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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-sixth Session  
Rome, 29-30 April 2009

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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 ninety-sixth session of the Executive Board.

#### A. Western and Central Africa

##### **Benin: Rural Economic Growth Support Project (EB 2009/96/R.11/Rev.1)**

2. The Board approved a loan of SDR 6 million on highly concessional terms and a Debt Sustainability Framework grant of SDR 6 million to the Republic of Benin for the Rural Economic Growth Support Project and commended IFAD for the high quality of the project design which reflects the real needs of the rural population. It also complimented IFAD for focusing on supporting smallholder producers and strengthening producers' organizations at the village level. Clarifications were provided regarding: (i) alignment with strategic framework for relaunching agriculture in the context of soaring food prices and food insecurity; (ii) institutional mechanisms set up to integrate the project into the country programme, i.e. the Rural Development Support Programme (PADER); (iii) the main financial partners involved in the value chain fund; and (iv) the importance of the ongoing decentralization reforms in ensuring project sustainability.

##### **Burkina Faso: Rural Business Development Services Programme (EB 2009/96/R.12/Rev.1)**

3. The Executive Board unanimously approved a loan of SDR 5.40 million and a Debt Sustainability Framework grant of SDR 5.40 million to Burkina Faso. Written comments from the Board Director for Switzerland had been received and replied to before the Executive Board session. This new programme aims at supporting microenterprise development and at improving the enabling environment so that such enterprises can flourish by working on the demand and supply of pro-poor business development services in rural areas. The Board emphasized the need for field-level coordination.

##### **Guinea: President's memorandum – Sustainable Agriculture Development Project in the Forest Region – Amendment to the loan agreement and reallocation of loan proceeds (EB 2009/96/R.13)**

4. The Executive Board approved the proposed amendments to the loan agreement and the reallocation of the remaining loan proceeds of the Sustainable Agriculture Development Project in the Forest Region which was approved in 2002 and became effective in 2004, reflecting the project's new scope and approach. The redesigned project constitutes the starting point of the National Programme to Support Agricultural Value Chain Actors. It is intended that in the future, this programme will be progressively scaled up with additional resources from IFAD and other donor agencies. The programme is directly supervised by IFAD. The Executive Director for the United States of America stated that her country wished to record its abstention with regard to the amendments proposed in the President's memorandum.

##### **Guinea: President's memorandum – Village Communities Support Project – Phase II: Request for a waiver of the policy on taxes – Amendment to the grant agreement (EB 2009/96/R.14)**

5. The Executive Board approved a waiver of the policy on taxes as contained in sections 4.10 (a)(1) and 11.01 of the General Conditions for Agricultural Development Financing for the Village Communities Support Project – Phase II grant agreement with a view to harmonizing the procedures with those applied by the International Development Agency. The project is cofinanced with the World Bank through a pari passu arrangement with a ratio of 62:38. The Executive Board

Director for the United States of America stated that her country wished to record its abstention with regard to the proposal contained in the President's memorandum.

**Mali: Rural Microfinance Programme (EB 2009/96/R.15/Rev.1)**

6. The Executive Board unanimously approved a loan of SDR 17.1 million to the Republic of Mali for the Rural Microfinance Programme. The Executive Board Directors for Japan and Switzerland (also on behalf of Luxembourg and Germany) requested some clarification on the programme document. The information sought was related to: (i) the institutional arrangements and partnerships with other donors; (ii) capacity and institution building, and the professionalization of microfinance institution staff; and (iii) the inclusion of women. The Executive Board Directors for Canada and Denmark also provided comments regarding the institutional arrangements. During the Board discussions, the Board Director for Canada suggested that the possibility of participation in basket funding be addressed by IFAD in the future. Board members were provided with satisfactory responses during the session and also in writing, by e-mail.

**B. Eastern and Southern Africa**

**Burundi: Agricultural Intensification and Value-enhancing Support Project (EB 2009/96/R.16/Rev.1)**

7. The Executive Board unanimously approved a grant of SDR 9.3 million to the Republic of Burundi to finance the Agricultural Intensification and Value-enhancing Support Project. During the discussions, the Board recognized that the project was responsive to Burundi's situation and also well designed, entailing the close involvement of the Government and consultation with key development partners in the country. The Board Directors from Austria, Belgium, Cameroon, France, the Netherlands, Sweden, Switzerland and the United Kingdom sought and were duly provided with clarification on (i) monitoring and evaluation; (ii) technical assistance and government capacity; (iii) environmental sustainability; (iv) linkage with Burundi's recent National Plan on Food Security; (v) linkage with other donor-funded projects, in particular CATALIST; and (vi) cofinancing with World Food Programme and the European Union. These issues will receive further follow-up during project start-up and implementation.

