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**IFAD**

**INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT**

**Executive Board – Eighty-seventh Session**

Rome, 19-20 April 2006

**EXECUTIVE BOARD**

**MINUTES OF THE EIGHTY-SEVENTH SESSION**



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

### I. INTRODUCTION

1. The eighty-seventh session of the Executive Board was held in Rome from 19-20 April 2006. 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-seventh 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 (EB 2006/87/R.1) and adopted the agenda contained in document EB 2006/87/R.1/Rev.1. The agenda is attached as Annex III.

#### B. IFAD's Action Plan for Improving its Development Effectiveness: Elaboration of issues (agenda item 3)

5. The Executive Board considered the issues on which it had requested elaboration with respect to IFAD's Action Plan for Improving its Development Effectiveness as presented in document EB 2006/87/R.2. While several Directors pointed out the need for more specificity with regard to certain issues, it was recognized that the document before the Board represented the results of just over two months of work on these issues.
6. Concern was voiced with respect to the size of the task at hand and IFAD's capacity, in terms of both financial and human resources, to carry out this task. The Board was assured that IFAD not only was committed to ensuring that the deliverables of the Action Plan were achieved but was also fully aware of the risks inherent in this increased workload.
7. The Board was informed that the terms of reference of the Steering Committee had been modified, and the Action Plan structure revised with a view to streamlining it and better defining accountability, and these were made available to Directors. The Board was further advised that key performance indicators had been identified for review by management at the end of April, with a view to implementing their use in the preparation of the programme of work and budget for 2007. This would facilitate the process of preparing the 2008 results-based programme of work and budget.
8. As regards quality assurance, it was recognized that a set of quality assurance processes were in place with the ultimate aim of enhancing the quality of country programmes at the entry, design and implementation stages. These processes will be strengthened as an important aspect of the Action Plan. In addition, quality control will be enhanced through a single quality assurance group within IFAD that assesses, through an arm's length process, compliance with agreed quality norms and processes. Moreover, IFAD will utilize external quality assurance entities to reinforce these processes.

9. On the issue of reform within the United Nations and system-wide coherence, IFAD will consult with other institutions with a view to analysing best practices that could be adapted to IFAD's needs, thus ensuring cost-effectiveness.

10. In reviewing the Office of Evaluation's proposed approach to the evaluation of the Action Plan, and based on the concerns and questions raised, the Board called for further consideration of the proposal and agreed that the Evaluation Committee would identify the best approach and provide its recommendations to the Board.

### **C. IFAD Policy on Crisis Prevention and Recovery (agenda item 4)**

11. The Executive Board considered the IFAD Policy on Crisis Prevention and Recovery (EB 2006/87/R.3) and commended the positive evolution of the document vis-à-vis the one considered at the September 2005 session of the Board. A number of clarifications were requested by the Board and textual amendments to the document were presented in a conference room paper (EB 2006/87/C.R.P.1) subsequently approved by the Board. With these amendments, the Executive Board approved the policy as reflected in document EB 2006/87/R.3/Rev.1. These amendments further emphasized that IFAD's role would be to promote medium- to long-term sustainable development in support of the rehabilitation of agricultural capacity and livelihoods rather than short-term relief operations. Given IFAD's specific mandate, the importance of agricultural production and food security was emphasized. The Fund's activities would be coordinated with those of other development partners in-country in order to ensure complementarity of approaches and to avoid duplication of efforts. The Board also agreed that the allocation of resources for countries affected by conflict or natural disasters would be given special consideration in the context of the Performance-Based Allocation System.

### **D. Evaluation (agenda item 5)**

#### **(a) Report of the Chairperson of the Evaluation Committee on the field trip to Mexico**

12. The Chairperson of the Evaluation Committee presented a report on behalf of the Committee on its field trip to Mexico (EB 2006/87/R.4, to be revised as EB 2006/87/R.4/Rev.1). All members who participated in the field trip expressed appreciation for the valuable opportunity provided to them to see the work of the Fund on the ground, and commended the Government of Mexico and the Office of Evaluation for the excellent arrangements made. The country programme evaluation workshop also proved to be a productive forum for an exchange of views. A number of recommendations had emerged, especially regarding the need for IFAD to develop a strategy for its engagement with middle-income countries.

#### **(b) Report of the Chairperson on the forty-third session of the Evaluation Committee**

13. The Chairperson of the Evaluation Committee presented the Board with the Committee's report on its forty-third session (EB 2006/87/R.5), held on 7 April 2006. The Evaluation Committee had reviewed the portfolio performance report for 2005 at that meeting and welcomed the report's increased effectiveness as a management tool. Among the issues flagged by the Committee, with a view to further improving the Fund's portfolio performance, were the development of guidelines for strengthening partnerships, a strategy for targeting, an increased emphasis on grass-roots institutions, and country ownership through harmonization with Member States' poverty reduction strategies.

#### **(c) Appointment of members to the Evaluation Committee**

14. The Executive Board considered the appointment of members of the Evaluation Committee (EB 2006/87/R.6) and appointed the following nine members: Belgium, Germany, Sweden and

Switzerland from List A; Indonesia and Nigeria from List B; and, within List C, from sub-List C1, Cameroon for 2006 and 2007 and Mali for 2008; India from sub-List C2; and Mexico from sub-List C3. It was also recalled that, by a decision taken at the sixty-first session of the Executive Board, the chair of the committee was to rest permanently with Lists B and C. The new Evaluation Committee was requested to elect a chairperson in accordance with that decision. The Executive Board will be informed of the new chairperson at its eighty-eighth session.

