agriculture Agencies  
Rome

**Netherlands**

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Ambassador of the Kingdom of  
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**United States of America**

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Department of Treasury  
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**Australia**



عضو

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

عضو مناوب

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

## LIST B

### **Kuwait**

Hesham I. AL-WAQAYAN  
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Kuwait Fund for Arab  
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Kuwait City

### **United Arab Emirates**

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First Secretary  
Embassy of the United  
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Rome

### **Nigeria**

Gabriel LOMBIN  
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Permanent Representative of the  
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Agriculture Agencies  
Rome

### **Saudi Arabia**

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Counsellor  
Alternate Permanent Representative  
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to FAO  
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### **Indonesia**

Yusni Emilia HARAHAAP  
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Department of Agriculture  
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### **Venezuela, Bolivarian Republic of**

Heidi GONZÁLEZ  
Vicepresidente de Inversiones y  
Cooperación Internacional  
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Larbi BOUMAZA  
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Alger



عضو

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

عضو مناوب

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

**LIST C**

**SUB-LIST C1 - Africa**

**Cameroon**

Médi MOUNGUI  
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**Sudan**

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**Egypt**

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Agriculture Agencies  
Rome

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Francisco Elias Paulo CIGARRO  
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Mozambique to the United Nations  
Food and Agriculture Agencies  
Rome

**LIST C**

**SUB-LIST C2 - Europe, Asia and the Pacific**

**India**

Ashok CHAWLA  
Additional Secretary (Economic Affairs)  
Department of Economic Affairs  
Ministry of Finance  
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**Republic of Korea**

YOUN Jang-Bae  
Deputy Minister for International  
Trade and Cooperation  
Ministry of Agriculture  
and Forestry  
Gyeonggi



ANNEX I

**Pakistan**

Mirza Qamar BEG  
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Food and Agriculture Agencies  
Rome

**China**

RUI Yuehua  
Deputy Director-General  
International Department  
Ministry of Finance  
Beijing

**LIST C**

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

**Brazil**

Benvindo BELLUCO  
General Coordinator for Policies  
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Secretariat of International Affairs  
Ministry of Planning, Budget  
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de Guatemala ante los Organismos  
de las Naciones Unidas  
Roma

**Mexico**

Vladimir HERNÁNDEZ LARA  
Consejero  
Representante Permanente Alterno  
de los Estados Unidos Mexicanos  
ante el FIDA  
Roma

**Argentina**

Hilda GABARDINI  
Ministra  
Representante Permanente Adjunta  
de la República Argentina  
ante el FIDA  
Roma

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

<b>Document No.</b>	<b>Agenda Item</b>	<b>Title</b>
EB 2005/85/R.1	2	Provisional Agenda
EB 2005/85/R.1/Add.1		Schedule of Work for the Session
EB 2005/85/R.2 + Corr.1	3	Report on the Implementation of the IFAD Policy for Grant Financing
EB 2005/85/R.3	4	Review of the Implementation of the Performance-Based Allocation System in IFAD
EB 2005/85/R.4	5	IFAD Policy on Crisis Prevention and Recovery
EB 2005/85/R.5	6	IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations
EB 2005/85/R.6	7	IFAD's Action Plan for Management's Response to the Independent External Evaluation
EB 2005/85/R.7 + Corr.1	8	Strategic Priorities and Programme of Work and Budget of IFAD and its Office of Evaluation for 2006
EB 2005/85/R.8	9(a)	Report of the Chairperson on the Fortieth Session of the Evaluation Committee
EB 2005/85/R.9	9(b)	Corporate-Level Evaluation of the Direct Supervision Pilot Programme
EB 2005/85/R.10	10	President's Report on the Implementation Status of Evaluation Recommendations and Management Actions
EB 2005/85/R.11	11	IFAD's Participation in the Debt Initiative for Heavily Indebted Poor Countries – Proposal for Rwanda and 2005 Interim Progress Report
EB 2005/85/R.12	12(a)	<b>Angola:</b> Country Strategic Opportunities Paper
EB 2005/85/R.13	12(b)	<b>Benin:</b> Country Strategic Opportunities Paper
EB 2005/85/R.14	12(c)	<b>Bosnia and Herzegovina:</b> Country Strategic Opportunities Paper
EB 2005/85/R.15	12(d)	<b>Lao People's Democratic Republic:</b> Country Strategic Opportunities Paper
EB 2005/85/R.16	12(e)	<b>Malawi:</b> Country Strategic Opportunities Paper
EB 2005/85/R.17	12(f)	<b>Niger:</b> Country Strategic Opportunities Paper



