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**PROGRESS REPORT ON THE PROJECT PORTFOLIO**



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## ABBREVIATIONS AND ACRONYMS

AfDB	African Development Bank
AFESD	Arab Fund for Economic and Social Development
ANADER	National Agency for Support to Rural Development (Côte d'Ivoire)
AsDB	Asian Development Bank
AWP/B	Annual Work Plan and Budget
BSF	Belgian Survival Fund
CCD	Convention to Combat Desertification
CEN	Central and Eastern Europe and the Newly-Independent States
CIMMYT	International Centre for Maize and Wheat Improvement
COSOP	Country Strategic Opportunities Paper
CPM	Country Portfolio Manager
CPR	Common Property Resource
DANIDA	Danish International Development Assistance
DFID	Department for International Development (United Kingdom)
EA	Environmental Assessment
ECP	Extended Cooperation Programme
ESSN	Environmental Screening and Scoping Note
FAO	Food and Agriculture Organization of the United Nations
FLM	Flexible Lending Mechanism
GEF	Global Environment Facility
GTZ	German Agency for Technical Cooperation
IA	Irrigators' Association
ICIPE	International Centre of Insect Physiology and Ecology
IDA	International Development Association
IITA	International Institute of Tropical Agriculture
ILRI	International Livestock Research Institute
IPM	Integrated Pest Management
LAC	Latin America and the Caribbean
M&E	Monitoring and evaluation
MFI	Microfinance Institution
MTR	Mid-Term Review
NAP	National Action Programme
NENA	Near East and North Africa
NGO	Non-Governmental Organization
NRM	Natural Resource and Environmental Management
PCR	Project Completion Report
PD	Programme Management Department
PIM	Participatory Impact Monitoring
PMU	Project Management Unit
PRA	Participatory Rural Appraisal
PREVAL	Programme for Strengthening the Regional Capacity for Monitoring and Evaluation of Rural Poverty-Alleviation Projects in Latin America and the Caribbean
RUTA	Regional Unit for Technical Assistance
SOF	Special Operations Facility
SWC	Soil and Water Conservation
TA	Technical Assistance
UNDP	United Nations Development Programme
UNOPS	United Nations Office for Project Services
VC	Controller's Office
WFP	World Food Programme
WUA	Water Users' Association



## OVERVIEW

1. The scope and depth of periodic reviews at the divisional, departmental and corporate levels further improved in 2000, thanks to their special focus on the requirements of the IFAD V: Plan of Action (2000-2002) (hereafter Plan of Action) during project implementation and more thorough analysis of performance trends. Training in the application of the logical framework and management-by-objective has started to pay dividends, as evidenced by the attention given by an increasing number of Project Status Reports (PSRs) to the achievement of development objectives and their linkage to the physical progress and financial performance of each project.
2. Implementation of the Plan of Action was initiated in 2000. Its main elements were pursued by means of day-to-day project portfolio management and were followed up during periodic portfolio review meetings at the departmental and corporate levels chaired by the Assistant President, Programme Management Department (PD), and the President of the Fund, respectively. Section III of the present report describes the action taken and progress made in meeting the requirements of the Plan of Action insofar as it relates to the implementation phase of the project cycle. Since this is the first attempt of its kind, the Plan of Action's four main building blocks, namely, impact assessment, building partnership, knowledge management and policy and institutional dimensions, have been used as a framework to present the work in progress. Discussions on some of the elements of the Plan of Action have opened up a new vista on the qualitative aspects of the project portfolio.
3. As part of the preparatory work to follow up on the recommendations of the Plan of Action, a new format of the Project Completion Report (PCR) was devised for the purpose of capturing the outcome of completed projects well beyond the traditional treatment of the input-output relationship. The new format was used for 13 projects in 2000. As a result, a number of important lessons were learned because, for the first time, the PCRs showed exactly what the projects had achieved and areas where there had been little or no progress. Projects already rated as successful during implementation have variously recorded significant achievements in terms of environmental protection, increased production, improved household nutrition and food security, gender mainstreaming and development of community-based activities. All these findings highlight the importance of close monitoring during implementation to ensure that timely corrective measures are taken, this being one of the aims of the refined review system that IFAD introduced three years ago in close cooperation with its cooperating institutions.
4. Despite the persistence of a number of implementation problems, which were exacerbated by widespread drought in some regions (particularly in Near East and North Africa (NENA)), the proportion of under-performing projects in the total project portfolio amounted to only 26% in 2000, compared with 25% in 1999 and 30% in 1998. The significance of this figure is that more rigour has been exercised in rating individual projects' performance since 1998, when PD adopted the new format. Cross-cutting issues that affect project implementation include: weak project management performance and institutional capacity; unsatisfactory functioning of monitoring and evaluation (M&E) units, particularly in terms of measuring project impact, and the adequacy and timeliness of counterpart funds; and widespread drought, civil unrest and loan suspension as a result of unsettled arrears.
5. PD regional divisions have employed a variety of proactive and reactive measures for dealing with country- and project-specific implementation problems. Project start-up workshops increasingly use the logical framework technique as a participatory means of fine-tuning project design and delineating the roles and responsibilities of project implementers. These workshops, as well as regional or country implementation workshops, are used as fora for training in loan administration and financial management. The use of Special Operations Facility (SOF) grants has proved to be crucial, both for expediting project launching (i.e. loan effectiveness) and for facilitating project implementation through training in loan administration and M&E and preparation of implementation manuals.