**E. IFAD's participation in the Debt Initiative for Heavily Indebted Poor Countries (agenda item 6)**

15. The Executive Board considered the progress report on IFAD's participation in the Debt Initiative for Heavily Indebted Poor Countries (HIPC) (EB 2006/87/R.7 and its corrigendum – to be revised as EB 2006/87/R.7/Rev.1), which included a debt relief proposal for Burundi. Upon concluding its review of the proposed contribution to the reduction of Burundi's debt to IFAD as of 31 December 2004, the Board adopted the following resolution:

“RESOLVED: that the Fund, upon declaration at completion point by the International Monetary Fund and the World Bank that Burundi has satisfied the conditions for debt relief under the Debt Initiative for Heavily Indebted Poor Countries, shall reduce the value of Burundi'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/interest payments), as these fall due after the respective completion point, and up to the aggregate NPV [net present value] amount of SDR 11.7 million in 2004 NPV terms.”

16. Noting the possibility of future increases in HIPC Debt Initiative costs for IFAD, the Board welcomed the steps being taken by management with a view to mitigating the impact of debt relief on IFAD's resources. Board Directors expressed hope for a positive outcome of the Fund's efforts to access the core resources of the World Bank-administered HIPC Trust Fund. The Board would be informed at a future session of the conclusions reached at the forthcoming technical meeting scheduled to be held with the World Bank in this regard.

**F. Performance-Based Allocation System for IFAD (agenda item 7)**

17. Following discussions at the informal seminar on the Performance-Based Allocation System (PBAS) held in March and subsequent thereto, as well as the discussions on the agenda item on the PBAS (EB 2006/87/R.8), the Executive Board agreed to the following:

- (a) In line with the Agreement Establishing IFAD, the resources of the Fund will continue to be used with “due regard to a fair geographic distribution”. Moreover, with the application of a uniform system of allocation from 2007, IFAD would, in line with the decisions reached during the Seventh Replenishment “continue to direct at least the current percentage share of resources to sub-Saharan Africa, provided that the performance of individual countries warrants it.”
- (b) IFAD would continue to implement the PBAS on the basis of a three year lending/allocation framework and plan allocations to the list of active borrowers. This would be done in the light of an expanding programme of work and the Board would be kept informed of country scores, allocations and the changes that occur as these are updated.
- (c) The weight of 0.45 was regarded as a “point of balance” where population still carried significant influence as a determinant of “needs” in the formula but at the same time

allowed performance and GNI per capita to have a strong role. It was therefore agreed that the formula be modified accordingly to reflect a revised weight of population at 0.45.

- (d) There was broad agreement that, given IFAD's specific focus on rural poverty, the use of rural population would respond better to IFAD's mandate. In this regard it was agreed that the concept of rural population would be applied no later than the 2008 work programme.
- (e) Having agreed to these principles and decisions, the Board further agreed to the suggestion to convene a working group, as referred to in the Consultation Report approved by the Governing Council, to develop a broader understanding of evolving issues in PBAS implementation relating to the data to be used for rural population, the importance of performance, the implementation of the PBAS for concessional and non-concessional borrowers and other potential indicators of poverty such as nutrition and per capita rural income levels that could affect country scores and be introduced into the overall system. An informal seminar would be convened in order to develop the work programme of such a group and the secretariat will provide appropriate technical support.

18. In the discussion on the PBAS, Board Directors urged management to ensure that the transaction costs were not increased and the average loan size per project was not reduced.

#### **G. Country strategic opportunities papers (agenda item 8)**

##### **(a) Bangladesh**

19. During its review of the country strategic opportunities paper (COSOP) for Bangladesh (EB 2006/87/R9), the Executive Board requested more information on how IFAD would address governance issues. It was confirmed that the county portfolio evaluation had reported that IFAD had made good progress in dealing with corruption but that more could be done. In this regard, an action plan for dealing with corruption had been agreed by all parties and was described in the annex to the COSOP entitled "Agreement at Completion Point". In answer to queries on the efforts under way to ensure coordination with the World Bank and the Asian Development Bank (AsDB), it was explained that IFAD had a very close partnership with both banks in Bangladesh. Moreover, to ensure coordinated implementation of the poverty reduction strategy paper, IFAD was now included in a partnership matrix for Bangladesh linking the World Bank, AsDB, the United Kingdom of Great Britain and Northern Ireland's Department for International Development (DfID) and Japan.

20. The Board sought clarification on the intended approach to improving the management of common property resources. It was explained that IFAD projects would build on previous experiences in Bangladesh and would focus on obtaining long-term security of tenure for productive water bodies and on transferring these water bodies to groups of poor fishers for management. The Board noted that the logical framework did not include quantified targets. It was informed that indicators would be quantified at the time of future project design. Furthermore, accountability for COSOP impact would be achieved by regular reporting on the stated COSOP indicators, as opposed to setting quantified targets before understanding what would be financed. The possibility of reducing the number of strategic objectives was discussed, and it was explained that the strategic objective on gender could easily be interpreted as a cross-cutting theme for all future programmes.

21. The Board requested further information on the fisheries proposals in the COSOP. It was informed that IFAD would build on the experience of previous projects funded jointly by IFAD and DfID, and would focus in particular on community-based approaches to fisheries management, including working to ensure long-term security of tenure over fisheries resources for poor fishers. The Board questioned why water management was not a cross-cutting issue and was informed that IFAD



had moved away from financing large water management projects due to their heavy focus on major infrastructure schemes, their high cost, and the existence of other donors with a greater comparative advantage in this field such as the Netherlands and the World Bank. Finally, the Board queried the innovation capacity of IFAD's major partner organizations in Bangladesh. It was explained that over the past five years, IFAD had shifted towards institutions with proven ability to support innovation programmes. Two examples were the Palli Karma-Sahayak Foundation, and the Local Government Engineering Department, whose work, respectively in microfinance and rural infrastructure, had been highly innovative.

