



IFAD
INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT
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PLANNED PROJECT ACTIVITIES

1998-99

Since document EB 98/63/R.27 was despatched to Executive Board Directors, three additional projects have reached a sufficiently advanced stage to warrant inclusion in the Annex A portion of the document. The relevant project summaries are attached.



Region: Africa II	Country: Ethiopia
Project Name: Agricultural Research and Training	Per caput GNP¹: 100
Project Cost (USD million): 90.6	Population (million)¹: 56.4
IFAD Loan (USD million): To be determined	Leading External Financier²: World Bank
Proposed Terms: Highly concessional	Cofinancier: IFAD
Present Status: Under appraisal	Appraising Institution and Loan Administrator: World Bank/IFAD and World Bank

Project Objectives

Recognizing the importance of enhancing agricultural productivity and household food security in Ethiopia, the overall objective of the proposed project will be to support sustained generation and enhancement of ecologically sound technology for crop and livestock production systems and natural resource management. To this end, the project will assist in strengthening and improving the Ethiopian agricultural research system, including its infrastructure and human resource capacity, and making the system more responsive to farmers' needs and priorities. Specifically, the project will seek to: (i) make the newly created apex national organization for research (the Ethiopian Agricultural Research Organization (EARO)) fully functional to ensure better direction and coordination of research efforts; (ii) build participatory approaches in a decentralized agricultural research system; (iii) improve the exchange of research information by establishing a management information system (MIS) and the networking of information systems; (iv) foster effective linkages among research, extension and farmers, on the one hand, and among the research centres, domestically and internationally, on the other; (v) rehabilitate and strengthen the existing research infrastructure and extend research coverage to resource-poor farmers in less favourable (drought and famine-prone) environments; (vi) build human resource capacity for agricultural research, while seeking a more active involvement of women in the overall agricultural research effort; and (vii) strengthen the Alemaya University of Agriculture.

Project Beneficiaries

The project expects to provide stability and resilience to the agriculture sector to cope with drought and famine situations, increase national and household food security, raise farmers' incomes and improve the overall family nutrition status among rural households. The principal beneficiary population will be the estimated six million male and female smallholder farmers, mostly with holdings of less than 2 ha each. They constitute an overwhelming majority (about 90%) of the farming population and account for 96% of agricultural production. The project will pay specific attention to agricultural operations handled by women and will facilitate women's entry into the research system. Women farmers are expected to benefit from the generation of improved post-

¹ 1995 data; GNP in United States dollars.

² The external financier who, at the request of the Government, takes the lead in project design, pre-appraisal processing, and mobilizing external resources.



harvest technology and other technologies aimed at improving efficiency and reducing drudgery in those farm operations handled by women, such as weeding.

Project Components

The World Bank-initiated project will support three components, namely, agricultural research management, strengthening of the agricultural research system and human resource development. IFAD's investment within the project will focus on: (i) expanding the network of research centres to ensure adequate coverage of the poorer, marginal agro-ecological zones with the highest density of transitory and chronic rural poverty; (ii) enhancing the focus on and responsiveness of agricultural research to the needs and priorities of the majority of smallholder farmers by establishing and strengthening research-extension-farmer linkages; and (iii) supporting the establishment of an agricultural research fund.

(a) Agricultural Research Management

Support will be provided for: (i) establishment and efficient functioning of EARO, including the rehabilitation and upgrading of office facilities; (ii) modernization and linking up of the entire information and documentation network of the agricultural research system through the establishment of research data and management information systems; (iii) strengthening of research-extension-farmer linkages; and (iv) establishment of an agricultural research fund. Financing will be provided for studies, surveys, and the preparation of operational manuals, policies and procedures to ensure improved coordination of national research efforts; staff training on managerial, technical, financial and accounting aspects of the programmes; organization of workshops and farmers' field days; installation and periodic updating of telecommunications and networking facilities, transport facilities, computers, study tours, technical assistance, etc.

