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Enabling the rural poor  
to overcome poverty

## **Summary of project, programme and grant proposals discussed by the Executive Board**

Executive Board — Eighty-ninth Session  
Rome, 12–14 December 2006

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For: **Information**



## Summary of project, programme and grant proposals discussed by the Executive Board

### Project/programme proposals

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

#### A. Western and Central Africa

##### **Burkina Faso: Agricultural Commodity Chain Support Project (EB 2006/89/R.16 + Add.1 + Sup.1) (now EB 2006/89/R.16/Rev.1)**

2. The Executive Board unanimously approved a loan of SDR 9.35 million to Burkina Faso to help finance the Agricultural Commodity Chain Support Project. Comments made by the Executive Board Directors for France, Nigeria, Switzerland and the United States of America mainly concerned the management of the Commodity Chain Development Fund and the project exit strategy, both of which depend on the extent to which the capacity of partner organizations in the targeted supply and value chains is strengthened. Board Directors were provided with satisfactory written and verbal replies to their questions.

##### **Mali: Kidal Integrated Rural Development Programme (EB 2006/89/R.17 + Add.1 + Sup.1) (now EB 2006/89/R.17/Rev.1)**

3. The Executive Board approved a loan of SDR 7.70 million to finance the programme and commended its design, which targets the most vulnerable communities in this difficult region. Clarification was sought on alignment of the programme with the decentralization set-up in Mali and with sectoral policies. It was explained that alignment with the country's decentralization system is a pillar of the programme strategy. Local administrations will directly identify, select and implement all investments under their legal mandate. The fund for investments by local administrations will be the programme's channel for financing all investments proposed by local administrations. The programme is fully aligned with the sector-wide approach covering the health and education sectors in Mali. In line with national policies for these sectors, the programme will assist local administrations in designing and implementing alternative strategies for the provision of health and education services that meet the needs of nomadic communities.

##### **Niger: Agricultural and Rural Rehabilitation and Development Initiative Project**

##### **(EB 2006/89/R.18 + Add.1 + Sup.1) (now EB 2006/89/R.18/Rev.1)**

4. The Executive Board unanimously approved a loan of SDR 10.35 million and a grant of SDR 280,000 to the Republic of the Niger. The Board complimented IFAD for the partnership agreement signed by the Government of the Niger, IFAD, other United Nations agencies, and bilateral and multilateral cooperation agencies. This agreement is an important step in terms of the Paris Declaration on Aid Effectiveness, as it will promote the coordination and harmonization of all donor interventions in the Maradi Region. The Director for the United States enquired how lessons drawn from the Project for the Promotion of Local Initiative for Development in Aguié would inform the Agricultural and Rural Rehabilitation and Development Initiative Project. The Board was told that the main approaches being transferred and scaled up in the new project related to targeting, food security, crop intensification, malnutrition and inter-agency cooperation.

## **B. Eastern and Southern Africa**

### **Eritrea: Post-crisis Rural Recovery and Development Programme (EB 2006/89/R.19 + Add.1 + Sup.1) (now EB 2006/89/R.19/Rev.1)**

5. The Executive Board approved a loan of SDR 8.30 million and a grant of SDR 230,000 to Eritrea to finance the Post-crisis Rural Recovery and Development Programme. The Board expressed concern over the current situation in Eritrea. In this context, the Board was informed that the programme is part of the Integrated Rural Development Programme cofinanced by such multilateral institutions as the African Development Bank, the European Union, IFAD and the World Bank. The Integrated Rural Development Programme is characterized by common arrangements for implementation, procurement, monitoring and evaluation, and supervision, which will enable the efficient use of institutional capacity and ensure sustainable impact in terms of rural poverty reduction. The Board stressed the need to pay particular attention during implementation to: (i) support to the emergence of the private sector in rural areas through provision of the services requested by participating communities; (ii) collaboration with NGOs working in recovery and development; and (iii) support to capacity-building for all stakeholders involved in rural recovery and development.