6. The participation of IFAD staff and consultants in supervision, follow-up and mid-term review (MTR) missions invariably aims at providing technical and management support and at streamlining project design. Joint missions for discussions on the management of arrears have been fielded with staff of the Controller's Office (VC). Most regional divisions have linked up with regional technical assistance (TA) grants to facilitate backstopping support for their lending activities.

7. Total disbursements amounted to SDR 217.0 million in 2000, almost SDR 10.0 million more than in 1999 and only slightly less than the peak figure reached in 1998. The continuous proactive portfolio management pursued by PD regional divisions, assisted by VC and the Office of the General Counsel (OL), contributes to maintaining this trend. Total cofinancing arrangements during 2000 amounted to USD 276.0 million, surpassing the scorecard target for the year.

8. With 35 projects having been completed in 2000, the year-end current portfolio consisted of 240 projects. The number of projects completed in 2000 was the highest for any one year in the history of the Fund and reflects its continued efforts to stabilize the size of its ongoing portfolio. During the period under review, 22 loan accounts were closed and a total of SDR 40.3 million was cancelled, representing 23% of the original commitment compared with the overall average of 18%. Non-extension of poorly performing projects with outstanding loan accounts, and partial cancellation of non-performing components/activities, are tools for portfolio management across regional divisions.

9. The ongoing portfolio is administered by nine cooperating institutions and by IFAD. The United Nations Office for Project Services (UNOPS) is responsible for the supervision of 53% of the portfolio, followed by World Bank with 12%, Andean Development Corporation (CAF) with 8% and the Arab Fund for Economic and Social Development (AFESD) with 7%. Meetings were held with all cooperating institutions during the course of the year, both at headquarters and in the field. Over and above the routine matters discussed, various aspects of the Plan of Action, particularly the need for reporting on impact, featured predominantly in these meetings. Given the unchanged level of resources for carrying out supervision work, the foremost concern expressed by the main cooperating institutions regarded the new demands for the monitoring of project impact.

10. Only one of the 15 projects directly supervised by IFAD has not yet been declared effective. Effective projects are at various stages of implementation, largely corresponding to the time of their presentation to the Executive Board. One distinct feature shared by these projects relates to the preparatory work undertaken to measure their future impact. The projects directly supervised by IFAD have also helped in establishing closer implementation partnerships with governments and project management units (PMUs); they have also generated first-hand knowledge and enhanced the Fund's institutional memory.

11. The last section of the present report is devoted to the theme selected for the year 2000, namely, environment and natural resources management. In that section, the discussion on IFAD's evolving corporate approach is supplemented by information on regional approaches, covering a wide range of project-specific examples relating to soil conservation, watershed management, deforestation, rangeland management, desertification, biodiversity conservation, environmental health and, to a lesser extent, aquatic resources and response to emergency situations. However, the common aspects in most regions include increased beneficiary and community participation, transfer of environment-friendly technologies and promotion of environmental policies, as well as rural finance to encourage off-farm income-generating activities and microenterprises to take the pressure off natural resources. While the section recognizes successes, it also highlights shortcomings where corrective action is required.

