Distribution: Restricted EB 98/65/R.32 16 November 1998

Original: English Agenda Item 10 **English** 



# INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT **Executive Board - Sixty-Fifth Session**

Rome, 2-3 December 1998

### PLANNED PROJECT ACTIVITIES

#### 1998-99

- 1. At the Second Session of the Executive Board, it was agreed that information regarding planned project activities would be presented to the Board on a regular basis so that members could keep abreast of developments in IFAD's project pipeline and have the opportunity to comment, if they so wished, on the planned projects at an appropriate stage of the project cycle. Accordingly, such information has been provided regularly to each subsequent session of the Executive Board in the form of annexes to the documents submitted under the relevant agenda items.
- At an early session of the Executive Board, some members requested that the nature and intended purpose of the annexes be clarified. The requested explanation was provided at the Eighth Session and is repeated below for the convenience of the Board. The content of Annex B was revised at the Twenty-Seventh Session and the relevant explanation modified. The information in Annex E was requested by the Board at its Thirty-Fifth Session.

#### (a) Annex A

Annex A is a vehicle for bringing before the Board a summary of available information on projects that have reached an advanced stage of design and are thus likely to be presented to the Executive Board at one of its forthcoming sessions. Since the comments of Executive Board members on project summaries presented in Annex A are obtained at the session in which the relevant document is considered, such project summaries are not included in the Annex A portion of documents placed before the Executive Board at subsequent sessions.

However, for Annex A to serve as a compendium of all projects at an advanced stage of processing, a list is included of the projects that have been submitted to the Executive Board in the same annex at previous sessions but have not yet been approved.

#### (b) Annex B

Annex B provides a comprehensive list of the pipeline projects that have been reviewed by the Fund's Technical Review Committee (TRC) to ensure that they are appropriate for IFAD support. The annex includes projects that have been identified only, those that have reached an advanced stage of processing (and have consequently also been included in the Annex A portion of the document or of a previous document), and projects being presented to the Executive Board for approval at the same session. Thus Annex B provides a list, for ready reference, of all projects in the pipeline.

#### (c) Annex C

Annex C summarizes in tabular form the amounts provided for activities under the Project Development Fund (PDF) facility within the technical assistance grant programme, as approved by the Governing Council in the Programme of Work and Budget of IFAD.

#### (d) Annex D

Annex D provides brief descriptions of technical assistance grants under the Special Operations Facility (SOF) that have been approved by the President, pursuant to the authority delegated by the Executive Board.<sup>1</sup>

#### (e) Annex E

Annex E contains a summary of information available – for comment thereon by the Executive Board if so desired – on proposed technical assistance grants for agricultural research and training that, having reached an advanced stage of design, are likely to be presented to the Executive Board at one of its forthcoming sessions.

- 3. The information contained in Annexes A, B and E is only indicative of the developments in the Fund's operations at various stages of the project cycle. Some of the projects or grants listed may not materialize, while others not yet listed may enter the pipeline at a later stage. It should be noted that the inclusion in these annexes of one or more projects or grants for a country does not imply any definitive judgement concerning the suitability of a given project or grant, nor does it imply judgement regarding the amount of assistance that may be appropriate for any country or the number of projects to be financed.
- 4. The foregoing explanation applies both to previous documents and to the annexes attached to the present document.

Descriptions of any technical assistance grants approved by the President since the Board's last session will be tabled at the current session.

#### ANNEX A

Region Africa I Country: Ghana **Per caput GNP** <sup>1</sup>: 360 **Project Name:** Upper-East Region Land Conservation and Smallholder Rehabilitation Phase II (LACOSREP II) **Population (million)**<sup>1</sup>: 18.0 **Project Cost (USD million)**: 11.8 IFAD Loan (USD million): To be determined **Leading External Financier<sup>2</sup>: IFAD Proposed Terms:** Highly concessional Cofinancier: None **Present Status:** Formulation completed **Appraising Institution and Loan Administrator:** IFAD and the United Nations Office for Project Services (UNOPS)

### **Project Objectives**

While positive achievements have been made with LACOSREP I in terms of the physical implementation of productive infrastructure and the building up of local capacity to properly manage the newly-developed potential, villages and districts in the Upper-East Region are still ranked as the most food insecure and poorest of the entire country. The proposed project is expected to build on the achievements and lessons learnt from the first phase, as ample opportunities exist to extend the benefits from dam rehabilitation, and to strengthen the capacity of water users' associations (WUAs), improve access of women to land, and build on existing credit experience to improve household food security. The second-phase project will address: technical issues relating to irrigated agriculture and crop production; financial aspects of smallholder operations (rural savings and credit groups); the importance of empowering smallholders through group activities; beneficiary participation and promotion of grass-roots organizations, particularly those promoting the interests of women; improvement of the most solicited rural infrastructure; and an institutional framework conducive to post-project sustainability.

#### **Project Beneficiaries**

Approximately 34 400 family members, representing about 50% of the target group, will benefit directly from project activities. The beneficiaries will be rural people, including smallholders, near-landless farmers, women in general and women heads of households. About 9 300 people will benefit from the development of irrigation, 9 000 will participate in farmer training and demonstration, 13 100 will be incremental beneficiaries receiving credit for income-generating activities and 3 000 households from among the most deprived will receive a grant for animal production or equipment. Indirect beneficiaries will include persons benefiting from drinking water supplies (4 000-5 000 families), latrines, feeder roads and crop storage facilities. Women will be targeted specifically with a view to improving their very low economic status, typically through the provision of working capital for small-scale processing and trading activities.

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<sup>&</sup>lt;sup>1</sup> 1996 data; gross national product (GNP) in United States dollars (USD).

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

### **Project Components**

#### (a) Capacity-Building

This component will aim at strengthening project delivery skills and management capacities in the key implementing agencies. Implementation of community and women's participation will involve close collaboration of both the Government and non-governmental organizations (NGOs) working through the community leadership structures. Training will be provided in small community project identification and selection, participatory rural appraisal and group development, gender approach, negotiation skills, and training needs assessment. Specific training will be also provided to address the serious constraint of high illiteracy rates among girls and women farmers.

### (b) Water Resources Development

The water resources development programme will be expanded since infrastructure for dry season irrigation, fishing and livestock water supply yielded good results under LACOSREP I. The component will support three sets of interventions: strengthening of WUAs, development of irrigation facilities, and catchment area protection.