### **Mozambique: President's memorandum: Agricultural Support Programme (Loan No. 690-MZ) –Fiduciary arrangements for the sector-wide approach for agriculture (EB 2006/89/R.54)**

6. The Executive Board approved the fiduciary arrangements for the programme as outlined in the President's memorandum.

### **Uganda: District Livelihoods Support Programme (EB 2006/89/R.20 + Add.1 + Sup.1) (now EB 2006/89/R.20/Rev.1)**

7. The Executive Board unanimously approved a loan of SDR 18.55 million and a grant of SDR 280,000 to the Republic of Uganda to finance the District Livelihoods Support Programme. The Executive Board Directors for the United Kingdom of Great Britain and Northern Ireland and the Netherlands expressed concern that the programme was not fully aligned with the donor decentralization group in Uganda. It was clarified that the programme has been designed in line with the Government of Uganda's Local Government Sector Investment Plan, which was formulated in close collaboration with the donor decentralization group. In addition, the Board was informed that IFAD consistently consulted the donor group during the design process of the District Livelihoods Support Programme. As such, the programme is considered to be fully aligned with the donor decentralization group. The Director for Belgium noted that, in principle, Belgium will cofinance the programme, and work with IFAD and the Government to agree on the specific districts of intervention.

### **United Republic of Tanzania: Rural Micro, Small and Medium Enterprise Support Programme (EB 2006/89/R.21 + Add.1 + Sup.1) (now EB 2006/89/R.21/Rev.1)**

8. The Executive Board unanimously approved a loan of SDR 12.95 million and a grant of SDR 300,000 to the United Republic of Tanzania to finance the Rural Micro, Small and Medium Enterprise Support Programme. Positive written comments were received from the Executive Board Director for Switzerland, and these were answered before presentation of the programme to the Board. Clarification was also provided during the Board session in response to suggestions for increased harmonization of the institutional arrangements, capacity-building of the implementation agencies and the need for close monitoring of the access of programme participants to rural financial services.

## C. Asia and the Pacific

### **China: Xinjiang Uygur Autonomous Region Modular Rural Development Programme**

**(EB 2006/89/R.22 + Add.1 + Sup.1) (now EB 2006/89/R.22/Rev.1)**

9. The Executive Board approved a loan of SDR 16.70 million to the People's Republic of China in support of the Xinjiang Uygur Autonomous Region Modular Rural Development Programme. The Board noted the innovative character of the programme and the high-level of local capacity required to implement the programme in selected poverty-stricken villages, where a considerable number of households belong to ethnic minorities. The Board enquired about the role of the Poverty Alleviation Office (PAO) and how the programme-supported community funds are linked with village development plans (VDPs). It was explained that the PAO has been one of the lead agencies in promoting the VDP as a planning and implementation tool in China; in fact, the VDP approach has now become part of national policy. The programme aims to strengthen the participatory aspects of the VDP. For example, since the VDP usually focuses on a three-year planning period, the programme will introduce a mechanism to allow village communities the opportunity to set and adjust their priorities each year, thereby building capacity among local staff and villagers. As lead agency of the programme management offices, the PAO will play a pivotal role in this regard. The programme will draw on the long-standing experience and expertise of two other donors in China – namely the United Kingdom's Department for International Development and the Asian Development Bank – to improve the participatory methodology currently being used for village planning and implementation. This expertise will be blended with China's impressive achievements in development and with IFAD's experience and the lessons it has learned over 25 years of working in the country. It was further noted that IFAD's cooperation with the World Food Programme in China has been critical in developing the participatory VDP as a tool for project planning and implementation. The community funds under the programme will be firmly embedded in participatory planning and priority-setting exercises. The community funds will enable village communities to invest in social infrastructure such as refurbishing clinics and schools. This support to social infrastructure will add impetus to the programme's economic activities and also maximize the programme's impact.