**Ethiopia: Community-based Integrated Natural Resources Management Project (EB 2009/96/R.17/Rev.1)**

8. The Executive Board unanimously approved a loan of SDR 4.4 million and a Debt Sustainability Framework grant of SDR 4.4 million to the Federal Democratic Republic of Ethiopia to finance the Community-based Integrated Natural Resources Management Project. In unanimously approving the loan and grant, the Executive Board congratulated IFAD Management for a focused, opportune and timely investment that will empower local communities in promoting sustainable land and natural resource use and management. The Board welcomed the fact that the arrangements for project coordination and management are well embedded into the decentralized regional administration and recommended that during implementation, IFAD should work closely with other development partners in order to enhance synergies and improve knowledge sharing and management.

**Mauritius: President's memorandum – Rural Diversification Programme – Extension of the completion and closing dates (EB 2009/96/R.18)**

9. The Executive Board approved the extension of completion and closing dates for the Rural Diversification Programme until 31 December 2010 and 30 June 2011 respectively. The Board recognized the fragility of the Mauritian economy and commended the Fund for a good programme and for targeting the people who had been adversely affected by the current global crises (soaring food prices, financial, etc.).

**Uganda: President's memorandum – Vegetable Oil Development Project – Modifications to the loan agreement (EB 2009/96/R.19)**

10. The Executive Board approved the extension of the loan completion and closing dates for the Vegetable Oil Development Project until 31 December 2011 and 30 June 2012 respectively, so that the project may achieve its original objectives relative to smallholder oil palm development. It was confirmed to the Executive Director for Norway that land and environmental matters, especially forests, would continue to receive attention.

**C. Asia and the Pacific**

**Afghanistan: Rural Microfinance and Livestock Support Programme (EB 2009/96/R.20/Rev.1)**

11. The Board unanimously approved a grant of SDR 16 million to the Islamic Republic of Afghanistan. The Executive Board Director for Switzerland had sent written comments jointly with the Netherlands and the United Kingdom and all parties were satisfied with the responses provided, especially regarding IFAD's approach to building capacity at the grassroots level as opposed to the central level. The Executive Board Director for Sweden enquired whether the additional US\$5 million mentioned in the addendum referred to a grant or a loan. It was explained that, under the Debt Sustainability Framework, Afghanistan is currently entitled to grant financing only. The Executive Board Director for the United States of America commended the programme for its focus on improving rural livelihoods and on women beneficiaries, while the Executive Board Director for the United Kingdom praised IFAD for joining hands with other donors in supporting the Microfinance Investment Support Facility for Afghanistan.

**China: Sichuan Post-Earthquake Agricultural Rehabilitation Project (EB 2009/96/R.21/Rev.1)**

12. The Executive Board reviewed and approved the Sichuan Post-Earthquake Agricultural Rehabilitation Project, financed with an IFAD loan equivalent to SDR 19.4 million and a grant of SDR 1 million. In approving the project, the Executive Board highlighted the following points: (i) the project approach, strategy and components are highly relevant to the situation faced by households affected by the earthquake in Sichuan; (ii) targeting and gender aspects of the project are well defined; (iii) promoting biogas for poor and vulnerable people is important not only for its impact on poverty reduction, but also for its role in responding to the challenges related to climate change. Biogas produced by animal waste and other organic mass has been largely ignored by the global community and should feature more prominently in rural areas in other countries; and (iv) the project's full integration within the Chinese National Reconstruction Plan is recognized. Donor coordination is considered important and shall be pursued during implementation for experience sharing and learning.

**India: Convergence of Agricultural Interventions in Maharashtra's Distressed Districts Programme (EB 2009/96/R.22/Rev.1)**

13. The Executive Board approved a loan of SDR 26.82 million and a grant of SDR 0.67 million to the Republic of India to finance the Convergence of Agricultural Interventions in Maharashtra's Distressed Districts Programme. In approving the programme, the Board noted its satisfaction with the relevance of the intervention to the need to restore viable agricultural operations and reduce farmers' indebtedness. The Board acknowledged the programme's stated objective of achieving effective convergence with existing and planned Government's schemes so as to maximize synergy and avoid duplication. The Board also highlighted the importance of addressing post-harvest losses as a means to enhance farmers' incomes.

