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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-eighth Session
Rome, 15-17 December 2009

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-eighth session of the Executive Board, and are in line with the Debt Sustainability Framework (DSF).

A. Western and Central Africa

Côte d'Ivoire: Agricultural Rehabilitation and Poverty Reduction Project (EB 2009/98/R.24/Rev.1)

2. The Board approved a DSF grant of SDR 6.3 million to the Republic of Côte d'Ivoire for the Agricultural Rehabilitation and Poverty Reduction 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 on its focus on supporting smallholder producers and strengthening producers' organizations at the village level. Clarification was provided on: (i) the link between short-term and medium-term actions based on the comparative advantage of IFAD and the West African Development Bank and (ii) the risk mitigation measures in place to address weak government capacity to oversee project implementation.

The Gambia: Livestock and Horticulture Development Project (EB 2009/98/R.25/Rev.1)

3. The Executive Board unanimously approved provision of a grant of SDR 5.05 million to the Republic of The Gambia to finance the Livestock and Horticulture Development Project and commended the design team for the quality of the project. In approving the grant, the Board asked whether the joint African Development Bank (AfDB)-IFAD evaluation of agricultural and rural development policies and operations in Africa had informed project preparation and how implementation would be influenced by the evaluation's findings. Board members were provided with satisfactory responses during the session.

Liberia: Agriculture Sector Rehabilitation Project (EB 2009/98/R.26/Rev.1)

4. The Executive Board unanimously approved provision of a grant of SDR 3.15 million to the Republic of Liberia to finance the Agriculture Sector Rehabilitation Project. In approving the grant, the Board asked whether the joint AfDB-IFAD evaluation of agricultural and rural development policies and operations in Africa had informed project preparation and sought clarification on the project's post-conflict approach. Board members were provided with satisfactory responses during the session.

Nigeria: President's memorandum – Rural Microenterprise Development Programme (EB 2009/98/R.61/Rev.1)

5. The Executive Board unanimously approved the new time limit of 31 March 2010 - set in agreement with the Federal Government of Nigeria - for the signature of the financing agreement for the Rural Microenterprise Development Programme.

B. Eastern and Southern Africa

Eritrea: President's memorandum – Post-crisis Rural Recovery and Development Programme – Supplementary grant (EB 2009/98/R.27/Rev.1)

6. The Executive Board unanimously approved: (i) the provision of a supplementary DSF grant to the State of Eritrea in the amount of SDR 5.11 million to help finance the Post-crisis Rural Recovery and Development Programme; and (ii) the proposed modifications to the relative financing agreement.

Rwanda: President's memorandum – Support Project for the Strategic Plan for the Transformation of Agriculture - Supplementary grant (EB 2009/98/R.29/Rev.1)

7. The Executive Board unanimously approved the provision of a supplementary grant of SDR 1.87 million to the Republic of Rwanda. Executive Board members congratulated the Government of Rwanda for its leadership in the Comprehensive Africa Agriculture Development Programme (CAADP) and acknowledged IFAD's contribution to the process. The Executive Board Director for Canada commented on the desirability of using such country-led strategy processes to develop an overall accountability strategy that could replace donor-specific country strategies. Written comments on the project had been received from the Executive Board Director for Switzerland and replied to before the Executive Board session. The Executive Board Directors for Germany and the United Kingdom were informed of the project's integration into the sector-wide approach (SWAp), which will mainly be based on the implementation capacities of the Ministry of Agriculture and Animal Resources. The project will contribute to the implementation capacity of the Ministry in this regard. The Executive Board Director for the United Kingdom also voiced concern about the current effectiveness of the monitoring and evaluation (M&E) arrangements. In reply, the Board was informed that these arrangements were currently being strengthened with IFAD's support. The Executive Board Director for Mexico enquired about the collaboration with the World Food Programme. It was explained that the collaboration entailed using food-for-work activities to complement the agricultural intensification activities.

Rwanda: President's memorandum – Kirehe Community-based Watershed Management Project - Supplementary grant (EB 2009/98/R.30/Rev.1)

8. The Executive Board unanimously approved provision of a supplementary grant of SDR 3.95 million to the Republic of Rwanda. Written comments from the Executive Board Director for Switzerland had been received and replied to before the Executive Board session. The Executive Board Director for the United Kingdom was informed that the M&E arrangements focus on district-based systems, and that the owner of the carbon credits for reforestation activities will be the Ministry of Agriculture and Animal Resources on behalf of the smallholders participating in the reforestation activities, also after project completion.

