



IFAD
INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT
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PROGRESS REPORT ON PROJECT IMPLEMENTATION

INTRODUCTION

This report presents the main features of the Fund's project portfolio and implementation performance for the year 1997. It represents a first attempt to place greater emphasis on analysing portfolio performance with a view to describing the measures identified to best address existing problems and constraints, and to assess their impact.

One of the five main thrusts of IFAD's strategic framework for the period 1998-2000 is the implementation of effective portfolio management. The establishment of an appropriate system is expected to lead to a gradual stepping-up of implementation performance. In the future, both the Fund's increasing capacity to identify, analyse and address implementation problems and the resultant improvement of overall portfolio performance will be reflected in the annual progress report on project implementation. Therefore, this report should be considered as the first of an evolving process which is expected to improve in terms of quality as the internal analytical and reporting process develops.

The present 1997 report reviews a range implementation issues, including policy, technical and financial topics, and highlights selected features of the portfolio. It also includes an analysis of the performance of 26 projects which closed during the year.



I. IMPLEMENTATION ISSUES

Portfolio Size and Composition

1. The total number of projects under active implementation at year-end increased from 190 in 1995 to 200 in 1996 and remained stable at 200 in 1997. The corresponding resource allocation has increased over the three year period, from USD 2 133.1 million in 1995 to USD 2 421.4 million in 1997 (Table 7). The Asia and the Pacific region continues to have the highest number of projects (51, or 25.5%) and largest resource allocation (USD 783.6 million, or 32.4%), followed by Africa I with 42 (21.0%) projects and Near East and North Africa (NENA) with a resource allocation of USD 475.4 million (19.6%). The Latin America and the Caribbean (LAC) region has the least number of projects (35, or 17.5%); and Africa II has the lowest resource allocation (USD 371.8 million, or 15.4%). The combined Africa region has the largest number of projects (78, or 39.0%) and its resource allocations amount to USD 780.8 million (32.2%), slightly less than Asia and the Pacific which has the largest average loan amount per project.

2. Table 1 shows a series of indicators covering the period 1993 to 1997, which highlight various trends in the performance of the portfolio.

Table 1

Basic Portfolio Indicators, 1993-1997

Year	1993	1994	1995	1996	1997
No. ongoing projects at year-end	163	172	190	200	200
No. projects declared effective during year	30	24	31	31	26
Total amount disbursed (SDR million)	138.57	129.84	127.85	180.36	188.99
Total loan amount cancelled (SDR million)	28.31	39.10	13.27	22.08	32.03
No. projects with closing dates during year	51	36	40	53	47
No. projects closed during year	26	15	13	21	26
% Time overrun for projects closed during year	48%	37%	20%	31%	30%
Average no. of CIs per country (ongoing IFAD-initiated projects at year-end)	1.31	1.37	1.37	1.39	1.28
Average days suspended per loan during year	131	133	155	122	76

3. Thirty-one projects were declared effective in both 1995 and 1996 (for a total of 62), whereas 26 became effective in 1997. During the same years, 13, 21 and 26 projects, respectively, were closed, reflecting management's efforts to clean up and stabilize the portfolio. The level of disbursements has increased dramatically over the last two years, the highest level being recorded in 1997. The level of loan cancellations has increased slightly due to the portfolio clean-up process whereby non-performing projects are closed and unspent balances cancelled. The average number of days suspended for loans under suspension during the year has decreased. The time overrun of projects which closed during the years is gradually decreasing, showing that the gap between expected and actual project completion dates is closing.



4. In order to further enhance the effectiveness of cooperating institutions (CIs) in supervising projects, over the past few years substantial efforts have been made to reduce the number of CIs supervising IFAD-supported projects within each given country. This process has increased the negotiating power of the CIs with governments on policy issues, helped stabilize supervision costs, and encouraged greater cross-fertilization between projects.

5. During the year under review, management has taken further steps to address the constraints on IFAD's portfolio. These steps, discussed below, included a review of policy, technical and financial issues which, when fully implemented, are expected to result in improved portfolio performance.

A. Policy Issues

Gender

6. At its Fifteenth Session in 1992, the Governing Council approved IFAD's Strategies for the Economic Advancement of Poor Rural Women (document GC 15/L.5), which constitutes the Fund's guiding policy framework in its approach to gender issues. IFAD is committed to ensuring that gender policies and gender-responsive planning play an integral part in improving project effectiveness and ensuring that the resulting benefits are shared by both women and men. As the focus on gender has increased, innovative approaches have been developed accordingly. Poor rural women in IFAD-financed projects have been provided with a variety of opportunities, and almost all IFAD projects now recognize women's productive role and related needs.

7. **Africa I.** In the main, the target group of the region has always been poor crop-producing households that operate holdings smaller than the average farm and have to contend with degradation of their natural resources and continuing food insecurity. Other production systems are supported occasionally, such as those of transhumant herders or artisanal fishermen. The development of agricultural systems in sub-Saharan Africa depends to a large extent upon improving women's access to land and services such as credit, extension, training and marketing support. In practice, often it has been difficult to fully integrate women's concerns into project design and implementation because of their limited rights, access and opportunities for obtaining goods and services within the family household and traditional societies. The Africa I Division is pursuing a more active approach to reverse this situation, and projects are increasingly by designed on the basis of priorities and constraints identified by the poor women themselves. Project objectives, activities, delivery mechanisms and management modalities are increasingly reflecting these priorities. Men's participation will not be excluded, but attention will be devoted to ensuring that they do not co-opt project benefits. The target groups thus include mainly poor rural women, but does not exclude men.

8. **Africa II.** In East and Southern Africa, food crops have traditionally been a major responsibility of women, a division of labour that may have become even more pronounced with the increased migration of the men in search of cash income-generation opportunities. In the implementation of projects, increased emphasis is being placed on organizations and activities specifically bearing upon women's empowerment and the obstacles faced in strengthening women's economic activities. Specifically, there is greater support for women's groups in gaining access to and controlling main-line resources. This is particularly true of microfinance, where substantial attention has been paid to developing structures consistent with women's savings capacities and borrowing requirements. In addition to institutional development at the community level (particularly under district-oriented development efforts in Uganda, where local savings groups are almost entirely composed of women), efforts are being made to strengthen upstream financial



institutions providing an umbrella for community-level development, e.g., the Uganda Women's Finance Trust and the Kenya Women's Finance Trust.

9. **Asia and the Pacific.** The Asia Division has placed special emphasis on increasing women's participation and ensuring that their specific needs are reflected in the annual work plan and budget (AWP/B) of all projects in the region. In an increasing number of countries, women are represented on implementation committees (Bangladesh, China, India, Nepal, The Philippines and Viet Nam) with a view to ensuring better targeting. Special targeting is undertaken under the Employment-Generation Project for the Rural Poor (project ID 378-BD) in Bangladesh to ensure the promotion of women entrepreneurs and provide them with adequate training and support. In China, gender workshops have been organized by World Food Programme (WFP) in collaboration with IFAD, and support has been provided for technical training of women combined with functional literacy training.

10. **Latin America and the Caribbean.** As women are major actors in decisions regarding food production and provide the main entry point for addressing household food security and nutritional objectives, IFAD initiated the implementation of the programme for the reinforcement of gender aspects in IFAD-financed projects in LAC at the beginning of 1997. The programme began its activities with a group of selected projects in Central America, Mexico and Panama. These activities, financed with a grant provided by the Government of Japan, were implemented in coordination with the Regional Unit for Technical Assistance (RUTA) III of the Technical Assistance Regional Project for Agricultural Development in Central America, based in Costa Rica.

11. The programme, conceived as a support mechanism to IFAD's gender strategy, seeks to provide women with the capacities and tools necessary for their involvement in development projects, on an equal footing with men and to give them access to productive resources, services and know-how so as to improve their incomes and living conditions.

12. **Near East and North Africa.** The question of gender continues to be problematic for projects in this region. Low literacy rates continue to hamper communications and the limited number of women staff and trainers continues to impede contacts between the projects and intended women beneficiaries. Lack of access to productive resources, including land and water, has constrained their involvement in projects.

13. Advocacy has been a very important part of IFAD's approach to eliminating these constraints in 1997. As advocates, IFAD's staff and projects have repeatedly emphasized the Fund's conviction of the importance of assisting women in their economic and other roles related to household food security and family welfare. Another aspect of IFAD's approach to gender issues in the region in 1997 has been to focus primarily on assisting women to the extent possible through existing mainstream institutions; and, where circumstances so require, projects have worked with separate or specialized agencies for women. Supplementary assistance from non-governmental organizations (NGOs) has also helped stimulate women's involvement in projects. In general, projects have continued to seek ways of transferring to women the skills, knowledge and information they most need.

14. Specific achievements in 1997 include, for example, successful collaboration in Egypt with a local NGO, the Ibn Khaldoun People's Monetary Fund; the addition of vegetable gardening and food processing activities, requested by women, in the ongoing Small-scale Irrigation Rehabilitation Project (project ID 372-AL) in Albania; and the successful provision of training in food processing to Palestinian women.



Household Food Security and Nutrition

15. The entry point to gender analysis and targeting is household food security. Within IFAD, these two strategies are closely linked and complementary. At its Fifty-First Session in April 1994, the Executive Board approved the framework and strategy entitled “Towards a Strategy for Improving Nutrition Through Rural Investment Projects” contained in document EB 94/51/R.35. The key operational objective for IFAD has been to strengthen the household resource base for food and other livelihood needs through investment projects that expand and improve the productivity of rural households by means of increasing agricultural production and income, and other supporting measures to alleviate rural poverty. Enabling target groups to have access to adequate food (including safe drinking water) on a stable and sustainable basis, through systematic focus on household food security, is an important IFAD-specific goal.

16. One of the key activities undertaken by IFAD during the period under review was the Workshop on Household Food Security and Gender: IFAD’s Comparative Advantage, held in May 1997. The major goal of the workshop which was attended by 87 participants and provoked intense debate, was to create open discussion within the Fund on issues of major relevance to daily operational activities. During the workshop, each regional division drew up a strategy on household food security and gender issues, which are now being used collectively as an umbrella strategy for the Fund’s overall regional programmes and projects. It has been decided to organize such workshops for IFAD staff on an annual basis in order to sustain the Fund’s level of debate, analysis and focus on food security issues.

17. As part of its involvement in the preparatory meetings for the 1996 World Food Summit in Rome, IFAD prepared a paper entitled “Household Food Security - Implications for Policy and Action for Rural Poverty Alleviation and Nutrition”, which was widely distributed. During 1997, IFAD participated in all meetings of the Inter-Agency Working Group on Food Insecurity and Vulnerability Information Mapping System and will be hosting the next meeting in April 1998.

18. A large number of projects with household food security elements have been financed through the Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification (SPA). A major objective of this programme has been to develop smallholder agricultural systems with high resilience to environmental stress, in order to enhance household and community food security in drought-prone areas. Emphasis has been placed on the development of drought-tolerant traditional staples, the introduction of soil and water conservation, agro-forestry, the rehabilitation of productive assets, marketing, and off-farm income-generating activities. The projects also demonstrate the value of using a participatory approach to achieve the dual objectives of food security and resource conservation.

19. Another “window” for advancing IFAD’s objective of developing projects with household food security requirements is through the Belgian Survival Fund (BSF). Activities under the BSF Joint Programme (BSF.JP) focus primarily on food security, with emphasis on household food security and improved nutritional status, and projects include provision of primary health care and sanitation where appropriate. Improved local governance and local capacity-building is achieved through the increased political, social and economic roles of the beneficiaries. Cost-effectiveness, chances for replicability, sustainability of project activities, and natural resources conservation are emphasized. As a general rule, BSF projects are designed to address the social aspects of projects, including health, nutrition and water. As at December 1997, 22 BSF.JP projects have been approved in the target area covering the Horn of Africa, East Africa, the Great Lakes Region in Central Africa, the Central Sahel countries (Burkina Faso, Chad, Mali and Niger) and Angola. Intersectoral multi-agency collaboration is encouraged in the design and implementation of projects in order to exploit



the comparative advantages of the participating agencies' policies and programmes with respect to BSF.JP's target group.

B. Technical Issues

Project Management

20. Two major issues relate to project management: the quality of managerial staff; and the structure of the project management unit (PMU). Given that IFAD has no field representation, the Fund cannot provide direct support to local project staff. Supervision missions address this issue by analysing training needs and providing adequate support in terms of formal training of staff and exchange visits in addition to the support normally provided by project controllers or consultants during follow-up missions. Moreover, in order to strengthen capacities of the local expertise, IFAD supports three management training programmes in different regions: Agricultural Management Training for Africa (AMTA); Poverty Alleviation Training for Asia and the Pacific (PATAP); and Near East and North Africa Management Training in Agriculture (NENAMTA). The AMTA I programme (1984-1993) trained around 500 project managers and senior project staff and 75 trainers in 27 countries of Africa. Within the framework of AMTA II, initiated in 1996, national awareness workshops have been held in nine countries and 61 trainers were trained in selected national institutions in Côte d'Ivoire and Nigeria in 1997. The PATAP programme was approved in 1994 and training is ongoing in six countries. The NENAMTA programme, approved in 1994, is subdivided into three groups and covers 11 countries. Start-up arrangements have been completed and training of trainers will begin shortly. These training programmes were designed to improve the skills of project managers and thus to ensure better and greater use of local capacities in managing agricultural development projects.

21. The concept of project management itself has substantially evolved, particularly in West and Central Africa, and has been adapted to recent changes that have occurred in the institutional and policy framework of agricultural development projects. Organization of the PMU has shifted from a heavily staffed and equipped structure to a light coordination unit that sub-contracts a project's technical activities to local private, semi-private and public partner institutions working directly with the population in the field. Greater direct participation of beneficiaries in the decision-making process is assured through their representation in provincial and national steering committees charged with approving the AWP/B of a project. This evolution has mainly been induced by the general tendency to: (a) increasingly involve the private sector in the implementation process of investment projects; (b) reduce and minimize direct intervention on the part of the government in project implementation and therefore reduce the costly and timely limited strengthening of local public services; and (c) strengthen local populations in a sustainable way, enabling them to take over their own development.

22. The overall objective of this radical shift is to generally increase the efficiency and flexibility of the projects. Project management costs, which are part of the loan amount, can be substantially reduced (particularly recurrent costs) so as to maximize the benefits going to the target population. Moreover, closely involving local institutions, such as NGOs, specialized agencies or decentralized service organizations, avoids the creation of new institutions and allows for the use of existing capacities, experience and knowledge, thus ensuring sustainability and replicability of the activities initiated with the support of the project.



23. The principle of sub-contracting project activities to NGOs implies a new role for the PMU, which is now much more focused on the coordination and follow-up of activities carried out by the partner institutions. Besides the general administrative and financial management of the project, the PMU is responsible for conceptualizing, planning, programming and monitoring the implementation of activities to be carried out by the partner institutions and for providing them with the technical means and institutional support needed to adequately fulfil their executing role.

Portfolio Management

24. During 1997, IFAD defined its first corporate scorecard which includes the implementation of an effective portfolio management system as one of the five main strategic thrusts. A number of measures have been introduced during the year under review in order to enhance effective portfolio management. These include the following:

25. **Project and Portfolio Management System (PPMS).** The PPMS was designed as a tool to assist in project planning, implementation and progress, portfolio management and support activities. As such, it was expected to take account of both the specific needs of project controllers for planning and implementing projects and the corporate needs for efficient and effective portfolio management. PPMS now forms the central repository for all project-related information, accessible to all levels of IFAD staff, and it is planned to expand access to CIs. Most Programme Management Department (PD) staff have been trained to use the system and the training of staff from several other divisions has been completed. To ensure that the system becomes a useful monitoring tool for project controllers and managers, additional information on 460 historic projects is now being added to it, but efforts need to be intensified to ensure that up-to-date information is entered and used in day-to-day operations.

