



IFAD
INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT
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PLANNED PROJECT ACTIVITIES
2000-2001

Since document EB 2000/71/R.28 was dispatched to Executive Board Directors, three additional projects have reached a sufficiently advanced stage of preparation to warrant inclusion in the Annex A portion of the document. The relevant project summaries are attached.



Region: Eastern and Southern Africa (Africa II)	Country: Malawi
Programme Name: Rural Livelihoods Support Programme	Per Capita GNP¹: 210
Programme Cost (USD million): 15.0	Population (million)¹: 11
IFAD Loan (USD million): To be determined	Leading External Financier²: IFAD
Proposed Terms: Highly concessional	Cofinancier: To be determined
Present Status: Under formulation	Appraising Institution and Loan Administrator: IFAD and United Nations Office for Project Services (UNOPS)

Programme Objectives

Malawi is ranked among the poorest countries in the world. Rural poverty is mainly attributable to landlessness, very low agricultural productivity, inadequate education and the lack of off-farm employment opportunities. Development assistance has largely bypassed the development needs of the most resource-poor and has had less impact than anticipated on the incidence and depth of rural poverty. The difficulties faced by the rural poor in achieving basic livelihood security continue to be further compounded by the devastating effects of the HIV/AIDS pandemic, affecting households' motivation and ability to participate in economic activities, as well as seriously reducing service organizations' capacity to maintain their operations. The objective of the proposed programme will be to improve poor rural communities' access to resources and their efficient use of those resources. The programme has been conceived within the framework of the ongoing decentralization process. It will help communities explore and agree upon their priorities in an inclusive manner, identify appropriate activities and stimulate an appropriate response to these needs from relevant public and private service providers.

Beneficiaries

The programme will be located in the southern region, which supports nearly half of the country's total population. Sixty per cent of the rural population has income below the poverty line (equivalent to USD 40 per person per annum). It is estimated that more than 50% of households cultivate less than 0.5 ha. Malnutrition is widespread and over 60% of the people are considered food insecure. Infrastructure is poorly developed and most rural areas are poorly accessible. Smallholder agricultural activities are concentrated on maize production, mainly for household subsistence. Women-headed households have the fewest resources of all smallholder households. The programme area for the initial phase is expected to include three districts of the southern region (Mulanje, Thyolo and Nsanje), with a total population of about one million.

¹ 1998 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 the mobilization of external resources.



Components

The programme will be financed under the flexible lending mechanism.

(a) Investment in Human Capital

The limited investment to date in human capital at a local level has been identified as an important constraint to securing improved livelihoods and quality of life among the target population. Therefore, the component will represent a major focus of the programme and contribute to the empowerment of vulnerable communities and households. It will also lay a foundation for determining the demand for technical interventions designed to meet the needs of the target population. Through this component, the programme will: (i) establish the process of interacting with villagers, which will involve an extended, preliminary period of situation analysis, mobilization and facilitation supported by village-based facilitators; (ii) build the capacity at local levels to determine, articulate and respond to the needs and aspirations of poor rural households; and (iii) develop facilitation skills among a range of local service providers operating in support of rural communities. The process at the village level will be inclusive in order to ensure access to programme resources by particularly vulnerable members of the community, such as families affected by HIV/AIDS and women-headed households.

(b) Village Investments

The aim of the component is to assist villages in meeting their investment priorities as identified through the participatory planning processes of the programme. The component will consist of two separate funds: the Local Initiatives and Village Investment Funds. The Local Initiatives Fund will assist villages in carrying out small-scale activities in pursuit of widely shared priorities and within their own technical capacity. The performance of a village in using the fund for activities consistent with the objectives of the programme will be assessed annually. Use of the Local Initiatives Fund will be closely monitored and any misuse of resources will temporarily or permanently preclude further allocations to the village concerned. The Village Investment Fund will establish physical assets identified as investment priorities through the participatory process. Such assets will typically benefit an identifiable group within the village or the village as a whole, but can conceivably also serve the interests of two or more villages. Allocations will require that a work plan and budget including provisions for necessary technical support has been prepared for the activity and that the proposal has been approved by local government authorities. Most resources will initially be managed directly by an Interim Facilitation Unit, with limited resources passed through the District Development Fund. A reverse arrangement is anticipated for the programme's second phase, subject to the emergence of strengthened management mandates and capacities within the local government system.

