I. PROJECT/PROGRAMME PROPOSALS

1. The following project/programme proposals were approved at the eighty-eighth session of the Executive Board.

Western and Central Africa

Gambia: Rural Finance Project
(EB 2006/88/R.15)

2. The Executive Board unanimously approved a loan of SDR 4.15 million and a grant of SDR 280,000 to the Republic of the Gambia to finance the Rural Finance Project. Positive written comments were received from the Director for Germany. The Director for the United States of America requested clarification regarding the selection process for the microfinance institutions that will participate in the project and the targeting mechanisms of the project. The Board was informed that written responses would be provided by the Secretariat.
Nigeria: Rural Finance Institution-building Programme
(EB 2006/88/R.16 + Add.1 + Sup.1) (now EB 2006/88/R.16/Rev.1)

3. The Executive Board unanimously approved a loan of SDR 18.5 million and a grant of SDR 270,000 to the Federal Republic of Nigeria to finance the Rural Finance Institution-building Programme. The Director for the United States of America asked for further clarification on: (i) the criteria for selecting the microfinance institutions and the states to be engaged in the programme; (ii) targeting; and (iii) sustainability. The Secretariat agreed to provide this information – which is available in the main appraisal report and working documents of the programme – in writing to the Director. The Director for France noted that the issues raised bilaterally with the Western and Central Africa Division had been very satisfactorily addressed. The Director for Nigeria thanked the Board for approving the loan and the grant and reiterated that the Federal Republic of Nigeria attached great importance to rural finance for the rural poor. He confirmed that the programme’s aims were fully aligned with Nigeria’s commitment to tackling rural poverty, one of the country’s highest priorities.

Senegal: Agricultural Services and Producer Organizations Project – PSAOP 2
(EB 2006/88/R.17 + Add.1 + Sup.1) (now EB 2006/88/R.17/Rev.1)

4. In approving a loan of SDR 4.1 million and a grant of SDR 210,000 to finance this project in Senegal, the Board complimented IFAD for the promising partnership arrangements between IFAD and the World Bank, including pari passu cofinancing, which should provide an effective vehicle and enhanced leverage for IFAD and the World Bank to share learning, foster pro-poor innovative approaches and promote scaling up and replication. The Board further commended IFAD for the key role given to producers’ organizations in the project. The positive contribution of the Field Presence Pilot Programme in strengthening alliances with in-country partners was also highlighted. The Director for France requested further information on two points for which written responses would be provided by IFAD. The first point pertained to the feasibility of the significant financial contribution expected from the Government of Senegal throughout the life of the project and beyond. Second, clarification was sought on the strategic choice made in the project to provide reduced support to capacity-building at the ministerial level. Positive written comments were received from the Director for Germany.

Asia and the Pacific

Indonesia: President’s Memorandum: Rural Empowerment and Agricultural Development Programme in Central Sulawesi (IFAD Loan No. 645-ID and Grant No. 726-ID) – Confirmation of Approval of the Financing of the Revised Programme
(EB 2006/88/R.18 + Add.1 + Sup.1 and EB 2004/83/R.24/Rev.3) (now EB 2006/88/R.18/Rev.1)

5. In confirming its approval of the IFAD financing of the revised programme with a loan of SDR 14.3 million and a grant of SDR 340,000, the Executive Board recommended that the focus on gender mainstreaming should be further sharpened during programme implementation.

Viet Nam: Programme for Improving Market Participation of the Poor in Ha Tinh and Tra Vinh Provinces
(EB 2006/88/R.20 + Add.1 + Sup.1) (now EB 2006/88/R.20/Rev.1)

6. The Executive Board approved a loan of SDR 17.55 million and a grant of SDR 270,000 in support of the Programme for Improving Market Participation of the Poor in Ha Tinh and Tra Vinh Provinces. The Board noted the need for more concrete plans in terms of monitoring and evaluation. It was clarified that in addition to the standard tools (i.e. the logical framework and enhanced monitoring and evaluation systems) to be implemented by the Government for the proposed programme, there was an additional programme component, under the knowledge management unit
supported by the Department for International Development (of the United Kingdom of Great Britain and Northern Ireland) and the Asian Development Bank, that would focus on monitoring and evaluation and seek to build on experience gathered in the provinces. The Board also noted the need to deepen market intelligence and information, and to use information technology more effectively. It was pointed out that some activities under the first component dealt with capacity-building and training to promote awareness of markets, for example through greater access to market information. Nevertheless, the recommendation for making effective use of information technology was appreciated and would be borne in mind during implementation. The Board also raised the issues of gender and targeting, and highlighted the risk of elite capture. As the approach focused on markets and would improve income through value-chain management and new employment opportunities, it would be necessary to include among the beneficiaries the slightly better off, who would lead the way in improving agricultural production and processing and in accessing credit to set up the enterprises that will subsequently provide employment. However, given that marginalization of the poor and vulnerable was a risk, the Board was reassured that this issue would receive continuous attention during implementation. The Board also emphasized the need for consultation with donor partners in the field. While an effort would be made to meet as many donors as possible in the field, the need for consultation with key donors was acknowledged and this would be actively pursued.