26. **Divisional Portfolio Reviews.** In 1997, Africa I Division implemented a divisional portfolio review system with the objective of improving both portfolio management at divisional level and individual project performance. In November 1997, it was decided to adopt this system throughout PD in order to: (a) have a common instrument to assess project performance according to the same set of criteria; (b) allow for clear identification of implementation issues and build the basis to analyse and properly address them; and (c) create the starting point for an in-house bottom-up process to assess and improve implementation performance. The experience after one year's use of the system is reflected in Annex V (extract from Africa I Division's synthesis report on the first round of project controller portfolio reviews). The intention is to integrate the divisional portfolio review system into PPMS by the end of 1998 so that only one system and a common database is used but for different purposes.

27. In the medium term, portfolio reviews at the regional level, through and together with PPMS, will form the starting point for a systematic bottom-up reporting of portfolio performance. Based on the divisional portfolio reviews, division directors will inform the Assistant President/PD on the status of all the projects in their divisional portfolio. The Assistant President/PD will be involved in the review of the projects every quarter and inform the President of their status. Portfolio review meetings with the President will take place semi-annually. The results of portfolio reviews at all levels and the follow-up action required will be communicated annually to the Executive Board in all future progress reports on project implementation.

28. **Re-engineered Project Cycle.** With a view to ensuring quality control of new projects entering the Fund's pipeline, management approved a re-engineered project development cycle which became fully operational in January 1998 after a period of prolonged testing. The project development cycle focuses on: the country strategic opportunities paper (COSOP), which is based on



experience gained during project implementation; establishment of in-country resource groups; full technical preparation at formulation stage; implementation planning of a fully prepared investment proposal at appraisal stage; demand-driven support during the implementation stage; policy and strategic guidance provided by management; and the effectiveness of the project development team (PDT).

29. **Framework for Defining Project Implementation Period.** Based on past experience and the continuously changing conditions for the development of IFAD-type projects, the framework for defining project implementation periods is specifically designed to ensure that projects start and close in a timely manner. The key adjustments that were introduced in 1997 are as follows: (a) the implementation period for IFAD-initiated projects will be six to eight years; (b) the project implementation period will commence on the date of loan effectiveness; (c) extension of closing date will be approved, for a maximum of three years, only in exceptional cases and granted when there has been an active management of the portfolio and on the basis of sound planning for action during the extension period and the borrower's assurances and strong commitment to these actions; (d) no disbursement may be made after the closing date and any amount of the loan remaining unwithdrawn beyond such date will be cancelled; (e) more emphasis will be given at the project design stage to prompt start-up and adequate support at the early stages of implementation, as better in-house quality control will improve project planning, including more precise costing of projects; and (f) preferably, most of the conditions for loan effectiveness will be met before loan negotiations.

30. **Streamlining the Use of Cooperating Institutions.** Substantial efforts have been made over the last few years to reduce the number of CIs supervising IFAD-supported projects within each country. For example, in Senegal, the two projects supervised by the United Nations Department of Development Support and Management Services (UNDDSMS) were transferred to the West African Development Bank (BOAD), resulting in all four IFAD-initiated projects in that country being supervised by the same CI. One project, the Village Management and Development Project (project ID 1019-SN), which was approved in December 1997, will also be supervised by BOAD.

Supervision-Related Issues

31. The Twentieth Session of the Governing Council in February 1997 adopted a resolution on loan administration and supervision of project implementation for IFAD-supported projects and the plan of action prepared by management. Management set up a task force to prepare proposals for finalizing arrangements for the 15 test projects to be supervised by IFAD and to improve the supervision process for IFAD projects supervised by CIs. Direct supervision will provide IFAD with the opportunity of gaining hands-on experience of project implementation and enable it to develop new standards and benchmarks for project supervision. As a result, the Fund will be able to work more effectively with CIs to enhance the implementation and impact of the projects entrusted to them.

32. **Fifteen Test Projects to be Supervised by IFAD.** The Sixty-First Session of the Executive Board in September 1997 approved criteria for the selection of the 15 test projects to be supervised by IFAD. The Executive Board agreed that the test projects should be IFAD-initiated, innovative, and represent a regional balance; and that they should be in sectors for which IFAD has developed a strategic focus and/or be cofinanced by other international financial institutions (IFIs) or bilateral donors who would accept IFAD's direct supervision.

33. The Sixty-Second Session of the Executive Board in December 1997 approved three projects to be supervised by IFAD, i.e.: the North-West Agricultural Services Project in Armenia (project ID



1038-AM); the Agricultural Diversification and Intensification Project in Bangladesh (project ID 1029-BD); and the Development of the Puno-Cuzco Corridor Project in Peru (project ID 1044-PE).

34. An IFAD Project Administration Report (operational manual) was prepared on the basis of internal knowledge and external expertise. This will serve as a handbook for the IFAD staff directly involved in the supervision of the 15 test projects. The manual defines the tasks, procedures and responsibilities for all divisions, from the appraisal stage to implementation support. The manual was designed not only to assist IFAD staff, but also project management officers (PMOs) from other institutions involved in IFAD-supported projects.

35. Negotiations are presently under way with the United Nations Office for Project Services (UNOPS) to sub-contract the loan administration and procurement services for the 15 test projects, so as to allow IFAD staff to concentrate efforts on issues relating to the human dimension that are raised in the joint supervision reports. This includes placing greater emphasis on participatory monitoring, gender assessment and the participation of beneficiaries in project implementation.

36. **Project Supervised by CIs.** A one-day workshop on project supervision was held at IFAD on 13 February 1998 with the participation of representatives of eight CIs and several IFAD staff members. Given its success, the CI representatives requested that such workshops should be held on a regular basis to discuss themes of mutual interest. In addition to the loan administration and supervision of procurement functions already carried out by the CIs, agreement was reached on the following minimum supervision requirements that CIs will perform for IFAD-funded projects: (a) during the last quarter of each year a one-page work programme and budget for each project will be prepared, specifying the key issues to be addressed and mission requirements in the following year; (b) the submission of financial statements and audit reports will be monitored; (c) compliance with the maintenance of counterpart funding will be monitored; (d) a proactive role will be played in promoting projects by holding annual workshops to ensure that the projects are driven by beneficiary participation and assessment of the projects' impact on their livelihood; (e) project directors will be assisted to prepare project completion reports; and (f) the AWP/B for each project will be approved after incorporating IFAD's comments. These measures will help to strengthen impact assessment and, if included in project design, will enhance CIs' monitoring of these activities. Start-up workshops will be organized by the borrowers with the active participation of IFAD and the CI. IFAD will develop start-up workshop kits to enable the borrower (beneficiaries) to take over the process.

C. Financial Issues

Counterpart Funds

37. The counterpart funding provided by a borrower generally covers part of the recurrent costs of a project. This may include the salary costs of local staff, lease of project accommodation and part of the running costs of vehicles and equipment.

38. The level of government contribution is generally determined at the project development stage. For the 26 projects that closed in 1997, the expected level of government contribution, as a percentage of the total project cost, ranged from zero for the project in Bosnia and Herzegovina to 56% for the project in Algeria. In 12 of the projects, governments were expected to contribute 20% or more of the total project costs.

39. There are a number of reasons why governments are unable to meet counterpart fund obligations. In some projects, the AWP/Bs prepared by the project implementing agencies are not



reviewed and cleared by the governments, which means that they are not aware of the funds they are expected to provide for the fiscal year under review. Another source of difficulty in the provision of counterpart funds occurs when a country experiences massive devaluation in currency, and this may also have an adverse effect on the percentage of disbursement of the IFAD loan. This difficulty can be avoided if the borrower requests a reallocation of loan proceeds in order for the percentage of government contribution to be decreased for recurrent costs that are generally covered by local currency.

40. Untimely and inadequate provision of counterpart funds leads to slow project implementation, low morale on the part of local staff, and delays in project benefits reaching the beneficiaries. The review of 26 closed projects showed that five projects experienced difficulties in obtaining counterpart funds on time. In Africa I, problems with counterpart funding were encountered in ten out of 24 countries and slowed down implementation progress. Particular attention is given to this issue during project design and implementation. For IFAD, however, this problem is more difficult to address than problems associated with bad management as it relates to overall macroeconomic issues and the way in which Ministries of Finance assign priority in allocating resources among competing demands.

41. One of the projects which closed in 1997 is a successful example of how to address the issue of delayed counterpart funding. In the Smallholder Development Project for Marginal Areas in the United Republic of Tanzania (project ID 455-TZ), the non-availability of government counterpart funds, which impeded project implementation, was mitigated by reliance upon contributions from beneficiaries and district councils.

42. PMD is attempting to minimize this problem by giving careful consideration to the level of government contributions for each project at the design stage to ensure that Governments can meet their commitments. In addition, ensuring that the decentralization policy is followed during project design minimizes recurrent costs by sub-contracting some of the activities to NGOs.

Arrears

43. Since the early 1980s, the overall debt situation in a number of low and middle-income countries has been severely deteriorating, affecting the lending operations of most International Financing Institutions (IFIs), including IFAD. As of 31 December 1997, 26 countries were registered as being in arrears for more than 75 days. Six of these countries (Cameroon, The Congo, Cuba, Democratic Republic of The Congo, Liberia and Somalia) account for 87% of the outstanding arrears. With the exception of Cameroon and Cuba, all the countries with large arrears are or have been going through a period of political unrest, so that the arrears problems in these countries cannot be solved in the short run without outside assistance, especially as their tax base is weak and revenue collection is less efficient.

44. In the case of IFAD, the arrears problem mainly concerns countries in West and Central Africa and has seriously affected lending operations in Africa I during 1997. However, joint efforts by the division concerned and the Controller's Office (VC) over the past two years have helped to address the issue in the case of countries which have accumulated arrears to such a level that a single lump-sum payment can no longer be expected. As a result, debt rescheduling schemes have been successfully negotiated with the Governments of Cameroon, The Congo, Guinea-Bissau and Niger and activities could be resumed in all countries, with the exception of Congo which was again suspended due to political unrest. Cameroon fell back into arrears at the end of 1997, but this situation is expected to be of a short-term nature only.

45. These debt rescheduling arrangements, which built the condition for the lifting of suspension, were all carried out following the same rule: (a) immediate up-front down payment of an agreed



amount, equivalent to a proportion of the arrears; (b) payment of the remaining arrears in accordance with a reamortization plan; and (c) payment of current principals and interests in accordance with the respective loan agreement schedules. The precise modalities applied to each of the four countries differed in the proportion of arrears to be paid and the length of the arrears repayment period, depending on the debt involved. In the case of Cameroon, for example, around USD 10 million was due as at 30 June 1995, of which USD 1.5 million had to be paid immediately and the remaining USD 8.5 million in 18 semi-annual instalments starting October 1995.

46. The adoption of these rescheduling plans has allowed IFAD to relaunch its activities in three of the four countries. In Niger, an IFAD portfolio review was carried out for the purpose of reactivating the Aguié Rural Development Project (project ID 292-NE) and to launch the Special Country Programme - Phase II (project ID 434-NE), signed shortly before the suspension. In the latter case, a facilitator was recruited in the autumn of 1997 to assist the government in fulfilling conditions for effectiveness to expedite programme start-up. In Cameroon, which had been suspended since 1991, one project was closed and another cancelled, and a portfolio reactivation mission was fielded in November 1997 with the objective of starting the process of pipeline development. In the case of Guinea-Bissau, an identification mission was launched at the end of 1997 and further data collection is under way, which will allow the submission of an inception paper for the entry of a new project into the pipeline immediately after approval of the COSOP planned for March 1998.

47. Besides these *ad hoc* arrangements negotiated on a case-by-case basis, IFAD management has prepared a comprehensive policy framework for managing IFAD's operational relationship with heavily-indebted countries (IFAD's Policy Framework for Managing Partnerships with Countries in Arrears), approved at the Twenty-First Session of the Governing Council in February 1998. Its objectives are to: (a) propose a comprehensive and essentially proactive policy framework for managing IFAD's partnership with countries that have a propensity to fall into arrears; and (b) seek the guidance and approval of IFAD's governing bodies.

48. Within this broad policy framework, the Executive Board approved IFAD's participation in the International Monetary Fund (IMF)/World Bank Debt Initiative for Heavily-Indebted Poor Countries (HIPC-DI) as an element for managing operational partnership with countries in arrears with IFAD, or that face the risk of incurring arrears in the future because of their debt-service burden. The objective of the HIPC-DI is to reduce the net present value (NPV) of the debts of poor countries that carry unsustainable levels of debt to a level that will no longer compromise their ongoing economic reform and poverty eradication.

49. Under the above-mentioned initiative, HIPCs that meet the preliminary performance requirements of policy reform, structural adjustment, poverty eradication measures and no arrears, are eligible for debt relief. Countries taken into account must first undergo a process of debt sustainability analysis, debt reconciliation and consultation among all creditors before agreement can be reached on the debt-relief package to be applied and accompanying measures to be undertaken during an interim period of three years. At the end of this interim period, countries are expected to have established a policy framework and an economic structure that will allow them to sustain the benefits of the debt-relief packages to be implemented. At this point, the Club of Paris is expected to reduce the NPV of debts substantially, the non-Club of Paris bilateral and commercial creditors to provide relief on comparable terms, and the IFIs to reduce the NPV of their claims in such a manner as to achieve debt sustainability. Within this framework, in 1997, IFAD approved debt relief for Burkina Faso and Uganda.



Auditing of Project Accounts

50. In 1997, several projects failed to submit their audit reports on time. As a general rule, delays in the submission of audited financial statements are due to: (a) tardy submission of audited financial statements by executing agencies in certain developing member countries due basically to statutory requirements that parliament approval or government authorization is required before the release of such statements; (b) some accountants in the private sector are not familiar with the Fund's accounting and reporting requirements or are required by law to maintain accounts based on their respective government accounting system, which may be substantially different from generally-accepted international accounting standards; (c) the borrower does not appoint the external auditors on time; (d) project accounts are not updated to a level where the external auditors can audit them; and (e) external auditors may only perform the short form of audit, which is an unsatisfactory management tool.

51. Efforts are being made within PD to resolve these problems in a number of ways. During project appraisal, missions are expected to evaluate the institutional capacity of the proposed project implementation agencies to account efficiently for proceeds of the loan by, *inter alia*, preparing, maintaining and compiling the accounting and financial records required for the purpose of the annual audit. Appraisal missions will equally assess the availability of competent and independent accounting professionals who can be relied upon to perform the audit of project accounts in a cost-effective manner.

52. Standard terms of reference for all external auditors have been developed in the project administrative report (operational manual), including preparation of complete audit reports for use in both IFAD-supervised and CI-supervised projects. The use of the statement of expenditures as a form of disbursement will be minimized in countries where spot checks cannot be carried out easily.

53. In cooperation with the CIs, IFAD is in the process of compiling a register of external audits. This will include the following details: (a) due date of the audit report for each project; (b) actual date of submission; and (c) an indication of whether the borrower has implemented the recommendations of the external auditor (to be monitored by the CI). In extreme cases, where audit reports are not satisfactory, and on the recommendation of the CI, IFAD will use part of the loan proceeds to carry out another audit.

D. Suggestion of Topics to be Covered in Next Year's Report

Participation

54. IFAD's Corporate Strategy recognizes that the Fund operates in an increasingly difficult environment for mobilizing financial resources from a number of key countries that have traditionally supported programmes to assist the poor. Worsening global conditions and deteriorating institutional and macroeconomic environments have had an adverse impact on the situation, which has been further aggravated by the need for more complex and challenging undertakings in response to new development priorities. In spite of these difficulties, the Fund is fully committed to ensuring maximum efficiency, in the use of the resources made available to it. Over the last few years, IFAD has undertaken a comprehensive review of its business processes, client orientation and operational efficiency with the objective of providing more effective targeted resources at less cost to its ultimate clients, the rural poor. The Fund has radically revised its project cycle to provide for greater client participation in project design and implementation, and has increased its focus on meeting the needs of the rural poor as they themselves perceive them.



II. SELECTED FEATURES OF THE 1997 PROJECT PORTFOLIO

A. New Projects Entering the Portfolio

55. This section presents the main features of new projects entering the portfolio. A total of 30 new projects entered the portfolio during 1997, which in terms of IFAD financing, represents a decrease of USD 8.6 million (2%) from the 1996 figure of USD 400.5 million in 1997.

