



IFAD
INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT
Executive Board — Sixty-Fifth Session
Rome, 2-3 December 1998

SULTANATE OF OMAN

COMMUNITY RESOURCES MANAGEMENT PROJECT

**SUMMARY OF IMPORTANT SUPPLEMENTARY ASSURANCES
EXPECTED TO BE ACHIEVED DURING LOAN NEGOTIATIONS**

Attached is an annex to document EB 98/65/R.26, containing a summary of important supplementary assurances expected to be achieved during loan negotiations and included in the Loan Agreement for the Community Resources Management Project in the Sultanate of Oman, which, as noted in paragraph 48, page 11 of the document, was to be tabled during the Sixty-Fifth Session of the Executive Board.

**SUMMARY OF IMPORTANT SUPPLEMENTARY ASSURANCES
EXPECTED TO BE ACHIEVED DURING LOAN NEGOTIATIONS**

(Loan negotiations yet to be concluded)

1. The Government of the Sultanate of Oman (the Government) will establish an inter-ministerial PSC, to provide the necessary overall framework for the coordination of project activities, which will have a composition satisfactory to IFAD.
2. The Government will establish a PCU, which will report to PSC, with composition and terms of reference satisfactory to IFAD. The PCU will be headed by a project director appointed by the Government with qualifications and experience satisfactory to IFAD. The Government will also establish a Technical Working Group which will constitute the core forum for the coordination of project activities.
3. The Government will submit to IFAD, for its review and comments, the draft Annual Work Programme and Budget, based on the work programmes and budgets prepared by each of the implementing agencies for the project, no later than 31 December of each fiscal year of the Government. The Government will consider the comments of IFAD on the said Annual Work Programme and Budget prior to its finalization.
4. A Memorandum of Understanding will be executed between the three implementing agencies (MAF, MWR and MSAL) outlining the roles and responsibilities of each Ministry at all levels, the allocation of staff to the Technical Working Group and Task Forces, and the allocation of the necessary resources to facilitate the work of the staff involved in the project.
5. The Government will finance all expenditure in advance from its own resources and claim reimbursement from IFAD loan proceeds on a regular basis.
6. During the pilot phase of the project, the Government, in consultation with IFAD, will develop mechanisms to facilitate community participation in the project.
7. The Government will ensure that the designated project catchment zones and the location of project investments conform to technical and social criteria agreed with IFAD.
8. Each implementing agency (MAF, MWR and MSAL) will make available the requisite staff for implementing the project activities and make adequate provision for the regular operating costs.
9. The Government will establish an inter-ministerial task force of field level staff in each designated project catchment zone to facilitate the coordination of project activities and the development of partnerships with the communities.
10. The Government will recruit the technical assistance required for project start-up and provide guidance in specialist areas in the course of project implementation.
11. The Government will ensure that adequate funds are made available for the regular maintenance of publicly owned water-conservation structures (recharge dams, seepage pits, etc.) established under the project.



ANNEX

12. The Government will develop mechanisms for obtaining contributions from the benefiting communities towards the costs of *aflaj* repairs.
13. The Government will ensure that the vulnerable households/communities benefiting from access to the Special Assistance Funds provided under the project conform to criteria agreed between the Government and IFAD.
14. From December 1999, the Government will submit six-monthly and annual reports synthesizing overall project progress to IFAD within sixty days of the end of the respective reporting periods.
15. Two project implementation reviews (PIRs) will be carried out jointly by the Government, IFAD and AFESD: the first no later than the end of the second year of the implementation of the project and the second mid-way through the fourth year of the implementation of the project. The PIRs will, *inter alia*, be used to evaluate the achievement of the objectives of the project and its constraints, as well as such design reorientation as may be required to achieve the said objectives and remove the said constraints. The findings of the PIRs will be discussed jointly by IFAD, the Government and AFESD. The Government will ensure that the agreed recommendations resulting from the PIRs are implemented within a reasonable time thereafter and to the satisfaction of IFAD.
16. The Government will take reasonable measures to ensure that the project is carried out with due diligence in regard to environmental factors and in conformity with national environmental legislation and any international environmental treaties to which the Government may be a party, including the maintenance of appropriate agricultural pest management practices, where applicable. To that end, the Government will ensure that the pesticides procured under the project do not include any pesticide, either proscribed by the International Code of Conduct on the Distribution and Use of Pesticides of the Food and Agriculture Organization of the United Nations (FAO), as amended from time to time, or listed in Tables 1 (Extremely Hazardous), or 2 (Highly Hazardous) of the WHO Recommended Classification of Pesticides by Hazard and Guidelines to Classification 1996-1997, as amended from time to time.
17. No withdrawals will be made in respect of payments made for expenditures from the loan account until:
 - (a) the Government shall have established the PSC with composition and terms of reference satisfactory to IFAD;
 - (b) a Memorandum of Understanding between MAF, MWR and MSAL shall have been executed, in form and substance acceptable to IFAD; and
 - (c) the Government shall have established the PCU and shall have appointed its key staff, the project coordinator and the financial controller, upon terms and conditions and with qualifications and experience acceptable to IFAD.
18. The following is specified as an additional condition precedent of the effectiveness of the Loan Agreement: the Government shall have secured all the additional financing required for the project.