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IFAD

INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

Executive Board – Eighty-Sixth Session

Rome, 12-13 December 2005

DOMINICAN REPUBLIC

PRESIDENT'S MEMORANDUM

**SOCIAL AND ECONOMIC DEVELOPMENT PROGRAMME FOR VULNERABLE
POPULATIONS IN THE BORDER PROVINCES (LOAN 595-DO)**

EXTENSION OF LOAN EFFECTIVENESS DATE

I. BACKGROUND

1. At its Seventy-Seventh Session in December 2002, the Executive Board approved a loan of SDR 10.6 million (equivalent to approximately USD 14.0 million) to the Dominican Republic on ordinary terms to help finance the Social and Economic Development Programme for Vulnerable Populations in the Border Provinces. The loan agreement was signed on 12 June 2003. In response to requests from the Government of the Dominican Republic, IFAD has extended the effectiveness date to allow the Dominican authorities to complete procedures to ratify the loan agreement and fulfil the other conditions for effectiveness. The last such extension, and the two-year limit for loan effectiveness, expired on 12 June 2005.

2. At its Eighty-Fifth Session in September 2005, the Executive Board agreed to a further extension of the loan effectiveness date – of six months – to 12 December 2005. The Dominican authorities have communicated to IFAD that the internal approval process is practically completed but a new extension is needed until approximately the end of this year.

3. The programme will be financed over a six-year period and is structured around four components: human and social capital development; sustainable income generation; social infrastructure; and policy dialogue and institutional strengthening. It introduces the following main innovative features: (i) government support to Dominicans of Haitian origin, strengthening the citizenship rights of vulnerable populations through legal support, minimization of social conflict and an active communications strategy; (ii) empowering grass-roots organizations, encouraging their participation as actors in the programme and giving them decision-making powers in local rural development efforts; (iii) a phased approach to poverty reduction, emphasizing citizens' rights, education and well-being as the entry point for economic development; and (iv) full support for a decentralization and local governance process.

II. RECOMMENDATION

4. IFAD has received a formal request from the Government of the Dominican Republic to extend the loan effectiveness date in the light of the reasons set forth in paragraph 2 above. Given the key role the programme will play in reducing rural poverty in the Dominican Republic, it is recommended that the Executive Board extend the effectiveness date of loan 595-DO for the Social and Economic Development Programme for Vulnerable Populations in the Border Provinces to allow the conditions for loan effectiveness to be fulfilled.

