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Enabling poor rural people
to overcome poverty

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

Executive Board — Ninety-fifth Session
Rome, 15-17 December 2008

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 ninety-fifth session of the Executive Board, and are in line with the newly approved Debt Sustainability Framework (DSF).

A. Western and Central Africa

Democratic Republic of the Congo: Integrated Agricultural Rehabilitation Programme in Maniema Province (EB 2008/95/R.17/Rev.1)

2. The Executive Board unanimously approved a grant of SDR 15.70 million to the Democratic Republic of the Congo to finance the Integrated Agricultural Rehabilitation Programme in Maniema Province. In approving the grant, the Board sought clarification on the following points: (i) the large contribution by the Government to the programme; (ii) the nine-year duration of the programme; and (iii) the additional supervision measures built into the programme aside from those to be undertaken by United Nations Office for Project Services. Board members were provided with satisfactory responses during the session.

Ghana: Rural and Agricultural Finance Programme (EB 2008/95/R.18/Rev.1)

3. The Executive Board unanimously approved a loan of SDR 4.05 million to the Republic of Ghana for the Rural and Agricultural Finance Programme. The goal of the programme is to support improved and sustainable livelihoods for the rural poor, particularly women and vulnerable groups. The purpose is to improve the rural population's access to sustainable financial services through enhanced outreach, sustainability and linkages, with a particular focus on smallholder farmers.

Mauritania: Value Chains Development Programme for Poverty Reduction (EB 2008/95/R.19)

4. The Board recognized that the proposed programme for Mauritania is very well designed and targets the country's poorest people in the country, which is in itself one of the world's poorest countries. However, in view of significant governance issues, and their possible impact on sustainability, it was agreed to defer the consideration of the programme to the ninety-sixth session of the Executive Board, in April 2009.

Niger: Agricultural and Rural Rehabilitation and Development Initiative Project – Institutional Strengthening Component (ARRDI-ISC) (EB 2008/95/R.20/Rev.1)

5. The Executive Board unanimously approved a loan of SDR 5.40 million and a grant of SDR 5.40 million to the Republic of the Niger. Written comments from the Swiss Agency for Development and Cooperation had been received and replied to before the Executive Board session. The Executive Board Director for France enquired about the complementarities between the Agricultural and Rural Rehabilitation and Development Initiative Project (ARRDI) and ARRDI-ISC, and also about the project's institutional set-up. It was agreed that he would also be provided with an additional written response.

B. Eastern and Southern Africa

Kenya: Supplementary loan in support of the Southern Nyanza Community Development Project (EB 2008/95/R.21/Rev.1)

6. The Executive Board unanimously approved the supplementary loan to the Republic of Kenya in the amount of SDR 4.0 million on highly concessional terms to help finance the Southern Nyanza Community Development Project. The Executive Board Director for the United States of America requested more information regarding progress to date and impact on the ground. It was explained that this was one of the best performing IFAD projects in the Kenya country programme as acknowledged by, among others, the Bread for the World in its Hunger Report, in which the project's achievements are highlighted. The Executive Board Directors for Germany and Denmark sought clarification on the extent of the consultation with donor partners in Kenya and the role of the Ministry of Planning and Development as lead agency. In response, the Board was informed that IFAD, through its Country Office, was a member of various donor groups in the country, including the agriculture and rural development group to which the proposal for this support had been presented in October 2008. Regarding the lead agency issue, it was explained that the Ministry was the appropriate channel for implementing area-based projects and had in place appropriate and relevant institutions to deliver services to the poor at the district and village levels.

Swaziland: Rural Finance and Enterprise Development Programme (EB 2008/95/R.22/Rev.1)

7. The Executive Board unanimously approved a loan of SDR 4.05 million to the Kingdom of Swaziland to help finance the Rural Finance and Enterprise Development Programme. The Board noted the need to ensure that farmers are not over-exposed given the current environment and to investigate insurance options. The Executive Board Director for South Africa commented that the programme provides opportunities for greater regional support and learning. The programme was approved subject to the completion of loan negotiations within six months and provision of the loan on intermediate terms.

United Republic of Tanzania: Supplementary loan in support of the Agricultural Sector Development Programme (EB 2008/95/R.23/Rev.1)

8. The Executive Board unanimously approved a supplementary loan of SDR 37.65 million to the United Republic of Tanzania to help finance the Agricultural Sector Development Programme. The Executive Board Director for Japan submitted written comments that supported the loan and indicated the need for a faster flow of funds to the participating districts. The Executive Board Director for the United States of America recommended close monitoring of the financial management of the programme. The Director was assured that this was high on the agenda of the Basket Fund Steering Committee, and that the World Bank would provide leadership in the fiduciary aspects

C. Asia and the Pacific

China: Dabieshan Area Poverty Reduction Programme (EB 2008/95/R.24/Rev.1)

9. The Executive Board reviewed and approved the Dabieshan Area Poverty Reduction Programme, financed with an IFAD loan amount equivalent to SDR 21.44 million. In approving the programme, the Executive Board highlighted a number of points, namely that: (i) the Government had recently announced the implementation of a New Socialist Countryside Policy and that it was important that IFAD-funded programmes support this policy; (ii) important lessons learned from the IFAD-funded country programme, from other rural poverty reduction programmes and from programmes that support the emergence of farmers' associations and cooperatives should inform programme implementation; (iii) a two-tier targeting strategy had been built into programme design and it was important that this was implemented in a manner that ensured both the inclusion of the rural poor and their full participation; (iv) village implementation groups play a major part in

programme implementation, and it is important that they are used as an instrument to enable effective participation of the target groups; (v) the Executive Board noted the innovations built into programme design and considered them important in further enhancing poverty reduction. Monitoring and evaluation, as well as knowledge management, should ensure that these innovations are managed for results.

Lao People's Democratic Republic: Sustainable Natural Resource Management and Productivity Enhancement Project (EB 2008/95/R.25/Rev.1)

10. The Executive Board unanimously approved a grant of SDR 10.1 million to the Lao People's Democratic Republic to help finance the Sustainable Natural Resource Management and Productivity Enhancement Project.

Philippines: Rapid Food Production Enhancement Programme (EB 2008/95/R.26/Rev.1)

11. The Executive Board unanimously approved a loan of SDR 10.685 million in support of the Rapid Food Production Enhancement Programme on the condition that the terms of the IFAD loan be renegotiated to intermediate terms, instead of highly concessional terms. The Board was informed that it would be notified in the event that the borrower did not accept this condition. Efforts may be made during the renegotiations to combine the IFAD loan with other grant resources from other development partners to soften the impact of the terms of the loan. This may include reducing the total IFAD loan amount if adequate grant resources can be mobilized from others. The renegotiations may lead to requests for other modifications to programme design by the borrower; the Executive Board will be kept duly informed.

Tajikistan: Khatlon Livelihoods Support Project (EB 2008/95/R.27/Rev.1)

12. The Executive Board approved a grant of SDR 7.9 million to the Republic of Tajikistan to finance the Khatlon Livelihoods Support Project. In approving the grant, the Board commended the quality of the logical framework, and emphasized the importance of technical assistance to support the community mobilization process.

Viet Nam: Pro-Poor Partnerships for Agroforestry Development Project (EB 2008/95/R.28/Rev.1)

13. The Executive Board approved a loan of SDR 14.11 million to the Socialist Republic of Viet Nam, to help finance the Pro-Poor Partnerships for Agroforestry Development Project. The Director for Switzerland submitted written comments highlighting the need to address the lack of implementation capacity, to mitigate the fiduciary risks, and to build on ongoing development partner experience in forestland management. The Director for the United Kingdom and the Netherlands constituency requested further information with regard to the land tenure aspects and the operationalization of payment for environmental services. The Director for Denmark sought clarification on institutionalization and the exit strategy. The Director for France wished to know through which ministry the project would be implemented, and how the project was aligned with the One United Nations Initiative and other national-level partnerships. The Director for France also pointed out that there were a number of French NGOs working in the area, which could be consulted. It was clarified that the payment for environmental services was an area in which the Government of Viet Nam and IFAD were "learning-by-doing". Appreciation was expressed for the cofinancing from the Global Environment Facility. It was explained that the project management unit would be a small facilitating unit, responsible for financial management and procurement, and that the existing line agencies would be charged with technical implementation. With regard to the exit strategy, once the land allocation question was addressed, private-sector companies would find it much easier to invest in the province, particularly those interested in forest products. All outputs emanating from the project were in line with the country strategic opportunities programme, which is

aligned with the One Plan of the One United Nations Initiative in the country. It was requested that the list of French NGOs working in Vietnam be shared with IFAD so that IFAD could draw on their experience during implementation.

D. Latin America and the Caribbean

Belize: Rural Finance Programme (EB 2008/95/R.29/Rev.1)

14. The Executive Board unanimously approved a loan of SDR 2.05 million to Belize to finance the Rural Finance Programme. In doing so, the Board recognized that the programme clearly addresses the government priority of facilitating sustainable access to credit and other financial services to small farmers and rural poor people, which is a key element of their market access strategy. It was explained that the programme fully complements the operations of other donors that are currently providing other types of services (extension, marketing, etc.) to the target population. Finally, it was noted that the programme has important elements of innovation, such as the delegation by the Government of implementation responsibility to the private sector, the emphasis on a wide range of financial services and the pro-poor targeting strategy.

Bolivia: President's memorandum - Management of Natural Resources in the Chaco and High Valley Regions Project - Expansion of the project area and target group (EB 2008/95/R.30)

15. The Executive Board approved the expansion of the project area and target group of the Management of Natural Resources in the Chaco and High Valley Regions Project in the Republic of Bolivia.

Brazil: President's memorandum - North-East Rural Family Enterprise Development Support Project (loan no. 649-BR) - Modifications to the loan agreement (EB 2008/95/R.31)

16. The Executive Board approved the proposed modifications to the loan agreement for the North-East Rural Family Enterprise Development Support Project with respect to changing the borrower, the executing agency and the supervision agreements.

Guatemala: Sustainable Rural Development Programme for the Northern Region (EB 2008/95/R.33/Rev.1)

17. The Executive Board unanimously approved a loan of SDR 12.1 million and a grant of SDR 0.30 million to the Republic of Guatemala in support of the Sustainable Rural Development Programme for the Northern Region. The Board noted that the programme is fully in line with the new IFAD country strategy and the national development plan.

Venezuela, Bolivarian Republic of: Orinoco Delta Warao Support Programme (EB 2008/95/R.35/Rev.1)

18. The Executive Board unanimously approved a loan of SDR 8.8 million to the Bolivarian Republic of Venezuela in support of the Orinoco Delta Warao Support Programme. In approving the loan, the Board Director for France sought clarification during the session on the extent of local government participation in programme design. It was explained that the Municipality of Antonio Diaz (Delta-Amacuro State), where the entire programme is geographically focused, participated actively in the formulation of the programme. Roughly 80 per cent of the population of Antonio Diaz is Warao, and the municipality is home to half (roughly 18,000) of the country's total Warao population, dispersed across the vast and remote region of the Orinoco Delta. The municipality has the highest poverty indicators in the country. The commitment to social inclusion and the logistical problem of providing services efficiently to a dispersed population will be addressed in collaboration with the municipal government by establishing up to three operation bases in the programme area.

E. Near East and North Africa

Bosnia and Herzegovina: Rural Livelihoods Development Project (EB 2008/95/R.36/Rev.1)

19. The Executive Board unanimously approved a loan of SDR 7.5 million to Bosnia and Herzegovina to finance the Rural Livelihoods Development Project.

The West Bank: President's memorandum - Report on the Participatory Natural Resource Management Programme (loan no. 476-PS) financed by the IFAD Fund for Gaza and the West Bank (EB 2008/95/R.37)

20. The Executive Board unanimously approved the grant of SDR 3.29 million from the IFAD Fund for Gaza and the West Bank. Over the next three years, several livelihood enhancement activities will be undertaken by the programme in such areas as land reclamation and improvement, crop production and rural finance.

Yemen: President's memorandum - Pilot Community-Based Rural Infrastructure Project for Highland Areas - Modification to the financing agreement (EB 2008/95/R.38)

21. The Executive Board unanimously approved the amendment of the financing agreement of the Pilot Community-Based Rural Infrastructure Project for Highland Areas, approved by the Executive Board in April 2005. Project financing will be revised as follows: (i) the IFAD loan will increase from SDR equivalent of US\$9.01 million to SDR equivalent of US\$10.76 million; (ii) the IFAD grant will increase from SDR equivalent of US\$0.40 million to SDR equivalent of US\$2.15 million. The Government's contribution and the communities' contribution will remain unchanged.

Grant proposals

22. The following grant proposals were approved by the ninety-fifth session of the Executive Board:
- (a) **Grant under the global/regional grants window to a CGIAR-supported centre, the International Food Policy Research Institute (IFPRI) for the Strategic Partnership to Develop Innovative Policies on Climate Change Mitigation and Market Access (EB 2008/95/R.39)**
23. A grant of US\$3,000,000 was approved.
- (b) **Grant under the global/regional grants window to a CGIAR-supported centre, the International Water Management Institute, for the project for Improving Sustainability of Impacts of Agricultural Water Management Interventions in Challenging Contexts (EB 2008/95/R.40)**
24. A grant of US\$1,200,000 was approved for the International Water Management Institute.
- (c) **Grant under the global/regional grants window to the International Land Coalition for the programme Putting a Pro-poor Land Agenda into Practice (EB 2008/95/R.41)**
25. A grant of US\$1,150,600 was approved.
- (d) **Grants under the global/regional grants window to non-CGIAR-supported international centres (EB 2008/95/R.42/Rev.1)**
 - (i) **Food and Agriculture Organization of the United Nations: Development of Innovative Site-specific Integrated Animal Health Packages for the Rural Poor**
26. A grant of US\$1,600,000 was approved.

- (ii) **Food and Agriculture Organization of the United Nations: Reducing Risks of Wheat Rusts Threatening the Livelihoods of Resource-poor Farmers through Monitoring and Early Warning**
27. A grant of US\$1,500,000 was approved.
- (iii) **International Federation of Agricultural Producers: Empowering Smallholder Farmers in Markets (ESFIM)**
28. A grant of US\$1,000,000 was approved.
- (iv) **Indian Ocean Commission: Regional Initiative for Smallholder Agriculture Adaptation to Climate Change in the Indian Ocean Islands**
29. A grant of US\$750,000 was approved.
- (v) **PhytoTrade Africa: Support to PhytoTrade Africa 2009-2010 – The Southern African Natural Products Trade Association**
30. A grant of US\$1,200,000 was approved.
- (vi) **African Rural and Agricultural Credit Association: Rural Finance Knowledge Management Partnership – Phase II**
31. The Board noted that the recipient of the grant approved in September 2008 shall be changed from Kenya Gatsby Trust to the African Rural and Agricultural Credit Association.
- (e) **Grant under the country-specific grants window to the Foundation of the Peoples of the South Pacific International for the Mainstreaming of Rural Development Innovations Programme in the Pacific – Phase II (EB 2008/95/R.43)**
32. A grant of US\$1,500,000 was approved.
33. The Board approved all the grants under this agenda item with positive comments particularly by the Board Directors for Canada, the United States of America and Norway relating to the importance of strategic partnerships (IFPRI and FAO) that held prospects of high impact in terms of the linkages between IFAD operations and its partners in the field. It was suggested that the forthcoming grants policy – to be presented to the Board in December 2009 – would highlight IFAD's role in forging partnerships particularly with key institutions and constituencies such as the CGIAR.
34. The Board was informed about key positive developments with regard to the legal status of the International Land Coalition (ILC), including its hosting arrangements with IFAD headquarters (at full cost recovery, as spelled out in a new agreement between ILC and the Fund). It was highlighted that there has been a significant increase in support (including financial contributions) for the Coalition and its Secretariat, which is resulting in a much lower proportion of IFAD support in the overall financing of the ILC.