(c) Programme Management and Policy Development

The component will support the programme's institutional and administrative requirements. An Interim Facilitation Unit will be established in Blantyre and will work in close collaboration with the district assemblies concerned. The unit will have a small core of contracted staff, including district facilitators, and may contract short-term external technical advisers with experience in participatory methodologies in rural development. A staff member of the Decentralization Secretariat will act as the liaison with the programme and will be supported by the programme in contracting assistance to identify, on a continual basis, those structures and processes that best serve the interests of the rural poor; articulate policies for a decentralized approach to meeting their requirements; translate such policies into an overall plan of action; and secure funding for realizing the plan of action.



Implementation

The programme will be implemented over a 12-year period. The Interim Facilitation Unit will be headed by a programme manager reporting to the principal secretary, Department of Local Government, Office of the President and Cabinet. Policy guidance and general programme oversight will be provided by an advisory committee to be established at national level, with a composition reflecting the multisector nature of the programme.

Important Features

The programme is in line with IFAD's country strategic opportunities paper and the Government of Malawi's long-term development strategy focused on poverty eradication. It will be implemented in a context of restructuring associated with democratic reform and decentralization. It will support processes for the delivery of assistance to the local level so as to strengthen villagers' capacity to prioritize and express their needs to an increasingly responsive network of service providers. The intensive application of participatory processes through the stages of activity identification, planning and implementation will ensure programme ownership. Interaction with poorer rural communities will be a fundamental aspect of the livelihood improvement achieved under the programme.

Main Issues

During appraisal, the following issues will be addressed: (i) confirmation of the proposed components, together with an initial set of activities; (ii) confirmation of the geographic foci for the programme's first phase and its subsequent expansion; (iii) confirmation of implementation arrangements and operational procedures including requirements of the Interim Facilitation Unit; (iv) confirmation of the composition and procedures of the advisory committee; and (v) finalization of cofinancing arrangements with development partners.

Previous IFAD Operations

Seven projects have been approved for a total of SDR 60.51 million (two cofinanced and five IFAD-initiated). One of the projects was also financed through the Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification. Two projects are currently under implementation.

Region: Asia and the Pacific	Country: Pakistan
Project Name: North-West Frontier Province (NWFP) Barani Area Development Project	Per Capita GNP¹: 470
Project Cost (USD million): 98.1	Population (million)¹: 132
IFAD Loan (USD million): To be determined	Leading External Financier²: Asian Development Bank (AsDB)
Proposed Terms: Highly concessional	Cofinancier: IFAD
Present Status: Appraisal completed	Appraising Institution and Loan Administrator: Asian Development Bank (AsDB)/IFAD and AsDB

Project Objectives

The North-West Frontier Province (NWFP) is characterized by large areas of poor settlements where livelihood is largely dependent on uncertain rainfed agriculture due to a very unreliable rainfall pattern. Over 80% of the rural population is poor, 30% is landless and gender disparity is significant. The overall goal of the proposed project will be to: (i) reduce poverty in remote areas of NWFP, particularly among smallholders and landless; and (ii) improve the status of women in these traditionally conservative areas where access and opportunities have been limited. Specific objectives will include: (i) improved agricultural and natural-resource management practices; (ii) enhanced community infrastructure in order to increase value and/or reduce costs of village activities; and (iii) improved rural livelihood opportunities and alternatives, including specific measures to increase women's access to social and economic resources.