#### (c) Agricultural Development

This component will include: (i) improved irrigated crop production for dry season cultivation of vegetable crops (onions, tomato, pepper); (ii) crop development activities through training and demonstrations for both dry season and rainfed crops, including support to farmers' seed multiplication, farmer-field schools on integrated pest management (IPM) and storage; (iii) improved soil fertility and soil and water conservation methods; (iv) improved animal husbandry, focusing on small ruminants and guinea fowls in light of the productivity potential from simple health care and improved housing that will also result in better production of organic compost for manuring; and (v) support to fishery development as an important source of complementary income from the dam sites.

### (d) Support to Income-Generating Activities and Marketing

In order to improve the provision of funding to women's agricultural activities, the project will provide mobile banking facilities to participating banks and savings/credit groups as a means of enhancing women's credit services. The project will also increase bankers' awareness and sensitivity to women's credit needs and to management through training. Gender sensitization, negotiating skills and group development will be major components of all training for the banks and beneficiaries alike.

#### (e) Rural Infrastructure

Under the proposed project, the communities will prioritize, through needs assessments, the most solicited rural infrastructure investments. These will include improvement of drinking water supplies, spot rehabilitation and regravelling of feeder roads and associated structures, construction of village tracks and trails, crop storage facilities, and household latrines.

#### (f) Project Management and Organization

LACOSREP II will transfer technical and financial support based on the demand expressed by the targeted communities. An important objective of the component will be to establish an effective institutional capacity from a decentralized administration and to ensure the sustainability of post-project implementation. As such new operational procedures will be developed. The project will finance national technical assistance to organize and facilitate training and evaluation activities.

### **Project Implementation**

The project will be implemented over a five-year period under the overall responsibility of the Ministry of Food and Agriculture (MOFA) and MOFA's Regional Director. At the regional level, coordination will be ensured by the Project Coordinating Committee chaired by the Regional Minister. A project coordination unit based in Bolgatanga will be responsible for the technical supervision and socio-economic justification of all interventions and for the day-to-day implementation of project interventions. Interventions at district level will be under the responsibility of the District Coordination Committee.

### **Important Features**

The project formulation process was highly participatory, with substantial contributions from project staff, district authorities, beneficiaries, and other local resources (NGOs, traditional leaders, private sector). Stakeholder empowerment at the formulation stage increased institutional commitment and focused on beneficiary targeting, and is therefore likely to lead to improved participation. The focus of implementation is on community participation facilitated by a range of partner actors. The success of the second-phase project will depend largely on the capacity of the staff to adjust to the new *modus operandi* and willingness to involve and co-opt other resources (other development programmes in the region so as to avoid duplication and enhance synergetic effects) available in the Upper-East Region. Flexibility will be of paramount importance during the implementation phase. Monitoring and evaluation (M&E) will build on past experience while strengthening the qualitative assessment of results and methodology.

### **Main Issues**

The following issues will be addressed during appraisal: (i) continued emphasis on participatory approaches; (ii) given the homogeneity of the proposed technical strategy with the main components of the FAO Special Programme for Food Security, identification of possible operational synergies between the two programmes; and (iii) ensuring coordination with the World Bank/IFAD-funded Village Infrastructure Programme.

#### **Previous IFAD Operations**

To date, eight projects (two cofinanced and six IFAD-initiated) have been financed for a total of SDR 67.38 million. Of these, two projects were jointly financed with the Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification (SPA) and two were fully financed through the SPA. Four projects are under implementation and a fifth is expected to become effective before year-end.

Region: Africa II	Country: Burundi		
Programme Name: Burundi Rural Recovery	Per capita GNP¹: 170		
Programme Programme Cost (USD million): 30.5	<b>Population (million)</b> <sup>1</sup> : 6.0		
IFAD Loan (USD million): To be determined	<b>Leading External Financier</b> <sup>2</sup> : IFAD		
Proposed Terms: Highly concessional	Cofinanciers: Discussions ongoing with the Organization of the Petroleum Exporting Countries and Agency for Cooperation and Research in Development (ACORD)		
Present Status: Formulation completed	Appraising Institution and Loan Administrator: IFAD and UNOPS		

### **Programme Objectives**

Burundi's socio-political crisis, compounded by the imposition of economic sanctions inflicted by neighbouring countries, has led to a major decline in the economy and increasing impoverishment. Within this context, rural poverty reduction and the promotion of sustainable market-led growth is the objective of IFAD's country programme. More specifically, the overall goal of the proposed programme will be to strengthen the enabling socio-economic environment in a manner conducive to the reduction of rural poverty through the creation of a stakeholder-economy based on equitable partnerships, co-investment and the achievement of national reconciliation. To achieve this, the programme's specific objectives will be to: (i) enhance the productive capacity of poor, marginalized communities; (ii) promote household food security; (iii) promote community-driven development as a means to people and gender empowerment with a view to furthering reconcilitation; and (iv) contribute to environmental preservation and the restoration of rural livelihoods. The programme also represents a concrete response to the initiatives taken by the Government to launch the National Emergency Recovery Programme. It is also in line with IFAD's recently-approved document "Framework for Bridging Post-Crisis Recovery and Long-Term Development" and the Country Strategy Framework which focuses on the rehabilitation of production assets and social infrastructure.

#### **Programme Beneficiaries**

Since the crisis began in 1993, more than 100 000 people have lost their lives and over 800 000 have been displaced and are living in camps. Per capita income is estimated to have declined from USD 180 in 1992 to a low of USD 134 in 1997. The programme's primary target group will be those households below the poverty line that were displaced and have resettled in their original villages or will do so. The programme expects to reach several hundreds of thousand persons living in a number of Provinces. In households headed by women or orphans, direct support to production capabilities is likely to have a rapid impact on domestic food supply and nutritional status. Through the gender sensitization programmes, women are likely to be more proactive in production processes and benefit from economic and social promotion opportunities.

### **Programme Components**

#### (a) Community-Based Initiatives for Strengthening the Social Fabric

The aim of this component will be to empower local communities in restoring livelihood security and basic entitlements so that communities become proactive in managing local resources and mediating conflict resolution. The community will reinforce the Government's policy of decentralization by assuming responsibility for the management of the development process at local level. Support will be provided for participatory rural appraisals; participatory design of community development plans; ownership and control of the implementation process; and partnerships with technical agencies, NGOs and civil-society organizations. Funds will be also applied towards the rehabilitation of needed infrastructure; community workers' salaries and allowances; rehabilitation of services and microprojects; training, logistical support and equipment. This component will act as the locus of decision-making for activities to be undertaken through the other components.