56. Table 2 shows both the regional distribution in 1997 and historical figures^{1/}.

Table 2

Regional Distribution of Projects

REGION	1978-1997				1994-1996				1997			
	No. of projects	% of total	IFAD Amt USD m	% of total	No. of projects	% of total	IFAD Amt USD m	% of total	No. of projects	% of total	IFAD Amt USD m	% of total
AFRICA I	107	21.9	973.9	17.2	20	21.3	208.5	18.1	2	6.7	18.5	4.6
AFRICA II	88	18.0	940.9	16.6	20	21.3	217.3	18.9	4	13.3	38.1	9.5
ASIA	127	26.0	1 932.4	34.1	23	24.5	339.7	29.5	10	33.3	177.2	44.2
LAC	88	18.0	880.6	15.5	17	18.1	178.9	15.6	6	20.0	84.6	21.1
NENA	79	16.2	944.4	16.6	14	14.9	205.7	17.9	8	26.7	82.1	20.5
TOTAL	489	100.0	5 672.2	100.0	94	100.0	1 150.0	100.0	30	100.0	400.5	100.0

m = million

57. As may be seen from Table 2, Asia and the Pacific region had the largest number of projects in 1997 (10, or 33.3%) and the highest share of resource allocation (USD 177.2 million, or 44.2%), thus showing an increase over the seven projects approved in 1996 with a resource allocation of USD 102.5 million. The number of projects approved in the NENA region rose from four to eight and resource allocations increased from USD 60.0 million to USD 82.1 million. For LAC, the number of projects approved dropped by one but the resource allocation rose by USD 9.7 million. Two new projects were approved for Africa I, compared with seven in 1996, with a decrease in IFAD financing of USD 62.4 million; whereas the number of projects approved for Africa II fell from eight to four^{2/} and resource allocations decreased by USD 52.8 million. The number of projects and IFAD financing approved during the period 1994-1996 continues to reflect the historical trend. The average share of the regions is indicated in Table 3.

58. Poor security conditions in several African countries, suspensions of country portfolios due to arrears, and delays in planned project processing because of institutional and policy requirements for finalizing project design, have unforeseeably constrained the Africa I and Africa II Divisions in committing their regular share of the lending programme. For example, the projects that were expected to be presented to the December 1997 Executive Board for The Congo and Sierra Leone were postponed because of internal unrest, and continued insecurity in the Great Lakes region, including the Democratic Republic of The Congo, has held up the development of the lending programme for the region. Furthermore, policy and institutional conditions for appraisal have delayed the development of projects in key countries such as Kenya, Lesotho, Nigeria and Zambia. PD is currently working on a strategy to minimize the recurrence of these difficulties in 1998.

^{1/} All amounts quoted in this document are the original amounts approved by the Executive Board. Amounts relating to projects are given in United States dollars and include component grants.

^{2/} One project approved in 1997 for Africa II Division, the Rwanda Returnees' Rehabilitation Programme (project ID 1059-RW), received an IFAD grant of USD 2.8 million.



59. Table 3 gives the average IFAD financing per project for the periods 1978-1997 (489 projects), 1994-1996 (94 projects) and for 1997 (30 projects). The average amounts for the three periods were USD 11.6 million, USD 12.2 million and USD 13.3 million, respectively. Average financing in 1997 has increased from USD 12.4 million in 1996.

Table 3
Average IFAD Financing

REGION	1978-1997		1994-1996		1997	
	No. of projects	Average IFAD Amt (USD m)	No. of projects	Average IFAD Amt (USD m)	No. of projects	Average IFAD Amt (USD m)
AFRICA I	107	9.1	20	10.4	2	9.3
AFRICA II	88	10.7	20	10.9	4	9.5
ASIA	127	15.2	23	14.8	10	17.7
LAC	88	10.0	17	10.5	6	14.1
NENA	79	12.0	14	14.7	8	10.3
TOTAL	489	11.6	94	12.2	30	13.3

60. Table 4 gives the distribution by project type (subsectoral). Agricultural and rural development projects continue to dominate the overall share, followed by credit projects.

Table 4
Distribution by Project Type (subsectors)

PROJECT TYPE*	1978-1997				1994-1996				1997			
	No. of projects	% of total	IFAD Amt USD m	% of total	No. of projects	% of total	IFAD Amt USD m	% of total	No. of projects	% of total	IFAD Amt USD m	% of total
AGRICULTURAL DEVELOPMENT	161	32.9	1 847.5	32.6	27	28.7	413.5	36.0	13	43.3	201.1	50.2
RURAL DEVELOPMENT	125	25.6	1 494.9	26.4	25	26.6	273.1	23.7	9	30.0	103.1	25.7
LIVESTOCK DEVELOPMENT	28	5.7	293.6	5.1	6	6.4	58.1	5.0	2	6.7	18.0	4.5
IRRIGATION	41	8.4	603.5	10.6	9	9.6	120.3	10.5	1	3.3	11.3	2.8
SETTLEMENT	3	0.6	52.0	0.9	0	0.0	0.0	0.0	0	0.0	0.0	0.0
RESEARCH/ EXTENSION/ TRAINING	31	6.3	297.5	5.2	15	16.0	143.8	12.5	1	3.3	18.9	4.7
CREDIT	66	13.5	793.2	14.0	9	9.6	111.5	9.7	3	10.0	40.8	10.2
FISHERIES	19	3.9	103.0	1.8	0	0.0	0.0	0.0	0	0.0	0.0	0.0
MARKETING/ STORAGE/ PROCESSING	3	0.6	21.0	0.4	0	0.0	0.0	0.0	1	3.3	7.3	1.8
PROGRAMME LOAN	12	2.5	166.0	2.9	3	3.2	29.6	2.6	0	0.0	0.0	0.0
TOTAL	489	100.0	5 672.2	100.0	94	100.0	1 150.0	100.0	30	100.0	400.5	100.0

* Projects are classified into the various types according to the predominant allocation of project resources, i.e., if 50% or more of total project cost is used to finance activities pertaining to a particular type.

61. With regard to lending terms, as indicated in Table 5, projects financed on highly-concessional terms continued to receive the highest proportion of the Fund's resources. The number of highly-concessional projects decreased from 24 in 1996 to 23 in 1997 and total IFAD financing decreased from USD 301.8 million to USD 295.5 million. The number of projects financed on intermediate terms remained at five, with an increase in financing from USD 49.8 million to



USD 73.8 million, representing a 33% rise, whereas the number of projects financed on ordinary terms decreased from four to two and financing fell from USD 57.4 million to USD 31.2 million.

Table 5**Distribution by Lending Terms ^{3/}**

LENDING TERMS	1978-1997				1994-1996				1997			
	No. of projects	% of total	IFAD Amt USD m	% of total	No. of projects	% of total	IFAD Amt USD m	% of total	No. of projects	% of total	IFAD Amt USD m	% of total
HIGHLY CONCESSIONAL	329	67.3	3 747.0	66.1	67	71.3	780.0	67.8	23	76.7	295.5	73.8
INTERMEDIATE	112	22.9	1 334.8	23.5	15	16.0	215.6	18.8	5	16.7	73.8	18.4
ORDINARY	48	9.8	590.4	10.4	12	12.8	154.4	13.4	2	6.7	31.2	7.8
TOTAL	489	100.0	5 672.2	100.0	94	100.0	1 150.0	100.0	30	100.0	400.5	100.0

62. In terms of collaboration with other development institutions, the number of projects cofinanced from the pipelines of CIs has continued to increase, from seven in 1996 to nine in 1997. Furthermore, the level of financing provided by the CIs themselves to their pipeline projects with IFAD cofinancing rose markedly from USD 181 million in 1996 to USD 422 million in 1997. Thus, IFAD's sphere of influence has considerably expanded as a result of the projects that entered the IFAD portfolio in 1997 from the pipelines of CIs. Through these projects alone, IFAD has extended the reach of its policies and approaches over resources that exceed the total amount it lent in 1997.

Table 6**Cofinancing and Distribution by Initiating Agency**

INITIATING INSTITUTION	1978-1997				1994-1996				1997			
	No. of projects	% of total	IFAD Amt USD m	% of total	No. of projects	% of total	IFAD Amt USD m	% of total	No. of projects	% of total	IFAD Amt USD m	% of total
COOPERATING INSTITUTION INITIATED PROJECTS (c)	123	25.2	1 302.0	23.0	15	16.0	132.5	11.5	9	30.0	106.9	26.7
IFAD-INITIATED AND COFINANCED PROJECTS (f)	237	48.5	2 623.7	46.3	55	58.5	698.1	60.7	13	43.3	179.7	44.9
IFAD-INITIATED AND EXCLUSIVELY FINANCED PROJECTS (e)	129	26.4	1 746.4	30.8	24	25.5	319.4	27.8	8	26.7	113.9	28.4
COOP. INST. INITIAT. IFAD-INITIATED	123	25.2	1 302.0	23.0	15	16.0	132.5	11.5	9	30.0	106.9	26.7
	366	74.8	4 370.2	77.0	79	84.0	1 017.5	88.5	21	70.0	293.6	73.3
TOTAL	489	100.0	5 672.2	100.0	94	100.0	1 150.0	100.0	30	100.0	400.5	100.0

63. In the period under review, the number of IFAD-initiated projects cofinanced by other donors dropped slightly from 18 to 13, or from 54% to 43%, of the overall portfolio, while the amount of cofinancing provided for IFAD-initiated projects that entered the portfolio fell from USD 126.4 million in 1996 to USD 26.0 million in 1997. However, current estimates of the cofinancing to be provided to IFAD-initiated projects in 1998 indicate that the figure is expected to reach USD 118.0 million or more. Hence, the drop in the amount of cofinancing provided to IFAD-

^{3/} Component grants and the grant given for the Rwanda Returnees Rehabilitation Programme (project ID 1059-RW) have been included in the IFAD amount.



initiated projects appears to have been a one-time fluctuation in the flow of such funds due to normal variations in the types and sizes of loans made in any given year.

B. Selected Portfolio Performance Indicators

Portfolio Size and Composition

64. A total of 26 projects were closed during 1997. As a result, at the end of the year, 200 projects were under active implementation (see Appendix IV for a list of, and selected information on, these projects), 15 were not yet signed, 29 had not yet been declared effective, and three under active implementation had been suspended. Table 7 indicates the regional distribution of the active project portfolio as of the end of 1995, 1996 and 1997.

Table 7

Active Project Portfolio by Region Year-end 1995, 1996, 1997

REGION	No. of projects	% of total	Total IFAD Amt. USD m	% of total	No. of projects	% of total	Total IFAD Amt. USD m	% of total	No. of projects	% of total	Total IFAD Amt. USD m	% of total
AFRICA I	44	23.2	403.1	18.9	45	22.5	430.7	18.7	42	21.0	409.0	16.9
AFRICA II	37	19.5	375.2	17.6	34	17.0	351.1	15.2	36	18.0	371.8	15.4
ASIA	45	23.7	624.6	29.3	50	25.0	691.5	30.0	51	25.5	783.6	32.4
LAC	32	16.8	331.6	15.5	37	18.5	383.3	16.6	35	17.5	381.7	15.8
NENA	32	16.8	398.7	18.7	34	17.0	448.7	19.5	36	18.0	475.4	19.6
TOTAL	190	100.0	2 133.1	100.0	200	100.0	2 305.3	100.0	200	100.0	2 421.4	100.0

Cooperating Institutions for Project Supervision

65. The project portfolio is administered by ten CIs and IFAD, of which UNOPS is responsible for 96 projects (48.0%), World Bank for 37 projects (18.5%), and the Arab Fund for Economic and Social Development (AFESD) and the Andean Development Corporation (CAF) for 15 projects (7.5%) each. Details of the number of projects, and the volume of lending entrusted to the Fund's CIs, are given in Table 8. World Bank and UNOPS continue to be responsible for the administration of approximately two-thirds of IFAD's ongoing portfolio.



Table 8

**Distribution of the Portfolio by Cooperating Institution
Year-end 1997**

COOPERATING INSTITUTION*	No. of projects	% of total	Total IFAD Amt. USD m	% of total
AfDB	7	3.5	60.3	2.5
AFESD	15	7.5	200.3	8.3
AsDB	9	4.5	147.3	6.1
BCIE	3	1.5	28.1	1.2
BOAD	12	6.0	141.3	5.8
CAF	15	7.5	159.2	6.6
CDB	4	2.0	11.0	0.5
IDB	1	0.5	6.0	0.2
IFAD	1	0.5	18.9	0.8
UNOPS	96	48.0	1 288.3	53.2
World Bank	37	18.5	360.7	14.9
TOTAL	200	100.0	2 421.4	100.0

* For full names, see Annex III.

Loan Signing and Effectiveness

66. For the 86 projects which became effective during the period 1994-1996, the average time-lapse between Executive Board approval and the signing of the loan agreement was 3.7 months whereas that between loan signing and effectiveness was 8.3 months, representing an overall average of 12.0 months. For the 26 projects which became effective in 1997, the time-lapse between approval and loan signing was 4.6 months, whereas between loan signing and effectiveness it was 8.1 months, representing an overall average of 12.6 months. The Lowlands Agricultural Development Programme (LADEP) (project ID 428-GM) in The Gambia took 25.5 months to become effective, while for the Agricultural Development Project in San Juan de la Maguana (project ID 345-DO) in the Dominican Republic the process took 38.8 months. If these projects are excluded from the calculations, the average time from approval to effectiveness in Africa I amounts to 12.6 months whereas for LAC it amounts to 16.5 months.

67. Although the time taken from approval to agreement increased in 1997 compared with the period 1994-1996, Table 9 shows that the total time from agreement to effectiveness has decreased. The length of time to effectiveness increased in Africa I and Africa II; in LAC it remained the same; and in Asia and NENA it decreased. The average for the period 1978-1996 was 11.2 months.

68. Of the 15 projects not signed at the end of 1997, ten were approved at the December 1997 session of the Executive Board and three projects were approved before 1997. However, of the 29 projects still not effective, 16 were approved before 1997 although only four had been signed before then.



Table 9

Average Period from Loan Approval to Effectiveness

REGION	Number of effective projects			Approval to agreement (months)			Agreement to effectiveness (months)			Approval to effectiveness (months)		
	1978-1997	1994-1996	1997	1978-1997	1994-1996	1997	1978-1997	1994-1996	1997	1978-1997	1994-1996	1997
	AFRICA I	99	14	5	3.8	3.9	7.1	9.2	8.4	8.1	13.1	12.3
AFRICA II	79	21	4	3.1	2.9	2.6	7.7	8.7	9.4	10.7	11.5	11.9
ASIA	119	21	7	2.8	2.2	1.2	5.2	5.2	4.8	7.9	7.4	6.0
LAC	77	15	6	5.4	6.3	8.7	9.9	14.0	11.5	15.3	20.3	20.3
NENA	71	15	4	2.6	4.4	3.1	7.8	6.2	7.3	10.4	10.6	10.4
TOTAL/AVERAGE	445	86	26	3.5	3.7	4.6	7.7	8.3	8.1	11.2	12.0	12.6

Project Extension

69. Of the 26 projects which closed in 1997, 20 were extended, involving an average extension period per project of 2.0 years (Table 10).

Table 10

Project Extension

	Closed IFAD Projects 1981-1997	Closed IFAD Projects 1997
Number of Projects	245	26
Expected Project Duration (Years)	5.8	6.5
Period of Extension (Years)	1.9	2.0
Actual Project Duration (Years)	7.7	8.5
Average Time Overrun (Percentage)	33	30
Extended Projects:		
Number	194	20
Percentage	79	77

C. Selected Loan Performance Indicators

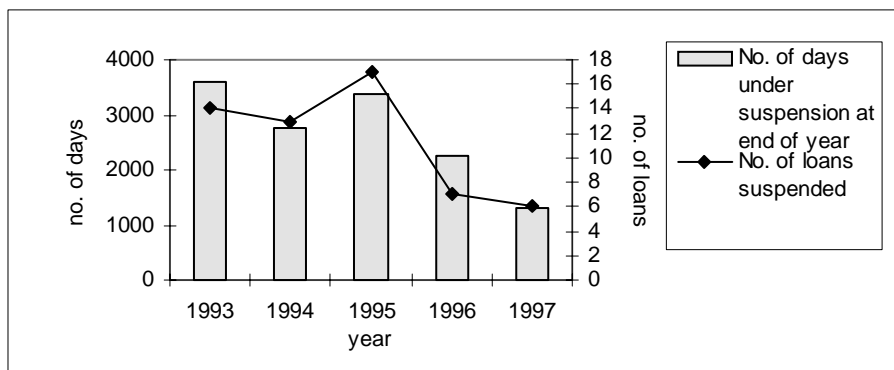
Loan Suspension

70. Forty loans were under suspension during 1997 (six were suspended more than once) and six remained suspended at the end of the year. Five of the loans were in the Africa I region and one in Asia. This represents a decrease from the seven loans suspended at the end of 1996, and a decrease in the total number of days from 2 237 to 1 296. None of the loans were suspended prior to 1997. The total number of days for which loans were suspended during 1997 was 3 044, an improvement over the 1996 total of 4 379 days. Chart 1 below gives the numbers of loans suspended and the days under suspension by **year-end** for the period 1993-1997.