(b) Strengthening of the Agricultural Research System

Financing will be provided for: (i) rehabilitation and upgrading of the research infrastructure at 18 of the existing centres, including provision of housing facilities for research staff and necessary equipment; (ii) establishment of six new research centres to develop technologies for the agro-ecological zones previously not covered, where about 20 million of the poorest segment of the population live; and (iii) introduction of innovative biotechnology research techniques as a contribution to improving research capacity. At the research centre level, effective programme planning and client participation will be ensured by establishing close linkages among research, extension and other stakeholders.

(c) Human Resource Development

The project will strengthen the human resource base, both male and female, of the agricultural research system. Funds will be provided to improve the skills of both academic and research staff through overseas postgraduate higher education, including the recruitment of expatriate professors to substitute for local teaching staff on training abroad, the upgrading of the educational qualifications of scientific staff through local training, and other in-service training programmes for the research staff. The capacity of the agricultural research system will be further supported by upgrading teaching facilities and strengthening the faculty at Alemaya University of Agriculture (AUA) in order to cope with increased enrollment of students in the undergraduate and post-graduate classes.



Project Implementation

This six-year project will be implemented under the overall responsibility of the newly created EARO. Responsibility for actual implementation of various components and sub-components will rest with three agencies, EARO, the research centres, including specialized institutions, and AUA. While implementation and monitoring of various project components will be the responsibility of the respective line departments within EARO, the overall coordination of the project will be the responsibility of EARO's director general (DG), assisted by the department specifically responsible for donor coordination. Overall policy guidance will be provided by the Ethiopian Agricultural Research Board.

Important Features

The project will make the agricultural research system more participatory, demand driven and relevant to the needs of smallholder farmers. It will put mechanisms in place for effective research-extension-farmer linkages at the grass-roots level through representation of farmers in farmer research groups and research/extension liaison committees; the establishment and operation of the agricultural research fund; and participatory rapid appraisals to verify the needs and priorities of smallholder farmers.

Main Issues

No major unresolved issues would remain after completion of appraisal.

Previous IFAD Operations

Ethiopia has received nine loans for eight projects (five IFAD-initiated and three cofinanced) for a total of SDR 78.5 million. One project was financed jointly from Regular Resources and Special Resources for Sub-Saharan Africa (SRS), and one project was financed solely by SRS. Two projects are currently under implementation and one project has yet to be declared effective. A grant has been provided under the Belgian Survival Fund Joint Programme for a total of BEF 316 416 066.



Region: Asia and the Pacific	Country: Pakistan
Project Name: Barani Areas Village Development	Per caput GNP¹: 460
Project Cost (USD million): 29.0	Population (million)¹: 129.9
IFAD Loan (USD million): To be determined	Leading External Financier²: IFAD
Proposed Terms: Highly concessional	Cofinancier: None
Present Status: Formulation completed	Appraising Institution and Loan Administrator: IFAD and United Nations Office for Project Services (UNOPS)

Project Objectives

Rainfed areas in Pakistan are among the poorest regions, with high concentrations of small and landless farmers. They are characterized by a high incidence of poverty and insufficient access to improved production inputs and social services. The overall goal of the proposed project will be to improve food security and livelihood of small farmers and the landless in the ten *tehsils* (subdistricts) of the project area. To achieve this, the project will: (i) boost agricultural production and the income of the population through the development of irrigation in the Potwar Plateau, dissemination of tested technologies for the relatively higher rainfall areas and generation of adapted technologies for the low-rainfall areas; (ii) increase livestock productivity and the coverage of veterinary services; (iii) enhance the status of women through the promotion of income-generating activities that fit with cultural mores and increase employment opportunities for rural people; and (iv) improve the living conditions of the rural population and reduce women's daily drudgery through investment in drinking water supply. The project will fit well with the national strategy being developed by the Government of Pakistan for poverty alleviation through the establishment of an institutional framework for community development.