#### (b) Rehabilitation of Agricultural Services

In order to achieve a sustainable improvement of food security and nutritional well-being among impoverished households, the programme will support: (i) distribution of basic agricultural inputs; (ii) rehabilitation of the seed production system at all levels, but specifically including private production and marketing; and (iii) promotion of various elements of livestock development, specifically targeted at the most needy households and aiming to improve nutritional well-being and economic resilience while creating opportunities to take up the promotion of mixed farming again. Appropriate training will be provided.

### (c) Environmental Conservation and Watershed Management

The component will aim at increasing agricultural production by promoting and supporting investment in fragile natural resources management systems on a community basis. To this end, funds will be provided for the reclamation of 5 000 ha of swamplands; promotion of agro-forestry and reforestation in the project area; and anti-erosion works on 1 200 ha (including some bench terracing).

#### (d) Basic Social Infrastructure

The component will seek to rehabilitate essential social infrastructure for human development through: (i) provision of water and sanitation facilities for 10 000 families; (ii) rehabilitation of 20 rural health centres, 500 classrooms and houses and 1 000 latrines; (iii) construction of an infant food factory, three nutrition centres and rehabilitation of the rural multifunctional centre for the economic development of rural women at Gitega; and (iv) rehabilitation of approximately 300 kms of rural tracks. This component will be financed by the Organization of the Petroleum Exporting Countries.

#### **Programme Implementation**

The Ministry of Planning, Development and Reconstruction will host the programme coordination unit (PCU) which will be mandated to undertake coordination among different agencies and assume responsibility for day-to-day management under the overall guidance of the National Steering Committee. This latter committee will include representatives of all participating bodies (public and private). With the assistance of an experienced NGO (ACORD), the PCU will directly implement the community-based programme planning, implementation and monitoring mechanisms. Technical activities, including rehabilitation of key services and infrastructures, will be executed by the relevant public agencies in accordance with well-established procedures.

### **Important Features**

Innovative aspects of the programme include the interactive, community-based participatory process approach for programme planning, implementation and monitoring. In this, and in other aspects, the programme will find innovative ways to partner public institutions with local communities, assisted by specialized NGOs.

#### **Main Issues**

The following issues will be addressed during appraisal: (i) **programme area**: this will be restricted to the four most needy provinces and, if necessary, coverage will be expanded to all communes within these provinces; (ii) **partnerships for community development**: this will involve careful examination of community development aspects of programme management and implementation, particularly the Government-NGO-Communities tripartite relationship. Institutional design will closely follow findings in terms of programme objectives, scope and duration; and (iii) **the marshland development and watershed protection components** will be reviewed and adapted in the light of proven capabilities of the communities involved and the technical departments responsible for programme implementation.

### **Previous IFAD Operations**

Burundi has been assisted with four projects (one cofinanced and three IFAD-initiated) for a total of SDR 24.85 million. Of these, one was financed through the SPA. Two projects are under implementation.

Region: Asia	Country: Viet Nam		
Project Name: Ha Tinh Rural Development	Per capita GNP¹: 290		
Project Cost (USD million): 18.3	<b>Population (million)</b> <sup>1</sup> : 75.0		
IFAD Loan (USD million): To be determined	<b>Leading External Financier</b> <sup>2</sup> : IFAD		
Proposed Terms: Highly concessional	<b>Cofinancier:</b> Discussions ongoing with the German Agency for Technical Cooperation (GTZ)		
Present Status: Formulation completed	Appraising Institution and Loan Administrator: IFAD and UNOPS		

### **Project Objectives**

In spite of the remarkable economic success achieved over the last decade, Viet Nam is still one of the poorest countries in the world, with half its population classified as poor. Within this context, the primary objective of the proposed project will be to improve the incomes and living standards of the poor households and increase their participation in the development process. Associated benefits will be improved food security and general well-being for all the target group and a reduction in isolation and improved market access. These objectives will be largely achieved through: (i) establishment of a microfinance programme providing access to credit for a range of financially-rewarding small enterprises; (ii) improved physical infrastructure; (iii) improved technical support services; and (iv) effective participation of the project's clientele in the selection of activities to be undertaken, in providing monitoring feedback to enable ongoing adjustment and improvement, and in taking responsibility for the management aspects of the project.

### **Project Beneficiaries**

Ha Tinh, with a population of 1.26 million, is a coastal province located in North-Central Viet Nam. Farm sizes are very small, averaging 0.34 ha per household, and agricultural productivity is low. Around 36% of the population live below the poverty line<sup>3</sup>. Both poor and very poor households face considerable food insecurity. Project activities will be targeted to areas where the concentrations of poverty are highest and initially target 137 of the 262 communes in the eight poorer rural districts of Ha Tinh. Around 69 000 households will benefit from access to credit and extension and training activities; 23 000 households from irrigation rehabilitation; 48 000 households from rural roads; and 48 000 households from the Community Development Fund (CDF)-financed activities. Infrastructure activities will be implemented in the 48 poorest communes. The project will have a significant positive effect on women, and interventions will result in a marked improvement in household food security.

#### **Project Components**

(a) Participatory Development

This component will aim at ensuring that project activities are responsive to the priorities of the target group by facilitating community participatory planning exercises and strengthening the capacity of communities in decision-making and management through planning and implementation of CDF-financed microprojects. Twelve community facilitators will be recruited to assist the

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Based on the Provincial Government's poverty line which equates to USD 84 per capita per year in the lowland/hilly areas and USD 50 per capita in the mountainous areas.

communes. The purpose of the CDF is to enable a commune to realize one or more small-scale infrastructure development projects, such as rehabilitation of sea dykes, sand dune fixation, upgradng of school classrooms, footbridges and safe water supply. Training will be provided to community facilitators, district authorities and technical staff.

#### (b) Income-Generation and Diversification

Funds will be provided to: (i) stimulate production through the rehabilitation of small-scale irrigation rehabilitation schemes; (ii) strengthen crop and livestock support services and animal health services; and (iii) enhance access to credit and upgrade rural markets. In addition, demonstrations of solar energy for domestic, productive and social purposes will increase awareness of alternative energy sources in remote communities.