Chart 1

Loan Suspensions, 1993-1997



Loans Closed During 1997

71. Eighteen loans, approved between 1984 and 1991, were closed in 1997. The implementation periods of the loans averaged 8.4 years, compared with an estimate of 6.1 years (Table 11). The loans closed in 1997 relate to the number of loan accounts closed during the year and not to the number of projects completed.



Table 11

Loans Closed in 1997

Project ID	Country	Project Name	Board Appr. Date	Loan Agr. Date	Original Closing Date	Loan Closing Date	Final Loan Duration Years	% Time Overrun	Original Loan Amt. SDR m.	% Disbursed End 1997
AFRICA I										
230	Cameroon	Livestock Sector Development Project	29/11/88	28/02/89	30/06/95	21/01/97	7.9	24.7	8.4	7
452	Gambia, The	Small-Scale Water Control Project	05/12/89	25/01/90	30/06/97	17/10/97	7.7	4.0	2.9	93
285	Guinea	Second Siguirri Rural Development Project	04/09/91	30/01/92	30/06/99	16/06/97	5.4	-27.5	9.4	35
444	Guinea	Fouta Djallon Agricultural Rehabilitation Project	14/09/88	08/11/88	31/12/96	06/02/97	8.3	1.2	11.4	94
438	Mali	Development Project in the Zone Lacustre	03/12/86	12/06/87	01/07/93	14/10/97	10.3	70.8	4.9	100
441	Niger	Special Country Programme	03/12/87	13/01/88	01/10/92	12/09/97	9.7	104.9	10.3	98
441	Niger	Special Country Programme	06/12/89	25/01/90	01/10/92	09/09/97	7.6	184.1	3.4	19
152	Sierra Leone	Agricultural Sector Support Project	11/09/84	25/10/84	30/06/88	16/09/97	12.9	250.4	5.1	87
AFRICA II										
437	Ethiopia	Special Country Programme	03/12/86	21/04/87	31/12/93	20/05/97	10.1	50.5	9.3	47
271	Kenya	Farmers' Groups and Community Support Project	11/12/90	29/05/91	31/12/96	30/09/97	6.3	13.4	4.6	22
231	Madagascar	Agricultural Development Programme in the Highlands	29/11/88	26/01/89	31/12/94	31/03/97	8.2	37.9	9.9	72
261	Seychelles	Employment Generation Project	19/04/90	26/09/90	31/12/96	16/10/97	7.1	12.6	0.9	97
248	Zimbabwe	Agricultural Credit and Export Promotion Project	06/12/89	24/01/90	31/12/95	11/06/97	7.4	24.4	12.1	98
ASIA AND THE PACIFIC										
300	China	Jilin Low-lying Land Development Project	14/04/92	08/05/92	30/06/98	11/06/97	5.1	-17.1	20.0	100
249	Maldives	Atolls Credit and Development Banking Project	06/12/89	25/01/90	31/12/96	27/01/97	7.0	1.1	2.4	96
179	Sri Lanka	Kegalle Rural Development Project	05/12/85	27/01/86	30/06/93	10/01/97	11.0	47.6	7.5	83
LAC										
149	Bolivia	Cotagaita-San Juan del Oro Agricultural Development Project	05/04/84	09/01/85	30/04/91	26/02/97	12.1	92.5	11.4	100
NENA										
449	Djibouti	Agro-pastoral Development Project in the Gobaad Basin	13/09/89	13/11/89	30/06/96	30/09/97	7.9	18.9	1.0	17
AVERAGE OF 18 CLOSED LOANS							8.4	37.7	7.5	76

72. Compared with 1996, the average percentage time overrun for closed loans increased from 35% to 38% and the percentage disbursed by year-end decreased from 81% to 76%. The average final loan duration decreased slightly from 8.5 years to 8.4 years.

73. Three of the five projects which had disbursed less than 50% were suspended during implementation, with periods of approximately six months (project ID 285-GN in Guinea), 1.5 years (project ID 271-KE in Kenya) and 5.5 years for the project in Cameroon (project ID 230-CM).



Loan Cancellations

74. A total of SDR 32.0 million was cancelled during the course of 1997. Of the 18 loans closed during the year 17 had part of their loan amounts cancelled; 11 had disbursed more than the overall average of 76%; and nine had disbursed more than 90%. The level of cancellation as a percentage of total commitment increased to 24% compared with 19% in 1996, and the overall average is 17%. Table 12 provides information on IFAD loan cancellations for loans approved since 1979.^{4/}

Table 12**Closed Loans with Cancellations**

YEAR	All Closed Loans		Closed Loans with Cancellations					
	No. of Loans	Total Commitment (SDR m)	No. of Loans	% of all closed loans	Original Commitment (SDR m)	Total Disbursement (SDR m)	Total Cancellation (SDR m)	Cancellation as % of Total Commitment
1981	1	9.3	0	0	0.0	0.0	0.0	0
1983	2	25.5	0	0	0.0	0.0	0.0	0
1984	1	38.5	0	0	0.0	0.0	0.0	0
1985	3	29.9	1	33	11.7	10.7	1.0	3
1986	8	105.9	4	50	50.9	47.4	3.5	3
1987	9	94.1	5	56	63.2	61.6	1.6	2
1988	11	109.0	8	73	63.0	47.9	15.1	14
1989	26	308.3	19	73	163.3	123.1	40.2	13
1990	20	199.5	16	80	142.1	99.7	42.5	21
1991	20	207.1	19	95	200.5	146.0	54.5	26
1992	22	183.2	19	86	174.4	128.3	46.1	25
1993	25	183.0	21	84	155.7	127.4	28.3	15
1994	20	178.4	18	90	166.6	127.5	39.1	22
1995	10	90.0	8	80	54.8	41.5	13.3	15
1996	17	116.4	16	94	99.6	77.5	22.1	19
1997	18	134.5	17	94	123.1	91.1	32.0	24
TOTAL	213	2 012.4	171	80	1 468.8	1 129.5	339.3	17

Loan Disbursement

75. By the end of 1997, **cumulative** disbursements since 1979 for SDR loans under the Regular Programme and the SPA stood at SDR 2 383.2 million. Total disbursements in 1997, under both the Regular Programme and the SPA, amounted to SDR 189.0 million for 264 loans, representing an increase of 5% from SDR 180.4 million disbursed for the 248 loans under implementation in 1996 and an increase of 32% from the SDR 127.8 million for 223 loans in 1995 (Table 13). Reasons for the increased disbursements are given below.

^{4/} The first ten projects approved by the Executive Board in 1978 were approved and disbursed in USD. These have been excluded from calculations relating to cancellation and disbursement.



Table 13

Disbursement by Region
(SDR million)

REGION	FY 1995		FY 1996		FY 1997	
	Total	%	Total	%	Total	%
AFRICA I	30.6	24	33.9	19	36.3	19
AFRICA II	22.3	17	27.0	15	24.0	13
ASIA	41.4	32	61.0	34	69.2	37
LAC	19.5	15	24.6	14	33.1	18
NENA	14.0	11	33.9	19	26.4	14
TOTAL	127.8	100	180.4	100	189.0	100

FY = Fiscal Year

76. **Activities Undertaken by UNOPS.** As CI, UNOPS is responsible for the supervision of about half IFAD's ongoing portfolio. Agreement was reached between IFAD and UNOPS that, during the last quarter of each year, the project management officers (PMOs) in UNOPS would prepare a one-page supervision work plan and budget for each project under their supervision. This is discussed with IFAD's project controllers in order to reach agreement on the following year's programme of work and the issues to be addressed. In addition, the PMOs prepare a disbursement projection for each project, based on a number of factors including the ability of the project management team to carry out advance planning as required in the annual work programme. The PMOs monitor the disbursement rate of projects and make every effort to ensure that the projected targets are met at the end of the year. The results of these trials in 1996 were very positive and disbursements by UNOPS have increased significantly since 1995. Other CIs have agreed to put a similar system in place.

77. **Disbursement Trends.** The basic determining factor of disbursement levels is the amount of resources committed on a yearly basis (Table 14 and Chart 2). In recent years, there has been an increase in the amount of resources committed. Since the lowest level in 1986, there has been a steady increase in the resources committed and, if this trend continues, the peak of 1981 is expected to be equalled or exceeded within the next few years. The lowest level of disbursement was recorded in 1992 and has since increased to a peak in 1997. Management has put in place various measures to improve the levels of disbursement, including: (a) better quality of projects entering the pipeline; (b) reduction in loan arrears; (c) stronger implementation support, including country portfolio reviews; and (d) improved efficiency in implementation follow-up with the borrower.



Table 14

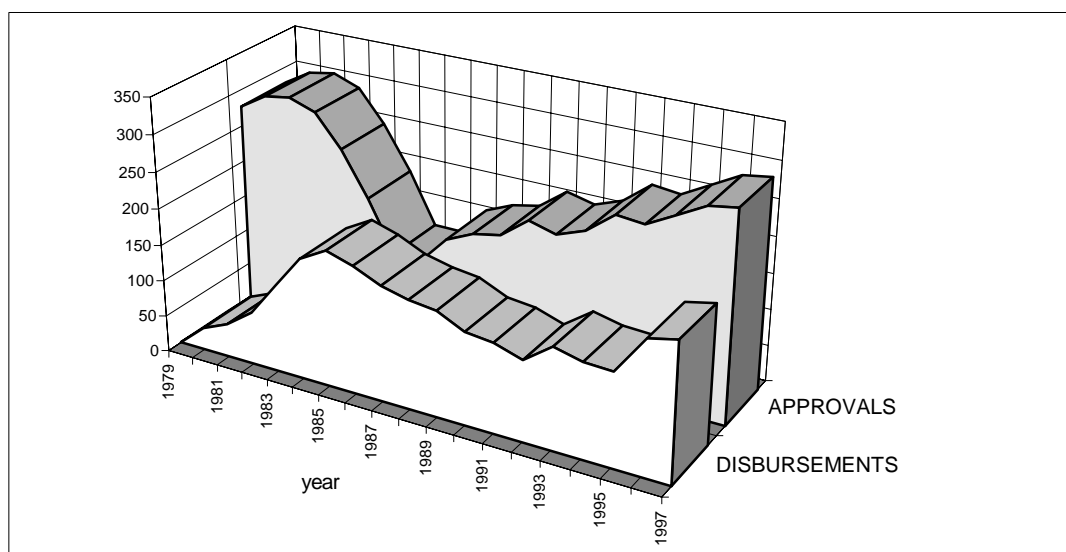
Loan Approvals and Disbursement
(SDR Million)

YEAR	APPROVALS	DISBURSEMENT	Annual % Change APPROVALS	Annual % Change DISBURSEMENT
1979	277.3	0.2	-	-
1980	298.3	31.0	8	-
1981	304.6	46.5	2	50
1982	291.2	72.8	-4	57
1983	248.0	120.9	-15	66
1984	188.1	167.2	-24	38
1985	118.8	187.2	-37	12
1986	118.1	176.1	-1	-6
1987	157.5	158.7	33	-10
1988	174.1	149.6	11	-6
1989	181.5	145.6	4	-3
1990	210.0	127.4	16	-12
1991	200.3	123.3	-5	-3
1992	214.7	111.1	7	-10
1993	244.6	138.6	14	25
1994	240.5	129.8	-2	-6
1995	261.4	127.8	9	-2
1996	281.9	180.4	8	41
1997	288.3	189.0	2	5

Peak
Low
Decline

Chart 2

Loan Approval and Disbursement Amounts
(SDR million)





D. Grant-Funded Operations

Technical Assistance Grants (TAGs)

78. In 1997, 254 TAGs for USD 32.2 million were approved under the Regular Programme. Over the period 1978-1997, a total of 1 099 TAGs for USD 289.0 million were approved under both the Regular Programme and SPA (Table 15).

Table 15**Summary of Technical Assistance Grants**

	1978-1997				1997			
	No. of grants	% of total	Grant Amt (USD m)	% of total	No. of grants	% of total	Grant Amt (USD m)	% of total
Project preparation	188	17.1	34.1	11.8	0	0.0	0.0	0.0
Project component	35	3.2	24.5	8.5	0	0.0	0.0	0.0
Project Development Fund	350	31.8	22.5	7.8	154	60.6	8.2	25.6
Research	162	14.7	123.3	42.7	13	5.1	9.5	29.6
CGIAR	113	10.3	82.8	28.7	6	2.4	5.6	17.4
non-CGIAR	49	4.5	40.5	14.0	7	2.8	3.9	12.2
Training and others	108	9.8	62.2	21.5	34	13.4	11.0	34.1
Special Operations Facility	99	9.0	12.1	4.2	24	9.4	1.6	4.9
Preliminary development and testing phase	42	3.8	3.3	1.2	6	2.4	0.3	0.8
IFAD/NGO/ECP	115	10.5	6.9	2.4	23	9.1	1.6	5.0
TOTAL	1 099	100.0	289.0	100.0	254	100.0	32.2	100.0

79. A desk study on TAGs covering the period 1979 to 1991 has been undertaken. The study reviewed 43 grants and confirmed that their impact on the rural target groups could be considered as highly positive and rewarding, particularly the grants for the International Centre for Agricultural Research in the Dry Areas (ICARDA) faba bean programme in the Nile Valley; the International Centre for Tropical Agriculture's (CIAT) field beans programme; the International Institute of Tropical Agriculture's (IITA) bio-control of the cassava pests; and the International Irrigation Management Institute's (IIMI) farmer-managed irrigation systems. In these cases, achievements have gone beyond the original objectives of the respective research proposals, and part of their success can be attributed to the clarity with which the research programmes were identified and appraised.

80. On the contrary, when the objectives were somehow too ambitious or vague (as in the case of the Tropical Agricultural Research and Training Centre's (CATIE) research on annual crops; the International Centre of Insect Physiology and Ecology's (ICIPE) research on crop borers; the International Fertilizer Development Center's (IFDC) fertilizer research; and the Arab Center for the Studies of Arid Zones and Dry Lands' (ACSAD) regional farming system research), the review stated that, although potentially significant in some specific components, they did not seem to achieve their original objectives. The Economic Policy and Resource Strategy Department (ED), in collaboration with a working group, is preparing a TAG strategy paper which is scheduled to be discussed at the April 1998 session of the Executive Board.

**CONSOLIDATED REVIEW OF TWENTY-SIX CLOSED PROJECTS****Scope of Review and Performance Measurement**

1. The 26 closed projects were reviewed as follows: first, the dominant features of all projects were briefly examined in a diagnostic fashion, in accordance with generally used and acceptable financial, technical and administrative criteria for judging the effectiveness of the project implementation and, performance; and secondly, the outcome was examined in terms of their achievements, as measured by economic and financial criteria, production (especially food and income), institutional development, and the effects of unforeseen circumstances and unanticipated events. The review judged the adequacy of: (a) project design for alleviating poverty; (b) technical design; (c) financial and management design; and (d) organization or institutional design.

2. The closed projects were analysed by project type and classified into six categories, as shown in Table 16. Although many of the features and processes of project implementation are common to all projects, e.g., procurement and financial management, the main purpose of the classification is to highlight the features that differentiate them and may be responsible for variance in the effectiveness of their implementation. The types of projects are not always mutually exclusive between each type: many agricultural and rural development projects contain at least a small credit, livestock or irrigation component; similarly, credit, irrigation, and livestock projects usually contain explicit or implicit features of agricultural or rural development projects or both.