## I. THE STOCK OF IFAD'S PORTFOLIO

12. With the Executive Board's approval of 27 projects in 2000, the number of approved projects reached 578<sup>1</sup> for a total loan amount of USD 6.9 billion<sup>2</sup> as at end-December 2000. Table 1 shows the number of projects and lending approved over time.

**Table 1: Regional Distribution of Projects**

Region	1978-2000				1997-1999				2000			
	No. of projects	% of Total	IFAD Amt USD m	% of total	No. of projects	% of Total	IFAD Amt USD m	% of Total	No. of projects	% of total	IFAD Amt USD m	% of Total
Africa I	127	22.0	1 211.0	17.5	16	18.0	184.5	14.8	7	25.9	83.9	20.5
Africa II	105	18.2	1 194.1	17.2	16	18.0	214.6	17.3	5	18.5	73.3	17.9
<i>Subtotal Africa</i>	232	40.1	2 405.2	34.7	32	36.0	399.1	32.1	12	44.4	157.1	38.3
Asia	147	25.4	2 275.8	32.8	23	25.8	386.7	31.1	6	22.2	127.5	31.1
LAC	103	17.8	1 100.6	15.9	16	18.0	234.7	18.9	4	14.8	64.0	15.6
NENA	96	16.6	1 150.6	16.6	18	20.2	222.2	17.9	5	18.5	61.1	14.9
<b>Total</b>	<b>578</b>	<b>100.0</b>	<b>6,932.2</b>	<b>100.0</b>	<b>89</b>	<b>100.0</b>	<b>1,242.6</b>	<b>100.0</b>	<b>27</b>	<b>100.0</b>	<b>409.8</b>	<b>100.0</b>

m = million

13. African countries continue to be the largest recipients of IFAD assistance in terms of numbers of projects (40%) and lending amounts (35%). Corresponding to Management's decision to compensate for the reduction in 1997 in lending to Africa, the share in 2000 significantly surpassed both the long-term and the three-year average. Lending to the Asia and the Pacific region closely followed, albeit with only 25% of the total number of projects.

14. A total of 35 projects were completed in 2000, bringing the current portfolio to 240 as at end-December 2000. That was the highest number of projects completed in any one year in the history of the Fund and reflects its commitment to stabilizing the ongoing portfolio. The distribution of the current portfolio by region (including ongoing projects and those not yet signed or effective) is shown in Table 2. The current portfolio is made up of 198 ongoing projects, 17 projects not yet signed and 25 not yet effective, for a total value of USD 3 177.5 million.

**Table 2: Current Portfolio by Region**

Region	End-December 1998				End-December 1999				End-December 2000			
	No. of Projects	% of Total	IFAD Amt USD m	% of total	No. of projects	% of total	IFAD Amt USD m	% of total	No. of projects	% of total	IFAD Amt USD m	% of Total
Africa I	49	20.4	494.7	16.5	48	19.4	516.0	16.2	46	19.2	515.5	16.2
Africa II	45	18.8	498.3	16.7	50	20.2	584.5	18.3	50	20.8	598.6	18.8
Asia	55	22.9	822.3	27.5	56	22.6	880.5	27.6	56	23.3	915.2	28.8
LAC	46	19.2	560.1	18.7	50	20.2	620.4	19.4	45	18.8	575.5	18.1
NENA	45	18.8	615.3	20.6	44	17.7	589.4	18.5	43	17.9	572.7	18.0
<b>Total</b>	<b>240</b>	<b>100.0</b>	<b>2 990.7</b>	<b>100.0</b>	<b>248</b>	<b>100.0</b>	<b>3 190.8</b>	<b>100.0</b>	<b>240</b>	<b>100.0</b>	<b>3 177.5</b>	<b>100.0</b>

m = million

15. Since 1993, the number of new projects entering the project portfolio has increased by approximately seven per year compared with the average number of projects approved in 1988-92. This, together with the implementation of the new policy directives for the redefined project implementation period, introduced in January 1999, led to an imbalance between the number of

<sup>1</sup> Fully cancelled or rescinded loans are not included.