#### (c) Rural Roads and Bridges

Support will be provided for the rehabilitation of commune-level roads and associated bridges to restore effective communications and reinstate market linkages.

### (d) **Project Management**

Financing will be provided to strengthen the managerial capacity of the Project Coordination Unit (PCU) and for building skills to improve the planning and implementation of poverty alleviation and development programmes within the province.

### **Project Implementation**

Responsibility for the implementation of this six-year project will rest with the Provincial People's Committee. A Provincial Project Steering Committee will be established under the chairmanship of the Vice-Chairman of the Provincial People's Committee to monitor and coordinate project activities. A provincial PCU will be established and the project director will be responsible for day-to-day project coordination. Implementation of the project components will be the responsibility of designated activity managers within the relevant technical departments. District Project Coordination Units will be established at district level. At the commune level, responsibility for coordinating and monitoring project activities will rest with the Commune People's Committee.

#### **Important Features**

The project will build on IFAD's experience in supporting rural development in Viet Nam and forge close collaboration with ongoing IFAD-supported projects with a view to developing a self-reliant model for an area development project. Through the adoption of a process approach, the project will provide a framework that will allow project management to respond to the expressed needs of the poor communities and poor households participating in the project. It will develop a farmer-led extension service and the CDF will allow communities to select and manage the implementation of small-scale infrastructure microprojects. Flexibility will be exercised in the allocation of project funds through the establishment of a Development Reserve Fund. Women's access to production technology will be increased through the inclusion of women in farmer training and field demonstrations and through the formation of women's savings and credit groups with the support of the Viet Nam Women's Union. Private sector collaboration in the area of solar energy is at an advanced stage of negotiation. The project will benefit from partnerships with the NGOs working in the province.

### **Main Issues**

The following issues will be addressed during appraisal: (i) finalizing the operational and institutional arrangements for credit activities; (ii) defining working collaboration with NGOs; and (iii) ensuring coordination with donors.

### **Previous IFAD Operations**

Three IFAD-initiated projects have so far been financed in Viet Nam, for a total of SDR 32.60 million. The three projects are under implementation.

Region: Latin America and the CaribbeanCountry: El SalvadorProject Name: Rural Development for the<br/>Central Region of El Salvador (PRODAP - II)Per capita GNP¹: 1 700Project Cost (USD million): 20.0Population (million)¹: 6.0IFAD Loan (USD million): To be determinedLeading External Financier²: IFADProposed Terms: IntermediateCofinancier: Discussions ongoing with Central<br/>American Bank for Economic Integration (BCIE)Present Status: Formulation completedAppraising Institution and Loan<br/>Administrator: IFAD and to be determined

### **Project Objectives**

The main objective of this proposed second-phase project will be to contribute to the alleviation of rural poverty through improving the income levels and standards of living of the rural poor and through local capacity-building. More specifically, the project will seek to: (i) increase family income by improving agricultural production and diversifying income opportunities in agricultural and non-agricultural activities, small-scale enterprises and marketing; (ii) strengthen local farmers' organizations and local institutions to facilitate their participation in the identification, design, implementation and evaluation of project-supported activities; (iii) implement an efficient, sustainable credit system based on the gradual transfer of responsibilities and funds to local intermediate financial institutions; (iv) build a sustainable technical assistance and extension service through the gradual transfer of supervision and administration to local farmers' organizations; (v) mainstream and strengthen the gender perspective through project activities, ensuring equal participation of men and women in activities and benefits, and reducing gender inequities in the project area; and (vi) improve environmental conditions, ensuring sustainable management of soil, water and forest resources. Drawing on experience gained and lessons learnt, the project will incorporate measures to consolidate the significant achievements made during the first phase, in line with the recommendations of the IFAD interim evaluation mission.

### **Project Beneficiaries**

The project area is located in the country's Central region and covers a total of 32 municipalities. The rural population is estimated at 235 000 people. The incidence of poverty is high, with 74% of the rural population living under the poverty line (according to the latest estimates, USD 550 per capita/year). Of this, 42% of the rural population lives under extreme poverty conditions. The target group will consist of poor smallholders and landless farmers, women-headed households, agricultural workers, non-agricultural workers and small rural entrepreneurs. With an average family size of 6.1 members, the target population will be composed of 30 000 families. Women represent 31% of the target population. About 13 400 families will benefit from project activities, of which about 7 500 agricultural families will be beneficiaries of the productive activities. Of these, about 6 600 families will participate in agricultural activities, while 900 families will benefit from the microenterprise activities. Approximately 4 600 rural families will benefit from the fund for socio-economic investments and another 1 095 individuals (innovative producers, youth and illiterates) will benefit from specific vocational training. The remaining group are teachers who will be trained in environmental and conservation practices.

### **Project Components**

### (a) Social Organization

Financing will be provided for: (i) the strengthening and consolidation of existing grass-roots and local organizations to enable them to formulate and execute social and economic investment activities and to request and supervise extension services; (ii) social and technical training activities directed to all project staff and financial intermediaries, but specifically to local leaders and members of grass-roots organizations, beneficiaries, and the group of "innovative producers" responsible for the training of other farmers. Training will cover themes such as local organization, gender and equity, administration, technology adoption, small-scale enterprise management, agriculture and livestock production, marketing, natural resource management, etc; and (iii) the Community Social and Productive Investment Fund to cofinance initiatives, in a participatory manner, by men and women from local communities and farmers' organizations (e.g., social infrastructure, community investments in support of agricultural and microenterprise activities). Some of the training activities will be subcontracted to NGOs and specialized institutions.

### (b) Productive Integrated Support Services

This component will finance, through its various sub-components, technical assistance and support to agricultural and livestock production, marketing, small-scale rural enterprise development and environmental and soil conservation initiatives. It will have an integral approach, reaching farmers through multidisciplinary teams (MTs) consisting of four to five technical staff with expertise in social aspects, such as organization, gender equity and participation and technical skills. Extension activities will be initially provided by technical project staff and gradually transferred to the MTs. The technical services will be provided by the MTs with the active participation of innovative producers through technical services modules. It is expected that, by the end of the project, the administration and supervision of 15 such modules will have been transferred to the local organizations.

