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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 — Ninetieth Session
Rome, 17–18 April 2007

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 ninetieth session of the Executive Board, and are in line with the newly approved debt sustainability framework (DSF).

A. Western and Central Africa

Sierra Leone: Rural Finance and Community Improvement Programme (EB 2007/90/R.11 + Add.1 + Sup.1) (now EB 2007/90/R.11/Rev.1)

2. The Executive Board unanimously approved a grant of SDR 5.95 million to the Republic of Sierra Leone to help finance the Rural Finance and Community Improvement Programme. The country programme manager submitted a written response to the issues raised concerning the programme's approach to harmonization, alignment and decentralization, as well as its major thrusts (e.g. access to financial services) and institutional arrangements. The Director for France expressed his full satisfaction with this response. Information was also provided about the current initiative to promote best practices in microfinance in Sierra Leone through the introduction of a village equity-based model called a financial services association (FSA). In partnership with the United Nations Capital Development Fund, Kreditanstalt für Wiederaufbau (KfW) and the World Bank, IFAD will promote community banks and, at a lower level, FSAs to provide potentially bankable rural poor people with access to financial services. The Director for the United States of America raised concerns about complex rural development interventions in the context of a post-conflict country. The Board was informed that the programme had a simple structure and that its third component, programme management, would actually be handled through the programme management unit already in charge of two ongoing projects financed by IFAD and the African Development Bank.

B. Eastern and Southern Africa

Burundi: Livestock Sector Rehabilitation Support Project (EB 2007/90/R.12 + Add.1 + Sup.1) (now EB 2007/90/R.12/Rev.1)

3. The Executive Board unanimously approved a grant of SDR 9.30 million to the Republic of Burundi to finance the Livestock Sector Rehabilitation Support Project. Clarifications on technical implementation issues relating to livestock species were provided during the Board, and assurances given that the project would safeguard the interests of IFAD target groups and help reconstruct their livelihoods while at the same time building social cohesion and enhancing reconciliation. The Board requested that particular attention be paid to (i) promoting "zero-grazing" and (ii) providing farmers with improved animal genetic material (with priority given to small ruminants) to ensure sustainable improvements in the livelihoods of the vulnerable and poor households targeted by the project.

Comoros: National Programme for Sustainable Human Development (EB 2007/90/R.13 + Sup.1) (now EB 2007/90/R.13/Rev.1)

4. The Executive Board unanimously approved a grant of SDR 3.15 million to the Union of the Comoros to finance the National Programme for Sustainable Human Development. Clarification was requested in writing by the Director for France on component technicalities. The response, provided before the report was presented to the Board, enabled France to fully endorse the programme. Both France and the Department for International Development of the United Kingdom of Great Britain and Northern Ireland praised the highly innovative component dealing with support to diaspora economic initiatives, while pointing out the risks associated with its

implementation. IFAD will coordinate initiatives in this field with other donors. The Director for the United States asked why the resources of two performance-based allocation system (PBAS) cycles were being allocated to one project, and it was confirmed that this was in line with a provision of the PBAS guidelines. On the arrears issue, the Board was informed that the grant agreement would not be signed unless all arrears had been settled by the Government as specified during the Operational Strategy Committee and in the minutes of the programme negotiations.

Ethiopia: Participatory Small-scale Irrigation Development Programme (EB 2007/90/R.14 + Add.1 + Sup.1) (now EB 2007/90/R.14/Rev.1)

5. In approving a loan of SDR 13.3 million and a grant in the same amount for the Participatory Small-scale Irrigation Development Programme in Ethiopia, the Executive Board emphasized the importance of beneficiary ownership and meaningful participation during implementation, the need for improved management and sharing of knowledge based on traditional practices and lessons learned in Ethiopia and elsewhere, and the importance of strengthening local capacity, particularly for the operation and maintenance of completed schemes. The Board also underscored the need for better catchment area planning to minimize potential conflicts over riparian rights, which should be underpinned by a legal framework that (i) protected individual rights to land in the command area and (ii) ensured effective organization and management of water users' associations.

Kenya: Smallholder Horticulture Marketing Programme (EB 2007/90/R.15 + Sup.1) (now EB 2007/90/R.15/Rev.1)

6. The Executive Board unanimously approved a loan of SDR 15.6 million and a grant of SDR 335,000 to the Republic of Kenya to finance the Smallholder Horticulture Marketing Programme. The Director for Canada commended the programme's design, particularly its logical framework's focus on verifiable results that included baseline data and indicators of targets to be reached. In addition, positive comments were received regarding the programme's innovative features such as its commercial orientation and its alignment with IFAD's current country strategy and with Government policies. Views were also expressed by the Directors for Egypt, the Netherlands, the United Kingdom and the United States regarding the size of the target group. This issue will be dealt with during implementation. The Director for the United Kingdom and the Director for the Netherlands emphasized the importance of in-country consultations and linkages with other in-country initiatives, and expressed concern that the estimate for the number of women participating in the programme could be too low. The Director for India suggested that the strategy for scaling up and sustainability should be well articulated during implementation, including a clear strategy for developing relevant partnerships with the private sector. The Director for Belgium drew attention to the need for the programme to adhere to relevant treaties and protocols governing genetic resources. The Director of the Eastern and Southern Africa Division assured Directors that the relevant country programme manager had taken note of their various concerns and would follow up on these issues with partner agencies, especially at the country level.