<sup>2</sup> Except where otherwise stated, all amounts quoted in this document relate to the original amounts approved by the Executive Board. Amounts relating to projects are given in United States dollars (USD) and include component grants.

projects entering into and exiting from the portfolio. The total number of projects approved during 1993-2000 amounted to 241 against 182 closed projects. However, the gap between entries into and exits from the portfolio has been significantly reduced in favour of the latter over the past three years.

16. **Pre-implementation performance.** For the 21 projects that became effective during 2000, the average time between Board approval and loan effectiveness was 13.2 months. This represents an increase on the overall average of 11.6 months although it was less than the average of 13.5 months for the period 1997-1999. Figures show that the overall average for the Africa I, Africa II and the Asia and the Pacific regions has dropped compared with 1997-99, particularly in Africa I; that it has averaged for Latin America and the Caribbean (LAC); and slightly increased for NENA (see Table 3).

**Table 3: Average Period from Loan Approval to Effectiveness by Region**

Region	Number of effective projects				Approval to effectiveness (months)			
	1978-2000	1978-1999	1997-1999	2000	1978-2000	1978-1999	1997-1999	2000
Africa I	116	113	19	3	13.2	13.3	14.8	11.1
Africa II	98	92	17	6	11.3	11.3	13.9	12.1
Asia	139	136	23	3	8.1	8.1	8.5	8.1
LAC	94	90	18	4	15.9	15.7	19.2	20.5
NENA	89	84	15	5	10.8	10.7	12.5	13.1
Total/Average	536	515	92	21	11.6	11.6	13.5	13.2

17. In 2000, nine projects took longer than the overall average period to become effective. Major causes included delays in appointing the project executing agency (Development of the Puno-Cuzco Corridor Project in Peru, 1044-PE); delayed effectiveness of a cofinancier's (AFESD) loan agreement; lengthy negotiations with other institutions on the part of a borrower (the Participatory Natural Resource Management Programme in Gaza and the West Bank, 1079-PS); delays in securing parliamentary approval (District Development Support Programme in Uganda (1060-UG) and South Western Region Small Farmers Project, Phase II, in the Dominican Republic (1068-DO)); and civil unrest followed by restructuring within the government (Sustainable Agricultural Development Programme for the Mountain Areas in Lesotho, 1022-LS). The above-mentioned projects took between 16.1 and 34.5 months to become effective.

18. **Loan extension.** Of the 17 loans<sup>3</sup> closed in 2000, 11 had been extended for an average period of 1.0 years compared with the overall average of 1.8 years for all closed loans (Table 4).

**Table 4: Loan Extension**

	Closed IFAD Loans 1983-2000	Closed IFAD Loans 1983-1999	Closed IFAD Loans 2000
Number of loans	317	300	17
Expected loan duration (years)	5.5	5.5	6.7
Period of extension (years)	1.8	1.9	1.0
Actual loan duration (years)	7.3	7.3	7.6
Average time overrun (percentage)	33	34	15
Extended loans:			
Number	238	227	11
Percentage	75	76	65

<sup>3</sup> In general, loans are closed on average six months after project completion, and therefore the number of projects completed and the number of loans closed do not necessarily correspond. The loan account is kept open for a few months after loan closure to allow for the processing of final withdrawal applications.

19. Reasons for approving extensions of closing dates include:

- The Banc d'Arguin Protected Area Management Project in Mauritania (462-MR) was extended for one year in order to transfer facilities and equipment to beneficiaries; ensure that the beneficiaries had the capacity for their operation, maintenance and management; and incorporate the project unit into the formal organizational set-up of the Banc d'Arguin Parc Authority.
- In the case of the Agricultural Development Project in Matam (461-SN) in Senegal, effectiveness and start-up activities were delayed due to prolonged suspension of the country portfolio and the project was extended by one year to allow for the implementation period originally foreseen.
- An extension of one year was also granted to the Irrigation Rehabilitation Project in Armenia (433-AM) in order to consolidate institutional aspects of the project.
- The West Beheira Settlement Project in Egypt (054-EG) was extended for almost 13 years. Although the project was closed in 1992, the loan account was kept open to fund the Newlands Agricultural Services Project (306-EG) (as reported in document EB 92/47/R.88).