Table 16**Number of Projects Reviewed by Region and Project Type**

Project Type	Africa I	Africa II	Asia	LAC	NENA	Total	%
Agricultural and rural development	4	1	3	3	1	12	46
Credit and financial services			2	5		7	27
Fisheries	2		1			3	12
Irrigation	1	1				2	8
Marketing/storage/processing	1					1	4
Programme loan					1	1	4
Total	8	2	6	8	2	26	100

Performance Assessment of Closed Projects

3. Projects were considered successful if they had satisfied at least two of the following conditions upon completion: (a) there was clear evidence that the intended target population had benefited from the project, measured by increases in income and/or other indicators of poverty alleviation; (b) the technical foundations for increasing productivity and income had been established; (c) there was tangible proof that project organization and management had contributed to institutional development and sustainability; and (d) the projects had achieved the economic or financial rate of return (ERR or FRR) estimated at appraisal, or at least 10% (assumed to be the minimum for the opportunity cost of capital).

4. Of the 26 projects, 17 were assumed to have been successfully implemented. It is inappropriate to draw any statistical conclusions from these projects as only a small group of different types were reviewed. The depth of analysis was inadequate as most project completion reports were not available. The table in Annex II gives information on selected performance indicators for the closed projects, grouped by type .



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Agricultural and Rural Development Projects

5. The 12 agricultural and rural development projects reviewed are as follows:

Region	Country	Project ID	Project Name
Africa I	Côte d'Ivoire	189-CI	Dabakala/Katiola Rural Development Project
Africa I	Ghana	457-GH	Upper-East Region Land Conservation and Smallholder Rehabilitation Project
Africa I	Guinea	285-GN	Second Siguirri Rural Development Project
Africa I	Nigeria	177-NG	Multi State Agricultural Development Project
Africa II	Tanzania, United Republic of	242-TZ	Smallholder Support Project in Zanzibar
Asia	Bhutan	223-BT	Punakha-Wangdi Phodrang Valley Development Project
Asia	India	214-IN	Orissa Tribal Development Project
Asia	Pakistan	209-PK	Chitral Area Development Project
LAC	Dominican Republic	216-DO	South Western Region Small Farmers Project
LAC	Haiti	088-HT	Food Crops Intensification Project
LAC	Honduras	203-HN	Intibucá-La Paz Rural Development Project
NENA	Algeria	197-DZ	Cereal and Livestock Smallholder Development Project in the Wilaya of Tiaret

6. In all the projects reviewed, it was found that project selection on the part of IFAD and the borrower generally conformed to the Fund's mandate to finance projects for the benefit of the rural poor. These projects benefited mainly, if not exclusively, both low-income smallholders and very poor farmers. In the project in India, where the tribal people mainly derive their livelihood from a combination of shifting cultivation, hunting, and the gathering of foodstuffs, the landless also benefited. This project represents the first substantial involvement of an external development agency in tribal development. Similarly, the objective of the project in Honduras was to regularize the land tenure system to qualify the farmers for institutional credit and so set the basis for a future reallocation of land to those who are now landless. The objectives of the project in Ghana were, *inter alia*, to improve the income of families in the impoverished Upper East Region and halt the process of environmental degradation in that area of the country, which is extremely prone to drought and has a high population density compared with other parts of the country. There is also a high percentage of women-headed households as most of the young men are migrant labourers who travel from the north to the south of the country in search of paid employment.

7. **Assessment of Performance.** Of the 12 projects reviewed, six were deemed to have been satisfactorily implemented and the implementation of the other six was considered to be unsatisfactory.

8. In Africa I, the projects in Côte d'Ivoire and Guinea were considered to have been unsatisfactorily implemented. In the case of the project in Côte d'Ivoire, the restructuring of the extension services led to a reduction in the number of extension agents in the project area. In addition, the credit component had mixed results, due partly to the difficulties encountered by the executing bank which was subsequently liquidated. The project in Guinea suffered from mismanagement of loan proceeds and non-disbursement of funds on the part of the cofinancier,



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AfDB, which had been intended to cover the irrigation development activities; and by managerial problems which persisted even after the project management staff had been changed by the Government. These events were partly responsible for closure of the project before the original closing date.

9. The project in Ghana, on the other hand, showed considerable progress in the implementation of the various activities, especially credit operations for income-generating activities. The full participation of the beneficiaries in the rehabilitation of the dams and the management and control of the water users' associations (WUAs) greatly enhanced repayment rates on credit. These developments have improved the economic status of women through the provision of credit and support for income-generating activities, and increased the food production and income of poor rural families. The project in Nigeria successfully introduced six disease-free cassava varieties that were incorporated into the farming systems of farmers and thus reversed the drastic fall in cassava production experienced in the 1980s.

10. With the exception of the successful tse-tse eradication programme, Africa II's project in the United Republic of Tanzania faced numerous difficulties, including: untimely and inadequate provision of counterpart funds, liquidity/management problems faced by the agency responsible for the project's credit operations; and difficulties in implementing a wide range of unrelated components, some of which were later rationalized or cancelled.

11. The three projects in Asia were deemed to have been satisfactorily implemented. In the case of the project in India, strong support from the Government and the keen commitment of the project management team and beneficiaries led to the issuance of land title deeds to the tribal groups; the implementation of agro-forestry and social conservation measures; and expansion of the road network in the project area, which opened up 126 hitherto inaccessible villages, thus providing higher farmgate prices for farmers and increased family income.

12. The formation of successful village and women's organizations in the project in Pakistan provided the basis for initiating communal development activities, strengthening agricultural support services and providing basic physical and social infrastructure. Likewise, the project in Bhutan was successful in introducing new technologies in irrigation channel construction and maintenance. These developments increased the yields of rice and, thanks also to better water management, gave farmers the opportunity to include a second crop in their plots and hence further increase their incomes.

13. In LAC, one project was considered to have been satisfactorily implemented. The project in Honduras got off to a very slow start because it was suspended due to the non-payment of arrears. Once the outstanding amount was settled, however, the project made considerable progress in meeting its objectives. It became necessary to reallocate the loan proceeds on order to fulfil the unmet demand for credit. Furthermore, most of the project activities were successfully completed.

14. The project in the Dominican Republic encountered many difficulties during implementation, ranging from delays in formulating the subsidiary agreement between the Government and the agricultural bank for the credit operations, to further delays due to the suspension of the project for non-payment of outstanding arrears. In the case of the project in Haiti, the slow start of project implementation during the first two years, political events in the country, and inadequate counterpart funding and manpower prevented the project from meeting the objectives set at appraisal.

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15. Similarly, in NENA, the project in Algeria faced many problems: high staff turnover, interference from local authorities, three years of drought, delays in the procurement of goods and services, and the country's poor security situation. As a result, no field supervision by the CI or follow-up by IFAD was possible after 1993.

16. **Issues in Design and Implementation.** Although there is no golden rule for the organizational design of agricultural and rural development projects, evidence suggests that the number of components is more manageable when the institutions involved in implementation are kept to a minimum, even if that means reducing the scope and size of the project. If the institutions are weak, the risk of failure becomes greater, as shown in the project in the United Republic of Tanzania.

17. The relative importance of the input supply component mainly relates to objectives of increasing production. Measures of poverty alleviation will influence the level and type of technology involved; sequencing of the delivery and size of project inputs; location and designation of infrastructure and services; and emphasis on institution-building and type of management. The design and structure of the components will therefore integrate additional targeting measures through which project inputs will be oriented towards poverty alleviation, not only for the direct beneficiaries but also for the other poor people in the project area.

Credit and Financial Services Projects

18. Seven credit and financial services projects were reviewed, as follows:

Region	Country	Project ID	Project Name
Asia	Nepal	208-NP	Production Credit for Rural Women Project
Asia	Sri Lanka	219-LK	Small Farmers and Landless Credit Project
LAC	Argentina	225-AR	Programme of Credit and Technical Support for the Small Producers in Northeast Argentina
LAC	Costa Rica	235-CR	Northern Zone Agricultural Credit Development Project
LAC	Jamaica	217-JM	Hillside Farmers Support Project
LAC	Panama	180-PA	Agricultural Credit Project II
LAC	Suriname	333-SR	Smallholders Support Project

19. **Assessment of Performance.** Six of the credit and financial services projects reviewed could be judged as having been satisfactorily implemented. The project in Suriname had to be discontinued because of high inflation in the country at the time of implementation, with the result that most farmers abstained from new investments. In view the Government of Suriname requested IFAD to cancel the loan.

20. **Target Group Identification.** All projects defined the target groups by specifying their socio-economic characteristics, by ensuring that the project activities catered for them, and by clearly elaborating the methods of reaching them. The target groups comprised smallholder farmers, the landless, and other disadvantaged groups such as small fishermen, pastoralists, artisans and rural women. In the projects reviewed, six had smallholders as their target group while women were the sole target group of the project in Sri Lanka. Two of the projects had landless farmers/families and artisanal fishermen as part of their target group, as in the case of the project in Suriname. The level



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of income was another criterion used to identify the target group, as in the case of the projects in Argentina and Costa Rica.

21. **Credit Delivery Mechanisms.** A wide range of institutions was used in the provision of credit in the projects reviewed. One financial institution was used in the project in Sri Lanka whereas, in the project in Nepal, the institutions used were the Nepal Agricultural Development Bank and two commercial banks. In the project in Jamaica, two specialized institutions were used for two specialized operations: the Agricultural Credit Bank of Jamaica to provide credit for coffee and cocoa rehabilitation/planting and for related inputs and food crop production; and the National Foundation of Jamaica for small-scale rural enterprises. In addition, NGOs were used as delivery mechanisms for the distribution of credit, as in the case of the project in Sri Lanka.

22. **Beneficiary Training.** All the projects reviewed had some form of beneficiary training in project design. In the project in Nepal, beneficiary training was mainly related to income-generating activities and community development work. Training of farmers' groups in the project in Argentina mainly related to the best use of credit supplies and improved produce marketing. In the case of the project in Costa Rica, training of women's groups was mainly geared to the development of off-farm income-generating opportunities through their direct involvement in the design and evaluation of project activities.

23. In reviewing the training needs of the Sri Lanka project's beneficiaries, the following lessons - which could also be applied in beneficiary training for other credit projects - were learned: (a) there is a critical relationship between accessibility to and quality of beneficiary training and loan recovery; (b) the training needs of beneficiaries rapidly expand in scope and complexity as they develop their enterprises (even from a low level of input and technology); (c) beneficiaries are increasingly willing to cofinance the cost of quality training; and (d) there is considerable scope to train beneficiaries as trainers of other beneficiaries.

24. **Financial Viability of Credit Operations.** The viability of credit operations depends on a number of factors, some of which are endogenous to the credit operations. The existence of demand for credit is an important prerequisite for the financial viability of any credit operation. Beyond this, the viability of credit operations is largely determined by how well the operation is managed and, principally, by how successful the management of the credit operation has in keeping its transaction costs of lending to the absolute minimum. Closely linked to this issue is the ability of the institution to set a rate of interest that will be acceptable to its customers and provide a minimum, but adequate, spread to cover its administrative costs and other charges. The long-term sustainability of a credit operation also depends on: (a) achieving high levels of recovery rates to preserve the integrity of the capital base, as in the case of the project in Nepal; and (b) successfully mobilizing savings to augment the pool of loanable funds, as in the case of the project in Sri Lanka.

25. In the project in Suriname, the high inflation rate during implementation of the project in 1995 decreased the purchasing power of the farmers' working capital. Their ability to finance input and new investments with their own capital was limited, thus causing greater demand for credit. On the other hand, uncertain economic circumstances, high interest rates and the fluctuating profitability of various crops limited the demand for credit and most farmers abstained from new investment. As a result, it became difficult for farmers to assess the profitability of alternative crops. Therefore it was also very difficult to make sound decisions regarding the cropping pattern level of input use.



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Fisheries Development Projects

26. The review looked at three projects:

Region	Country	Project ID	Project Name
Africa I	Nigeria	236-NG	Artisanal Fisheries Development Project
Africa I	Sao Tome and Principe	274-ST	Second Artisanal Fisheries Development Project
Asia	Bangladesh	237-BD	Oxbow Lakes Small-Scale Fishermen Project

27. The objectives of all the projects were similar, namely, to increase the income of the target groups. In the case of the project in Nigeria, the target group consisted of communities located in remote villages in mangrove areas only accessible by boat; in Sao Tome and Principe, it comprised artisanal fishermen and women engaged in the processing and sale of fish. The beneficiary fishermen and women in Bangladesh live below the poverty line.

28. **Design Features.** The design features of the three projects are different. In the case of the project in Nigeria, emphasis was placed on providing a line of credit through the Nigerian Agricultural and Cooperative Bank (NACB) to enable remote communities to have access to fishing inputs, such as outboard engines, fishing gear, and repairs to outboard engines. Furthermore, the project made provision for the introduction of new technology to process the increased fish catch (1 200 improved smoke kilns) in order to minimize post-harvest losses.

29. The Sao Tome and Principe project was designed to reinforce activities undertaken during the Phase I project and, at the same time, expand the area covered. Other design features included the following: (a) assistance in establishing a rational marine resource management policy; (b) development of autonomous fishermen's organizations; and (c) creation of a financing mechanism to ensure the stability of the artisanal fisheries subsector.

30. The emphasis of the project in Bangladesh was to improve the productivity of the Oxbow lakes and it was designed to assist fishermen to form groups that would be issued with licences (thus allowing the Government to generate revenue and recover some of the investments). These groups of fishermen were thus able to operate the lakes with technical support from the Department of Fisheries. They have invested in the productive capacity of the lakes since they hold long-term rights of exploitation, and are responsible for maintaining the lakes.

31. **Assessment of Projects Reviewed.** Two of the projects reviewed - those in Bangladesh and Sao Tome - were judged to have been satisfactorily implemented. In the latter, a Mid-term Evaluation (MTE) was undertaken in 1995 and a subsequent in-house panel noted the contribution made by the project in providing motor-powered fishing boats to increase the catch of fish. However, the panel also noted that the motorized fishing boats had experienced two difficulties: (a) changes in the country's economic circumstances, especially the very sharp devaluation of currency, led to a conclusion by the evaluation panel that the real costs of motorized fishing were so high as to make that approach unviable; and (b) that the situation was rendered more difficult by the existence of grant funds which provided support to motorized fishing at highly-subsidized prices. The evaluation panel therefore proposed a shift away from support to motorized fishing and recommended that emphasis be placed on improving low-cost alternative technologies during the remainder of the project.



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32. The panel further suggested that, in future project planning, IFAD should fully take into account the potential impact of such subsidized grant financing and find ways of negotiating with the donors to ensure greater impact on its operations.

33. By the completion of the project in Bangladesh, more than 6 300 households living around the lakes and in nearby villages had directly or indirectly benefited from project operations. Furthermore, in order to secure the long-term sustainable development of Oxbow Lakes, the project adopted a community-based development approach focusing on poor fishermen, the functionally landless and women. The most important achievement of the project consists in the effective transfer of productive resources to resourceless fishermen/women. The lake fish teams have developed impressive institutional arrangements and are democratically managing the resources and representing their members.

34. The closing date of the project in Nigeria was extended by 18 months to allow for improved implementation of the credit programme and the village development component, and the development and introduction of new technologies. As far as the flow of funds was concerned, the UNOPS mission which supervised the project in February 1997 noted that two states had taken measures to reverse the continuing problems with counterpart funding which had slowed down the rate of implementation.

35. The performance of the credit scheme was very mixed, with the cumulative recovery rate not exceeding more than 63%. At the end of 1996, NACB had drawn USD 4.0 million of the total USD 8.5 million earmarked for the line of credit, representing 47% of the total allocation for project credit operations. Reviewing the demand for credit, a notable shift was observed from mainly outboard engines during the initial years of the project to short-term loans for marketing, fishing equipment, working capital and chokor stoves. The introduction of the chokor stoves reduced the post-harvest losses of fish processing substantially thus leading to increased beneficiary income. As a result, recovery rates of loans improved.