#### (c) Rural Financial Services

The aim of the component is to establish and consolidate a local credit system, based on a second-tier formal financial institution and on local first-tier financial intermediaries. It will recover the resources available in the revolving fund of PRODAP-I trust fund administered by the Agricultural Development Bank, and provide new funds from the second-phase project. Credit for agricultural and microenterprise activities will be provided to peasants in the area (including womenheaded households and women farmers), individual rural entrepreneurs, groups, cooperatives and beneficiary organizations (with priority accorded to beneficiary organizations and women's groups). Approximately 31% of all beneficiaries will be women. Through the institutional strengthening of financial intermediaries sub-component, local institutions will be assisted in improving their financial management and efficiency and in diversifying financial services towards the peasant sector. The first-level formal and informal intermediaries participating in the second-phase project will be eligible for the non-reimbursable cofinancing of institutional strengthening programmes. The funds will be used mainly for equipment, training and technical assistance.

#### (d) Project Management

Project management will be supported by an administrative office, an office for M&E and another for the coordination of gender issues, the latter to be responsible for ensuring that all activities implemented directly or contracted by the project maintain a gender focus.

### **Project Implementation**

This six-year project will be implemented under the overall responsibility of the Ministry of Agriculture and Livestock. It will establish an autonomous project coordination and management unit responsible for day-to-day project execution. Coordination will be ensured by the project steering committee. An interproject coordination council will ensure coordination with the two other ongoing IFAD-financed projects in El Salvador. At the local level, project implementation will rely on local organizations (community associations, cooperatives and NGOs).

### **Important Features**

In line with IFAD's strategy in the country the project, aims at consolidating the peace and reconstruction process initiated after the signing of the Peace Accords in 1992 through specific efforts to reduce rural poverty in the country. The project will follow a demand-driven approach, based on participatory methodologies and local capacity-building. A new financial intermediation mechanism will be supported with the aim of generating a sustainable rural financial system. The productive support services component will implement its activities through investments in local-capacity building and the transfer of services to grass-roots farmers' organizations. The services will be provided by multidisciplinary technical teams, local NGOs, and private and public institutions. The project will integrate the gender and environment concepts in all project components and activities using a global and cross-cutting approach. Beneficiaries, male and female, will be represented at all major decision-making levels of the project.

#### **Main Issues**

The following issues will be addressed during appraisal: (i) organizing six participatory workshops with project beneficiaries, aimed at strengthening participation of grass-roots organizations, validating phase II project proposals at community level, and obtaining beneficiaries' views regarding project design and implementation modalities; (ii) analysing potential financial intermediaries that could participate in the credit component of the second-phase project; and (iii) evaluating the phase I credit portfolio so as to estimate the available funds in the PRODAP I Trust Fund which will be transferred to the second-phase project.

#### **Previous IFAD Operations**

To date, El Salvador has benefited from four projects (one cofinanced and three IFAD-initiated) for a total of SDR 33.85 million. Two projects are currently under implementation and one is expected to become effective before the end of 1998.

Region: Near East and North Africa	Country: Jordan				
Duciest Names Vermouls Assignfund Decompos	Par conita CND 1, 1 650 <sup>4</sup>				
<b>Project Name</b> : Yarmouk Agricultural Resources Development	Per capita GNP : 1 650				
Project Cost (USD million): 18.75	<b>Population (million)</b> <sup>1</sup> : 4.0				
IFAD Loan (USD million): To be determined	<b>Leading External Financier</b> <sup>2</sup> : IFAD				
Proposed Terms: Intermediate	Cofinancier: Arab Fund for Economic and Social Development (AFESD)				
Present Status: Formulation completed	Appraising Institution and Loan Administrator: IFAD and AFESD				

### **Project Objectives**

The project area is characterized by low and uncertain rainfall and high rates of erosion. Current cultivation practices and increasing grazing pressure of livestock on rangeland vegetation are adding to the risk of erosion and accelerating the rates of soil loss, resulting in the further degradation of the limited soils and water resources. As fertile soil and water resources are scarce and the pressure of population is mounting, halting resource degradation is of crucial importance. Within this context, the principal objectives of the proposed project are to improve the food security and incomes of the target group farmers by arresting degradation and restoring soil fertility, thus allowing for sustainable use of land and water resources. This will be achieved through: (i) technical and financial support for the target group to take soil and water conservation measures and improve agricultural production; (ii) promotion and credit funding of on- and off-farm enterprises; and (iii) strengthening the capacity of the agricultural directorates in the project area to provide the required technical support services and extension.

#### **Project Beneficiaries**

The target group will encompass the entire population of the selected priority areas within the project area where poorer farmers are in the majority. About 2 900 rural households (20 400 persons) will benefit from agricultural resources development, and 400 women will benefit from incomegenerating activities to develop small-scale business enterprises. In addition, an estimated 1 425 and 5 775 households (10 140 and 40 900 persons), respectively, will benefit directly from the credit and technology transfer programmes.

### **Project Components**

#### (a) Resource Development

This component will include on-farm soil and water conservation initiatives to develop an area of about 8 000 ha. Off-farm works will comprise *wadi* bank and flood protection. Provision will also be made for studies and research on the water harvesting schemes developed by farmers and the two water harvesting sites to be developed. Public springs, irrigating some 150 ha of fruit trees and vegetables, will be rehabilitated and protected. Soil and water conservation units will be established, including provision of salaries and equipment, and technical assistance and training will be provided for NGOs, staff and beneficiaries.

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<sup>&</sup>lt;sup>4</sup> USD 1 570 (1997 figures) according to the Atlas method.

### (b) Agricultural Development

In the area of orchard and field crop management practices, a programme of on-farm demonstrations will be developed and extension services and technical assistance for training provided. Provision of salaries and equipment will also support the directorates of agriculture. The project will subsidize the cost of fruit trees for orchard establishment.

#### (c) Rural Financial Services

Provision will be made for seasonal and development loans for improved crop and orchard production, and establishment of orchards in the project-supported soil and water conservation areas; and for the development of additional soil conservation measures and income-generating enterprises. The project will also support the Agricultural Credit Corporation's branch offices through staff training and provision of vehicles and equipment. Funds will be also made available for the cost of an NGO to manage the line of credit.

#### (d) Coordination and Management

A project management unit (PMU) will be established in Irbid with project support, and the project will also finance staff salaries, vehicles and equipment. Staff will receive training, and technical assistance for the development of an M&E system will be provided.