C. Asia and the Pacific

Cambodia: Tonle Sap Poverty Reduction and Smallholder Development Project (EB 2009/98/R.31/Rev.1)

9. In approving a loan of SDR 4.25 million on highly concessional terms and a DSF grant of SDR 4.25 million for the project, the Executive Board sought clarifications on the: (i) linkage with government-led processes; (ii) counter-measures to mitigate risks of corruption; (iii) relationship with the National Programme for Sub-national Level Democratic Development; (iv) operation and maintenance arrangements for the rural infrastructure investments; (v) linkage with the business sector and market access; and (vi) collaboration with the natural resource management and livelihoods programme supported by the Governments of Denmark and the United Kingdom. The Board took note of the clarifications provided. The United States could not support the project for Cambodia and thus abstained. This position will be duly recorded in the minutes of this session.

India: North Eastern Region Community Resource Management Project II-Supplementary loan (EB 2009/98/R.32/Rev.1)

10. The Executive Board unanimously approved a loan of SDR 12.6 million to the Republic of India. Written comments from the Executive Board Director for Switzerland had been received and replied to before the Executive Board session. The Executive Board Director for Argentina enquired about the terms and conditions of IFAD loans approved for India and about the total financing for scaling up interventions. In response, it was explained that all loans had been approved on highly concessional terms and that based on the success of the project in easing

the social and ethnic tensions prevailing in the project area, the Government of India and the World Bank will provide large parallel financing to enable significant scaling up of the project in the north east region.

Kyrgyzstan: Forestry and Carbon Trading Project under the Tien Shan Ecosystem Development Project (EB 2009/98/R.33/Rev.1)

11. The Executive Board approved a loan of SDR 2.55 million and a grant of SDR 2.55 million to the Kyrgyz Republic to finance the Forestry and Carbon Trading Project. In approving the loan and the grant, the Board praised the innovative nature of the project and emphasized the importance of ensuring transparency and accountability in all transactions in community-based activities, as well as the need for the project to engage in the policy dialogue on sustainable forest management.

Nepal: High-Value Agriculture Project in Hill and Mountain Areas (EB 2009/98/R.34/Rev.1)

12. The Executive Board approved the provision of a loan of SDR 4.5 million and grant of SDR 4.5 million to the Government of Nepal to finance the High Value Agriculture Project in Hill and Mountain Areas. In approving the loan and the grant, the Board commended IFAD on the choice of implementation partners and the project's geographical focus on the remote areas of the mid-western development region. Further clarification was sought on the complexity of project design and the total number of beneficiaries. A recommendation was made for the project to focus on staple crops for food security purposes.

Sri Lanka: National Agribusiness Development Programme (EB 2009/98/R.35/Rev.1)

13. The Executive Board unanimously approved a loan of SDR 15.55 million in support of the National Agribusiness Development Programme on highly concessional terms. In approving the programme, the Executive Board welcomed the programme's national coverage, particularly the inclusion of the north and the east of Sri Lanka. This will enable IFAD to contribute to the development of the areas affected by the recently ended civil conflict. The Executive Board emphasized the need for vigilance in building the proposed public-private sector partnerships with companies and rural development banks to guard against elite capture and ensure that poor small farmers and producers benefit from the programme.

D. Latin America and the Caribbean

Brazil: Carirí and Seridó Sustainable Development Project (PROCASE) (EB 2009/98/R.36/Rev.1)

14. The Executive Board unanimously approved a loan of SDR 15.55 million in ordinary terms to finance the Carirí and Seridó Sustainable Development Project for the State of Paraíba of the Federative Republic of Brazil. The purpose of the project is to improve farm and off-farm incomes, employment opportunities, productive assets, organizational capacities and environmental practices of those living in Paraíba's semi-arid region.

Board members noted the validity of IFAD's relationship with the State Governments of Brazil, which allows projects to be financed directly at the state government level, with the guarantee of the Federal Government. This scheme increases both project ownership and institutional capacity at the local level. Board members remarked that IFAD's direct supervision of this and other projects is an important step towards improving portfolio performance. Finally, members praised the quality and clarity of the project's logical framework.