36. Under this project, 65 microprojects were completed, using the participatory approach with full involvement of the target groups. Schools, health clinics, water wells, bridges and public toilets are examples of microprojects now benefiting the fishing communities.

Irrigation Projects

37. **Design Features.** Two irrigation projects were reviewed - the Small-Scale Water Control Project in The Gambia (project ID 452-GM) and the Smallholder Development Project for Marginal Areas in the United Republic of Tanzania (project ID 455-TZ). Both projects cultivated rice as the main crop. The project in The Gambia was designed to promote environmentally-sound small water control schemes and improve crop husbandry techniques to increase rice production for household food security; and the introduction of income-generating opportunities further enhanced women's standard of living. In the United Republic of Tanzania, the project was designed to improve smallholders' productive capacity and the household income of farmers and pastoralists living in drought-prone areas affected by soil erosion and land degradation. The project was also intended to alleviate poverty and ensure environmental preservation by raising people's awareness, introducing proven technologies and land rehabilitation, reorienting farmer practices and developing small-scale irrigation.



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38. Both irrigation projects encountered initial implementation problems. In The Gambia project, these problems were of a technical, managerial and beneficiary participation nature. As of 1993, implementation deteriorated markedly, especially with respect to the water control component and effective beneficiary participation. The 1994 wet crop season was a near failure due to late allocation of plots, late planting and lack of beneficiary contribution for building tertiary canals. In the case of the project in the United Republic of Tanzania, the slow progress in project implementation was due to conditions outside the control of the project, namely, lags or reductions in annual government budgetary support, near insolvency of the government-owned banking system - the Cooperative Rural Development Bank (CRDB) and the National Bank of Commerce (NBC) - and the inertia of the central tender board which impeded procurement during the first two years of implementation. Furthermore, construction of the irrigation works proceeded very slowly. However, there was a turnaround in the implementation performance of both projects when corrective measures were put in place. In The Gambia, IFAD carried out an MTE in early 1995, based on the findings of which an implementation strategy was oriented towards the consolidation of project activities only in schemes under development. As a follow-up to the MTE, an emergency action programme (EAP) was recommended to maximize project impact. As a result of the EAP, the last supervision mission carried out by UNOPS noted that the project had made progress. All major civil works under the project's water control unit have now been completed and the integration of the major project components into the services of the ministry and under the responsibility of the WUA is progressing in line with the targets set by the annual work programme.

39. The project can be considered as successful as 40% of physical targets in the irrigation development schemes were achieved and the ex-post evaluation estimated the rate of return as 14%, compared to a rate of 16% estimated at appraisal.

40. In the case of the United Republic of Tanzania, two actions were taken to address the implementation lags. First, reliance solely on government implementation was redressed by involving the private sector, principally in the construction of irrigation works, and basing operational planning on community demand for activities. Secondly, the non-availability of government counterpart funds, which impeded project implementation, was mitigated by reliance upon contributions from beneficiaries and district councils.

41. A recent evaluation of project performance showed that the low-cost, water-harvesting-based irrigation technology developed under the project has clearly reduced the risk of crop failure due to drought, but there is no systematic data to assess the magnitude of the effect. Many farmers have requested project assistance to develop water diversion structures and canals for simple gravity irrigation, and some have even built their own perimeters. Furthermore, sustainability of the project has been enhanced on recently built schemes where local artisans have been involved in construction and informally trained to carry out simple repairs. On the evidence available, the irrigation scheme in the United Republic of Tanzania is deemed to have been successfully implemented.



Marketing/Storage/Processing Project

42. The Crop Diversification and Agricultural Services Project (project ID 263-GQ) in Equatorial Guinea was the only marketing/storage/processing project covered by the review. The project was initiated by World Bank as a follow-up to its Cocoa Rehabilitation Project, and its objectives were to improve rural incomes, nutrition and food security by increasing food production for farm family consumption and for domestic and export markets, with a focus on smallholder farms and women. IFAD assumed special responsibility for the design of the extension and applied research component.

43. The loan became effective ten months after approval. World Bank, the project's main cofinancier, suspended disbursement from July 1994 to October 1995 and later cancelled the balance of the IDA credit because of a number of implementation problems, including issues related to the appointment of the project director, enforcement of the agricultural development plan and submission of satisfactory project accounts and audit reports. As a result, IFAD's portfolio review committee evaluated the issues and options of the project and concluded that closing the project at that stage would have a significantly negative impact on the sustainability of its achievements so far. Lifting the suspension of IFAD's loan was approved by the President in October 1995, following an agreement reached with the Government which, *inter alia*, limited the area of intervention to the mainland, maintained support for the selected project activities, cancelled a substantial amount of the loan, and appointed UNOPS as the CI.

44. Implementation of the project was considered unsatisfactory as it did not achieve its physical targets and frequent disruption of implementation reduced beneficiaries' morale and hence the impact of the project.

Programme Loan

45. One programme loan was reviewed: the Farm Reconstruction Project - Re-stocking Activities (Project ID 498-BA) in Bosnia and Herzegovina. The project was initiated by IDA and cofinanced by a number of agencies, including IFAD. This was IFAD's first intervention in Bosnia and Herzegovina, and a loan of USD 6.3 million and a grant of USD 1.0 million were provided to finance the restocking activities component of the Emergency Farm Reconstruction Project (EFRP). The EFRP had four components: (i) import of farm mechanization equipment, including tractors, motor-cultivators and cultivation and harvesting implements; (ii) restocking of livestock, including importation of in-calf heifers and domestic purchase and redistribution of sheep; (iii) rebuilding and strengthening animal health services; and (iv) project implementation support. The overall objective was to quickly alleviate severe post-war rural poverty and jump-start agricultural production through recapitalization of war-affected small farms.

46. Project design anticipated an implementation period of two years for the IFAD-financed restocking activities component, with a closing date for financial assistance set at 30 December 1998. However, a World Bank mission which supervised the project in October 1997 reported that 99.9% of the IFAD loan and 89.2% of the grant had been disbursed. The project can be considered to have been satisfactorily implemented because the farmers, within a period of eight months, were able to obtain credit to purchase heifers and goats to restart their farming. Given the successful achievement of the project, in April 1997, IFAD approved a second loan for a Small Farm Reconstruction and Development Project (project ID 1037-BA).

Closed Projects During 1997

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Project ID	Country/ Project Name	Cooperating Institution	Type of Financing	Approval to Effectiveness (months)	Project Closing Date	Years Extended	% Time Overrun	No. of Extensions	Percentage Disbursed (31/12/97)	No. of Days Suspended
Agricultural and Rural Development										
189-CI	Côte d'Ivoire	IDA	F	10.2	30/06/97	3.5	50%	3	72%	75
	Dabakala/Katiola Rural Development Project									
457-GH	Ghana	UNOPS	F	8.4	31/12/97	0.0	0%	0	93%	0
	Upper-East Region Land Conservation and Smallholder Rehabilitation Project									
285-GN	Guinea	AfDB	F	16.6	16/06/97	-2.0	-27%	0	35%	175
	Second Siguiri Rural Development Project									
177-NG	Nigeria	IBRD	F	21.7	30/06/97	5.0	94%	4	97%	305
	Multi State Agricultural Development Project									
242-TZ	Tanzania,United Rep.	IDA	E	17.8	31/12/97	0.0	0%	0	61%	0
	Smallholder Support Project in Zanzibar									
223-BT	Bhutan	UNOPS	F	8.5	30/06/97	2.5	41%	2	85%	0
	Punakha-Wangdi Phodrang Valley Development Project									
214-IN	India	UNOPS	F	5.8	31/12/97	1.8	21%	1	84%	0
	Orissa Tribal Development Project									
209-PK	Pakistan	AsDB	F	14.5	31/12/97	2.5	33%	2	75%	0
	Chitral Area Development Project									
216-DO	Dominican Republic	UNOPS	E	28.6	31/12/97	3.0	54%	3	86%	250
	South Western Region Small Farmers Project									
088-HT	Haiti	UNOPS	F	13.8	30/09/97	7.3	94%	6	91%	1 174
	Food Crops Intensification Project									
203-HN	Honduras	IDB	F	15.7	31/12/97	4.2	68%	4	67%	1 056
	Intibucá-La Paz Rural Development Project									
197-DZ	Algeria	AFESD	E	9.7	31/03/97	2.8	37%	2	52%	0
	Cereal and Livestock Smallholder Development Project in the Wilaya of Tiaret									
Sub-total	12 projects			14.3		2.5	37%	2.3	76%	253

Notes:

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'E' - projects initiated and exclusively financed by IFAD.



Closed Projects During 1997

Project ID	Country/ Project Name	Cooperating Institution	Type of Financing	Approval to Effectiveness (months)	Project Closing Date	Years Extended	% Time Overrun	No. of Extensions	Percentage Disbursed (31/12/97)	No. of Days Suspended
Credit and Financial Services										
208-NP	Nepal	UNOPS	F	14.7	31/12/97	2.6	36%	2	87%	0
	Production Credit for Rural Women Project									
219-LK	Sri Lanka	UNOPS	F	11.0	31/12/97	2.0	27%	1	82%	0
	Small Farmers and Landless Credit Project									
225-AR	Argentina	IDB	F	31.0	30/06/97	1.0	13%	1	100%	0
	Programme of Credit and Technical Support for the Small Producers in Northeast Argentina									
235-CR	Costa Rica	BCIE	F	36.0	31/12/97	3.5	66%	3	67%	0
	Northern Zone Agricultural Credit Development Project									
217-JM	Jamaica	CDB	F	12.1	15/04/97	2.0	28%	2	43%	52
	Hillside Farmers Support Project									
180-PA	Panama	CAF	C	7.8	31/12/97	7.5	170%	5	100%	1 104
	Agricultural Credit Project II									
333-SR	Suriname	UNOPS	F	21.6	30/06/97	-2.0	-39%	0	5%	1
	Smallholders Support Project									
Sub-total	7 projects			19.2		2.4	38%	2.0	77%	165
Fisheries										
236-NG	Nigeria	UNOPS	F	28.1	30/09/97	1.5	24%	1	55%	258
	Artisanal Fisheries Development Project									
274-ST	Sao Tome and Principe	UNOPS	F	16.6	31/12/97	1.0	19%	1	89%	0
	Second Artisanal Fisheries Development Project									
237-BD	Bangladesh	UNOPS	F	10.6	31/12/97	1.0	13%	1	62%	0
	Oxbow Lakes Small-Scale Fishermen Project									
Sub-total	3 projects			18.5		1.2	18%	1.0	60%	86

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Closed Projects During 1997

Project ID	Country/ Project Name	Cooperating Institution	Type of Financing	Approval to Effectiveness (months)	Project Closing Date	Years Extended	% Time Overrun	No. of Extensions	Percentage Disbursed (31/12/97)	No. of Days Suspended
Irrigation										
452-GM	Gambia, The Small-Scale Water Control Project	UNOPS	F	12.4	30/06/97	0.0	0%	0	93%	0
455-TZ	Tanzania, United Rep. Smallholder Development Project for Marginal Areas	UNOPS	E	10.0	31/12/97	1.5	24%	2	56%	0
Sub-total	2 projects			11.2		0.8	11%	1.0	64%	0
Marketing/Storage/Processing										
263-GQ	Equatorial Guinea Crop Diversification and Agricultural Services Project	UNOPS	C	10.0	30/06/97	0.5	8%	1	55%	937
Sub-total	1 project			10.0		0.5	8%	1.0	55%	937
Programme Loan										
498-BA	Bosnia and Herzegovina Farm Reconstruction Project - Re-stocking Activities	IDA	C	1.0	31/12/97	-1.0	-37%	0	100%	16
Sub-total	1 project			1.0		-1.0	-37%	0.0	100%	16
TOTAL	26 projects		Average	15.2		2.0	30%	1.8	73%	208

Notes:

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IFAD's COOPERATING INSTITUTIONS

AfDB	African Development Bank
AsDB	Asian Development Bank
AFESD	Arab Fund for Economic and Social Development
BCIE	Central American Bank of Economic Integration
BOAD	West African Development Bank
CAF	Andean Development Corporation
CDB	Caribbean Development Bank
IBRD*	International Bank for Reconstruction and Development
IDA*	International Development Association
IDB	Inter-American Development Bank
UNOPS	United Nations Office for Project Services

* IBRD and IDA are part of the World Bank Group.

Project Portfolio at End-1997

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Project ID	Country	Project/Programme Name	Board Approval Date	IFAD Loan (SDR m)	Amount Disbursed (SDR m)	Percentage Disbursed (31/12/97)	Last Closing Date
Africa I							
289-BJ	Benin	Second Atacora Rural Development Project	11/12/91	6.25	4.58	73%	31/12/99
488-BJ	Benin	Income-Generating Activities Project	06/12/95	8.05	0.25	3%	30/06/04
369-BF	Burkina Faso	Special Programme for Soil and Water Conservation - Phase II	05/12/94	11.85	2.71	23%	31/12/02
456-CV	Cape Verde	Community-based Agricultural and Livestock Development Project	01/10/90	4.10	1.70	41%	31/12/98
245-CF	Central African Republic	Bouca Rural Development Project	05/12/89	7.65	6.07	79%	30/06/98
290-CF	Central African Republic	Savannah Food Crops Rural Development Project	11/12/91	8.45	3.30	39%	31/12/00
361-CF	Central African Republic	Livestock Development and Rangeland Management Project	06/09/94	3.40	1.05	31%	30/06/00
460-TD	Chad	Food Security Project in the Northern Guéra Region	11/12/91	7.95	2.95	37%	31/12/99
469-TD	Chad	Ouadis of Kanem Agricultural Development Project	20/04/94	4.10	1.83	45%	31/12/01
272-CG	Congo	Marketing and Local Initiatives Project	12/12/90	6.10	0.83	14%	31/12/97
284-CI	Côte d'Ivoire	Rural Development Project in the North East	04/04/91	10.35	1.97	19%	31/12/98
337-CI	Côte d'Ivoire	National Agricultural Services Restructuring Project	02/12/93	7.05	0.68	10%	31/12/99
513-CI	Côte d'Ivoire	Marketing and Local Initiatives Support Project	11/09/96	7.25	0.00	0%	30/09/04
358-GQ	Equatorial Guinea	Peasant Production and Marketing Promotion Project	20/04/94	3.15	1.49	47%	31/12/02
246-GA	Gabon	Smallholder Support Project	05/12/89	7.05	4.09	58%	31/12/97
312-GM	Gambia, The	Agricultural Services Project	02/12/92	2.55	1.90	74%	30/06/99
428-GM	Gambia, The	Lowlands Agricultural Development Programme (LADEP)	12/04/95	3.40	0.19	5%	30/06/04
247-GH	Ghana	Smallholder Credit, Input Supply and Marketing Project	05/12/89	13.05	9.82	75%	31/12/98



Project Portfolio at End-1997

Project ID	Country	Project/Programme Name	Board Approval Date	IFAD Loan (SDR m)	Amount Disbursed (SDR m)	Percentage Disbursed (31/12/97)	Last Closing Date
466-GH	Ghana	Rural Enterprises Project	02/12/93	5.55	1.55	28%	31/03/02
477-GH	Ghana	Upper West Agricultural Development Project	14/09/95	6.75	1.30	19%	30/09/03
313-GN	Guinea	Smallholder Development Project in the Forest Region	02/12/92	9.85	4.84	49%	31/03/00
478-GN	Guinea	Smallholder Development Project in North Lower Guinea	14/09/95	10.20	0.84	8%	31/12/04
446-ML	Mali	Kidal Food and Income Security Programme	30/11/88	7.55	3.39	45%	31/12/97
278-ML	Mali	Village Development Fund Programme - Phase II	13/12/90	9.20	4.54	49%	30/06/98
367-ML	Mali	Income Diversification Programme in the Mali Sud Area	05/12/94	10.10	0.67	7%	30/06/03
497-ML	Mali	Zone Lacustre Development Project - Phase II	17/04/96	8.65	0.45	5%	30/06/04
462-MR	Mauritania	Banc d'Arguin Protected Area Management Project	15/04/92	1.20	0.60	50%	30/06/99
318-MR	Mauritania	Maghama Improved Flood Recession Farming Project	03/12/92	7.45	1.79	24%	30/04/00
471-MR	Mauritania	Oasis Development Project - Phase II	06/09/94	5.40	2.28	42%	30/06/02
292-NE	Niger	Aguié Rural Development Project	11/12/91	8.25	3.72	45%	30/06/99
273-NG	Nigeria	Katsina State Agricultural and Community Development Project	12/12/90	8.55	4.57	53%	30/06/99
307-NG	Nigeria	Sokoto State Agricultural and Community Development Project	08/09/92	6.50	3.45	53%	30/06/01
340-ST	Sao Tome and Principe	National Smallholders Support Programme	02/12/93	1.50	0.54	36%	30/06/01
447-SN	Senegal	Agro-Forestry Development Project	30/11/88	8.30	6.86	83%	30/06/98
450-SN	Senegal	Second Small Rural Operations Project	13/09/89	5.10	2.28	45%	30/06/98
461-SN	Senegal	Agricultural Development Project in Matam	11/12/91	11.70	5.99	51%	31/12/99