### **Project Implementation**

The coordination and control functions of this six-year project will be carried out by the permanent steering committee of the Ministry of Agriculture (MOA). The Directorate of Projects of MOA will have overall responsibility for project implementation, with technical assistance and support provided by MOA directorates at the national level and by the four directorates of agriculture in the Governorate of Irbid. The Agricultural Credit Corporation will be responsible for the implementation of the rural financial services. Project activities at the district level will be coordinated by a regional agricultural coordination committee. The project will be implemented by the PMU and supported by the directorates of agriculture.

#### **Important Features**

The project will introduce an innovative participatory approach to the management and conservation of soil and water resources to ensure sustainable agricultural production. This approach has been designed on the basis of recent experience, with innovative measures to ensure empowerment of the poor, providing them with access to productive resources and to decision-making. The line credit for the income-generating enterprises will be managed by NGOs on a pilot basis. This has been designed to facilitate access to credit by the rural poor, especially women, who may not have land as collateral.

### **Main Issues**

The following will be addressed at appraisal: (i) possible collaboration of an international NGO, through the involvement of local NGOs, to provide rural financial services; (ii) with a view to ascertaining that labour is not a constraint, the labour supply situation in the project area should be closely reviewed; and (iii) the relationship and complementarity between the multi-donor Social Productivity Programme and the project should be analysed.

# **Previous IFAD Operations**

Jordan has so far received five loans from IFAD for a total amount of SDR 39.36 million. All projects were initiated by IFAD and three are currently under implementation.

PART I: PROJECTS PREVIOUSLY PRESENTED IN ANNEX A BUT NOT YET APPROVED

Country	Population (million) 1/	GNP Per Capita 1996 Actual (USD)	n Project Name	Proposed Loan Tentative Amount (USD million)	Nature of Project	Status	Executive Board Session for Annex A
			AFRICA	J			
BURKINA FASO	11	230	Rural Microenterprise Support	To be determined	Rural microenterprise	Formulation completed	EB 64/Sep 98
CAPE VERDE	0.4	1 010	Rural Poverty Alleviation Programme	To be determined	Rural development	Under appraisal	EB 60/Apr 97
CONGO	3	670	Marketing and Rural Finance	To be determined	Marketing and rural credit	Formulation completed	EB 60/Apr 97
GAMBIA, THE	1	n.a. 2/	Rural Finance and Community Initiatives	9.24	Microfinance services	Scheduled for December 1998 Board presentation	EB 64/Sep 98
GUINEA (X)	7	560	Village Support	7.0	Decentralized rural development	Scheduled for t December 1998 Board presentation	3/
MALI	10	240	Sahelian Areas Development Fund Programme	22.0	Rural development	Scheduled for December 1998 Board presentation	EB 62/Dec 97
NIGERIA	115	240	Roots and Tubers Expansion Programme	20.0	Commodity development	Appraisal completed	EB 57/Apr 96

PART I: PROJECTS PREVIOUSLY PRESENTED IN ANNEX A BUT NOT YET APPROVED

Country	Population (million) 1/	GNP Per Capita 1996 Actual (USD)	n Project Name	Proposed Loan Tentative Amount (USD million)	Nature of Project	Status	Executive Board Session for Annex A
SENEGAL	9	570	Agroforestry to Combat Desertification 4/	8.2	Natural resource management/ agricultural development	Scheduled for December 1998 Board presentation	EB 64/Sep 98
			AFRICA	II			
MAURITIUS	1	3 710	Rural Diversification	To be determined	Rural finance	Under appraisal	EB 64/Sep 98
ZAMBIA	9	360	Forest Resource Management 5/	12.6	Natural resource management	Scheduled for December 1998 Board presentation	EB 62/Dec 97
ZIMBABWE	11	610	Smallholder Irrigation Support Programme	12.1	Small-scale Irrigation	Scheduled for December 1998 Board presentation	EB 63/Apr 98
			ASIA AND THE	PACIFIC			
INDIA	945	380	Bihar/Madhya Pradesh Tribal Development	23.0	Tribal development	Appraisal completed	EB 64/Sep 98
LAOS	5	400	Xieng Khouang Agricultural Development — Phase II	6.9	Agricultural development	Scheduled for December 1998 Board presentation	EB 64/Sep 98
PAKISTAN	134	480	Barani Village Development 6/	15.3	Rural development	Scheduled for December 1998 Board presentation	EB 63/Apr 98

PART I: PROJECTS PREVIOUSLY PRESENTED IN ANNEX A BUT NOT YET APPROVED

Country	Population (million) 1/	GNP Per Capita 1996 Actual (USD)	a Project Name	Proposed Loan Tentative Amount (USD million)	Nature of Project	Status	Executive Board Session for Annex A
SRI LANKA	18	740	Matale Regional Economic Advancement 7/	11.7	Rural development	Scheduled for December 1998 Board presentation	EB 63/Apr 98
			LATIN AMERICA AND TI	HE CARIBBEAN			
BRAZIL	161	4 400	Sustainable Development for Agrarian Reform Settlements in the Semi-Arid North-East 8/	25.0	Rural development	Scheduled for December 1998 Board presentation	EB 64/Sep 98
COLOMBIA	37	2 140	Development of Small-Scale Fisheries and Aquaculture	To be determined	Fisheries	Formulation completed	EB 63/Apr 98
DOMINICAN REPUBLIC	8	1 600	South Western Region Small Farmers Project - Phase II	12.0	Rural development	Scheduled for December 1998 Board presentation	EB 64/Sep 98
HAITI	7	310	Food Crops Intensification - Phase II	15.4	Agricultural development	Scheduled for December 1998 Board presentation	EB 63/Apr 98
HONDURAS	6	660	Rural Development in the South-Western Region (PROSOC) 9/	15.8	Rural development	Scheduled for December 1998 Board presentation	EB 64/Sep 98