Beneficiaries

The project will cover 832 villages located in nine districts and one federal agency. Most households live in poor conditions, and food insufficiency is common in the area. Household incomes are constrained due to the low productivity of rainfed agriculture and livestock production and the lack of off-farm employment opportunities. Over 80% of the households have consumption levels below the province's monthly minimum poverty level of Pakistani rupees 771 (USD 15). Rural women bear a disproportionate burden of poverty due to low social status, limited access to economic opportunities and social services and lower ownership of productive assets such as land and capital. Their level of education and health is among the lowest in the province. The project will directly reach about 830 000 beneficiaries (representing approximately 83 000 households). These are mainly small farmers, landless farm labourers, tenant/share croppers and those engaged in rural off-farm occupations.

Components

(a) Village-Level Development

This development will consist of two sub-components: improving women's status and community mobilization. The first sub-component will support women-specific interventions: formation of separate women's organizations (WOs); village-based education for girls; training of village women teachers; health awareness and family planning; women's health practitioners; training of traditional birth attendants; gender awareness; and networking among WOs. The community mobilization sub-component aims at ensuring participation of the poor in decision-making and in managing developing activities. To this end, support will be provided for the establishment and



strengthening of approximately 830 village organizations (VOs) and 500 WOs in 830 villages with about three to four men's and women's community-organizations (M/WCOs) per village. Village activists and community-organization office bearers will be trained in leadership and organizational management skills. Non-governmental organizations (NGOs) will assist in the preparation of village development plans and will provide training in microenterprise management capability, basic vocational employment skills and capacity in microfinance.

(b) Agriculture and Natural Resource Management

Support will be provided for: (i) crop development by upgrading agricultural practices through improved crop demonstration-cum-seed-multiplication efforts; introduction of low-cost technologies to reduce grain storage losses and to increase composting; adaptive research; effective networking with similar ongoing *barani* research institutes; and training of village extension workers and farmers in improved *barani* farming techniques; (ii) horticultural demonstrations (vegetable and kitchen gardening); (iii) soil and water conservation interventions and training; (iv) livestock development, including breed improvement, animal health and vaccination, feed enhancement, poultry improvement and management, and training of village livestock extension workers and farmers; (v) community forestry to improve the use of neighbouring forest and range areas by the communities through demonstrations/training and to provide sustainable supplies of fuelwood.

(c) Rural Financial Services

The project will support the introduction of rural financial services through the mobilization of community savings. Credit will be channelled through the project to a participating financial institution or partner NGO for onlending. Short-term credit will be provided for seasonal crop and livestock production needs; trading and microenterprise; income-generating activities for farm and off-farm activities with emphasis on rural women and the landless. Medium-term credit will be made available for a range of assets (e.g., farm machinery, tree crops and establishment of nurseries and microenterprises). In addition, inventory finance and operating capital will be provided for businesses in project communities. The project expects to provide 30% of all loans to women borrowers.

(d) Participatory Small-Scale Infrastructure

Financing will be provided for: (i) appropriate irrigation infrastructure to enhance crop yields and cropping intensities; subject to further studies, the project will finance a limited number of irrigation ponds, small-scale farmer-managed schemes, including tube wells and dug wells in the southern region; the development and improvement of surface irrigation schemes in the northern districts (a total of 570 microirrigation schemes are envisaged); (ii) the construction of drinking-water supply schemes; (iii) the construction of village feeder and district council link roads; (iv) micro-hydel units for electricity generation; and (v) improved sanitation practices/facilities.

(e) Institutional Support

The project will finance the establishment of a provincial project liaison unit (PLU) and decentralized district implementation units (DIUs). Project financing will also include: (i) sector technical support; (ii) technical assistance for the design and establishment of a benefit monitoring and evaluation system; and (iii) capacity-building and training for NGOs, staff and local government.

Implementation

This seven-year project will be implemented under the overall responsibility of the Planning, Environment and Development Department of the Government of NWFP through the Barani Area Development Office of the Special Development Unit (SDU). Day-to-day planning and



implementation responsibilities will be decentralized to the DIUs. Overall coordination will be ensured through a Project Review Board, while coordination among the DIUs and the PLU will be ensured through provincial quarterly project administration meetings chaired by the director general of SDU. The District Coordination Committees will ensure coordination at the district level.