Project Beneficiaries

The project will be located in two subregions, the Western Potwar Plateau and the Salt Range Zone. The target group will consist of about 350 000 households, representing about 80% of the project area. These are mainly small farmers, landless farm labourers, tenant/sharecropper households and those engaged in rural off-farm occupations. Most households live in poor conditions with frequent crop failures due to unreliable climatic conditions. The project will benefit approximately 35 000 households as a result of agricultural and livestock development, irrigation and soil and water conservation. In addition, a much larger number will benefit from the overall improvement of agricultural services, applied research, water supply and microenterprise and income-generating activities. Women will specifically benefit from water-supply development and income-generating activities. A number of microentrepreneurs will take advantage of the provision of training, support, etc., and the provision of collateral-free credit.



Project Components

(a) Community and Women's Development

The project will support: (i) establishment of about 2 800 cohesive community organizations (COs) in targeted poor villages, with about 50% of them being women's community organizations (WCOs) (A contract will be entered into with a major and well-established NGO(s). Financing will be provided for: the provision of training to group members; the development of credit/savings schemes within the NGO(s); the organization of workshops for community leaders (men and women) to exchange experience, with the participation of agencies involved in the project; community members' visits; and study tours.); and (ii) establishment of a Community Development Fund (CDF) to finance improvements identified and prioritized by the target group (e.g., water supply, sanitation and other small-scale infrastructure).

(b) Agricultural Development

- (i) **Agricultural support services** will be strengthened through: (i) development of technological messages on the basis of existing research results and strengthening of extension activities with the support of adequately trained community extension workers (CEWs); (ii) identification of beneficiary needs through diagnostic surveys, including the contracting of research themes to be tested and evaluated with COs, (iii) establishment of a limited number of small, private nurseries, the planting of social forestry plantations, tree planting at schools and the establishment of demonstration plots for crop cultivation, farming systems and watershed protection measures; (iv) introduction of improved animal production and management practices, animal nutrition and improved animal health, including strengthening of veterinary services; and (v) specific pilot activities for the low-rainfall areas (the Salt Desert), including development of adaptive research and integration of livestock, range management and rainfed production as well as establishment of research substations. The project will finance demonstration plots of proven technologies; equipment for extension and demonstration; the procurement of improved bulls; mobile extension and veterinary units; training; transportation facilities; studies; incremental salaries and operating costs.
- (ii) **Irrigation development** will be supported through: (i) construction of dug wells to bring approximately 5 500 ha under irrigation; (ii) about 460 ponds and minidams; (iii) about 80 on-farm water storage tanks; (iv) required systems of water conveyance and control structures; (v) improvement of cultivated land through enhanced moisture retention; (vi) reclamation of approximately 500 ha of severely eroded land through gully plugging; (vii) storage and safe disposal of run-off water through water control structures; and (viii) control of hill torrents. In addition, on-farm water management demonstrations will be undertaken to demonstrate adapted, small irrigation systems, drip irrigation, etc.

(c) Community Water Supply

The project will support village community efforts to mobilize adequate and safe water resources. An estimated 80 000 people will be expected to have access to safe drinking water through the provision of hand pumps and the construction of tubewells. With regard to other infrastructure development, NGOs and the beneficiaries will be consulted on the best alternative for providing them



with water, their contribution to the investment cost, and their taking over of the operation and maintenance of the system.

(d) Employment Generation

- (i) **Micro-enterprise development** will be supported through: (i) establishment of six technical training centres, which will provide area-specific, need-oriented training, including establishment of production/demonstration centres, and provision of mobile training units to reach women beneficiaries in remote areas; (ii) development of suitable microenterprises with potential demand, including provision of credit, training to potential entrepreneurs, counselling service to generate demand and facilitate access to credit funds, market studies and technical assistance; (iii) promotion of income-generating activities, mainly for women, including training courses in marketing and business skills for activities such as embroidery, sewing, tailoring, food preserving, etc.
- (ii) **Rural credit** will be provided to meet the credit requirements of COs and their members as well as of potential microentrepreneurs. The bulk of the credit will be channelled through the selected NGO(s). For this purpose, the project will finance the establishment of a revolving credit fund.

(e) Project Management Unit

Financing will be provided for the establishment of a Project Management Unit (PMU) under the Agency for Barani Areas Development (ABAD).