### **India: Women's Empowerment and Livelihoods Programme in the Mid-Gangetic Plains**

**(EB 2006/89/R.23 + Add.1 + Sup.1) (now EB 2006/89/R.23/Rev.1)**

10. The Executive Board unanimously approved a loan of SDR 20.4 million to the Republic of India to finance the Women's Empowerment and Livelihoods Programme in the Mid-Gangetic Plains. Positive written comments were received from the Executive Board Director for Switzerland. The Directors for the United Kingdom and the Netherlands were impressed by the relevance of the programme, its innovative elements and the open-minded approach followed by IFAD during programme design.

### **Lao People's Democratic Republic: Northern Region Sustainable Livelihoods through Livestock Development Project**

**(EB 2006/89/R.24 + Add.1 + Sup.1) (now EB 2006/89/R.24/Rev.1)**

11. The Executive Board unanimously approved a loan of SDR 2.0 million.

**Sri Lanka: Smallholder Plantations Entrepreneurship Development Programme**

**(EB 2006/89/R.25 + Add.1 + Sup.1) (now EB 2006/89/R.25/Rev.1)**

12. The Executive Board approved a loan of SDR 15.25 million in support of the Smallholder Plantations Entrepreneurship Development Programme. In doing so, the Board expressed its appreciation for the efforts made by IFAD to reach the extremely poor estate settlers and inhabitants of nearby villages in the mid-country region (the districts of Kandy, Kegalle, and Matale) and the smallholders in the Matale District; both of these groups are among the poorest of Sri Lanka's poor. The Board noted that while the Government had not taken up all the cofinancing available at this stage, there was considerable scope for scaling up the programme at a later stage with other cofinanciers. Activities could potentially be replicated on up to 15,000-20,000 hectares of tea estates and up to 40,000 hectares under rubber cultivation. The Executive Director for Germany informed the Board of his Government's decision to abstain from approving the programme because of the difficult socio-political situation in the country at this juncture.

**D. Latin America and the Caribbean**

**Argentina: Rural Areas Development Programme**

**(EB 2006/89/R.26 + Add.1 + Sup.1) (now EB 2006/89/R.26/Rev.1)**

13. The Executive Board unanimously approved a loan of SDR 13.1 million to the Argentine Republic to finance the Rural Areas Development Programme. The Executive Director for the United States commented on IFAD's approach in middle-income countries and noted that Argentina is enforcing a price control policy on agricultural and livestock commodities. The Executive Director for Brazil praised both the Government of Argentina for its commitment to fighting rural poverty, and IFAD for its effective support in this effort. Support for IFAD's role in middle-income countries was expressed by the Executive Directors for Brazil, Guatemala and Mexico. The Executive Director for Argentina underscored the programme's focus on capacity-building and income-generating activities for small farmers' organizations and youth in the rural areas of 10 provinces. The Board was informed about IFAD's role in supporting the development of a national policy for small-scale agriculture in Argentina; the regional dimension of policy dialogue in the context of the Southern Cone Common Market; and the role of the proposed programme in moving IFAD from a project to a programme approach through its strategy of supporting family-based farms and vulnerable groups at the national level.

**Bolivia: Enhancement of the Peasant Camelid Economy Support Project**

**(EB 2006/89/R.27 + Add.1 + Sup.1) (now EB 2006/89/R.27/Rev.1)**

14. The Executive Board approved a loan of SDR 4.8 million in support of the Enhancement of the Peasant Camelid Economy Support Project. The Brazilian delegation requested more information about the marketing aspects of the project. It was explained that the project did not include a marketing component as such. However, before any subprojects received financing, a competitive selection process would require participants to provide evidence of a secured market for the products of the proposed activity. In addition, the project would allocate nearly half of its resources to developing the rural services market for peasant farmers to enable them to obtain technical, commercial and other types of relevant assistance on the open market. The project would also provide access to financial services especially for rural women who are mainly involved in marketing ventures.