**(b) Egypt**

22. In reviewing the COSOP for Egypt (EB 2006/87/R.10), the Executive Board commended its quality, poverty focus and participatory approach. The Egyptian representative expressed his Government's full satisfaction with the preparation of the COSOP, its recommendations, and its geographic and thematic focus. He looked forward to making use of the COSOP to support rural development projects in southern Upper Egypt. Board Directors suggested conducting a mid-term review of the COSOP should the rural poverty situation in Egypt change. It was stressed that this situation would be closely monitored and that targeting would be adjusted if necessary. Members of the Evaluation Committee highlighted the importance of preceding COSOP preparation with a country portfolio evaluation (CPE), given the positive interaction observed. The extent of project beneficiary participation during COSOP preparation was queried, as was the emphasis given to gender mainstreaming. It was confirmed that participation of beneficiaries was strong, especially during the CPE validation workshop, and that this was fully reflected in the agreement at completion point and the COSOP. The programmatic link between grants and loans for gender mainstreaming was also stressed.

**(c) Ghana**

23. The Executive Board reviewed the COSOP for Ghana (EB 2006/87/R.11). It appreciated the analytical basis of its strategy, the participatory approach adopted for its design, and its synchronization and significant alignment with the Ghana Growth and Poverty Reduction Strategy. It also commended the paper's analysis of the Fund's comparative advantage and its emphasis on the northern regions of Ghana. The Board sought greater clarification on various issues, including project implementation units, the use of salary top-ups for project staff, partnership arrangements and behaviour, the participation of rural beneficiaries in COSOP design and the use of new solutions for monitoring and evaluation (M&E). It was explained that IFAD-financed programmes would rely on the country systems as they developed along the lines of the Paris Declaration on Aid Effectiveness. The Board was also informed that the top-ups issue reflected past arrangements and that the last project using these arrangements would close at the end of June 2006. It was also reiterated that IFAD was collaborating with many partners at the project and policy levels, and that it was looking forward to fostering further partnerships within the development effectiveness framework. It was brought to the Board's attention that the COSOP was designed in a thoroughly participatory approach involving farmers' organizations, rural entrepreneurs, NGOs and government agencies. These partnership arrangements would be mainstreamed through the Country Programme Development and Implementation Partnership to ensure continuous guidance and direction to the country programme. New M&E arrangements consisted essentially in involving end-users and service providers more substantially in the assessment of programme activities and results.

**H. Resources available for commitment (agenda item 9)**

24. The Executive Board reviewed the documents on the resources available for commitment at this session (EB 2006/87/R.12 and its corrigendum – to be revised as EB 2006/87/R.12/Rev.1 – and addendum). With net inflows from 1 January to 31 March 2006 estimated at USD 98.5 million and a

required total for loan and grant proposals at this session of approximately USD 147.6 million, the Board approved the use of advance commitment authority (ACA) for an amount of up to USD 49.1 million. This brings the level of ACA carried forward to USD 345.1 million.

**I. Project/programme proposals for consideration by the Executive Board (agenda item 10)**

25. The Executive Board was informed that formal negotiations for the loan proposal for Bangladesh, approved at the Board's eighty-sixth session in December 2005, had been completed and were substantially in line with the terms presented at that time.

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

**(a) Western and Central Africa**

*Congo: Rural Development Project in the Niari, Bouenza and Lékoumou Departments*

27. The Executive Board considered the project proposal contained in document EB 2006/87/R.13 with its addendum and supplement and adopted the following resolution:

“RESOLVED: that the Fund shall make a loan to the Republic of the Congo in various currencies in an amount equivalent to five million nine hundred thousand special drawing rights (SDR 5 900 000) to mature on or prior to 1 February 2046, 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) Madagascar: Project to Support Development in the Menabe and Melaky Regions*

28. The Executive Board considered the project proposal contained in document EB 2006/87/R.14 with its supplement and adopted the following resolutions:

“RESOLVED: that the Fund shall make a loan to the Republic of Madagascar in various currencies in an amount equivalent to nine million one hundred thousand special drawing rights (SDR 9 100 000) (equivalent to approximately USD 13.12 million) to mature on or prior to 15 February 2046 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 Madagascar in various currencies in an amount equivalent to two hundred and fifty-five thousand special drawing rights (SDR 255 000) (equivalent to approximately USD 365 000) 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.”

*(ii) Mozambique: Agricultural Support Programme*

29. The Executive Board considered the programme proposal contained in document EB 2006/87/R.15 and adopted the following resolution:

“RESOLVED: that the Fund shall make a loan to the Republic of Mozambique in various currencies in an amount equivalent to thirteen million eight hundred and fifty thousand special

drawing rights (SDR 13 850 000) to mature on or prior to 1 November 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**

- (i) *Post-tsunami proposals: Additional funding for proposals approved at the eighty-fourth session of the Executive Board*

30. At its eighty-fourth session in April 2005, the Executive Board approved four loans for post-tsunami programmes in India, Maldives and Sri Lanka. The loan amounts approved were for 50% of the total IFAD loans proposed. It had been agreed that the remaining amounts for the four programmes would be either mobilized or covered from loan allocations under the 2006 programme of work. Accordingly, the Board considered document EB 2006/87/R.16, together with its supplement, which presented four loan proposals to cover the additional amounts required for the programmes and adopted the following resolutions:

“RESOLVED: that the Fund, in order to finance, in part, the Post-Tsunami Sustainable Livelihoods Programme for the Coastal Communities of Tamil Nadu, shall make a loan to the Republic of India in various currencies in an amount equivalent to ten million four hundred thousand special drawing rights (SDR 10 400 000) to mature on or prior to 15 April 2046 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.

FURTHER RESOLVED: that the Fund, in order to finance, in part, the Post-Tsunami Agricultural and Fisheries Rehabilitation Programme, shall make a loan to the Republic of Maldives in various currencies in an amount equivalent to one million four hundred and fifty thousand special drawing rights (SDR 1 450 000) to mature on or prior to 15 April 2046 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.

FURTHER RESOLVED: that the Fund, in order to finance, in part, the Post-Tsunami Coastal Rehabilitation and Resource Management Programme, shall make a loan to the Democratic Socialist Republic of Sri Lanka in various currencies in an amount equivalent to ten million nine hundred and fifty thousand special drawing rights (SDR 10 950 000) to mature on or prior to 15 April 2046 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.