C. Asia and the Pacific

Cambodia: Rural Livelihoods Improvement Project in Kratie, Preah Vihear and Ratanakiri

(EB 2007/90/R.16 + Sup.1) (now EB 2007/90/R.16/Rev.1)

7. The Executive Board approved a grant of SDR 6.40 million for the Rural Livelihoods Improvement Project in Cambodia, after having ascertained that measures would be taken to deal with the possible eviction of the local population from their land due to economic concessions, that collaboration was foreseen with other projects/programmes and development agencies, and that the project's impact on women's development would be measured.

D. Near East and North Africa

Syrian Arab Republic: North-eastern Region Rural Development Project

(EB 2007/90/R.17 + Add.1 + Sup.1) (now EB 2007/90/R.17/Rev.1)

8. The Executive Board approved a loan to the Syrian Arab Republic for an amount of SDR 13.38 million to help finance the North-eastern Region Rural Development Project. In accordance with legislation of the United States of America, the United States would vote no and thus wishes the minutes to record its opposition to the project proposal for the Syrian Arab Republic.

Grant Proposals

9. The following grant proposals were approved by the ninetieth session of the Executive Board:
 - (a) **Grants under the global/regional grants window to CGIAR-supported international centres (EB 2007/90/R.19)**
10. Among other general comments, the Director for the United States praised the innovative nature of the proposals relating to rewards for environmental services (specifically the green water credit proposal) and asked that such initiatives be included explicitly as part of the IFAD innovation strategy. The Director for Switzerland noted qualitative differences among the proposals' logical frameworks: while the one for the International Crops Research Institute for the Semi-Arid Tropics was exemplary, those for the World Forestry Centre and the International Center for Agricultural Research in the Dry Areas could be improved in terms of better definition of quantifiable outputs. The following grants were approved under this category.
 - (i) **International Center for Agricultural Research in the Dry Areas (ICARDA): Programme for Technology Transfer to Enhance Rural Livelihoods and Natural Resource Management in the Arabian Peninsula**
11. A grant of US\$1.5 million was approved by the Board.
 - (ii) **World Agroforestry Centre (ICRAF): Programme for Pro-poor Rewards for Environmental Services in Africa**
12. A grant of US\$1 million was approved by the Board.
 - (iii) **International Crops Research Institute for the Semi-Arid Tropics (ICRISAT): Programme for Harnessing the True Potential of Legumes: Economic and Knowledge Empowerment of Poor Farmers in Rainfed Areas in Asia**
13. A grant of US\$1.4 million was approved by the Board.

- (iv) **International Rice Research Institute (IRRI): Programme for Alleviating Rural Poverty by Improving Rice Production in Eastern and Southern Africa**
14. A grant of US\$1.5 million was approved by the Board.
- (b) **Grants under the Global/Regional Grants Window to non-CGIAR-supported International Centres (EB 2007/90/R.20)**
15. The following grants were approved under this category.
- (i) **International Development Research Center (IDRC): Programme for Knowledge Networking for Rural Development in Asia/Pacific Region (ENRAP) – Phase III**
16. A grant of US\$1.085 million was approved by the Board.
- (ii) **World Soil Information (ISRIC): Programme for Green Water Credits – Pilot Operation**
17. A grant of US\$1.5 million was approved by the Board.
- (iii) **Executive Secretariat of the Andrés Bello Agreement (SECAB): Regional Programme in Support of Rural Populations of African Descent in Latin America**
18. A grant of US\$1.5 million was approved by the Board.
- Grant under the country-specific grants window to the Federation of Production Cooperatives for the Programme for the Development of Rural Finance Networks in the Republic of Paraguay (EB 2007/90/R.21)**
19. A grant of US\$680,000 was approved by the Board. The Director for the United States and other Board members commended the proposal for its allocation of resources to small farmers' organizations. The Director for Spain stated that the proposed grant fell entirely within IFAD's mandate and praised its clear link with the Empowerment of Rural Poor Organizations and Harmonization of Investments Project, approved by the Executive Board at its April 2005 session. He asked for clarification on the nature of the cooperative networks, particularly vis-à-vis participation of consolidated cooperatives to support incipient and intermediate ones in accessing public and private resources for the delivery of rural financial services. The Director for Argentina praised IFAD for this proposal and clarified the doubt expressed by the Director for Spain. IFAD reiterated that all cooperatives would be included in a rural development network, with the consolidated ones supporting the intermediate and incipient ones while benefiting from their outreach.