The other seven loans were extended for nine months or less.

20. **Loan disbursement.** During 2000, total disbursements amounted to SDR 217.0 million, almost SDR 10.0 million more than the total for 1999 and only slightly less than the peak figure of 1998. For purposes of comparison, Table 5 lists disbursements by region from 1996 to 2000. The continuous proactive portfolio management pursued by the regional divisions, assisted by VC and OL, to overcome implementation problems has been one of the main contributing factors to maintaining this trend. Disbursement ratios (total disbursements made during the year against outstanding commitments at the beginning of the same year) show a favourable trend over the past five years and neutralize any impact that increased commitments may have on disbursement performance. Further information on measures to improve project performance is provided in Section II.

**Table 5: Disbursement by Region**  
(SDR million)

Region	1996		1997		1998		1999		2000	
	Total	%								
Africa I	33.9	19	36.3	19	35.6	16	27.4	13	33.0	15
Africa II	27.0	15	23.4	12	31.9	14	26.2	13	35.4	16
Asia	61.0	34	69.2	37	70.7	32	63.1	30	63.0	29
LAC	24.6	14	33.1	18	37.2	17	38.9	19	38.9	18
NENA	33.9	19	26.5	14	45.1	20	52.1	25	46.7	22
Total	180.3	100	188.4	100	220.4	100	207.7	100	217.0	100

21. **Loan cancellation.** A total of 22 loan accounts were closed in 2000, accounting for a total of SDR 40.3 million in cancellations, or 23% of the original commitment, compared with the overall average of 18%. Non-extension of poorly performing projects with undisbursed loan accounts and the partial or total cancellation of non-performing components or activities are being increasingly used as tools for portfolio management across regional divisions.

22. In the Africa I region, six loans in five countries (The Congo, Côte d'Ivoire, Gabon, Mali and Senegal) accounted for cancellations amounting to SDR 25.5 million, or 59% of original commitments. Three of the projects involved were suspended for long periods: due to arrears, the Marketing and Local Initiatives Project in The Congo (272-CG) was suspended three times for a total of more than 6.5 years; the Second Small Rural Operations Project in Senegal (450-SN) was suspended once for almost 4.5 years owing to management difficulties; and the Smallholder Support



Project in Gabon (246-GN) was suspended three times for a total of more than one year due to arrears. The implementation of the latter project was also affected by duality of authority at the government level, with two ministries involved in project implementation, and from weak performance on the part of local staff who found it difficult to work with smallholders and their emerging organizations at the grass-roots level.

23. Disbursements of the loan for the National Agricultural Services Restructuring Project (337-CI) in Côte d'Ivoire were very low due to delays in the establishment of the National Agency for Support to Rural Development (ANADER), the entity responsible for overall project planning and implementation. The low disbursement rates were also due to non-operational lines of credit and the tendency of ANADER staff to attribute some of IFAD's disbursements to the cofinancier, the International Development Association (IDA) (see Annex III for a summary of the performance of this project at completion).

24. Disbursements were slow in both IFAD's and the cofinancier's loans for the Rural Development Project in the North East (284-CI) in Côte d'Ivoire, which was particularly affected by the reorganization of government support institutions. Due to economic uncertainties, farmers showed little interest in borrowing to develop cotton production, and only about 50% of the road rehabilitation works were carried out, partly due to the inefficiency of the Public Works Department. These problems were further aggravated by financial mismanagement by the team that replaced the cotton parastatal.

25. The Kidal Food and Income Security Programme in Mali (446-ML) suffered the consequences of civil strife in the northern part of the country, which severely delayed implementation. In addition, the transition into a local development fund, that was expected to overcome cumbersome administrative procedures, did not proceed smoothly owing to the lack of institutional capacity and non-implementation of the management support programme. Despite these difficulties, however, the project was able to resettle 30 000 returnees instead of the 3 000 initially foreseen.