Project Portfolio at End-1997

Project ID	Country	Project/Programme Name	Board Approval Date	IFAD Loan (SDR m)	Amount Disbursed (SDR m)	Percentage Disbursed (31/12/97)	Last Closing Date
315-SN	Senegal	Village Organization and Management Project	02/12/92	5.80	2.49	43%	31/12/97
491-SN	Senegal	Rural Micro-enterprises Project	06/12/95	5.00	0.29	6%	31/03/03
308-SL	Sierra Leone	North-central Agricultural Development Project	09/09/92	10.25	5.42	53%	31/12/00
213-TG	Togo	National Small Livestock Project	02/12/87	4.90	3.47	71%	15/04/98
262-TG	Togo	Support to Village Groups in the Eastern Savannah Region Project	19/04/90	6.85	1.18	17%	31/12/99
490-TG	Togo	Village Organization and Development Project	06/12/95	5.10	0.38	7%	31/03/03
Total Africa I		42 projects		291.45	108.27	37%	

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Project Portfolio at End-1997

Project ID	Country	Project/Programme Name	Board Approval Date	IFAD Loan (SDR m)	Amount Disbursed (SDR m)	Percentage Disbursed (31/12/97)	Last Closing Date
Africa II							
492-AO	Angola	Northern Region Foodcrops Development Project	07/12/95	9.00	0.85	9%	31/12/03
229-BI	Burundi	Bututsi Agro-Pastoral Development Project	29/11/88	6.70	1.75	26%	31/12/97
463-BI	Burundi	Ruyigi Rural Resources Management Project	15/09/93	5.05	1.12	22%	30/06/03
291-KM	Comoros	Nioumakélé Small Producers Support Project	11/12/91	2.95	1.57	53%	31/12/98
470-KM	Comoros	Support to Economic Grass Roots Initiatives Project	06/09/94	2.45	0.66	27%	31/12/02
365-ER	Eritrea	Eastern Lowlands Wadi Development Project	05/12/94	8.55	1.31	15%	30/06/01
342-ET	Ethiopia	Southern Region Cooperatives Development and Credit Project	02/12/93	12.60	2.99	24%	06/07/01
515-ET	Ethiopia	Informal Seed Component of the Seed Systems Development Project	11/09/96	4.60	0.37	8%	30/06/01
458-KE	Kenya	Coast Arid and Semi arid Lands Development Project	12/12/90	11.00	3.65	33%	31/12/99
467-KE	Kenya	Eastern Province Horticulture and Traditional Food Crops Project	02/12/93	7.90	0.53	7%	31/12/02
366-KE	Kenya	Western Kenya District-based Agricultural Development Project	05/12/94	7.95	0.51	6%	31/12/03
516-KE	Kenya	Second National Agricultural Extension Project	11/09/96	6.40	0.73	11%	31/03/98
445-LS	Lesotho	Soil and Water Conservation and Agroforestry Programme	14/09/88	6.00	4.46	74%	30/06/98
468-LS	Lesotho	Rural Finance and Enterprise Support Project	02/12/93	2.95	0.87	30%	31/03/03
286-MG	Madagascar	Midwest Development Support Project	04/09/91	8.25	3.79	46%	31/12/99
429-MG	Madagascar	Upper Mandrare Basin Development Project	12/04/95	4.65	1.03	22%	30/06/01



Project Portfolio at End-1997

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Project ID	Country	Project/Programme Name	Board Approval Date	IFAD Loan (SDR m)	Amount Disbursed (SDR m)	Percentage Disbursed (31/12/97)	Last Closing Date
499-MG	Madagascar	North-East Agricultural Improvement and Development Project	17/04/96	8.05	0.00	0%	30/06/03
464-MW	Malawi	Agricultural Services Project: Smallholder Food Security Sub-project	15/09/93	9.35	3.56	38%	31/03/00
338-MW	Malawi	Rural Financial Services Project: Mudzi Financial Services Sub-project	02/12/93	8.65	1.51	17%	31/03/01
334-MZ	Mozambique	Nampula Artisanal Fisheries Project	15/09/93	4.35	1.35	31%	30/06/01
359-MZ	Mozambique	Niassa Agricultural Development Project	20/04/94	8.80	0.75	9%	30/06/03
362-NA	Namibia	Northern Regions Livestock Development Project	06/09/94	4.20	1.65	39%	31/12/02
150-RW	Rwanda	Birunga Maize Project	11/09/84	3.75	2.83	75%	31/12/97
232-RW	Rwanda	Gikongoro Agricultural Development Project	30/11/88	8.35	4.67	56%	31/12/97
264-RW	Rwanda	Byumba Agricultural Development Project - Phase II	01/10/90	6.35	2.24	35%	31/05/01
314-RW	Rwanda	Intensified Land Use Management Project in the Buberuka Highlands	02/12/92	6.75	0.63	9%	30/06/02
323-SZ	Swaziland	Smallholder Agricultural Development Project	06/04/93	5.10	1.30	26%	30/09/01
324-TZ	Tanzania, United Rep. of	Southern Highlands Extension and Rural Financial Services Project	06/04/93	11.50	6.96	61%	31/12/99
489-TZ	Tanzania, United Rep. of	Mara Region Farmers' Initiative Project	06/12/95	9.65	1.44	15%	30/06/03
1006-TZ	Tanzania, United Rep. of	Agricultural and Environmental Management Project	04/12/96	10.30	0.73	7%	31/12/03
316-UG	Uganda	Smallholders Cotton Rehabilitation Project	02/12/92	7.15	6.47	91%	31/01/98
360-UG	Uganda	Cotton Sub-sector Development Project	20/04/94	8.95	2.70	30%	31/12/99
293-ZM	Zambia	Northwestern Province Area Development Project - Phase II	11/12/91	12.00	8.98	75%	30/06/00
368-ZM	Zambia	Southern Province Household Food Security Programme	05/12/94	10.40	3.80	37%	31/12/01
430-ZM	Zambia	Smallholder Irrigation and Water Use Programme	12/04/95	4.30	0.56	13%	31/12/00
341-ZW	Zimbabwe	Smallholder Dry Areas Resource Management Project	02/12/93	10.00	0.55	5%	31/12/01
Total Africa II				264.95	78.88	30%	



Project Portfolio at End-1997

Project ID	Country	Project/Programme Name	Board Approval Date	IFAD Loan (SDR m)	Amount Disbursed (SDR m)	Percentage Disbursed (31/12/97)	Last Closing Date
Asia and the Pacific							
280-BD	Bangladesh	Smallholder Livestock Development Project	04/04/91	7.65	5.27	69%	30/06/98
287-BD	Bangladesh	Special Assistance Project for Cyclone Affected Rural Households	04/09/91	11.55	7.34	64%	30/06/98
343-BD	Bangladesh	Netrakona Integrated Agricultural Production and Water Management Project	02/12/93	6.40	4.04	63%	30/06/01
431-BD	Bangladesh	Employment-Generation Project for the Rural Poor	12/04/95	9.95	1.44	14%	30/06/01
480-BD	Bangladesh	Small-scale Water Resources Development Sector Project	06/12/95	7.00	0.96	14%	31/12/02
1029-BD	Bangladesh	Agricultural Diversification and Intensification Project	29/04/97	13.65	0.00	0%	31/12/04
299-BT	Bhutan	First Eastern Zone Agricultural Project	14/04/92	2.90	1.96	67%	30/06/98
517-KH	Cambodia	Agriculture Productivity Improvement Project	11/09/96	3.30	0.07	2%	30/06/02
281-CN	China	Shanxi Integrated Agricultural Development Project	04/04/91	17.85	17.24	97%	30/06/98
300-CN	China	Jilin Low-lying Land Development Project	14/04/92	20.00	20.00	100%	30/06/98
335-CN	China	Yunnan-Simao Minorities Area Agricultural Development Project	15/09/93	18.40	13.77	75%	31/12/00
364-CN	China	Qinghai/Hainan Prefecture Agricultural Development Project	05/12/94	13.50	9.78	72%	30/06/01
484-CN	China	Jiangxi/Ganzhou Integrated Agricultural Development Project	06/12/95	15.95	7.70	48%	30/06/01
523-CN	China	Northeast Sichuan and Qinghai/Haidong Integrated Agricultural Development Project	11/09/96	19.10	2.22	12%	31/12/02
1048-CN	China	Southwest Anhui Integrated Agricultural Development Project	11/09/97	19.10	0.00	0%	30/06/03
240-IN	India	Tamil Nadu Women's Development Project	26/04/89	13.15	9.76	74%	31/12/98



Project Portfolio at End-1997

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Project ID	Country	Project/Programme Name	Board Approval Date	IFAD Loan (SDR m)	Amount Disbursed (SDR m)	Percentage Disbursed (31/12/97)	Last Closing Date
282-IN	India	Andhra Pradesh Tribal Development Project	04/04/91	14.05	7.98	57%	31/03/99
325-IN	India	Maharashtra Rural Credit Project	06/04/93	21.25	4.05	19%	30/09/00
349-IN	India	Andhra Pradesh Participatory Tribal Development Project	19/04/94	18.95	4.16	22%	31/03/02
432-IN	India	Mewat Area Development Project	12/04/95	9.65	1.13	12%	31/12/03
215-ID	Indonesia	Income-Generating Project for Marginal Farmers and Landless	03/12/87	10.60	9.98	94%	31/03/98
255-ID	Indonesia	East Java Rainfed Agriculture Project	19/04/90	15.40	11.22	73%	31/12/98
301-ID	Indonesia	South Sumatera Smallholder Tree Crops Development Project	14/04/92	14.45	4.33	30%	31/03/01
350-ID	Indonesia	Eastern Islands Smallholder Cashew Development Project	19/04/94	18.45	3.66	20%	30/09/02
44 485-ID	Indonesia	Eastern Islands Smallholder Farming Systems and Livestock Development Project	06/12/95	12.05	1.41	12%	31/03/04
487-KP	Korea, D.P.R.	Sericulture Development Project	06/12/95	10.45	2.48	24%	30/06/02
1064-KP	Korea, D.P.R.	Crop and Livestock Rehabilitation Project	04/12/97	20.90	0.00	0%	31/12/03
479-KG	Kyrgyzstan	Sheep Development Project	14/09/95	2.35	0.40	17%	30/06/01
256-LA	Laos	Xieng Khouang Agricultural Development Project	19/04/90	4.10	2.27	55%	31/12/98
351-LA	Laos	Bokeo Food Security Project	19/04/94	2.95	0.87	29%	30/09/02
472-MV	Maldives	Southern Atolls Development Project	13/09/95	1.90	0.22	12%	30/06/02
502-MN	Mongolia	Arhangai Rural Poverty Alleviation Project	17/04/96	3.45	0.21	6%	31/12/03
250-NP	Nepal	Hills Leasehold Forestry and Forage Development Project	07/12/89	10.00	0.90	9%	14/07/00
352-NP	Nepal	Groundwater Irrigation and Flood Rehabilitation Project	19/04/94	7.00	2.65	38%	31/12/01
234-PK	Pakistan	Punjab Smallholder Dairy Development Project	30/11/88	12.05	4.73	39%	30/06/98
257-PK	Pakistan	Second Barani Area Development Project	19/04/90	15.20	9.54	63%	30/06/98



Project Portfolio at End-1997

Project ID	Country	Project/Programme Name	Board Approval Date	IFAD Loan (SDR m)	Amount Disbursed (SDR m)	Percentage Disbursed (31/12/97)	Last Closing Date
288-PK	Pakistan	Neelum and Jhelum Valleys Community Development Project	04/09/91	11.90	5.09	43%	30/06/99
319-PK	Pakistan	Mansehra Village Support Project	03/12/92	10.35	3.72	36%	31/12/00
353-PK	Pakistan	Pat Feeder Command Area Development Project	19/04/94	20.25	5.78	29%	31/12/01
524-PK	Pakistan	Dir Area Support Project	11/09/96	11.35	1.10	10%	30/09/04
326-PG	Papua New Guinea	North Simbu Rural Development Project	06/04/93	4.35	1.35	31%	31/12/99
302-PH	Philippines	Visayas Communal Irrigation and Participatory Project	14/04/92	11.00	8.22	75%	31/12/98
486-PH	Philippines	Cordillera Highland Agricultural Resource Management Project	06/12/95	6.15	0.74	12%	30/09/03
505-PH	Philippines	Rural Micro-Enterprise Finance Project	18/04/96	10.15	1.05	10%	01/03/02
224-SB	Solomon Islands	Rural Financial Services Project	15/09/88	1.15	0.65	56%	31/12/99
283-LK	Sri Lanka	Second Badulla Integrated Rural Development Project	04/04/91	9.90	2.35	24%	31/12/99
309-LK	Sri Lanka	North-western Province Dry Zone Participatory Development Project	09/09/92	6.15	2.00	32%	30/06/01
473-LK	Sri Lanka	North-Central Province Participatory Rural Development Project	13/09/95	5.45	0.86	16%	31/12/03
327-TO	Tonga	Outer Islands Credit Project	06/04/93	2.20	1.83	83%	30/06/99
328-VN	Viet Nam	Participatory Resource Management Project - Tuyen Quang Province	06/04/93	13.35	6.15	46%	31/12/01
1007-VN	Viet Nam	Agricultural Resources Conservation and Development Project in Quang Binh Province	04/12/96	10.05	1.11	11%	30/06/02
Total Asia and the Pacific		51 projects		558.40	215.74	39%	

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Project Portfolio at End-1997

Project ID	Country	Project/Programme Name	Board Approval Date	IFAD Loan (SDR m)	Amount Disbursed (SDR m)	Percentage Disbursed (31/12/97)	Last Closing Date
Latin America and the Caribbean							
218-BO	Bolivia	Chuquisaca South Rural Development Project	03/12/87	4.20	3.77	90%	31/12/98
266-BO	Bolivia	Consolidation and Development of Smallholder Settlements in the Department of Santa Cruz Project	02/10/90	8.70	8.22	95%	30/06/98
354-BO	Bolivia	Camelid Producers Development Project in the Andean High Plateau	20/04/94	5.45	1.49	27%	30/09/03
373-BO	Bolivia	Sustainable Development Project by Beni Indigenous People	06/12/94	4.30	0.78	18%	30/06/03
344-BR	Brazil	Low-income Family Support Project in the Semi-arid Region of Sergipe State	02/12/93	12.90	3.27	25%	30/06/02
493-BR	Brazil	Community Development Project for the Rio Gaviao Region	07/12/95	13.50	1.50	11%	30/06/03
427-CL	Chile	Agricultural Development Project for Peasant Communities and Smallholders of the Fourth Region	06/12/94	5.50	0.80	15%	30/06/04
520-CO	Colombia	Rural Micro-enterprise Development Programme	11/09/96	11.00	0.74	7%	30/06/03
503-DM	Dominica	Rural Enterprise Project	17/04/96	1.80	0.29	16%	31/12/02
345-DO	Dominican Republic	Agricultural Development Project in San Juan de la Maguana	02/12/93	4.25	0.00	0%	30/06/01
275-EC	Ecuador	Upper Basin of the Cañar River Rural Development Project	12/12/90	4.85	2.45	50%	30/06/99
321-EC	Ecuador	Saraguro-Yacuambi Rural Development Project	03/12/92	8.15	1.99	24%	31/12/99
267-SV	El Salvador	Smallholders' Agricultural Development Project in the Paracentral Region	02/10/90	6.50	4.32	66%	31/03/98
322-SV	El Salvador	Rehabilitation and Development Project for War-torn Areas in the Department of Chalatenango	03/12/92	9.25	4.18	45%	30/06/00