**Colombia: President's memorandum: Rural Microenterprise Assets Programme: Capitalization, Technical Assistance and Investment Support (Loan No. 702-CO) – Modifications to the supervision arrangements**

**(EB 2006/89/R.55)**

15. The Board approved the proposed modifications to the supervision arrangements.

**Ecuador: President's memorandum: Development of the Central Corridor Project (Loan No. 650-EC) – Extension of time limit for signature of the loan agreement**

**(EB 2006/89/R.57)**

16. The Board approved the proposed modifications to the project as contained in the President's memorandum.

**Guatemala: President's memorandum: National Rural Development Programme: Central and Eastern Regions (Loan No. 651-GT) – Extension of time limit for signature of the loan agreement**

**(EB 2006/89/R.58)**

17. The Board approved the proposed modifications to the programme as contained in the President's memorandum.

**Haiti: Small-scale Irrigation Development Project (PPI-2)**

**(EB 2006/89/R.29 + Add.1 + Sup.1) (now EB 2006/89/R.29/Rev.1)**

18. The Executive Board unanimously approved a loan of SDR 8.8 million to the Republic of Haiti to finance the Small-scale Irrigation Development Project (PPI-2). The Executive Board praised IFAD's support to this poorest country in the Latin America and the Caribbean region, at a crucial time in the country's history. The Director for Brazil emphasized his country's commitment to working in Haiti and underlined the need for the support of the international community in crucial areas, particularly, in enhancing national implementation capacity. This will be achieved through the capacity-strengthening activities planned under the project at the central and local level, and also through a programme of intensive project implementation support to facilitate disbursements and the delivery of results. The Executive Director for Argentina also expressed support for the project and pointed out the ongoing bilateral cooperation with Haiti through the Prohuertas programme. The Director for France provided written endorsement of the project, indicating specific interest by French cooperation in the support to the development of a national water management programme for agriculture.

**E. Near East and North Africa**

**Egypt: Upper Egypt Rural Development Project**

**(EB 2006/89/R.30 + Add.1 + Sup.1) (now EB 2006/89/R.30/Rev.1)**

19. The Executive Board unanimously approved a loan and a grant – amounting to SDR 10.05 million and SDR 635,000 respectively – to finance the Upper Egypt Rural Development Project.

**Sudan: Butana Integrated Rural Development Project**

**(EB 2006/89/R.31 + Add.1 + Sup.1) (now EB 2006/89/R.31/Rev.1)**

20. The Executive Board approved a loan of SDR 16.8 million to the Republic of the Sudan to finance the Butana Integrated Rural Development Project. The Executive Board commended IFAD for this well designed project. Clarification was provided on the rationale for IFAD's engagement in Butana; the project's alignment with the IFAD Policy on Crisis Prevention and Recovery; the preparedness of the project to deal with the causes of potential resource-based conflict; and the sustainability of project interventions, particularly in

relation to the Butana Development Agency. In view of the country's difficult political situation, Germany, the Netherlands, Sweden and the United Kingdom abstained on the approval of the project and this will be recorded in the minutes of the session. In accordance with United States legislation, the United States requested that the minutes record its opposition to the project proposal for the Sudan.

**Turkey: Diyarbakir, Batman and Siirt Development Project  
(EB 2006/89/R.32 + Add.1 + Sup.1) (now EB 2006/89/R.32/Rev.1)**

21. The Executive Board unanimously approved a loan of SDR 16.30 million to the Republic of Turkey to finance the Diyarbakir, Batman and Siirt Development Project. Clarification was provided in the areas of targeting, modalities for collaboration with the United Nations Development Programme, project sustainability and project benefits.