Important Features

The project has been designed taking into account the experiences and lessons learned during the implementation of the IFAD-supported Mansehra Village Support/Dir Area Support Projects and the AsDB-supported Barani Area Development Project – Phase I. An essential part of the project design is that it is demand-driven, responding to the needs of the target villages. NGOs will be involved to identify and prioritize the needs of beneficiaries. Beneficiaries will contribute to investment costs and take over full responsibility for operation and maintenance of rural works and irrigation facilities. Project implementation will be decentralized to the district, villages and communities to ensure full participation. Gender mainstreaming will be a cross-cutting feature of the project and close coordination with concerned line agencies will be established to broaden the project impact on rural households by integrating primary healthcare, primary education and sanitation efforts. The project will promote regular consultation and development of village plans by the beneficiaries as well as participatory monitoring.

Main Issues

It will be important for IFAD to provide strong support at the initial stages of implementation. This support is expected to be provided through the Special Operations Facility.

Previous IFAD Operations

IFAD has supported 16 projects in Pakistan (11 IFAD-initiated and 5 initiated by cooperating institutions) for a total of SDR 173.38 million. Currently, there are five projects under implementation. The South Federally Administered Tribal Areas Development Project, for which a loan of USD 17.15 million is proposed, is being submitted to the Seventy-First Session of the Executive Board in December 2000.

Region: Latin American and the Caribbean	Country: Haiti
Programme Name: Productive Initiatives Support Programme in Rural Areas (PAIP)	Per Capita GNP¹: 410
Programme Cost (USD million): 25.4	Population (million)¹: 8
IFAD Loan (USD million): To be determined	Leading External Financier²: IFAD
Proposed Terms: Highly concessional	Cofinancier: Discussion ongoing with the Organization of the Petroleum Exporting Countries Fund for International Development (OPEC Fund). Financing on a parallel basis will be provided by the Inter-American Development Bank (IDB) and the World Bank
Present Status: Under appraisal	Appraising Institution and Loan Administrator: IFAD and UNOPS

Programme Objectives

While poverty is widespread across the country, this is particularly acute in rural areas, where at least 80% of the population live in poverty. The political deadlock has further exacerbated the economic situation of the poor. The overall objectives of the proposed programme will be to contribute to poverty reduction through diversification of economic activities and income incrementation on a sustainable basis, improvement of food security, and better and sustainable management of natural resources. More specifically, the programme will: (i) strengthen local and national capacities for development planning and management with the participation of grass-roots organizations, which will constitute the central axis of the programme; (ii) support initiatives related to recapitalization of farms, intensification and diversification of agricultural production coupled with sustainable management of natural resources, produce processing and marketing, improvement of rural infrastructure, non-agricultural and service microenterprise; and (iii) facilitate, on a sustainable basis, access to financial services for the targeted rural poor and in particular the most marginal groups.

Beneficiaries

This nationwide programme expects to reach about 600 communes, representing a total population of approximately 500 000 persons. It will focus on the poorest areas of selected departments and establish targeting mechanisms to reach the rural poor, with emphasis on the most deprived groups (small peasants, the landless, women and the young) and the most remote areas. The programme will support producers associated in economic organizations, women's groups and grass-roots microfinance institutions (MFIs). A total of about 30 000 families are expected to directly benefit from programme-supported activities. In addition, the programme will benefit local governments and the Ministry of Agriculture, Natural Resources and Rural Development by strengthening their capacity for designing and implementing rural-development and poverty-eradication policies and local development plans.



Components

(a) Strengthening of Local Capacities

The aim of the component is to enhance the planning, management and negotiating skills of major public and private entities in rural areas (especially grass-roots organizations) so as to launch a sustainable development process for overall local development and, in particular, income-generation for rural communities. To achieve this, the programme will support four sub-components: (i) participatory planning and animation to facilitate the preparation of communal development plans (CDPs) for communities that adhere to the participatory approach; beneficiaries will identify priorities and productive microprojects (MPs) through CDPs; (ii) functional literacy to strengthen communities' technical and managerial capacity in areas linked with other programme activities; (iii) strengthening of grass-roots organizations through training in the elaboration of CDPs and preparation of MPs; and (iv) support to the management of rural and local development.

