

Document: EB 2012/LOT/P.17
Date: 21 December 2012
Distribution: Public
Original: English

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Enabling poor rural people
to overcome poverty

President's memorandum

Revision to the supplementary financing to the Arab Republic of Egypt for the

On-farm Irrigation Development Project in the Oldlands

Note to Executive Board representatives

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For: Approval

Recommendation for approval

Following the approval of EB 2012/LOT/P.5, the Executive Board is invited to further approve the recommendation on a proposed revision to the supplementary financing for the On-farm Irrigation Development Project in the Oldlands.

President's memorandum

Revision to the supplementary financing to the Arab Republic of Egypt for the On-farm Irrigation Development Project in the Oldlands

I. Background

1. On 3 December 2012, the Executive Board approved, through the lapse-of-time procedure, additional financing in the form of a loan of approximately US\$13.5 million and a grant of approximately US\$0.5 million for the On-farm Irrigation Development Project in the Oldlands (the OFIDO project). The OFIDO project was approved by the Executive Board in December 2009 (EB 2009/98/R.40/Rev.1). The IFAD loan and grant resources will be used to cofinance, together with the Government of Egypt and project beneficiaries, the cost of expanding the project area to the Governorates of Beni Suef and Menia.

II. Rationale

2. Given the limited capacity of the community-based organizations in the project area, and to enable them to play an active role in the operation and maintenance of the irrigation systems, an additional grant of US\$0.5 million is proposed in support of the current financing plan. To maintain the performance-based allocation system (PBAS) allocation for Egypt, the approved IFAD loan amount would be reduced from US\$13.5 million to US\$13.0 million and the approved grant amount would be increased from US\$0.5 million to US\$1.0 million.

III. Recommendation

3. I recommend that the Executive Board approve a revision to the supplementary financing for the On-farm Irrigation Development Project in the Oldlands in terms of the following resolutions:

RESOLVED: that the supplementary loan approved by the Executive Board on 3 December 2012 under the lapse-of-time procedure on ordinary terms to the Arab Republic of Egypt in an amount equivalent to eight million seven hundred and seventy thousand special drawing rights (SDR 8,770,000), to finance the On-farm Irrigation Development Project in the Oldlands shall be modified to eight million four hundred and fifty thousand special drawing rights (SDR 8,450,000) and allocated to expenditure categories as follows: (i) works in the amount of SDR 8,300,000; and (ii) means of transportation, equipment and materials in the amount of SDR 150,000 upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented herein.

RESOLVED FURTHER: that the supplementary grant approved by the Executive Board on 3 December 2012 under the lapse-of-time procedure to the Arab Republic of Egypt in an amount equivalent to three hundred and thirty thousand special drawing rights (SDR 330,000) shall be modified to six hundred and fifty thousand special drawing rights (SDR 650,000) and allocated to expenditure categories as follows: (i) works in the amount of SDR 240,000; (ii) means of transportation, equipment and materials in the amount of SDR 30,000; (iii) national technical assistance/consulting services in the amount of SDR 110,000; and (iv) training in the amount of SDR 270,000 upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented herein.