FURTHER RESOLVED: that the Fund, in order to finance, in part, the Post-Tsunami Livelihoods Support and Partnership Programme, shall make a loan to the Democratic Socialist Republic of Sri Lanka in various currencies in an amount equivalent to one million six hundred and fifty thousand special drawing rights (SDR 1 650 000) to mature on or prior to 15 April 2046 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.”

31. The Executive Board approved the loan proposals for India, Maldives and Sri Lanka, for which negotiations had not taken place prior to its consideration, on the condition that any important variations to the terms presented to the Board that might arise during negotiations would be brought to its attention at a future session.

- (ii) *Pakistan: Project for the Restoration of Earthquake-Affected Communities and Households*

32. The Executive Board considered the project proposal contained in document EB 2006/87/R.17 with its addendum and supplement, and adopted the following resolution:

“RESOLVED: that the Fund shall make a loan to the Islamic Republic of Pakistan in various currencies in an amount equivalent to eighteen million three hundred and fifty thousand special drawing rights (SDR 18 350 000) to mature on or prior to 15 April 2046 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.”

33. The Board also approved the proposal that the IFAD loan be additional to the performance-based allocation for Pakistan.

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

- (i) *Brazil: Rural Communities Development Project in the Poorest Areas of the State of Bahia*

34. The Executive Board considered the project proposal contained in document EB 2006/87/R.18 with its addendum and supplement, and adopted the following resolutions:

“RESOLVED: that the Fund, on the guarantee of the Federative Republic of Brazil, shall make a loan to the State of Bahia of the Federative Republic of Brazil in various currencies in an amount equivalent to twenty million eight hundred thousand special drawing rights (SDR 20 800 000) to mature on or prior to 15 May 2024 and to bear an interest rate equal to the reference 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.

RESOLVED FURTHER: that the Fund shall provide a grant to the State of Bahia of the Federative Republic of Brazil in an amount of USD 500 000 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) *Guatemala: President’s Memorandum: Modifications to the National Rural Development Programme: Central and Eastern Regions (Loan 651-GT)*

35. The Executive Board considered the proposal contained in document EB 2006/87/R.19 and approved the modifications to the National Rural Development Programme: Central and Eastern Regions in Guatemala as follows:

- (a) reduce the OPEC Fund loan from USD 15.0 million to USD 11.0 million; and  
 (b) adapt loan categories and the percentage of expenditures eligible for IFAD financing and reallocate funds accordingly, as indicated in Tables 1 and 2 in document EB 2006/87/R.19.

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

(i) *Bosnia and Herzegovina: Rural Enterprise Enhancement Project*

36. The Executive Board considered the project proposal contained in document EB 2006/87/R.20 with its addendum and supplement, and adopted the following resolution:

“RESOLVED: that the Fund shall make a loan to Bosnia and Herzegovina in various currencies in an amount equivalent to eight million eight hundred thousand special drawing rights (SDR 8 800 000) to mature on or prior to 15 April 2046 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.”

**J. Grant proposals under the global/regional grants window for consideration by the Executive Board (agenda item 11)**

37. The Executive Board considered the following grant proposals:

(a) **CGIAR-supported international centres**

38. The Executive Board considered the grant proposals contained in document EB 2006/87/R.21, and by adopting the following resolutions agreed to support three agricultural research and training programmes to be implemented through the Consultative Group on International Agricultural Research (CGIAR)-supported centres:

“RESOLVED: that the Fund, in order to finance, in part, the Programme for Rehabilitation of Agricultural Livelihoods of Women in Marginal Post-Conflict Areas of Afghanistan and Pakistan, shall make a grant not exceeding one million and eighty thousand United States dollars (USD 1 080 000) to the International Center for Agricultural Research in the Dry Areas (ICARDA) for a three-year programme 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 Support Programme to the Poverty Reduction Strategy Paper Process in Western and Central Africa, shall make a grant not exceeding five hundred thousand United States dollars (USD 500 000) to the International Food Policy Research Institute (IFPRI) for a three-year programme 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 Enhancing Livelihoods of Poor Livestock Keepers through Increased Use of Fodder, shall make a grant not exceeding one million six hundred thousand United States dollars (USD 1 600 000) to the International Livestock Research Institute (ILRI) for a four-year programme 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) Regional Programme for Rural Development Training (PROCASUR) for the Learning Routes Training Programme**

39. The Executive Board considered the information contained in document EB 2006/87/R.22 and approved the proposed grant by adopting the following resolution:

“RESOLVED: that the Fund, in order to finance, in part, the Learning Routes Training Programme for three years, shall make a grant not exceeding nine hundred thousand United States dollars (USD 900 000) to the Regional Programme for Rural Development Training (PROCASUR) 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.”

**K. Planned project activities (agenda item 12)**

40. The Executive Board reviewed the document on planned project activities for 2006-2007 (EB 2006/87/R.23) regarding projects and programmes in the pipeline, COSOPs reviewed to date and those planned for submission to forthcoming Board sessions. The Executive Board Director for Japan expressed his country’s cautious position about the proposed project in the Democratic People’s Republic of Korea, scheduled to be presented to the Board in December 2006, and requested a detailed description of the proposal.

**L. Financial matters (agenda item 13)**

**(a) Seventh Replenishment of IFAD’s resources**

**(i) Report on the Seventh Replenishment of IFAD’s resources**

41. The Executive Board reviewed the report on the Seventh Replenishment of IFAD’s resources (EB 2006/87/R.24), noting the Governing Council’s adoption of Resolution 141/XXIX and the updated Attachment A of the resolution, setting out for each Member State the contributions paid and the pledges made to the Seventh Replenishment as at 8 March 2006.