Project Implementation

Overall responsibility for the implementation of this six-year project will rest with the Planning and Development Department (P&D) of the Government of Punjab through ABAD. Technical activities will be executed by the provincial agencies in close cooperation with local government and community-based organizations. The PMU will be responsible for day-to-day implementation of the project and coordination with the participating line agencies and selected NGO(s). Field operations will be coordinated by a full-time assistant director at each *tehsil*, seconded to the PMU by the Department of Agriculture. Coordination arrangements will be ensured through the Project Steering Committee, the Project Coordination Committee and the *Tehsil* Coordination Committees.

Important Features

The project has been formulated taking into account the very positive experience of the IFAD-supported projects in the country and the lessons drawn from the 1995 Country Portfolio Evaluation, in particular the need to base project interventions on active community participation, this being considered the pillar of any demand-driven development. A Rapid Rural Appraisal has been undertaken to ensure that beneficiary needs have been identified and prioritized. A well-established NGO is expected to play a major role in the implementation of project activities.



Main Issues

During appraisal, the following issues will be addressed: (i) the feasibility and sustainability of developing off-farm employment and income-generating opportunities in areas currently characterized by low levels of agricultural productivity; (ii) the effective demand for credit and the mechanisms for sustainably channelling credit to the beneficiaries through NGOs, including targeting mechanisms; (iii) gender strategy and effective participation of women in the project, to the extent possible in the country's socio-cultural context; (iv) Government's confirmation that ABAD will enter into a contract with a reputable NGO(s) for the implementation of the community and women's development component; (v) involvement of ICARDA in establishing and undertaking research in salt desert areas.

Previous IFAD Operations

To date, IFAD has assisted Pakistan with 15 projects (ten IFAD-initiated and five cofinanced) for a total loan amount of SDR 168.9 million. Currently, six projects are under implementation and one project has not yet been signed.



Region: Asia and the Pacific	Country: Sri Lanka
Project Name: Matale Rural Economic Advancement	Per caput GNP (USD)¹: 700
Project Cost (USD million): 14.0	Population (million)¹: 18.1
IFAD Loan (USD million): To be determined	Leading External Financier²: IFAD
Proposed Terms: Highly concessional	Cofinancier: Discussions ongoing with GTZ
Present Status: Inception completed	Appraising Institution and Loan Administrator: IFAD

Project Objectives

The overall aims of the proposed project will be to raise the level of productivity of farming, improve the marketability and marketing of farm produce, and increase the opportunities for both employment and self-employment, especially of women and unemployed youth, in both agricultural and non-farm enterprises. Therefore the principal objective of the project will be to increase the level of profitable economic activity in the district and sustainably raise the incomes of the poor to the point that they remain permanently above the poverty line. Supporting IFAD's strategy in the country, the project will introduce measures designed to: (i) optimize the use of resources available to poor producers; and (ii) promote employment and self-employment opportunities through the creation of small enterprises. The project will be in line with the objectives of the Rural Economic Advancement Programme recently introduced by the Regional Development Division.

Project Beneficiaries

The Matale District is the northernmost of three districts that comprise the Central Province. The population in 1996 was estimated to be 456 000. Unemployment is a common phenomenon, especially among youth, and average household income for the district is the lowest in the country. Several selected indicators show that the level of poverty in Matale is the highest in the Central Province. More than 50% of smallholders own parcels of land of less than 0.2 ha and about 14.7% of the families are landless. More than 51% of the dwellings in the district are classified as mud houses. The project will target the poorest communities and, for activities that will benefit individuals or households, the poorest within them. Employment opportunities and small and microenterprises will be created especially for poor rural women and unemployed youth. It is expected that 24 000 households (approximately 103 000 people), or about 50% of Samurdhi beneficiary families³, and about 22% of the population of the Matale District will benefit from project activities.

³ The families enrolled in the Samurdhi programme. The Samurdhi movement is the national development programme launched by the Government of Sri Lanka to alleviate poverty in a coordinated manner.