## D. Latin America and the Caribbean

### **Dominican Republic: Development Project for Rural Poor Economic Organizations of the Border Region (EB 2009/96/R.23/Rev.1)**

14. The Executive Board unanimously approved a loan of SDR 9.45 million to the Dominican Republic to finance the Development Project for Rural Poor Economic Organizations of the Border Region. The Board recognized that the project clearly addresses a government priority and is well targeted. It was explained that the project represents an important step in consolidating IFAD's role as a strategic partner in rural development in the Dominican Republic. The rationale for focusing on niche (fair trade, organic) products stems from the fact that the Dominican Republic has emerged as one of the world's foremost exporters of those products. Finally, it was noted that the project has important elements of innovation such as the pilot weather-based insurance scheme which, if successful, will be replicated and scaled up.

## Grant proposals

15. In introducing this agenda item, the Board was informed of the change of administrator – from the United Nations Development Programme to the United Nations Office for Project Services (UNOPS) – for the grant (approved by the Board at its ninety-fourth session) to the Commission on Family Farming (REAF) of the Common Market of the South (MERCOSUR) to finance the institutional consolidation of REAF. The Board Director for Sweden questioned the choice of UNOPS as grant administrator, following a negative assessment by IFAD Management of UNOPS' managerial performance. She also expressed the desire that such communications to the Board be conveyed in writing, and not only verbally. It was clarified that IFAD's choice to move away from UNOPS for project supervision bore no relation to UNOPS' capacity to administer programmes, a service they continue to provide worldwide, with recognized professional capacity. Furthermore, the distinction between a corporate decision to discontinue UNOPS' provision of supervision services, and the choice of UNOPS as programme administrator was clarified. Finally, it was confirmed that the REAF programme would be directly supervised by IFAD, while UNOPS would administer the grant resources only.
16. The following grant proposals under the global/regional grants window to CGIAR-supported international centres (EB 2009/96/R.24) were approved by the ninety-sixth session of the Executive Board.
- (a) **International Centre for Agricultural Research in the Dry Areas (ICARDA): Programme on Improving Livelihoods of Small Farmers and Rural Women through Value-added Processing and Export of Cashmere, Wool and Mohair**
- A grant of US\$1,500,000 was approved by the Board. The Executive Board Director for the United States opposed the grant to ICARDA based on U.S. directed-vote legislation against any assistance from international financial institutions that benefits Iran and requested that this be recorded in the minutes of this session.
- (b) **International Rice Research Institute (IRRI): Programme on Enabling Poor Rice Farmers to improve Livelihoods and Overcome Poverty in South and South-East Asia through the Consortium for Unfavorable Rice Environments (CURE)**
- A grant of US\$1,500,000 was approved by the Board.
17. In approving these two grants, the Board Director for Switzerland thanked the Secretariat for the written reply to the comments by Swiss Agency for Development and Cooperation on these grants and on the grants for non-CGIAR-supported international centres.

18. The following grant proposals under the global/regional grants window to non-CGIAR-supported international centres (EB 2009/96/R.25) were approved by the ninety-sixth session of the Executive Board.

**(a) MERCOSUR Confederation of Family Farmer Producer Organizations (COPROFAM): Strengthening Rural Organizations for Policy Dialogue in South America**

A grant of US\$416,000 was approved by the Board.

In approving the grant, the Board Director for Brazil praised IFAD for this initiative aimed at strengthening the capacity of small farmers organizations to participate in a policy dialogue at the MERCOSUR level. He mentioned that Brazil looks forward to further cooperation with IFAD in this area.

**(b) Economic Community of West African states (ECOWAS): The Rural Hub: Supporting Rural Development and Food Security in Western and Central Africa**

A grant of US\$1,500,000 was approved by the Board.

**(c) Food and Agriculture Organization of the United Nations (FAO): Smallholder Poultry Development Programme**

A grant of US\$600,000 was approved by the Board.

**(d) International Development Research Centre (IDRC): Knowledge Access for Rural Inter-connected People – Phase II (KariaNet II)**

A grant of US\$1,500,000 was approved by the Board.

**(e) International Centre for Integrated Mountain Development (ICIMOD): Programme on Livelihoods and Ecosystem Services in the Himalayas: Enhancing Adaptation Capacity and Resilience of the Poor to Climate and Socio-economic Changes**

A grant of US\$1,500,000 was approved by the Board.

**(f) Grant under the country-specific grants window to the International Rice Research Institute (IRRI) for Support to Agricultural Research for Climate Change Adaptation in Bangladesh (EB 2009/96/R.26)**

A grant of US\$700,000 was approved by the Board.