PART I: PROJECTS PREVIOUSLY PRESENTED IN ANNEX A BUT NOT YET APPROVED

Country	Population (million) 1/	GNP Per Capi 1996 Actual (USD)	ta Project Name	Proposed Load Tentative Amount (USD million)	of Project	Status	Executive Board Session for Annex A
			NEAR EAST AND	NORTH AFRICA			
OMAN	2	n.a. 10/	Community Resources Management	5.2	Agricultural development and natural resource management	Scheduled for December 1998 Board presentation	EB 63/Apr 98
SUDAN	27	n.a. 2/	North Kordofan Rural Development	To be determined	Rural development	Appraisal completed	1 EB 55/Sep 95
TUNISIA	9	1 930	Integrated Agricultural Development in the Governorate of Zaghouan	16.1	Agricultural development	Scheduled for December 1998 Board presentation	EB 64/Sep 98

reformulation

Country	Population (million) 1/	GNP Per Capita 1996 Actual (USD)	a Project Name	Proposed Loan Tentative Amoun (USD million)	Nature t of Project	Status
			AFRICA I			
Projects at Incept	tion/Identific	ation Stage				
Projects at Form	ulation/Prepa	aration Stage				
BURKINA FASO	11	230	Rural Microenterprise Support	To be determined	Rural microenterprise	Under formulation
CONGO	3	670	Marketing and Rural Finance	To be determined	Marketing and rural credit	Formulation completed
GHANA	18	360	Upper-East Region Land Conservation and Smallholder Rehabilitation - Phase II 11/	See Annex A	Land conservation and smallholder rehabilitation	Formulation completed
GHANA	18	360	Rural Financial Services	To be determined	Rural financial institutional strengthening	Under g formulation
SIERRA LEONE	5	200	Rural Sector Support Programme	To be determined	Rural development	Under

Country	Population (million) 1/	GNP Per Capita 1996 Actual (USD)	Project Name	Proposed Loan Tentative Amount (USD million)	Nature of Project	Status
<b>Projects at Appr</b>	aisal Stage					
CAPE VERDE	0.4	1 010	Rural Poverty Alleviation Programme	To be determined	Rural development	Under appraisal
GAMBIA, THE	1	n.a. 2/	Rural Finance and Community Initiatives	9.24	Microfinance services	Scheduled for December 1998 Board presentation
GUINEA (X)	7	560	Village Support	7.0	Decentralized rural development	Scheduled for December 1998 Board presentation
MALI	10	240	Sahelian Areas Development Fund Programme	22.0	Rural development	Scheduled for December 1998 Board presentation
NIGERIA	115	240	Roots and Tubers Expansion Programme	20.0	Commodity development	Appraisal completed
SENEGAL (X)	9	570	Agricultural Services and Producer Organizations (PSAOP)	To be determined	Agricultural development	Under appraisal
SENEGAL	9	570	Agroforestry to Combat Desertification 4/	8.2	Natural resource management/ agricultural development	Scheduled for December 1998 Board presentation

Country	Population (million) 1/	GNP Per Capita 1996 Actual (USD)	Project Name	Proposed Loan Tentative Amount (USD million)	Nature of Project	Status
			AFRICA II			
Projects at Incept	tion/Identifica	ation Stage				
SOUTH AFRICA	38	3 520	Rural Financial Systems Development	To be determined	Rural credit	Inception completed
Projects at Form	ulation/Prepa	ration Stage				
BURUNDI	6	170	Burundi Rural Recovery Programme 12/	See Annex A	Post-conflict rehabilitation	Formulation completed
ERITREA	4	n.a. 2/	Gash Barka Livestock and Agricultural Development	To be determined	Area development	Under formulation
NAMIBIA	2	2 250	Southern Communal Areas Development Programme	To be determined	Area development	Under formulation
TANZANIA, UNITED REPUBLIC OF	30	170	Participatory Small-Scale Irrigation Development	To be determined	Privatization of small-scale irrigation	Under formulation
Projects at Appra	nisal Stage					
MAURITIUS	1	3 710	Rural Diversification	To be determined	Rural finance	Under appraisal

Country	Population (million) 1/	GNP Per Capita 1996 Actual (USD)	Project Name	Proposed Loan Tentative Amount (USD million)	Nature of Project	Status
ZAMBIA	9	360	Forest Resource Management 5/	12.6	Natural resource management	Scheduled for December 1998 Board presentation
ZIMBABWE	11	610	Smallholder Irrigation Support Programme	12.1	Small-scale irrigation	Scheduled for December 1998 Board presentation
			ASIA AND THE PACIFIC			
<b>Projects at Ince</b>	ption/ Identific	cation Stage				
CAMBODIA	10	300	Community-Based Rural Development	To be determined	Rural development	Inception completed
LAOS	5	400	Support for Rural Credit	To be determined	Credit	Under identification
NEPAL	22	210	Farmer-Managed Hills Irrigation Improvement	To be determined	Irrigation and rural development	Under identification
PAKISTAN	134	480	North Federally-Administered Tribal Areas (FATA) Development	To be determined	Rural developmen	t Inception completed
SRI LANKA	18	740	Second Small Farmer Rural Credit	To be determined	Credit	Under identification

Country	Population (million) 1/	GNP Per Capita 1996 Actual (USD)	Project Name	Proposed Loan Tentative Amount (USD million)	Nature of Project	Status
<b>Projects at Form</b>	ulation/Prepa	ration Stage				
BHUTAN	0.3	390	Second Eastern Zone Agriculture	To be determined	Agricultural development	Formulation completed
VIET NAM	75	290	Ha Tinh Rural Development 13/	See Annex A	Rural development	Formulation completed
Projects at Appr	aisal Stage					
BANGLADESH	122	260	Smallholder Agricultural Improvement 14/	To be determined	Agricultural development	Under appraisal
INDIA	945	380	Bihar/Madhya Pradesh Tribal Development	23.0	Tribal development	Appraisal completed
LAOS	5	400	Xieng Khouang Agricultural Development - Phase II	6.9	Agricultural development	Scheduled for December 1998 Board presentation
PAKISTAN	134	480	Barani Village Development 6/	15.3	Rural development	Scheduled for December 1998 Board presentation

