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**IFAD**

**INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT**

**Executive Board – Eighty-seventh Session**

Rome, 19-20 April 2006

**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-seventh session of the Executive Board.

**Western and Central Africa**

**Congo: Rural Development Project in the Niari, Bouenza and Lékoumou Departments  
(EB 2006/87/R.13 + Add.1 + Sup.1) (now EB 2006/87/R.13/Rev.1)**

2. The Executive Board unanimously approved a loan of SDR 5.9 million to the Republic of the Congo to help finance the Rural Development Project in the Niari, Bouenza and Lékoumou Departments. The Board stressed the need for establishing a good monitoring and evaluation system and the importance of undertaking a baseline survey at project start-up in order to determine the initial level of a set of anchor indicators.

**Eastern and Southern Africa**

**Madagascar: Project to Support Development in the Menabe and Melaky Regions  
(EB 2006/87/R.14 + Sup.1) (now EB 2006/87/R.14/Rev.1)**

3. The Executive Board approved a loan of SDR 9.1 million and a grant of SDR 255 000 in support of this project in Madagascar. It complimented IFAD on the quality of the project design, its detailed targeting and the efforts made to collaborate with other donors. Positive written comments were received from Switzerland. The Executive Board Director for Cameroon confirmed the Malagasy Government's commitment to this project, and the Executive Board Director for France

emphasized the issue of empowering farmer organizations. Information was provided regarding building the capacity of these organizations to ensure sustainability of activities. The Executive Board Director for the United States of America requested clarification on harmonized procurement. It was explained that the project, in collaboration with several other donors, would reinforce the Government's national land reform initiative. Consequently, it was important to streamline the management of project activities. The Executive Board Director for the United States indicated that the Millennium Challenge Account contribution was to be considered as parallel financing. This would be taken into account in the ongoing discussion with the Millennium Challenge Account in Madagascar. Finally, the Board emphasized the need to ensure effective monitoring arrangements for project activities.

**Mozambique: Agricultural Support Programme  
(EB 2006/87/R.15)**

4. The Executive Board unanimously approved a loan of SDR 13.85 million to help finance the Agricultural Support Programme. It commended IFAD for focusing on supporting the development of improved extension services within the second phase of the National Programme for Agricultural Development (PROAGRI). It noted the important lessons learned from the first phase of PROAGRI and emphasized the need to develop, at the early stages of implementation of the second phase, a fully satisfactory monitoring and evaluation system. This system should be compatible with the IFAD Results and Impact Management System and would not only serve as an essential management tool but also ensure adequate reporting to stakeholders. The Board noted that it would receive a summary of the fiduciary arrangements for the second phase of PROAGRI once they had been reviewed and approved by all stakeholders, possibly by April 2007. In approving the programme, the Board acknowledged the challenge posed by the requirement that detailed implementation arrangements be finalized at the early stages of implementation. It was also informed that the programme mainly relied on contracted service provision, which was a new way of operating for the Ministry of Agriculture in the area of extension. In this respect, and in view of the limited capacity and experience of the private sector in most rural areas of the country, the Board stressed the importance of the programme's planned investments to strengthen service provider capacities for the delivery of extension services.

**Asia and the Pacific**

**Proposed additional loans for post-tsunami programmes  
(EB 2006/87/R.16 + Sup.1) (now EB 2006/87/R.16/Rev.1)**

5. The Board approved four additional loans in an aggregate amount of SDR 24.45 million on highly concessional terms to cover the external financing gaps in the four post-tsunami programmes that it had approved at its eighty-fourth session. The approval of these additional loans was on condition that the Board be advised at a future session on the results once they were fully negotiated with the Governments concerned. The loans will be distributed as follows:

- (a) SDR 10.40 million for the Post-Tsunami Sustainable Livelihoods Programme for the Coastal Communities of Tamil Nadu in India;
- (b) SDR 1.45 million for the Post-Tsunami Agricultural and Fisheries Rehabilitation Programme in Maldives;
- (c) SDR 10.95 million for the Post-Tsunami Coastal Rehabilitation and Resource Management Programme in Sri Lanka; and
- (d) SDR 1.65 million for the Post-Tsunami Livelihoods Support and Partnership Programme in Sri Lanka.

6. In approving the two additional loans for Sri Lanka, the Board encouraged IFAD, in consultation with the Government, to focus its resources on the three north-eastern districts affected by conflict and remoteness, since many donors were already active in the more accessible western districts. It also advised that if, following the specific request of the Government, new boats were distributed, attention needed to be paid to the risk of overfishing. In fact, if donors did not coordinate the distribution of boats, the result could be a fleet that was larger than before the tsunami, which would have a negative impact on coastal resources and the environment.