**(ii) Status of contributions to the Seventh Replenishment of IFAD’s resources**

42. The Executive Board considered the status of contributions to the Seventh Replenishment of IFAD’s resources (EB 2006/87/R.25). Directors welcomed the recent pledge from Italy, which would be at least at the level of its Sixth Replenishment contribution of EUR 41.5 million, and that of Ireland of EUR 6 million. The Board noted that – as at 19 April 2006 – aggregate pledges, including complementary contributions, amounted to USD 550 million equivalent. It was recalled that the Governing Council had delegated to the President the authority to adjust the Seventh Replenishment target, should this prove necessary, to reflect a structural gap not exceeding 15% by the end of the six-month period for the creation of additional votes, that is by 16 August 2006. Member States that had not yet announced their pledges were encouraged to do so as soon as possible.

43. Directors were reminded that the Seventh Replenishment would become effective once instruments of contribution had been deposited in an amount equivalent to 50% of the total pledged contributions. Member States were therefore strongly encouraged to deposit their instruments of contribution with the shortest possible delay.

(b) **Report on the status of contributions to the Sixth Replenishment of IFAD's resources**

44. The Executive Board reviewed the status of contributions to the Sixth Replenishment of IFAD's resources (EB 2006/87/R.26), noting that, as at 24 February 2006, pledges amounted to USD 509.1 million, or 91% of the Sixth Replenishment target of USD 560 million equivalent. As at 19 April 2006, instruments of contribution and payments not supported by instruments of contribution had been deposited in an amount equivalent to USD 453.8 million, or 89% of pledges, whereas payments had been received totalling USD 400.9 million, or 79% of pledges.

(c) **IFAD's investment portfolio**

(i) **Report on IFAD's investment portfolio for 2005**

45. The Executive Board reviewed the report on IFAD's investment portfolio for 2005 (EB 2006/87/R.27). Directors noted that the aggregate income from investments in 2005 amounted to USD 68 million, representing a net rate of return of 2.95%, and included an outperformance of 23 basis points compared with the return of the portfolio's aggregate benchmark. The net rate of return for 2005 was lower than IFAD's target return of 3.5% per annum. The remaining equities portfolio was liquidated in 2005 and a held-to-maturity portfolio of high-quality bonds was funded for approximately USD 414 million. While this reduced the risk level in the investment portfolio significantly, it also entailed a somewhat lower return expectation. In this respect, Directors noted with satisfaction the work under way with the World Bank as investment advisor with respect to the benchmark for the held-to-maturity portfolio and different asset allocation scenarios to improve return prospects.

(ii) **Report on IFAD's investment portfolio for the first quarter of 2006**

46. The Executive Board then considered the report on IFAD's investment portfolio for the first quarter of 2006 (EB 2006/87/R.28), noting that the first two months of 2006 had shown a positive return resulting in aggregate investment income of USD 6.6 million.

(d) **Status report on arrears in principal, interest and service charge payments**

47. In reviewing the status report on arrears in principal, interest and service charge payments (EB 2006/87/R.29 and its corrigendum – to be revised as EB 2006/87/R.29/Rev.1), the Board noted that while the number of loans in arrears at year-end 2005 had remained stable at 55, there was an overall increase in arrears of USD 5.8 million. It further noted that 81.4% of the total amount overdue comprised the outstanding arrears of eight countries for which no settlement plans had so far been possible. Directors welcomed the update that, over the past few months, several borrowers had made payments on overdue charges in an amount of USD 1.8 million. While commending the Fund's efforts to resolve outstanding arrears, Directors urged management to reinforce these efforts.

(e) **Requirements for the twenty-seventh drawdown of Member States' contributions in 2006**

48. The Executive Board reviewed the requirements for the twenty-seventh drawdown of Member States' contributions in 2006 (EB 2006/87/R.30). It approved the drawdown of 35% of the Sixth Replenishment contributions in May 2006 to meet loan and grant disbursements for 2006, or as may be stipulated with individual Member States. It also authorized the use of the Fund's liquid assets to finance disbursement needs not covered by the drawdown.

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

49. The Chairman of the Audit Committee presented a report on its ninety-second meeting (EB 2006/87/R.31), during which it had reviewed the audited financial statements of IFAD for 2005 and recommended that the Board endorse them. Information was also provided to the Board to clarify the effects of a revision to International Accounting Standard 39, which required IFAD to restate its loans, certain receivables and liabilities, and deferred revenues at initial fair value and subsequent amortized cost in its 2005 financial statements. The Board endorsed the Committee's report. The Chairman of the Audit Committee noted that the Committee had been mandated by the Executive Board, in 2004, for a two-year trial period, to review the Fund's annual budget prior to its submission to the Board. This experience had been found to be positive, and he proposed that the Audit Committee's role in this regard should be continued in the future. The Board approved this suggestion.

**(g) Audited financial statements of IFAD for 2005**

50. The Executive Board reviewed the audited financial statements of IFAD for 2005 and the report of the external auditor thereon (EB 2006/87/R.32 and its corrigendum – to be revised as EB 2006/87/R.32/Rev.1). In accordance with the recommendation of the Audit Committee, it endorsed the financial statements and agreed to submit them to the thirtieth session of the Governing Council for approval.

**(h) Appointment of members to the Audit Committee**

51. The Executive Board considered the appointment of members to the Audit Committee (EB 2006/87/R.33) and appointed the following nine members: France, Italy, the Netherlands and the United States of America from List A; Algeria and Venezuela (Bolivarian Republic of) from List B; and, within the List C Members of the Board, from sub-List C1: Egypt for 2006 and 2007, and South Africa for 2008; China from sub-List C2; and Argentina from sub-List C3. The representative for France was elected as the Chairperson of the Audit Committee.

**M. Portfolio performance report (agenda item 14)**

52. During consideration of the portfolio performance report for 2005 (EB 2006/87/R.34), the Board commended the Fund on the improvements in the overall quality of the document and on its responsiveness to the annual report on the results and impact of IFAD operations (ARRI). While acknowledging the significant progress made in 2005, in particular the record levels of approvals and disbursements, Directors called for management to take steps towards improving the delays in project and programme effectiveness. The agreement between the Programme Management Department and the Office of Evaluation to harmonize the self-evaluation and independent evaluation systems was also welcomed. In this regard, the Board looked forward to considering both the ARRI and management's response thereto at its December session.