Country	Population (million) 1/	GNP Per Capita 1996 Actual (USD)	n Project Name	Proposed Loan Tentative Amount (USD million)	Nature of Project	Status
SRI LANKA	18	740	Matale Regional Economic Advancement 7/	11.7	Rural development	Scheduled for December 1998 Board presentation
VIET NAM (X)	75	290	Rural Microfinance 15/	To be determined	Rural financial services	Appraisal completed
			LATIN AMERICA AND THE CARIBBEA	AN		
Projects at Ince	ption/Identifica	ation Stage				
CHILE	14	4 860	Southern Region Agricultural Development	To be determined	Agricultural development	Under identification
COLOMBIA	37	2 140	Small-Scale Agricultural Development of the High Pahia Basin	To be determined	Rural development	Under identification
COLOMBIA	37	2 140	Small-Scale Agricultural Development of the Middle Chicamocha	To be determined	Rural development	Under identification
COLOMBIA	37	2 140	Small-Scale Agriculture in the Atlantic Central-West Savannas	To be determined	Rural development	Under identification
COSTA RICA	3	2 640	Fostering of Rural Agro-Industry-Managed Small Farmers	To be determined	Agro-industries	Under identification
COSTA RICA	3	2 640	Agricultural Development in the General Valley	To be determined	Agricultural development	Under identification

Country	Population (million) 1/	GNP Per Capita 1996 Actual (USD)	a Project Name	Proposed Loan Tentative Amount (USD million)	Nature of Project	Status
COSTA RICA	3	2 640	Canton of Talamanca Sustainable Development	To be determined	Agricultural development	Under identification
MEXICO	93	3 670	Support for Smallholder Irrigation	To be determined	Irrigation	Under identification
MEXICO	93	3 670	Support for Agricultural Seasonal Migrant Workers	To be determined	Rural development	Under identification
MEXICO	93	3 670	Management of Forest Resources by Peasant Communities	To be determined	Rural development	Under identification
NICARAGUA	5	380	Region II, Departments of Leon and Chinandega	To be determined	Rural development	Identification completed
Projects at Form	ulation/Prepa	ration Stage				
ARGENTINA	35	8 380	Development of the Northwestern Region of Argentina	To be determined	Rural development	Under formulation
COLOMBIA	37	2 140	Development of Small-Scale Fisheries and Aquaculture	To be determined	Fisheries	Formulation completed
EL SALVADOR	6	1 700	Rural Development for the Central Region of El Salvador - Phase II (PRODAP - II) 16/	See Annex A	Rural development	Formulation completed
GUATEMALA	11	1 470	Rural Development Programme for Las Verapaces	To be determined	Rural development	Under formulation

Country	Population (million) 1/	GNP Per Capita 1996 Actual (USD)	Project Name	Proposed Loan Tentative Amount (USD million)	Nature of Project	Status
Projects at App	raisal Stage					
BRAZIL	161	4 400	Sustainable Development for Agrarian Reform Settlements in the Semi-Arid North- East 8/	25.0	Rural development	Scheduled for December 1998 Board presentation
DOMINICAN REPUBLIC	8	1 600	South Western Region Small Farmers Project - Phase II	12.0	Rural development	Scheduled for December 1998 Board presentation
HAITI	7	310	Food Crops Intensification - Phase II	15.4	Agricultural development	Scheduled for December 1998 Board presentation
HONDURAS	6	660	Rural Development in the South-Western Region (PROSOC) 9/	15.8	Rural development	Scheduled for December 1998 Board presentation
			Near East and North Africa			
Projects at Ince	ption/Identifica	ation Stage				
ALGERIA	29	1 520	Pastoral and Livestock Development in the Steppe	To be determined	Livestock	Under identification

Country	Population (million) 1/	GNP Per Capita 1996 Actual (USD)	Project Name	Proposed Loan Tentative Amount (USD million)	Nature of Project	Status
EGYPT	59	1 080	Menoufia On-Farm Water Management	To be determined	Agricultural development	Under identification
MOROCCO	27	1 290	El Kalaa des Sraghna Agro-Pastoral Development	To be determined	Livestock	Under identification
MOROCCO	27	1 290	Azilal Mountainous Agricultural Pilot Development	To be determined	Agricultural development	Under identification
TURKEY	63	2 830	East Anatolia Forage and Livestock	To be determined	Livestock	Identification completed
TURKEY	63	2 830	Bitlis, Van and Hakkari Rural Development	To be determined	Rural development	Under identification
TURKEY	63	2 830	Sivas-Erzincan Rural Development	To be determined	Rural development	Under identification
Projects at Form	ulation/ Prepa	aration Stage				
JORDAN	4	1 650	Yarmouk Agriculture Resources Development	See Annex A	Soil and water conservation and agricultural development	Formulation completed
THE REPUBLIC OF MOLDOVA	4	590	Rural Financial Services Programme	To be determined	Rural financial services	Under formulation

Country	Population (million) 1/	GNP Per Capita 1996 Actual (USD)	Project Name	Proposed Loan Tentative Amount (USD million)	Nature of Project	Status
SUDAN	27	n.a. 2/	South Kordofan Agricultural Development	To be determined	Agricultural development	Under formulation
YEMEN	16	380	Toor Al Baha Agricultural Development	To be determined	Agricultural development	Preparation completed
YEMEN	16	380	Maharah Area Development	To be determined	Rural development	Under formulation
Projects at App	raisal Stage					
OMAN	2	n.a. 9/	Community Resources Management	5.2	Agricultural development and natural resource management	Scheduled for December 1998 Board presentation
SUDAN	27	n.a. 2/	North Kordofan Rural Development	To be determined	Rural development	Appraisal completed
TUNISIA	9	1 930	Integrated Agricultural Development in the Governorate of Zaghouan	16.1	Agricultural development	Scheduled for December 1998 Board presentation

#### **Footnotes to Annex B:**

- X Projects so marked are selected from the pipeline of a cooperating institution (indicated in parentheses); the rest are "IFAD-initiated projects", i.e., projects identified by the Fund's identification missions or directly requested by Governments.
- 1995 data from "1997 World Bank Atlas".
- Estimated to be low-income (USD 785 or less).
- As per Provisional Agenda EB 98/65/R.1
- Former Agroforestry Development Phase II.
- 5/ Former Forest Products.
- <sup>6</sup> Former Barani Areas Village Development.
- Former Matale Enterprise Development and Employment.
- Former Sustainable Development Project for Agrarian Reform Settlements in the Semi-Arid Zone of the North-East Region.
- Former Rural Development for the South West Region of Honduras (PRODESO).
- Estimated to be upper middle income (USD 3 116 to USD 9 635).
- Former Upper East Region Land Conservation and Rehabilitation Phase II.
- Former Rehabilitation of Basic Services.
- Former Rural Development in Ha Tinh Province.
- Former Smallholder Crop Improvement.
- The project may need to be reformulated.
- Former Rural Development for the Central Region Phase II.