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Document No.	Agenda Item	Title
EB 2005/85/R.18 + Add.1	13	Resources Available for Commitment
EB 2005/85/R.19 + Corr.1	14(a)	<b>Ghana:</b> Root and Tuber Improvement and Marketing Programme
EB 2005/85/R.20 + Sup.1	14(b)(i)	<b>Rwanda:</b> Support Project for the Strategic Plan for the Transformation of Agriculture (PSTA)
EB 2005/85/R.21 + Add.1 + Sup.1	14(b)(ii)	<b>United Republic of Tanzania:</b> Agricultural Sector Development Programme – Livestock: Support for Pastoral and Agro-Pastoral Development
EB 2005/85/R.22 + Add.1 + Sup.1	14(c)	<b>China:</b> South Gansu Poverty-Reduction Programme
EB 2005/85/R.23	14(d)(i)	<b>Dominican Republic:</b> President's Memorandum: Social and Economic Development Programme for Vulnerable Populations in the Border Provinces (Loan No. 595-DO) – Extension of Loan Effectiveness
EB 2005/85/R.24 + Add.1 + Sup.1	14(d)(ii)	<b>Mexico:</b> Sustainable Development Project for Rural and Indigenous Communities of the Semi-Arid North-west
EB 2005/85/R.25	15(a)	Grant under the Global/Regional Grants Window for Agricultural Research and Training by a CGIAR-Supported International Centre
EB 2005/85/R.26	15(b)	Grant under the Global/Regional Grants Window for Agricultural Research and Training by Non-CGIAR-Supported International Centres
EB 2005/85/R.27	15(c)	Grant under the Global/Regional Grants Window to the Commission on Family Farming of the Southern Cone Common Market (MERCOSUR) for the Strengthening of the Participation of Small Farmers' Organizations in Policy Dialogue within the Commission on Family Farming of MERCOSUR
EB 2005/85/R.28	16	Planned Project Activities 2005-2006
EB 2005/85/R.29	17(a)	Report on the Second and Third Sessions of the Consultation on the Seventh Replenishment of IFAD's Resources
EB 2005/85/R.30	17(b)	Report on the Status of Contributions to the Sixth Replenishment of IFAD's Resources
EB 2005/85/R.31	17(c)	Report on IFAD's Investment Portfolio for the Second Quarter of 2005
EB 2005/85/R.32 + Add.1	17(d)	Report of the Audit Committee