53. The Board noted the advances made in implementing the private-sector strategy and the Results and Impact Management System, and in strengthening the self-evaluation system. Directors also provided constructive comments on various issues, such as exit strategies, food security, gender mainstreaming, targeting, innovation, knowledge management and partnerships.

**N. Progress report on IFAD's Field Presence Pilot Programme (agenda item 15)**

54. The Executive Board reviewed the progress report on IFAD's Field Presence Pilot Programme (EB 2006/87/R.35), noting that all 15 initiatives were now operational. Directors welcomed the operational lessons learned through the pilot programme and the positive effects flowing from it. These related to areas such as communications with the countries concerned, knowledge management



and partnership-building, including improved donor coordination. The Board further welcomed the oral report given by the Chairman of the Ad Hoc Working Group of the Executive Board on Field Presence, Mr Philip Heuts, on the Group's recent meeting. The Chairman informed the Board of the new membership of the working group, which was agreed upon at its last meeting and which comprised representatives of Belgium (chair), France, Guatemala, India, Indonesia, Mali, Switzerland, the United Kingdom of Great Britain and Northern Ireland and the Bolivarian Republic of Venezuela.

**O. Establishment of an ad hoc committee to review Member States' voting rights and the role, effectiveness and membership of the Executive Board (agenda item 16)**

55. The Executive Board reviewed the recommendations contained in document EB 2006/87/R.36, which had been prepared in consultation and in agreement with List convenors. The Board noted the importance of the issues of Member States' voting rights and the role, effectiveness and membership of the Executive Board, and approved the recommendation to establish an ad hoc committee to review these issues. It further decided that the committee would be comprised of four Board members from List A, two from List B and three from List C. A chairperson would be chosen from among these nine members to serve on a rotation basis. The committee would meet with the objective of concluding its discussions and recommendations by the end of 2006.

**P. Other business (agenda item 17)**

**(a) IFAD's new headquarters**

56. An oral progress report on the renovation of IFAD's new headquarters was presented to the Executive Board. The Board was informed that, in accordance with Resolution 139/XXVIII, IFAD would seek voluntary contributions from Member States to finance the refurbishment of the common areas and facilities of the new headquarters. To this end, a prospectus providing additional information on these funding opportunities would be transmitted to all Member States.

**(b) Chairmanship of replenishment consultations**

57. At the request of the Executive Board Director for Germany, it was agreed that IFAD would provide a paper on the approaches and regulations of other organizations with respect to the chairmanship of replenishment consultations. This paper would be presented for the Board's consideration at its eighty-eighth session in September 2006.

**(c) Approval of disclosure of documents**

58. The Executive Board approved the disclosure of the documents that had been submitted at the eighty-seventh session, inclusive of the revisions required, and noted that the documents would be subsequently posted on IFAD's public website.



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ANNEX I

**A**

**IFAD**  
**INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT**  
**Executive Board – Eighty-seventh Session**  
Rome, 19-20 April 2006

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

**Liste des participants à la quatre-vingt-septième session  
du conseil d'administration**

**Lista de los participantes en el 87° período de sesiones  
de la Junta Ejecutiva**



**Member  
Membre  
Miembro**

**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

**Finland**

Heidi PIHLATIE  
Minister Counsellor  
Permanent Representative  
of the Republic of Finland  
to the United Nations Food  
and Agriculture Agencies  
Rome

**France**

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

**Belgium**

Philip HEUTS  
Conseiller  
Coopération internationale  
Représentant permanent suppléant  
du Royaume de Belgique  
auprès du FIDA  
Rome

**Germany**

Bernd DUNNZLAFF  
Counsellor  
Alternate Permanent Representative  
of the Federal Republic of Germany  
to IFAD  
Rome

**Switzerland**

Lothar CAVIEZEL  
Ministre  
Représentant permanent de la  
Confédération suisse  
auprès du FIDA  
Rome

**Italy**

Augusto ZODDA  
Membre du Service de Consultation  
et supervision fiscale  
Ministère de l'économie et  
des finances  
Rome

**Greece**

Emmanuel MANOUSSAKIS  
Minister Plenipotentiary  
for Agricultural Affairs  
Alternate Permanent Representative  
of the Hellenic Republic to IFAD  
Rome

**Member  
Membre  
Miembro**

**Alternate Member  
Membre suppléant  
Miembro suplente**

**Japan**

Kazumi ENDO  
Counsellor  
Deputy Permanent Representative  
of Japan to the United Nations  
Food and Agriculture Agencies  
Rome

**Denmark**

Kristian HØJERSHOLT  
Minister Counsellor  
Chargé d'affaires, a.i.  
Permanent Representation of the  
Kingdom of Denmark to the  
United Nations Food and  
Agriculture Agencies  
Rome

**Norway**

Margaret SLETTEVOLD  
Minister Counsellor  
Permanent Representative of the  
Kingdom of Norway to IFAD  
Rome

**Sweden**

Ann UUSTALU  
Minister  
Permanent Representative  
of the Kingdom of Sweden  
to IFAD  
Rome

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

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

**Netherlands**

Theo VAN BANNING  
Counsellor  
Deputy Permanent Representative  
of the Kingdom of the Netherlands  
to IFAD  
Rome

**United States of America**

Liza MORRIS  
Deputy Director  
Office of Multilateral  
Development Banks  
Department of Treasury  
Washington, D.C.