Project Portfolio at End-1997

Project ID	Country	Project/Programme Name	Board Approval Date	IFAD Loan (SDR m)	Amount Disbursed (SDR m)	Percentage Disbursed (31/12/97)	Last Closing Date
251-GT	Guatemala	Zacapa-Chiquimula Smallholders' Rural Development Project	07/12/89	5.30	4.71	89%	30/06/98
296-GT	Guatemala	Cuchumatanes Highlands Rural Development Project	11/12/91	5.50	2.85	52%	30/06/00
241-HT	Haiti	Small-Scale Irrigation Schemes Rehabilitation Project	26/04/89	8.20	0.88	11%	30/06/97
336-HN	Honduras	Agricultural Development Programme for the Western Region (PLANDERO)	15/09/93	5.50	1.50	27%	30/06/00
294-JM	Jamaica	Rural Financial Services Project	11/12/91	2.95	0.20	7%	30/06/00
270-MX	Mexico	Development Project for Marginal Rural Communities in the Ixtlera Region	03/10/90	21.65	12.74	59%	31/03/00
303-MX	Mexico	Rural Development Project for the Indigenous Communities of the State of Puebla	15/04/92	18.25	4.16	23%	31/12/98
494-MX	Mexico	Rural Development Project of the Mayan Communities in the Yucatan Peninsula	07/12/95	6.95	0.00	0%	30/06/02
346-NI	Nicaragua	Project for the Capitalization of Small Farmers in the Tropisec Area of the Segovias - Region I (TROPISEC)	02/12/93	8.25	1.95	24%	30/06/01
495-NI	Nicaragua	Rural Development Project for the Southern Pacific Dry Region	07/12/95	8.25	0.73	9%	31/12/02
331-PA	Panama	Rural Development Project for Ngobe Communities	07/04/93	5.75	1.80	31%	30/06/00
474-PA	Panama	Sustainable Agricultural Development and Environmental Protection Project for the Darien	14/09/95	5.35	0.56	10%	31/03/03
310-PY	Paraguay	Peasant Development Fund Project - North-eastern Region of Paraguay	09/09/92	8.50	4.03	47%	31/12/99
496-PY	Paraguay	Peasant Development Fund Credit Project - Eastern Region of Paraguay	07/12/95	6.65	0.69	10%	30/06/02
297-PE	Peru	Promotion of Technology Transfer Project to Peasant Communities in the Highlands	12/12/91	11.65	8.50	73%	31/07/99



Project Portfolio at End-1997

Project ID	Country	Project/Programme Name	Board Approval Date	IFAD Loan (SDR m)	Amount Disbursed (SDR m)	Percentage Disbursed (31/12/97)	Last Closing Date
475-PE	Peru	Management of Natural Resources in the Southern Highlands Project	14/09/95	8.25	0.73	9%	31/12/03
504-LC	Saint Lucia	Rural Enterprise Project	17/04/96	1.55	0.21	14%	31/03/03
295-VC	St Vincent - Grenadines	Smallholder Crop Improvement and Marketing Project	11/12/91	1.65	0.70	42%	30/06/00
332-UY	Uruguay	National Smallholder Support Project	07/04/93	8.55	5.51	64%	31/12/00
222-VE	Venezuela	Sucre Support Project for Small Producers	28/04/88	7.80	6.70	86%	30/11/97
279-VE	Venezuela	Support Project for Small Producers in the Semi-arid Zones of Falcon and Lara States	04/04/91	11.35	3.15	28%	30/09/99
Total Latin America and the Caribbean		35 projects		268.20	96.08	36%	

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Project Portfolio at End-1997

Project ID	Country	Project/Programme Name	Board Approval Date	IFAD Loan (SDR m)	Amount Disbursed (SDR m)	Percentage Disbursed (31/12/97)	Last Closing Date
Near East and North Africa							
347-AL	Albania	Northeastern Districts Rural Development Project	02/12/93	8.35	2.96	35%	31/12/00
372-AL	Albania	Small-scale Irrigation Rehabilitation Project	06/12/94	6.10	0.91	15%	31/12/01
226-DZ	Algeria	Pilot Project in Algeria and Tunisia for the Integrated Rural Development of the Mellegue Watershed	15/09/88	10.90	3.00	28%	30/06/98
276-DZ	Algeria	Artisanal Fisheries Pilot Development Project	12/12/90	8.10	1.82	23%	31/12/97
433-AM	Armenia	Irrigation Rehabilitation Project	12/04/95	5.40	1.16	22%	30/06/99
1033-AZ	Azerbaijan	Farm Privatization Project	29/04/97	6.45	0.00	0%	30/06/02
114-EG	Egypt	Minya Agricultural Development Project	09/12/82	23.55	21.13	90%	30/06/98
306-EG	Egypt	Newlands Agricultural Services Project	15/04/92	18.30	6.37	35%	30/06/00
355-EG	Egypt	Agricultural Production Intensification Project	20/04/94	14.45	4.96	34%	30/06/02
1035-GE	Georgia	Agricultural Development Project	30/04/97	4.70	0.00	0%	31/12/02
329-JO	Jordan	Income Diversification Project	06/04/93	7.30	1.80	25%	31/12/01
481-JO	Jordan	Agricultural Resource Management Project in the Governorates of Karak & Tafilat	06/12/95	8.70	0.84	10%	30/06/03
305-LB	Lebanon	Smallholder Livestock Rehabilitation Project	15/04/92	7.30	2.35	32%	31/12/99
370-LB	Lebanon	Irrigation Rehabilitation and Modernization Project	05/12/94	6.70	0.37	6%	31/12/01
522-MK	Macedonia	Southern and Eastern Regions Rural Rehabilitation Project	11/09/96	5.65	0.00	0%	31/12/01
260-MA	Morocco	Livestock and Pasture Development Project in the Eastern Region	19/04/90	10.85	1.99	18%	31/12/99
356-MA	Morocco	Tafilalet and Dades Rural Development Project	20/04/94	15.90	3.74	23%	30/06/02
459-SD	Sudan	Northern Province Irrigation Rehabilitation Project	03/12/86	8.05	5.27	65%	30/06/98



Project Portfolio at End-1997

ANNEX IV

INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT



Project ID	Country	Project/Programme Name	Board Approval Date	IFAD Loan (SDR m)	Amount Disbursed (SDR m)	Percentage Disbursed (31/12/97)	Last Closing Date
448-SD	Sudan	En Nahud Cooperative Credit Project	30/11/88	6.55	5.42	83%	31/12/98
268-SD	Sudan	Southern Roseires Agricultural Development Project	02/10/90	7.50	6.00	80%	31/03/00
304-SD	Sudan	Northern Province Irrigation Rehabilitation Project - Phase II	15/04/92	8.70	4.15	48%	31/12/98
465-SD	Sudan	White Nile Agricultural Services Project	15/09/93	7.60	3.81	50%	31/12/01
311-SY	Syria	Southern Regional Agricultural Development Project - Phase II	09/09/92	12.60	3.13	25%	31/12/01
363-SY	Syria	Jebel al Hoss Agricultural Development Project	06/09/94	8.25	0.02	0%	31/12/02
482-SY	Syria	Coastal/Midlands Agricultural Development Project	06/12/95	13.65	0.72	5%	31/12/03
227-TN	Tunisia	Pilot Project in Algeria and Tunisia for the Integrated Rural Development of the Mellegue Watershed	15/09/88	9.30	5.26	57%	31/12/98
298-TN	Tunisia	Sidi M'Hadheb Agricultural and Fisheries Development Project	12/12/91	8.70	6.37	73%	30/06/99
348-TN	Tunisia	Integrated Agricultural Development Project in the Governorate of Kairouan	02/12/93	9.00	1.79	20%	30/06/01
483-TN	Tunisia	Integrated Agricultural Development Project in the Governorate of Siliana	06/12/95	7.55	0.61	8%	31/12/03
243-TR	Turkey	Bingöl-Mus Rural Development Project	14/09/89	15.50	6.87	44%	31/12/97
277-TR	Turkey	Yozgat Rural Development Project	13/12/90	11.50	4.61	40%	30/06/99
476-TR	Turkey	Ordu-Giresun Rural Development Project	14/09/95	13.40	0.00	0%	31/12/03
228-YE	Yemen	Eastern Regional Agricultural Development Project	15/09/88	8.10	5.14	63%	30/06/98
253-YE	Yemen	Agricultural Credit Project	07/12/89	11.75	7.25	62%	30/06/98
269-YE	Yemen	Fourth Fisheries Development Project	02/10/90	5.00	1.99	40%	30/06/98
330-YE	Yemen	Tihama Environment Protection Project	07/04/93	7.05	0.61	9%	01/07/01
Total Near East and North Africa		36 projects		348.45	122.41	35%	
TOTAL		200 projects		1 731.45	621.37	36%	



REPORT ON THE PROJECT CONTROLLER PORTFOLIO REVIEW IN AFRICA I DIVISION

September 1997

I. INTRODUCTION

Background

1. Planning for the Africa I (PA) project controller portfolio review (PCPR) process was initiated in mid-1996 at the request of the division director, who believed that a more structured approach to portfolio management was required. It was felt that such an exercise could lead to improved project design, implementation and evaluation over time; and that, PA were to provide a consistent and concise format to the CIs, it would help focus on the most important issues during supervision missions, and give the project controller a solid basis for reporting to management on CI performance. In addition, in the event certain elements of the form were especially difficult to fill out, project design or implementation might prove to be flawed and therefore remedies could be sought.

2. While most project controllers appeared to have a good grasp on their individual portfolios, with over 50 ongoing projects in 20 countries, a systematic process for ensuring timely and appropriate decision-making and for acquiring a degree of institutional memory was needed when project controller country assignments changed. Between December 1996 and June 1997, portfolio review meetings were held with nine project controllers. At the end of the first round of PCPRs, it was decided to produce the present synthesis report .

II. OBJECTIVES, GUIDING PRINCIPLES AND MAIN ELEMENTS OF THE SYSTEM

Objectives of the PCPR

3. The overall objective of PA's PCPR process is to improve the division's portfolio management and project performance. The specific objectives are to:

- serve as an early warning system for identifying critical issues calling for special attention on the part of the division director and/or at higher levels;
- provide project controllers and the division director with an overview of ongoing project and loan status;
- serve as a mechanism for monitoring CIs by providing them with more explicit guidance on the division's expectations; and
- in the long run, enhance project design quality and reduce the number of problem projects in the portfolio.



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Guiding Principles

4. A number of guiding principles drive the approach adopted for designing the PCPR process. These include:

- **Concision.** If they are to serve as effective management tools at levels higher than the project controller, forms must be short, to the point, and with sections in logical order. Certain indicators (primarily ratings and financial data) should be appropriate for easy aggregation in spreadsheet format.
- **Impact assessment.** The ideas of explicitly separating progress on achieving development objectives from progress in implementation and of requesting a justification for the rating on the achievement of development objectives are crucial. This serves to focus project controller attention on project impact, the tendency often being to concentrate instead on the attainment of physical targets and administrative and financial issues.
- **Consistency.** The project status report (PSR) needs to be consistent, meaning that ratings in one section are adequately supported by text elsewhere and that the actions to be taken are consistent with the implementation problems identified.
- **Regular updating.** Regular review between the division director and the project controller(s) is required to ensure that the PA form is regularly filled out and that it accurately reflects the progress being made.

Major Elements of the PCPR Process

5. The PCPR process comprises three main elements, as follows:

- **The Project Status Report (PSR).** The project controllers fill out a PSR for each effective project under their responsibility (including suspended projects) at the time of the PCPR review meeting. The PSR has five sections: basic background and financial information; presentation of project development objectives; activities and implementation progress; assessment of CI performance; and recommendations for follow-up of key issues requiring inputs from IFAD management.
- **PCPR Meeting.** The meeting revolves around the PSR forms, and its purpose is to: hold discussions with the project controller concerned regarding project and country-specific issues for his/her portfolio that require action on the part of the division director and at higher levels; evaluate the effectiveness of the measures taken/instruments applied; and evaluate trends in individual project performance (extent to which project development objectives are met; implementation; disbursement rate; supervision; possible arrears situation; prospects for performance improvement and pipeline development, etc.). PCPR meetings are held annually and separately for each project controller. Participants include the PA division director, regional economist (RE), associate professional officer (APO), project controller concerned, and representatives of the Controller's Office (VC) and Legal Services (OL), as appropriate. Minutes are prepared after each meeting. The project controller is responsible for incorporating changes in the PSRs, as decided during the PCPR meeting.



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- **Division Review.** Once a full PCPR round has been completed and a draft synthesis report produced by the RE and APO, meetings will be held to assess the division's overall portfolio performance, with representatives from VC and OL. This includes analysing division-wide issues highlighted in the synthesis report, and discussing strategic approaches, other issues of common interest and problem projects in particular. The first such meeting was to discuss the present report early in the autumn of 1997.



ANNEX V

For Internal PA use only

PROJECT STATUS REPORT

A. Project Basic Data, Objectives and Components

COUNTRY: Project Name (to be overwritten)		Loan No.	
Date of Update:		Cofinancier(s):	Cooperating Institution:
		Date of loan amendment:	Contact person:
Approval:		Original loan closing date:	No. of supervision missions (incl. last):
Agreement:		Extended loan closing date:	Date of last supervision mission:
Effectiveness:		No. of extensions:	Date of last audit:
Total costs (USD m):		Loan amount - Reg. (SDR m):	IFAD loan disbursement rate:
IFAD loan (USD m):		Loan amount - SPA (SDR m):	Main cofinancier's disbursement rate:
IFAD grant & type (USD m):		Grant amount (SDR m):	
Borrower (USD m):			Number of suspensions:
Beneficiaries (USD m):		Lending terms:	Date of MTR; MTE; IE:
Cofinancier (USD m): -			
Project development objectives: (source: President's Report or other appropriate source)			
Project components: (source: President's Report or other appropriate source)			

B. Project Performance Evaluation:

Implementation progress:	
Project controller's assessment of specific implementation progress indicators (satisfactory - improving - unsatisfactory or yes/no).	
1. Compliance with loan covenants (y/n):	9. Timeliness of reporting:
2. Availability of counterpart funds:	10. Regular submission of AWP/B (y/n):
3. Compliance with procurement procedures:	11. Coherence between AWP/B and implementation:
4. Procurement progress:	12. Timely submission of the last annual audit report (y/n):
5. Achievement of physical targets:	13. Quality of audit:
6. Technical assistance progress:	14. Quality of accounts:
7. Performance of the evaluation system:	15. Project management performance:
8. Time overrun (y/n):	16. Acceptable disbursement rate (y/n)
Comments on implementation progress (mandatory for criteria rated unsatisfactory or improving):	
Project development objectives:	
Project controller's assessment of progress achieved in meeting the project development objectives listed in Section A. A separate evaluation is required for each development objective:	



Project controller's overall assessment of project performance:

(A) Problem-free; (B) Minor problems; (C) Major problems but improving; (D) Major problems and not improving

C. Cooperating Institution Performance Evaluation

Performance indicators: (satisfactory - improving - unsatisfactory)

1. Frequency of supervision:

4. Loan administration:

2. Quality of supervision:

5. Compliance with letter of appointment:

3. Timeliness of approvals:

Other issues/comments related to cooperating institution performance:

Project controller's overall assessment of cooperating institution performance:

(A) CI with minor/no problems; (B) CI with moderate problems that are being dealt with; (C) CI with major problems that require intervention at a higher level



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D. Follow-up on Previous PCPR

Agreed upon follow-up from previous PCPR:	Action taken:

E. Follow-up Recommendations

Specific issues/problems:	Recommendations and name of person who will follow up: