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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-seventh Session  
Rome, 14-15 September 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-seventh session of the Executive Board.

#### A. Western and Central Africa

##### **Chad: Pastoral Water and Resource Management Project in Sahelian Areas (EB 2009/97/R.14/Rev.1)**

2. The Executive Board unanimously approved a grant of SDR 12.595 million to the Republic of Chad to finance the Pastoral Water and Resources Management Project in Sahelian Areas. In approving the grant, the Board sought clarification on the following points: (i) the sustainability of health and education interventions; and (ii) the limited beneficiary contribution to the project budget. Board members were provided with satisfactory responses during the session.

##### **Mauritania: Value Chains Development Programme for Poverty Reduction (EB 2009/97/R.15/Rev.1)**

3. The Executive Board unanimously approved a grant of SDR 3.856 million and a loan of SDR 3.856 million to the Islamic Republic of Mauritania for the Value Chains Development Programme for Poverty Reduction. Board Directors for Algeria, Cameroon and the United States of America gave their strong support to the programme; the Director for the United States requested information on ownership and policy dialogue. The Director for France raised the following issues stemming from the experience of Agence Française de Développement (AFD) in Mauritania: (i) the country's Poverty Reduction Strategy Paper is outdated and does not focus on agriculture; (ii) only AFD and IFAD are investing in agriculture in Mauritania; and (iii) value chain development should focus on dates and milk. Board members were provided with satisfactory responses during the session.

#### B. Eastern and Southern Africa

##### **Ethiopia: Pastoral Community Development Project – Phase II (EB 2009/97/R.16/Rev.1)**

4. In approving the loan and grant amounting to SDR 25.15 million in the aggregate for the Pastoral Community Development Project II, the Executive Board welcomed the Fund's continued collaboration with other development partners and the positive role being played by NGOs in project implementation. The Board recommended that during project implementation both cofinanciers and the Government should encourage project staff and beneficiaries to undertake visits to exchange experiences with similar investment projects in the region, strengthen the M&E system in order to respond adequately to the results framework, and improve synergy with other development partners so as to enhance knowledge sharing and management

##### **Madagascar: President's memorandum – Proposed supplementary loan for the Project to Support Development in the Menabe and Melaky Regions (EB 2009/97/R.17/Rev.1)**

5. Regarding the President's memorandum for Madagascar, the President had requested that the project be assessed by the relevant officers because of recent developments in the country. As this assessment was not yet complete, consideration of the project was postponed until the ninety-eighth session of the Executive Board in December.

**Uganda: District Livelihoods Support Programme – Supplementary loan and grant and modifications to the financing agreement (EB 2009/97/R.18/Rev.1)**

**Uganda: Community Agricultural Infrastructure Improvement Programme – Supplementary loan (EB 2009/97/R.19/Rev.1)**

6. The Executive Board unanimously approved the supplementary loan of SDR 11.60 million and the supplementary grant of SDR 1.29 million to the Republic of Uganda to help finance the District Livelihoods Support Programme as well as the supplementary loan of SDR 10.9 million to help finance the Community Agricultural Infrastructure Improvement Programme. The Executive Board Directors for the United Kingdom and the Netherlands submitted written comments and indicated their support of the loan. The Director for the United Kingdom commented that, in general, it would be helpful for Board members to receive the latest progress reports for projects being presented to the Board for supplementary financing, similar to the way in which they presently receive the final design documents for newly designed projects. The Director for the United States commented on the need to monitor closely rural infrastructure field activities and financial expenditure to ensure sustainability, and, equally, on the need to clarify the programmes' exit strategies. It was confirmed that both operations are fully aligned with the local government strategic investment plan and that sustainability concerns are being addressed by building the capacity of district and subcounty staff. Additionally, although the upgrading of community access roads by the Ministry of Works to all-weather standards significantly increases costs, it lowers maintenance requirements.

**Zambia: Smallholder Agribusiness Promotion Programme (EB 2009/97/R.20/Rev.1)**

7. The Executive Board approved a loan of SDR 12.9 million to the Republic of Zambia to help finance the Smallholder Agribusiness Promotion Programme. The Director for the United States submitted written comments and indicated support for the loan. The Director for Brazil commended the focus on smallholder agribusiness and noted the opportunity presented by the ongoing restructuring of the Ministry of Agriculture and Cooperatives. The Board Director for the United Kingdom, speaking also on behalf of the Netherlands, noted that there had been broad in-country consultation during the design of the programme, which assured them that the management structure of the programme would have a clear role of planning, facilitating, supervising and monitoring activities rather than engaging in direct implementation of any part of the value chain. The Board Director for the United Kingdom also noted the need to further develop quantitative targets once specific commodities have been selected and value chain implementation plans identified.

**C. Asia and the Pacific**

**Bangladesh: Participatory Small-scale Water Resources Sector Project (EB 2009/97/R.21/Rev.1)**

8. The Executive Board unanimously approved a loan of SDR 14.16 million to the People's Republic of Bangladesh to finance the Participatory Small-scale Water Resources Sector Project. In approving the loan, the Board expressed support for the approach to harmonization adopted by the project, and requested confirmation regarding the exceptions to the IFAD General Conditions for Agricultural Development Financing. It was explained that the exceptions relate to the adoption of Asian Development Bank policies and procedures for procurement and loan disbursement.