**Spain**

Jorge CABRERA ESPINÓS  
Primer Secretario  
Embajada de España  
Roma

**Member  
Membre  
Miembro**

**Alternate Member  
Membre suppléant  
Miembro suplente**

**LIST B**

**Kuwait**

Waleed AL-BAHAR  
Regional Manager for Central Asia  
and European Countries  
Kuwait Fund for Arab  
Economic Development  
Kuwait City

**United Arab Emirates**

Majed Ali Ahmed OMRAN AL SHAMSI  
Assistant Director  
Revenue Department  
Ministry of Finance  
and Industry  
Abu Dhabi

**Nigeria**

**Qatar**

Khalid BIN HAMAD AL-THANI  
First Secretary  
Alternate Permanent Representative  
of the State of Qatar to IFAD  
Rome

**Saudi Arabia**

Ahmad Ben Souleiman AL-AQUIL  
Minister Plenipotentiary  
Permanent Representative of the  
Kingdom of Saudi Arabia  
to FAO  
Rome

**Indonesia**

Djafar HUSEIN  
Deputy Chief of Mission  
Embassy of the Republic  
of Indonesia  
Rome

**Venezuela, Bolivarian Republic of**

Jesús Cirilio SALAZAR  
Ministro Consejero  
Representante Permanente Alterno de  
la República Bolivariana de Venezuela  
ante el FIDA  
Roma

**Algeria**

Abderrahman HAMIDAOU  
Ministre plénipotentiaire  
Représentant permanent adjoint  
de la République algérienne  
démocratique et populaire auprès  
des organisations spécialisées  
des Nations Unies  
Rome

**Member  
Membre  
Miembro**

**Alternate Member  
Membre suppléant  
Miembro suplente**

**LIST C  
SUB-LIST C1 - Africa**

**Egypt**

Said Mohamed EL SAYED MANSOUR  
Agricultural Counsellor  
Deputy Permanent Representative  
of the Arab Republic of Egypt  
to the United Nations Food and  
Agriculture Agencies  
Rome

**Mali**

Ibrahim Bocar DAGA  
Ambassadeur de la République  
du Mali auprès du FIDA  
Rome

**South Africa**

Margaret MOHAPI  
First Secretary  
Alternate Permanent Representative  
of the Republic of South Africa  
to the United Nations Food and  
Agriculture Agencies  
Rome

**Cameroon**

Médi MOUNGUI  
Deuxième Conseiller  
Représentant permanent adjoint  
de la République du Cameroun  
auprès du FIDA  
Rome

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

**China**

JU Kuilin  
Deputy Director-General  
International Department  
Ministry of Finance  
Beijing

**Pakistan**

Aamir Ashraf KHAWAJA  
Agricultural Counsellor  
Alternate Permanent Representative  
of the Islamic Republic of Pakistan  
to the United Nations Food and  
Agriculture Agencies  
Rome



ANNEX I

**Member  
Membre  
Miembro**

**Alternate Member  
Membre suppléant  
Miembro suplente**

**India**

Ashok CHAWLA  
Additional Secretary (Economic Affairs)  
Department of Economic Affairs  
Ministry of Finance  
New Delhi

**Turkey**

Yüksel YÜCEKAL  
Counsellor  
Alternate Permanent Representative  
of the Republic of Turkey  
to IFAD  
Rome

**LIST C**

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

**Brazil**

Benvindo BELLUCO  
General Coordinator for Policies  
with Organizations  
Secretariat of International Affairs  
Ministry of Planning, Budget  
and Management  
Brasilia, D.F.

**Guatemala**

Francisco BONIFAZ RODRÍGUEZ  
Embajador de la República 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**

María del Carmen SQUEFF  
Consejero  
Representante Permanente Adjunto  
de la República Argentina  
ante el FIDA  
Roma

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

Document No	Agenda Item	Title
EB 2006/87/R.1	2	Provisional agenda
EB 2006/87/R.1/Add.1	2	Schedule of work for the session
EB 2006/87/R.2	3	IFAD's Action Plan for Improving its Development Effectiveness: Elaboration of issues
EB 2006/87/R.3 + EB 2006/87/C.R.P.1	4	IFAD Policy on Crisis Prevention and Recovery
EB 2006/87/R.4	5(a)	Report of the Chairperson of the Evaluation Committee on the field trip to Mexico
EB 2006/87/R.5	5(b)	Report of the Chairperson on the forty-third session of the Evaluation Committee
EB 2006/87/R.6	5(c)	Appointment of members to the Evaluation Committee
EB 2006/87/R.7 + Corr.1	6	IFAD's participation in the Debt Initiative for Heavily Indebted Poor Countries
EB 2006/87/R.8	7	Performance-Based Allocation System for IFAD
EB 2006/87/R.9	8(a)	<b>Bangladesh:</b> Country strategic opportunities paper
EB 2006/87/R.10	8(b)	<b>Egypt:</b> Country strategic opportunities paper
EB 2006/87/R.11	8(c)	<b>Ghana:</b> Country strategic opportunities paper
EB 2006/87/R.12 + Corr.1 + Add.1	9	Resources available for commitment
EB 2006/87/R.13 + Add.1 + Sup.1	10(a)	<b>Congo:</b> Rural Development Project in the Niari, Bouenza and Lékoumou Departments
EB 2006/87/R.14 + Sup.1	10(b)(i)	<b>Madagascar:</b> Project to Support Development in the Menabe and Melaky Regions
EB 2006/87/R.15	10(b)(ii)	<b>Mozambique:</b> Agricultural Support Programme
EB 2006/87/R.16 + Sup.1	10(c)(i)	<b>Post-tsunami proposals:</b> Additional funding for proposals approved at the eighty-fourth session of the Executive Board
EB 2006/87/R.17 + Add.1 + Sup.1	10(c)(ii)	<b>Pakistan:</b> Project for the Restoration of Earthquake-Affected Communities and Households

