



**IFAD**  
**INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT**  
**Executive Board – Seventy-First Session**

Rome, 6-7 December 2000

**SULTANATE OF OMAN**

**COMMUNITY RESOURCES MANAGEMENT PROJECT**

1. At its Sixty-Fifth Session in December 1998, the Executive Board approved a loan to the Sultanate of Oman of SDR 3.85 million on ordinary terms to finance the Community Resources Management Project. The project was seen as a pioneering initiative in terms of its approach to dealing with water resource management through coordinated action between water users in the project area and concerned government agencies. The Board approved the loan on the understanding that negotiations would take place once the Borrower had included the project in its ongoing Five-Year Development Plan and had formally approached the Arab Fund for Economic and Social Development to secure cofinancing for the project.
2. An IFAD mission visited Oman in September 2000. Authorities of the Ministries of Agriculture and Fisheries and of Water Resources confirmed that the project had been accorded high priority and that it was included in proposals for the new Five-Year Development Plan (2000/2005). The mission was informed that the Government was in the process of finalizing the next Five-Year Development Plan and of determining its borrowing requirements in the light of the country's improved financial situation as a result of higher crude oil prices. The mission informed the Omani authorities of IFAD's regulations stipulating that the loan agreement should be signed within two years of loan approval. This was reiterated to the Ministry of Agriculture and Fisheries in a letter of 13 September 2000, and the Government was invited to negotiate the loan at IFAD headquarters in Rome between 10 and 15 November 2000. The Government agreed to inform IFAD in the event it decided not to proceed with the loan.
3. By letter of 29 October 2000, the Ministry of Agriculture and Fisheries informed IFAD that the Government of the Sultanate of Oman had decided not to proceed with the loan. At the same time, it was indicated that a number of the schemes and initiatives identified under the Community Resources Management Project, especially in the field of modern irrigation-system management, would be incorporated into the country's new Five-Year Development Plan.
4. Accordingly, the President of IFAD has decided to cancel the loan for the project under reference, and the Executive Board is invited to take note of this decision.