**Pakistan: Project for the Restoration of Earthquake-Affected Communities and Households (EB 2006/87/R.17 + Add.1 + Sup.1) (now EB 2006/87/R.17/Rev.1)**

7. The Board approved a loan of SDR 18.35 million to finance the project and endorsed the recommendation that the loan proposal be additional to the country's Performance-Based Allocation System (PBAS) allotment. In approving the project, the Executive Board raised four issues. First, the Board noted the large proportion of funds going towards housing reconstruction. It was clarified that costs were calculated by a comprehensive, multi-donor-supported needs assessment. However, it was stressed that the project would be operating flexibly to respond to the actual needs of the targeted villagers, and that the final split of costs between infrastructure and livestock might well be different. Second, the Board highlighted the risk of overstressing the implementation capacity of partner organizations on the ground. It was confirmed that IFAD would manage this risk by employing partner organizations of the Pakistan Poverty Alleviation Fund (PPAF), and by providing for training, management support and additional staff resources. Third, the Board questioned how environmental issues were being addressed in the aftermath of the earthquake. It was explained that the project would contribute to improved environmental conditions by providing housing, a safe water supply and sanitation. However, due to the high immediate priority of addressing basic needs, the project would not tackle broader natural resource management issues. Finally, the Board requested information on IFAD's relationship with PPAF, querying specifically how PPAF would coordinate with government institutions in earthquake rehabilitation. In reply, it was explained that IFAD had an excellent relationship with PPAF, and that coordination would be achieved through a newly created government agency called the Earthquake Reconstruction and Rehabilitation Authority (ERRA). To ensure close coordination between PPAF and ERRA, both agencies participated in the loan negotiations for the project.

**Latin America and the Caribbean**

**Brazil: Rural Communities Development Project in the Poorest Areas of the State of Bahia (EB 2006/87/R.18 + Add.1 + Sup.1) (now EB 2006/87/R.18/Rev.1)**

8. The Board unanimously approved a loan of SDR 20.8 million, on the guarantee of the Federative Republic of Brazil, to the State of Bahia of the Federative Republic of Brazil and a grant of USD 500 000 to the State of Bahia for this project. It was informed that the project was to be considered the second phase of a soon-to-be completed IFAD project in the State of Bahia, the Community Development Project for the Rio Gaviao Region, and it would build on and scale up the successful experience of that project. Specific strategies for gender equity and rural youth would be an integral part of the project management strategy. The project would promote market-oriented production focusing on traditional and innovative value-added productive chains. The Board was also advised that in support of innovative initiatives, the IFAD grant would finance a pilot programme run by organized producers for the processing of castor beans into oil, to supply the country's biodiesel market.

**Guatemala: President's Memorandum: Modifications to the National Rural Development Programme: Central and Eastern Regions  
(EB 2006/87/R.19)**

9. The Board approved modifications to the programme in Guatemala, as a result of the reduced amount of cofinancing received and the damage caused by Hurricane Stan.

**Near East and North Africa**

**Bosnia and Herzegovina: Rural Enterprise Enhancement Project  
(EB 2006/87/R.20 + Add.1 + Sup.1) (now EB 2006/87/R.20/Rev.1)**

10. The Executive Board approved a loan of SDR 8.8 million for this project. It was confirmed that the loan size was in line with PBAS projections. The Board noted that the project addressed important priorities of the agricultural and rural subsectors in Bosnia and Herzegovina and dealt adequately with the needs of rural poor people. It stressed that the active participation of processors and traders would be crucial to the project's success. The Board enquired about the limited capacity of the Entity ministries of agriculture. In reply, it was explained that the project would contract private-sector and NGO service providers to deliver the various project interventions, while the Entity ministries of agriculture, through autonomous programme coordination units, would handle financial management, monitoring, and coordination of service provider activities.

**II. GRANT PROPOSALS**

**Grants under the Global/Regional Grants Window to CGIAR-Supported International Centres  
(EB 2006/87/R.21)**

11. The following grant proposals under this category were approved by the eighty-seventh session of the Executive Board:

**International Livestock Research Institute: Programme for Enhancing Livelihoods of Poor Livestock Keepers through Increased Use of Fodder**

12. A grant of USD 1.6 million was approved by the Board.

**International Center for Agricultural Research in the Dry Areas: Programme for Rehabilitation of Agricultural Livelihoods of Women in Marginal Post-Conflict Areas of Afghanistan and Pakistan**

13. A grant of USD 1.08 million was approved by the Board.

**International Food Policy Research Institute: Support Programme to the Poverty Reduction Strategy Paper Process in Western and Central Africa**

14. A grant of USD 500 000 was approved.

**Grant under the Global/Regional Grants Window to the Regional Programme for Rural Development Training (PROCASUR) for the Learning Routes Training Programme  
(EB 2006/87/R.22)**

15. The Executive Board unanimously approved a grant of USD 900 000 to PROCASUR for the Learning Routes Training Programme. This IFAD-financed programme will promote effective and faster learning methods through a replicated "see and learn" methodology, which will benefit

communities and development agents, local governments and project staff (whether financed by IFAD or others).