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Document No	Agenda Item	Title
EB 2006/87/R.18 + Add.1 + Sup.1	10(d)(i)	<b>Brazil:</b> Rural Communities Development Project in the Poorest Areas of the State of Bahia
EB 2006/87/R.19	10(d)(ii)	<b>Guatemala:</b> President's memorandum: Modifications to the National Rural Development Programme: Central and Eastern Regions (Loan 651-GT)
EB 2006/87/R.20 + Add.1 + Sup.1	10(e)	<b>Bosnia and Herzegovina:</b> Rural Enterprise Enhancement Project
EB 2006/87/R.21	11(a)	Grant proposals under the global/regional grants window to CGIAR-supported international centres
EB 2006/87/R.22	11(b)	Grant proposals 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.23	12	Planned project activities
EB 2006/87/R.24	13(a)(i)	Report on the Seventh Replenishment of IFAD's resources
EB 2006/87/R.25	13(a)(ii)	Report on the status of contributions to the Seventh Replenishment of IFAD's resources
EB 2006/87/R.26	13(b)	Report on the status of contributions to the Sixth Replenishment of IFAD's resources
EB 2006/87/R.27	13(c)(i)	Report on IFAD's investment portfolio for 2005
EB 2006/87/R.28	13(c)(ii)	Report on IFAD's investment portfolio for the first quarter of 2006
EB 2006/87/R.29 + Corr.1	13(d)	Status report on arrears in principal, interest and service charge payments
EB 2006/87/R.30	13(e)	Requirements for the twenty-seventh drawdown of Member States' contributions in 2006
EB 2006/87/R.31	13(f)	Report of the Audit Committee
EB 2006/87/R.32 + Corr.1	13(g)	Audited financial statements of IFAD for 2005
EB 2006/87/R.33	13(h)	Appointment of members to the Audit Committee
EB 2006/87/R.34 + Add.1	14	Portfolio performance report
EB 2006/87/R.35	15	Progress report on IFAD's Field Presence Pilot Programme

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Document No	Agenda Item	Title
EB 2006/87/R.36	16	Establishment of an ad hoc committee to review Member States' voting rights and the role, effectiveness and membership of the Executive Board
EB 2006/87/INF.1		Arrangements for the eighty-seventh session of the Executive Board
EB 2006/87/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-seventh session of the Executive Board
EB 2006/87/INF.3		Implementation of the first cycle of the Rural Financial Services Development Programme in Niger
EB 2006/87/INF.4		Forward programme of agenda items for the 2006 sessions of the Executive Board
EB 2006/87/INF.5		Grants under the global/regional and country-specific grant windows approved by the President
EB 2006/87/INF.6		Provisional list of participants at the eighty-seventh session of the Executive Board
EB 2006/87/INF.7		<b>India:</b> Implementation of the first cycle of the National Microfinance Support Programme under the Flexible Lending Mechanism
EB 2006/87/INF.8		Summary of project, programme and grant proposals discussed by the Executive Board
EB 2006/87/INF.9		Closing statement by President Bâge to the eighty-seventh session of the Executive Board

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ANNEX III

# a

## IFAD

### INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

#### Executive Board – Eighty-seventh Session

Rome, 19-20 April 2006

## AGENDA

1. Opening of the session
2. Adoption of the agenda
3. IFAD's Action Plan for Improving its Development Effectiveness: Elaboration of issues
4. IFAD Policy on Crisis Prevention and Recovery
5. Evaluation
  - (a) Report of the Chairperson of the Evaluation Committee on the field trip to Mexico
  - (b) Report of the Chairperson on the forty-third session of the Evaluation Committee
  - (c) Appointment of members to the Evaluation Committee
6. IFAD's participation in the Debt Initiative for Heavily Indebted Poor Countries
7. Performance-Based Allocation System for IFAD
8. Country strategic opportunities papers
  - (a) Bangladesh
  - (b) Egypt
  - (c) Ghana
9. Resources available for commitment

ANNEX III

10. Project/programme proposals for consideration by the Executive Board
  - (a) Western and Central Africa

Congo: Rural Development Project in the Niari, Bouenza and Lékoumou Departments
  - (b) Eastern and Southern Africa
    - (i) Madagascar: Project to Support Development in the Menabe and Melaky Regions
    - (ii) Mozambique: Agricultural Support Programme
  - (c) Asia and the Pacific
    - (i) Post-tsunami proposals: Additional funding for proposals approved at the eighty-fourth session of the Executive Board
    - (ii) Pakistan: Project for the Restoration of Earthquake-Affected Communities and Households
  - (d) Latin America and the Caribbean
    - (i) Brazil: Rural Communities Development Project in the Poorest Areas of the State of Bahia
    - (ii) Guatemala: President's memorandum: Modifications to the National Rural Development Programme: Central and Eastern Regions (Loan 651-GT)
  - (e) Near East and North Africa

Bosnia and Herzegovina: Rural Enterprise Enhancement Project
11. Grant proposals under the global/regional grants window for consideration by the Executive Board
  - (a) CGIAR-supported international centres
  - (b) Regional Programme for Rural Development Training (PROCASUR) for the Learning Routes Training Programme
12. Planned project activities
13. Financial matters
  - (a) Seventh Replenishment of IFAD's resources
    - (i) Report on the Seventh Replenishment of IFAD's resources
    - (ii) Status of contributions to the Seventh Replenishment of IFAD's resources
  - (b) Report on the status of contributions to the Sixth Replenishment of IFAD's resources
  - (c) IFAD's investment portfolio:
    - (i) Report on IFAD's investment portfolio for 2005
    - (ii) Report on IFAD's investment portfolio for the first quarter of 2006
  - (d) Status report on arrears in principal, interest and service charge payments
  - (e) Requirements for the twenty-seventh drawdown of Member States' contributions in 2006

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- 13 Financial matters (continued)
  - (f) Report of the Audit Committee
  - (g) Audited financial statements of IFAD for 2005
  - (h) Appointment of members to the Audit Committee
14. Portfolio performance report
15. Progress report on IFAD's Field Presence Pilot Programme
16. Establishment of an ad hoc committee to review Member States' voting rights and the role, effectiveness and membership of the Executive Board
17. Other business
  - (a) IFAD's new headquarters
  - (b) Chairmanship of replenishment consultations
  - (c) Approval of disclosure of documents