(b) Support to Local Production Initiatives and Agricultural Production

Under this component, the programme will support: (i) local production initiatives by financing feasibility studies; eligible projects identified through MPs (intensification and diversification of agricultural production, processing activities, non-agricultural income-generating activities, productive infrastructure, environmental protection and conservation); technical assistance to assist in MP implementation; and ex-post evaluations of MP impact; and (ii) cross-sectoral and support activities, including marketing surveys on the diversification of agricultural production, feasibility studies on watershed management and irrigation development, and environmental impact assessments; marketing support and trading intermediation, and the collection and diffusion of market intelligence; transfers of technology suitable to small producers; action-research activities for MPs financed under the programme, such as on-farm trials and demonstrations, information campaigns, etc.

(c) Support to Rural Microfinance Institutions

In order to facilitate the target group's access to financial services in a sustainable manner, support will be provided for: (i) strategic and marketing studies to determine the potential market for microfinance services, the capacity of existing MFIs, services offered and clients' needs; (ii) institutional support for the establishment of an efficient information system linking MFIs supported by the programme with the Ministry of Economic and Financial Affairs and the Central Bank of Haiti; training; preparation of a suitable legal and regulatory framework for microfinance; and the setting up of a comprehensive management information system on microfinance; (iii) the establishment and/or strengthening of MFIs; (iv) training and initial support to specialized service providers (proximity operators and a national operator); and (v) the establishment of an equity fund to capitalize newly-established MFIs through the setting up of a holding of participating MFIs.

(d) Coordination and Management

Support will be provided for the establishment of a new directorate within the Fund for Economic and Social Assistance (FAES) – the Directorate for Economic Initiatives – to facilitate programme coordination and management. Programme activities will be implemented through contracted operators/service providers at the local and national level.



Programme Implementation

FAES will be responsible for the implementation of this ten-year programme through decentralized regional antennas at the departmental level. Programme coordination and management will be ensured by the Government and FAES/PAIP Donors Joint Counsel Committee, the FEAS Executive Board, the FAES Management Board and the Rural Economic Initiatives Department to be established within FAES. Technical committees for productive projects and microfinance will be established with an advisory/coordination role.

Important Features

The programme will be implemented in three phases within the framework of the flexible lending mechanism. The initial phase will be dedicated to testing and fine-tuning the mechanisms for the effective participation of beneficiaries. It will support the current policies of decentralization and promotion of the rural private sector, placing emphasis on strengthening the capacities of grass-roots organizations. By adopting a participatory and demand-driven approach, beneficiaries will be involved from the socio-economic diagnosis of their community, through the elaboration of CDPs to the management of projects. The programme should contribute to rebalancing the social roles of the sexes and promote stronger participation of women in decision-making. Beneficiaries will have representatives in the main programme steering and consultative committees. The programme will strengthen coordination between major donors and actors in rural development in Haiti around concrete actions by organizing dialogue forums at the departmental and communal level and setting up a donor coordination committee within FAES.

Main Issues

During appraisal the following issues will be addressed: (i) review further the scope of microfinance support (including economic trends and data relevant for microfinance), while ensuring that the legal/regulatory framework for microfinance remains a priority area for policy dialogue; (ii) examine the focus and scale of the programme intervention to ensure a realistic rate of geographic expansion; (iii) develop an implementation manual for use by the partner agencies to be involved in programme implementation; (iv) finalize of the proposed institutional and organizational set-up; and (v) coordinate with donors. Due to electoral agenda, the programme will only be negotiated after the new President and Government are installed in February 2001. Under these circumstances, the programme is expected to be submitted to the Seventy-Third Session of Executive Board in September 2001.

Previous IFAD Operations

Haiti has been assisted with five projects (three IFAD-initiated and two cofinanced) for a total of SDR 34.65 million. One project is currently under implementation. The Food Crops Intensification Project – Phase II is expected to become effective during the first semester of 2001.