**Pakistan: Crop Maximization Support Project  
(EB 2009/97/R.22/Rev.1)**

9. The Executive Board approved a loan of SDR 11.70 million to finance the Crop Maximization Support Project in Pakistan. Prior to the Board session, the Executive Director for Switzerland had sent written comments to the Secretariat to which the Secretariat provided feedback. This response was considered satisfactory. In approving the project, the Board commented and sought clarification on the following issues: (i) gender mainstreaming – including training and technical support for women's groups – and monitoring indicators; (ii) input supply; (iii) capacity-building of village organizations, the use of revolving funds and, especially, the need for proper monitoring; (iv) scaling up; and (v) risk mitigation and management.

**D. Latin America and the Caribbean**

**Brazil: Semi-arid Sustainable Development Project in the State of Piauí (Viva o Semi-Árido) (EB 2009/97/R.23/Rev.1)**

10. The Executive Board unanimously approved a loan of SDR 12.8 million to the State of Piauí of the Federative Republic of Brazil, to finance the Semi-arid Sustainable Development Project in the State of Piauí (Viva o Semi-Árido). The Board commended the Latin America and the Caribbean Division for the quality of the project and for the detailed information provided in the project design report, which provided a clear idea of the planned activities.

**Ecuador: Ibarra-San Lorenzo Development Project  
(EB 2009/97/R.24/Rev.1)**

11. The Executive Board approved a loan of SDR 5.55 million to the Republic of Ecuador to finance the proposed Ibarra-San Lorenzo Development Project. IFAD had already provided the United States and Switzerland with answers to their written questions and comments prior to the Board meeting. In approving the loan, members of the Board referred to: (i) the coordination and team work achieved between the Government of Ecuador and IFAD that have ensured the project's compliance with the newly approved constitutional requirements; (ii) the importance of cooperation among bilateral development initiatives in the project area and the need to strengthen Plan Ecuador's coordination capacity to ensure that dispersed activities and competition among donors are mitigated; and (iii) the need for IFAD project supervision to monitor the risk that the proposed project implementation unit does not undermine the sustainability of the project's achievements or the institutional development of Plan Ecuador.
12. Finally, the Director for the United States commented on the need for continued monitoring to ensure that the Government of Ecuador honours its debt obligations with IFAD because the country failed to make a scheduled interest payment on private bonds in December 2008.

**Haiti: Small-scale Irrigation Development Project (PPI-2) –  
Supplementary Grant (EB 2009/97/R.25/Rev.1)**

13. The Executive Board unanimously approved the Debt Sustainability Framework (DSF) grant of SDR 3.65 million to the Republic of Haiti for the Small-scale Irrigation Development Project and commended the proposal for its relevance and timeliness. In approving the grant, the following comments or queries were made: (i) the Directors for France and the United States reasserted the importance of donor coordination; (ii) the Director for Argentina enquired about the inclusion of water users' associations in policy-building; and (iii) the Director for the Bolivarian Republic of Venezuela wished to know how experience would be used and what measures were planned to achieve effective use of resources in Haiti. The following responses were provided: (i) coordination of irrigation sector activities by the Ministry of

Agriculture of Haiti is one of the project objectives; (ii) policy-building will be fully inclusive and will take stock of IFAD's previous work with grass-roots organizations; and (iii) improved governance in Haiti is a central objective of extensive public sector reform, and the Ministry of Agriculture is benefiting from a capacity-strengthening programme worth US\$5 million by the World Bank to improve planning, administration and management systems. Haiti reached completion point under the Debt Initiative for Heavily Indebted Poor Countries in June 2009, proving that the country is on the right track. Moreover, IFAD project management units have specialists in accounting and procurement who are supervised and trained within the framework of direct supervision by IFAD. Project accounts are also audited yearly by external auditors.

**Mexico: Community-based Forestry Development Project in Southern States (Campeche, Chiapas and Oaxaca) (EB 2009/97/R.26/Rev.1)**

14. The Director for Mexico thanked the Latin America and the Caribbean Division for all their efforts in the design and negotiation of the project. He also highlighted the challenge faced by IFAD in meeting the needs of a middle-income country such as Mexico with new instruments, the benefits of cofinancing the project with the Global Environment Facility, the positive impact on the environment and the targeting of rural poor people, particularly indigenous populations. After noting the project's technical characteristics, the Director for the United States enquired as to whether the IFAD financing was related to budget support. She also requested further information on the use of the country's system for financial matters and procurement. It was clarified that IFAD financing in Mexico was not related to budget support: IFAD finances specific expenditure categories in the project area. Clarification was provided on the use of the country's financial system, a decision that was based on the strength of Mexico's fiduciary institutions (Nacional Financiera [NAFIN] and the Ministry of Finance). The Director for the United Kingdom commented on the need to consider the proposal by the Director for Mexico to deepen partnerships and requested further information on project organization in the National Forestry Commission, land distribution in Mexico, and the project's climate change proposal. The Directors for Argentina, Brazil, Guatemala and the Bolivarian Republic of Venezuela congratulated the Latin America and the Caribbean Division for this new operation in Mexico.