Latin America and the Caribbean

Colombia: Rural Microenterprise Assets Programme: Capitalization, Technical Assistance and Investment Support
(EB 2006/88/R.21 +Add.1 + Sup.1) (now EB 2006/88/R.21/Rev.1)

7. The Executive Board reviewed the Rural Microenterprise Assets Programme: Capitalization, Technical Assistance and Investment Support and unanimously approved a loan of SDR 13.45 million to finance the programme.

Ecuador: President’s Memorandum: Development of the Central Corridor Project (Loan No. 650-EC) – Modifications to the Project
(EB 2006/88/R.22)

8. The Board approved the proposed modifications to the project as contained in the President’s memorandum.

II. GRANT PROPOSALS

9. The following grant proposals were approved at the eighty-eighth session of the Executive Board.

Grants under the Global/Regional Grants Window to CGIAR-supported International Centres
(EB 2006/88/R.23)

10. The following grants were approved under this category:

(a) World Agroforestry Center: Programme to Support Smallholder Conservation Agriculture Promotion in Western and Central Africa

11. The Board approved a grant of US$1.5 million.
(b) International Institute of Tropical Agriculture: Programme for the Integrated Protection of Cassava from Emerging Pests and Diseases that Threaten Rural Livelihoods

12. The Board approved a grant of US$1.3 million.

Grants under the Global/Regional Grants Window to Non-CGIAR-supported International Centres (EB 2006/88/R.24)

13. The following grants were approved under this category:

   (a) Asia-Pacific Rural and Agricultural Credit Association: Programme for Accelerating the Financial Empowerment of Poor Rural Communities in Asia and the Pacific through Rural Finance Innovations

14. The Board approved a grant of US$1.2 million.

   (b) Participatory Microfinance Group for Africa: Programme for the Promotion of Participatory Microfinance in Africa

15. The Board approved a grant of US$800,000.

   (c) Sasakawa-Global 2000: Market-driven Initiative for Millet and Sorghum Development in West and Central Africa – Phase II

16. The Board approved a grant of US$1.3 million.

   (d) United Nations Capital Development Fund: Programme for Building Inclusive Financial Sectors in Western and Central Africa

17. The Board approved a grant of US$990,000.

   (e) International Centre of Insect Physiology and Ecology: Programme for the Development of Sericulture and Apiculture Products for the Poor in Fragile Ecosystems, Using the Value Chain Approach

18. The Board approved the proposal for retroactive financing, effective 1 June 2005, in the amount of US$200,000, of the grant to the International Centre of Insect Physiology and Ecology, which was approved at the Board’s eighty-sixth session in December 2005.


19. The Board approved a grant of US$1.25 million.

Grant under the Country-specific Grants Window to the Anuradhapura Participatory Development Foundation for the Microfinance and Institutional Capacity Development Project in Sri Lanka (EB 2006/88/R.26)

20. The Board approved a grant of US$552,000.
Grant under the Country-specific Grants Window to the International Rice Research Institute for the Programme for Accelerating Agricultural Technology Adoption to Enhance Rural Livelihoods in Disadvantaged Districts of India (EB 2006/88/R.27)

21. The Board approved a grant of US$1.0 million. In response to questions raised as to why the programme was not financed by the World Bank-supported loan project, and why the focus was on marginal, rainfed areas in India, it was explained that the World Bank had requested grant cofinancing from IFAD in order to benefit from the international experience gained through IFAD’s long collaboration with CGIAR centres. Marginal, rainfed areas were the focus because of the high concentration of resource-poor farmers in these areas and the lack of technology options available to them to increase productivity. Furthermore, such a focus is of key relevance to the country programme in India.