## Grant Proposals

22. The following grant proposals were approved by the eighty-ninth session of the Executive Board:

**(a) Grants under the global/regional grants window to CGIAR-supported international centres  
(EB 2006/89/R.33)**

23. The following grants were approved under this category.

**(i) International Maize and Wheat Improvement Center (CIMMYT): Programme for Facilitating the Adoption of Conservation Agriculture by Resource-Poor Smallholder Farmers in Southern Africa**

24. A grant of US\$1.5 million was approved by the Board.

**(ii) Bioversity International (IPGRI): Programme for Empowering the Rural Poor by Strengthening their Identity, Income Opportunities and Nutritional Security through the Improved Use and Marketing of Neglected and Underutilized Species**

25. A grant of US\$1.4 million was approved by the Board.

**(b) Grants under the global/regional grants window to non-CGIAR-supported international centres (EB 2006/89/R.34)**

26. The following grants were approved under this category.

**(i) Centro Internacional para el Desarrollo Humano (CIDH): Programme for Strengthening Rural Organizations for Policy Dialogue in the Context of the Dominican Republic – Central America – United States Free Trade Agreement**

27. A grant of US\$800,000 was approved by the Board.

**(ii) Consultative Group to Assist the Poor (CGAP): Regional Partnership Programme to Support the Development of a Pro-poor Rural Financial Sector in the Near East and North Africa**

28. A grant of US\$1.2 million was approved by the Board.



**(iii) Food and Agriculture Organization of the United Nations (FAO): Programme for Enhancing the Agricultural Competitiveness of Rural Households in the Greater Mekong Subregion**

29. A grant of US\$609,000 was approved by the Board.

**(iv) Microfinance Centre for Central and Eastern Europe and the Newly Independent States (MFC): Programme for Facilitating Widespread Access to Microinsurance Services**

30. A grant of US\$952,000 was approved by the Board.

**(v) Netherlands Development Organisation (SNV): Programme for Strengthening Support Capacity for Enhanced Market Access and Knowledge Management in Eastern and Southern Africa**

31. A grant of US\$1.55 million was approved by the Board.

**(vi) West Africa Rural Foundation (WARF): Programme to Support IFAD-funded Projects' Monitoring and Evaluation Systems in the Western and Central Africa Region**

32. A grant of US\$1.4 million was approved by the Board.

**(a) Grant under the country-specific grants window to the Department of Cooperatives, Ministry of Agriculture and Rural Development of the Socialist Republic of Viet Nam for the Rural Development Strategy for 2010-2015 with a Vision to 2020 (EB 2006/89/R.35)**

33. A grant of US\$300,000 was approved by the Board.

**(d) Grant under the Global/Regional Grants Window to the International Land Coalition to strengthen the performance of the International Land Coalition (ILC) (EB 2006/89/R.37 + Corr.1)**

34. The Board reviewed the grant proposal and its corrigendum and approved a grant of US\$1.7 million. A number of Board members expressed their support for the important issue of access to land and for the work of the ILC. However, concern was voiced about the two-year time frame required for the ILC to attain independent legal status and about further funding to the ILC through IFAD grants. The Executive Director for the United States stated that there was a need to reduce substantially IFAD's contribution to the administrative costs of the ILC. It was explained that the coalition's adherence to the milestones contained in the grant agreement will be rigorously monitored at six-month intervals as a condition for further grant disbursements during the two-year time frame. It was also noted that the definition of administrative costs will have to be revisited to allow ILC expenses incurred under programme support (for advocacy, policy dialogue, networking, etc.) to be recorded more accurately as programme costs. In such event, the financing indicators set forth in the grant agreement will be revised accordingly. It was reiterated that IFAD would provide this grant only for a two-year period, after which IFAD would have no obligation to provide further financing. The ILC would then have to apply for grant assistance on the same basis as any other grant beneficiary, and as such administrative costs would be limited to standard overhead costs. Moreover, IFAD would not be in a position to consider any further support unless the matter of the ILC's legal status had been resolved within the two-year transition period, and a more detached relationship had been established with IFAD.