**Paraguay: President's memorandum – Proposed supplementary financing for the Empowerment of Rural Poor Organizations and Harmonization of Investments (Paraguay Rural) Project (EB 2009/97/R.27/Rev.1)**

15. The Director for the United States expressed her support for the supplementary financing proposal of SDR 2 million, requesting clarification on (a) current project experience and (b) the reasons why the contributions of the Government and beneficiaries to the project had not increased in parallel with IFAD's additional financing. It was explained that structural changes in the Government had caused delays in project start-up. These had been overcome, which should soon translate into better disbursement rates. Regarding point (b), it was mentioned that the objective of the Latin America and the Caribbean Division was to limit transaction costs by minimizing the degree of modification to the original project proposal, particularly in a very poor country where such a contribution would have been minimal, and would have caused substantial additional implementation delays due to changes in government budgetary allocations. The Director for the United Kingdom asked for an update on the progress of all projects for which additional financing was being requested. The Board was informed that this information is available on the IFAD website; it is not distributed to Board Directors to avoid increasing the heavy load of documents already received by them.

## E. Near East and North Africa

### **Djibouti: President's memorandum – Microfinance and Microenterprise Development Project – Amendment to the loan agreement (EB 2009/97/R.28)**

16. The Executive Board unanimously approved the amendment to the financing agreement for the Microfinance and Microenterprise Development Project approved by the Executive Board in December 2002. This amendment will align the project with the national microfinance programme thus achieving greater effectiveness and efficiency in the project. The Executive Board underlined the importance of strengthening the capacity of the Agence Djiboutienne de Développement Social in view of its key role in the new institutional arrangements.

### **Lebanon: Hilly Areas Sustainable Agricultural Development Project (EB 2009/97/R.29/Rev.1)**

17. The Executive Board unanimously approved a loan of SDR 2.6 million and a grant of SDR 0.4 million to Lebanon to finance the Hilly Areas Sustainable Agricultural Development Project. In response to questions, it was clarified that: (i) the Green Plan is fully autonomous under the Ministry of Agriculture and is in charge of small hill lakes; and (ii) the Ministry of Energy and Water covers larger water management structures as part of the overall water management plan. The Green Plan and the ministry are in constant consultation.

### **Sudan: Revitalizing the Sudan Gum Arabic Production and Marketing Project (EB 2009/97/R.30/Rev.1)**

18. The Executive Board approved a DSF grant of SDR 1.932 million to the Republic of The Sudan to finance the Revitalizing the Sudan Gum Arabic Production and Marketing Project. The Executive Board complimented the project's focus on a key sector for rural poverty alleviation and acknowledged IFAD's partnership with the Multi-Donor Trust Fund-North.
19. In accordance with the United States' legislative mandates against international financial institution assistance that benefits the Government of the Sudan, the United States opposed the grant proposal for the Sudan.

### **The West Bank and Gaza: President's memorandum – Proposal to channel the net balance due under the Rehabilitation and Development Project in Gaza and the West Bank (Phase II) (RDP-II) into the IFAD Fund for Gaza and the West Bank (EB 2009/97/R.31)**

20. The Executive Board unanimously approved that the net balance due under the Rehabilitation and Development Project (Phase II) (RDP-II) in Gaza and the West Bank and, in addition, Arab Authority for Agricultural Investment and Development funds be channelled into the IFAD Fund for Gaza and the West Bank for subsequent use, pursuant to the provisions of resolution 107/XXI establishing the IFAD Fund for Gaza and the West Bank.

## Grant proposals

21. The following grant proposals were approved by the ninety-seventh session of the Executive Board.

### **(a) Grants under the global/regional grants window to a CGIAR-supported international centre (EB 2009/97/R.34)**

The Director for Belgium requested additional information on IFAD's strategic engagement with the Consultative Group on International Agricultural Research (CGIAR). It was agreed that such information

would be included in the revised policy on grants to be submitted to the December 2009 session of the Executive Board.

The following grant was approved under this category.

**Bioversity International: Programme for Impact Evaluation Approaches for Agricultural Research for Development**

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

(b) **Grant under the global/regional grants window to non-CGIAR-supported international centres (EB 2009/97/R.35)**

(i) The following grant was approved under this category.

**International Bank for Reconstruction and Development (IBRD): Development Marketplace 2009: Climate Adaptation (DM2009)**

A grant of US\$1,100,000 was approved by the Board.

(ii) The Board also approved the change of the grant recipient for the Asian Project Management Support Programme (APMAS) from the United Nations Office for Project Services (UNOPS) to the Asian Institute of Technology (AIT).

(c) **Proposed grant under the global/regional grants window to the Global Mechanism of the United Nations Convention to Combat Desertification in Those Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa, for the Programme for Designing Integrated Financing Strategies for UNCCD Implementation in Selected Countries of Asia and the Pacific, and Latin America and the Caribbean – Second instalment (EB 2009/97/R.36)**

A grant of US\$1,250,000 was approved by the Board.