Ecuador: President's memorandum – Ibarra-San Lorenzo Development Project – Supplementary loan (EB 2009/98/R.37/Rev.1)

15. The Executive Board approved the provision of a supplementary loan of SDR 2.65 million to the Republic of Ecuador to increase IFAD financing for the Ibarra-San Lorenzo Development Project. In approving the loan, the Executive Board Director for the United States sought clarification on the timing of the Government's request for additional financing as the original project had only been approved by the Board

in September 2009. It was explained that the Government's finance authorities had requested the additional IFAD resources to step up efforts to reduce extreme poverty and ensure food security in the project's target area. Ecuador's northern region has high levels of poverty, exclusion and economic inequality, in addition to a long-standing deficit in services and basic social infrastructure. The Government of Ecuador is confronting this situation through renewed efforts to ensure peace and development in the region.

Peru: Market Strengthening and Livelihood Diversification in the Southern Highlands Project – Supplementary loan and grant (EB 2009/98/R.38/Rev.1)

16. The Executive Board unanimously approved a supplementary loan of SDR 5.20 million and an IFAD grant of SDR 0.21 million for the Market Strengthening and Livelihood Diversification in the Southern Highlands Project in the Republic of Peru. A question was raised about the results of the project so far. It was confirmed that the project's evaluation and visible positive outputs have demonstrated its success. The full mid-term review is available upon request.

Bolivia (Plurinational State of): Plan VIDA-PEEP to eradicate extreme poverty – Phase I: Pilot Project to Strengthen the Capacity of Communities and Families Living in Extreme Poverty in Cochabamba and Potosí (EB 2009/98/R.39/Rev.1)

17. The Executive Board unanimously approved a loan of SDR 5.05 million for this project. Questions were raised with regard to risks and sustainability in the project. It was explained that these issues were addressed through strong country ownership and through direct supervision and intensive support to the Government's project implementation unit. The reopening of the Bolivia IFAD Country Office will further ensure implementation support and capacity-building.

E. Near East and North Africa

Egypt: On-farm Irrigation Development Project in the Oldlands (EB 2009/98/R.40/Rev.1)

18. Board members unanimously approved IFAD financing consisting of a loan of SDR 29.6 million and grant of SDR 0.63 million. The Executive Board Director for the United States raised two issues: (i) the risk related to lack of cooperation among the implementing agencies. It was explained that this risk had been recognized at design and that mitigation measures are in place to ensure smooth implementation, including strong commitment by the Egyptian authorities at the highest level and direct project supervision; and (ii) non-performance of contractors and the choice of procurement system to be used during implementation. It was clarified that the Egyptian procurement system would be used as this had been assessed by the IFAD design mission and found to be in line with IFAD's procurement guidelines.

Georgia: Agricultural Support Project (EB 2009/98/R.41/Rev.1)

19. The Executive Board approved a loan of SDR 5.35 million and a grant of SDR 0.13 million to help finance the Agricultural Support Project in Georgia. During its deliberations, the Executive Board indicated the need for attention to gender-related issues in the course of project implementation.

Sudan: Rural Access Project (EB 2009/98/R.42/Rev.1)

20. The Executive Board approved the provision of a DSF grant of SDR 8.2 million to the Republic of The Sudan to finance the Rural Access Project. The Executive Board noted that rural access is indeed critical to enabling local economic and agricultural development. The Board also praised the project's complementarity with the IFAD-financed Butana Integrated Rural Development Project and the Government's Agriculture Revival Programme. The Board suggested that the project's labour-intensive implementation approach be extended to all road construction and maintenance activities, and that the gender focus be strengthened. In accordance with the United States' legislative mandates against international financial

institution assistance to the Government of Sudan, the United States expressed its opposition to this proposal. This position will be duly recorded in the minutes of the session.

**Turkey: Ardahan-Kars-Artvin Development Project
(EB 2009/98/R.43/Rev.1)**

21. The Executive Board approved a loan of SDR 12.08 million for the financing of the Ardahan-Kars-Artvin Development Project in Turkey. During its deliberations, the Executive Board noted that attention should be paid during implementation to establishing adequate benchmarks for project monitoring, defining the target group and ensuring sustainability of project investments.

Yemen: President's memorandum – Dhamar Participatory Rural Development Project – Modification to the loan agreement – Supplementary grant (EB 2009/98/R.44/Rev.1)

22. The Executive Board unanimously approved the proposed supplementary financing of SDR 4.66 million for the Dhamar Participatory Rural Development Project.