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<b>Document No.</b>	<b>Agenda Item</b>	<b>Title</b>
EB 2005/85/R.33	18	Draft Provisional Agenda for the Twenty-Ninth Session of the Governing Council
EB 2005/85/INF.1		Arrangements for the Eighty-Fifth Session of the Executive Board
EB 2005/85/INF.2		List of IFAD Staff Involved in the Preparation of Country Strategic Opportunities Papers and Loan, Grant and Debt Relief Proposals for Submission to the Eighty-Fifth Session of the Executive Board
EB 2005/85/INF.3		Indonesia: Implementation of the First Cycle of the Post-Crisis Programme for Participatory Integrated Development in Rainfed Areas Financed under the Flexible Lending Mechanism
EB 2005/85/INF.4		IFAD's Lending Terms and Conditions – Interest Rate for the Year 2006 for Loans on Ordinary and Intermediate Terms
EB 2005/85/INF.5		Status Report on Arrears in Principal, Interest and Service Charge Payments
EB 2005/85/INF.6		Cooperation Agreement between IFAD and the Organisation for Economic Co-operation and Development
EB 2005/85/INF.7		Maldives: Post-Tsunami Agricultural and Fisheries Rehabilitation Programme
EB 2005/85/INF.8		Sri Lanka: Post-Tsunami Coastal Rehabilitation and Resource Management Programme
EB 2005/85/INF.9		Sri Lanka: Post-Tsunami Livelihoods Support and Partnership Programme
EB 2005/85/INF.10		Provisional List of Participants at the Eighty-Fifth Session of the Executive Board
EB 2005/85/INF.11		Closing Statement by President Båge to the Eighty-Fifth Session of the Executive Board
EB 2005/85/INF.12		Summary of Project, Programme and Grant Proposals discussed by the Executive Board

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ANNEX III



**IFAD**  
**INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT**  
**Executive Board – Eighty-Fifth Session**  
Rome, 6-8 September 2005

**AGENDA**

1. Opening of the Session
2. Adoption of the Agenda
3. Report on the Implementation of the IFAD Policy for Grant Financing
4. Review of the Implementation of the Performance-Based Allocation System
5. IFAD Policy on Crisis Prevention and Recovery
6. IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations
7. IFAD's Action Plan for Management's Response to the Independent External Evaluation
8. Strategic Priorities and Programme of Work and Budget of IFAD and its Office of Evaluation for 2006
9. Evaluation
  - (a) Report of the Evaluation Committee
  - (b) Corporate-Level Evaluation on the Direct Supervision Pilot Programme
10. President's Report on the Implementation Status of Evaluation Recommendations and Management Actions
11. IFAD's Participation in the Debt Initiative for Heavily Indebted Poor Countries



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12. Country Strategic Opportunities Papers (COSOPs)
  - (a) Angola
  - (b) Benin
  - (c) Bosnia and Herzegovina
  - (d) Lao People's Democratic Republic
  - (e) Malawi
  - (f) Niger
13. Resources Available for Commitment
14. Project/Programme Proposals for Consideration by the Executive Board
  - (a) Western and Central Africa

Ghana: Root and Tuber Improvement and Marketing Programme
  - (b) Eastern and Southern Africa
    - (i) Rwanda: Support Project for the Strategic Plan for the Transformation of Agriculture (PSTA)
    - (ii) United Republic of Tanzania: Agricultural Sector Development Programme – Livestock: Support for Pastoral and Agro-Pastoral Development
  - (c) Asia and the Pacific

China: South Gansu Poverty-Reduction Programme
  - (d) Latin America and the Caribbean
    - (i) Dominican Republic: President's Memorandum: Social and Economic Development Programme for Vulnerable Populations in the Border Provinces (Loan No. 595-DO) – Extension of Loan Effectiveness
    - (ii) Mexico: Sustainable Development Project for Rural and Indigenous Communities of the Semi-Arid North-west
15. Grant Proposals under the Global/Regional Grants Window for Consideration by the Executive Board:
  - (a) CGIAR-Supported International Centre
  - (b) Non-CGIAR-Supported International Centres
  - (c) Commission on Family Farming of the Southern Cone Common Market (MERCOSUR): Strengthening of the Participation of Small Farmers' Organizations in Policy Dialogue within the Commission on Family Farming of MERCOSUR
16. Planned Project Activities
17. Financial Reports
  - (a) Report on the Seventh Replenishment of IFAD's Resources
  - (b) Report on the Status of Contributions to the Sixth Replenishment of IFAD's Resources
  - (c) Report on IFAD's Investment Portfolio for the Second Quarter of 2005
  - (d) Report of the Audit Committee



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18. Draft Provisional Agenda for the Twenty-Ninth Session of the Governing Council
19. Other Business
  - Approval of Disclosure of Documents