Project Components

(a) Farm Productivity and Produce Marketing

Support will be provided for: (i) improvement of the quality and availability of seed and planting material and an awareness programme on the importance using high-quality seed; the encouragement of local on-farm trials of suitable improved varieties by the Department of Agriculture (DAS) and seed companies; the selection, certification and registration of selected varieties (paddy, other field crops, vegetables and fruit); and their subsequently multiplication and distribution by private seed companies; (ii) improvements in the productivity of land and labour, and in farm profitability, including diversification from paddy to crops with a higher value production value, rotational cropping and the introduction of livestock; greater and more efficient use of farm inputs through the provision of training to farmers' associations and credit; the integration of crops and livestock; the promotion of non-governmental advisory services through agricultural suppliers, private farmer-advisors and volunteer farmers; (iii) introduction of soil and water conservation measures, including support for privately-owned and owner-managed nurseries to produce planting material and rehabilitation of abandoned state-owned tea land for redistribution to smallholders; (iv) provision and rehabilitation of small-scale irrigation facilities, including the creation or strengthening of irrigators' associations and the provision of training; (v) improvement of markets for, and the marketability of, farm produce through improved marketing facilities, better access to and from production areas, provision of trading loans to enhance increased competition for farmer's produce, training to promote higher-quality, better-phased marketing and better presentation of products; and (vi) training in the enhancement of farm productivity and marketability of produce for the staff of local government, including those of Samurdhi, project and implementing agencies, leaders of communities and farmers' and irrigators' associations.

(b) Employment and Income Generation

The component will promote: (i) identification of business opportunities (farm and non-farm products) with comparative advantage; (ii) new marketable products through the development, dissemination and adoption of appropriate technology; (iii) development of small businesses including training and the promotion of business linkages with small producers; (iv) generation of off-farm employment within and outside the district through the organization of vocational training courses for young people; and (v) improved accessibility and delivery of rural financial services by strengthening rural credit agencies' technical skills, provision of small business management training and counselling, strengthening of group formation and cohesiveness, and provision of transport facilities and staff incentives; and promotion of credit to farmers and farmers' associations for post-harvest storage and marketing-related activities.

(c) Project Administration, Coordination and Management, and Implementation

Support will be provided for: (i) establishment of a Project Administration Unit (PAU) responsible for the administrative, financial and oversight functions; (ii) the contracting out, through international competitive bidding, of project management and coordination functions (Project Management and Coordination Unit - PMCU) to the private sector; and (iii) implementation of components and activities, under a series of contracts, for which government line agencies will be eligible to bid in competition with private firms or NGOs.



Project Implementation

The Ministry of Plan Implementation and Parliamentary Affairs (MPIPA), through the director general of the Regional Development Division (RDD), will be responsible for the overall implementation of this six-year project. MPIPA, in conjunction with the Secretariat of the Provincial Council of Central Province, will establish the project administration in Matale. The implementing agencies will be responsible to the chief executive of the Project Management and Coordination Unit (PMCU), who will report to the Project Administrator, who will in turn be responsible to the director general of RDD. The PMCU will be organized into two operational divisions and two support cells. The chief secretary, Central Province, will chair the Project Steering Committee, with the project administrator as member secretary.

Important Features

Beneficiary participation will be ensured by responding to the needs of such particularly disadvantaged groups as poor rural women and unemployed youth through a process of participatory planning using community mobilization and a modified form of Participatory Rural Appraisal (PRA) with existing groupings. The private sector is expected to play a pivotal role in project implementation in the areas of agricultural marketing and processing. The project will adopt a flexible approach to investment, especially with regard to microenterprises and rural agribusiness components. Project implementation planning will be decentralized to the district-level. The project is proposed for direct supervision by IFAD.

Main Issues

During formulation/appraisal, the following issues will be addressed: (i) further review of the number of project components, particularly the inclusion of irrigation; (ii) careful review of the technical assistance requirements; (iii) ongoing dialogue with GTZ, currently implementing a project concerning private-sector support in the neighbouring Kandy District; and (iv) review of the implementation status of the National Seed Policy.

Previous IFAD Projects

Sri Lanka has benefited from ten loans for nine projects for a total loan amount of SDR 53.5 million and USD 12.0 million. Six projects were initiated by IFAD and three by cooperating institutions. Three projects are under implementation.