Grant proposals

23. In approving grants under this agenda item, it was agreed that the Executive Board would be provided with an overview (in the near future) of IFAD's engagement with the Consultative Group on International Agricultural Research (CGIAR) system, given IFAD's extremely productive and long-established engagement with the system, including at the policy level (as co-sponsors of CGIAR and now as a full member of the new CGIAR Fund) and its investment in specific pro-poor research and capacity-building programmes of CGIAR and CGIAR partners.
24. The following grant proposals were approved by the ninety-eighth session of the Executive Board.

(a) Grant under the global/regional grants window to a CGIAR-supported international centre (EB 2009/98/R.46)

(i) International Water Management Institute: Programme for Improved Management of Agricultural Water in Eastern and Southern Africa, Phase II

A grant of US\$1.5 million was approved, with clarification provided regarding the nature of overheads and the fact that CGIAR grants, in general, can be of regional scope even when implemented within country programmes and linked to IFAD's ongoing and planned loan-supported projects.

(ii) International Centre for Tropical Agriculture: Regional Programme in Support of Rural Populations of African Descent in Latin America

The Board approved a change in grant recipient from the Executive Secretariat of the Andrés Bello Agreement (SECAB) to the International Centre for Tropical Agriculture (CIAT). The grant amount remains the same.

(b) Grants under the global/regional grants window to non-CGIAR-supported international centres (EB 2009/98/R.47)

(i) Eastern Africa Farmers' Federation (EAFF), Subregional Platform for Farmers' Organizations of Central Africa (PROPAC), Network of Farmers' Organizations and Agricultural Producers in West Africa (ROPPA) and Southern African Confederation of Agricultural Unions (SACAU): Support to Farmers' Organizations in Africa Programme

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

- (ii) International Fertilizer Development Center (IFDC): Mainstreaming Pro-Poor Fertilizer Access and Innovative Practices in West Africa**
A grant of US\$1,500,000 was approved by the Executive Board.
- (iii) International Union for Conservation of Nature (IUCN): Enabling Sustainable Land Management, Resilient Pastoral Livelihoods and Poverty Reduction in Africa**
A grant of US\$950,000 was approved by the Executive Board.
- (iv) International Center for Biosaline Agriculture (ICBA): Adaptation to Climate Change in Marginal Environments in West Asia and North Africa through Sustainable Crop and Livestock Diversification**
A grant of US\$1,400,000 was approved by the Executive Board.
- (v) International Network for Bamboo and Rattan (INBAR): Mainstreaming Pro-Poor Livelihoods and Addressing Environmental Degradation with Bamboo in Eastern and Southern Africa**
A grant of US\$1,500,000 was approved by the Executive Board.
- (vi) Regional Programme for Rural Development Training (PROCASUR): Learning Routes Training Programme II**
A grant of US\$1,500,000 was approved by the Executive Board.
- (vii) Food and Agriculture Organization of the United Nations (FAO): Programme for the Development of Knowledge-sharing Skills**
A grant of US\$950,000 was approved by the Executive Board.
- (viii) Food and Agriculture Organization of the United Nations (FAO): Food Security and Sustainable Livelihoods Programme in Pacific Island Countries**
A grant of US\$1,500,000 was approved by the Executive Board.
- (ix) Food and Agriculture Organization of the United Nations (FAO): Support for Formulating Voluntary Guidelines on Responsible Governance of Tenure of Land and Other Natural Resources Programme**
A grant of US\$1,364,000 was approved by the Executive Board.
- (c) Grant under the global/regional grants window to the International Land Coalition for Advancing the International Land Coalition's Strategic Framework: Putting a Pro-Poor Agenda into Practice at the national, regional and global levels (EB 2009/98/R.48)**
A grant of US\$1,070,000 to the International Land Coalition (ILC) was approved. The Executive Board noted that IFAD's contribution to the ILC was now better focused and that support to the Coalition, both financial and otherwise, from members and partners had grown. The Executive Board Director for Cameroon suggested a move to multi-year programming of ILC activities. A number of Board Directors (e.g. from Belgium, Brazil, Canada and Switzerland) highlighted the importance on the development agenda of securing access to land. The engagement of the ILC in the FAO-led discussions on the voluntary guidelines on responsible governance of land tenure was confirmed.

(d) Grant under the country-specific grants window to Africare for the Smallholder Agriculture Support Project in Zimbabwe (EB 2009/98/R.49)

The Executive Board unanimously approved a country grant of US\$500,000 to AFRICARE to finance the Smallholder Agriculture Support Project in Zimbabwe. There were no comments from the Board on the project document.