26. In Asia, the Oxbow Lakes Small-Scale Fishermen Project in Bangladesh (237-BD) cancelled SDR 2.2 million (40%) of a loan originally amounting to SDR 5.6 million. However, since the loan was reduced before closure, only 17% of the net amount of SDR 4.1 million was, in fact, cancelled. The loan was scaled down as fewer lakes were to be covered by project activities, and because of the depreciation of the United States dollar against the Special Drawing Right and of the taka against the United States dollar. In the NENA region, the Algeria component of the Pilot Project in Algeria and Tunisia for the Integrated Rural Development of the Mellegue Watershed (226-DZ) cancelled SDR 5.1 million (47%) of the original loan of SDR 10.9 million. Implementation of this project was hindered by institutional rearrangement (relocation of the PMU within the Ministry of Agriculture); high staff turnover; organizational changes within the Development Bank of Algeria, which was responsible for project management and monitoring; and delays in providing withdrawal applications. The project was also affected by the security situation, which prevented IFAD and cooperating institution staff from visiting the project area.

27. **Loan suspension due to arrears.** At end-December 2000, seven loans for six projects were under suspension: one in Central African Republic; two in Sierra Leone; one in Togo; and three in Zimbabwe. The loan to the Central African Republic has been under suspension since 1 July 2000, those to Sierra Leone and Togo since mid-December 2000; and those to Zimbabwe since 12 August 2000. One year ago, six loans for five projects in Africa were under suspension.

## II. IMPROVING THE HEALTH OF THE PORTFOLIO

28. The scope and depth of periodic reviews of the project portfolio at the divisional, departmental and corporate levels further improved in 2000, with special focus on responding to the requirements



of the Plan of Action during project implementation (see Section III). PSRs continue to provide the basis for assessing project implementation performance, and are used to establish health trends in the project portfolio as a whole. However, since core information is provided by nine cooperating institutions through their supervision reports, IFAD faces a number of limitations in compiling performance indicators. With the exception of UNOPS, all cooperating institutions are multilateral financial institutions and generally adhere to their own mandates both in conducting field supervision work and in their reporting formats. IFAD-specific design issues are often not attended to, thus calling for extra work on the part of regional divisions during supervision and follow-up missions.

29. At present, the only reporting format that is largely compatible with that of IFAD, in terms of rating project performance, is that of UNOPS. That is not a coincidence, however. In preparing the format of the PSRs, every effort was made to bring it in line with that of IFAD's largest cooperating institution so as to benefit from economies of scale. Nevertheless, in the case of other cooperating institutions, the Country Portfolio Managers (CPMs) are obliged to exercise judgement in providing performance ratings. Based on the composite indicators of project performance, and subject to the above-mentioned methodological constraints, 26% of projects in the ongoing portfolio are considered to be under-performing compared with 25% in 1999 and 30% in 1998 (when the new rating methodology was applied).<sup>4</sup>

30. The regional divisions have employed a variety of means and approaches for dealing with country- and project-specific implementation problems. Start-up workshops increasingly use the logical framework as a participatory means of fine-tuning project design and delineating the respective roles and responsibilities of project implementers. In collaboration with VC, both start-up and regional implementation workshops are used as fora for training in loan administration and financial management. Similarly, the collaboration of the Office of Evaluation and Studies (OE) is sought during start-up workshops to assist the projects in setting up sound M&E systems from the outset.

31. In the use of SOF grants, greater focus is being placed on responding to project-specific requirements, both to facilitate initial project launching (e.g. matters having to do with loan effectiveness) and to pave the way for smooth project implementation. For example, SOF resources are used to facilitate the recruitment of key project staff; draw up the first year's Annual Work Plan and Budget (AWP/B); prepare implementation manuals; conduct training courses, particularly on loan administration and M&E; and launch campaigns to provide project information to beneficiaries and local authorities. The participation of IFAD staff and consultants in supervision, follow-up and MTR missions invariably aims at providing technical and management support. Such missions, particularly MTR missions, focus on streamlining project design by scaling down and/or cancelling non-performing components.

32. **Challenges and crosscutting issues.** Most regional divisions have indicated that effectively translating project design (e.g. participation, gender issues, empowerment, decentralized planning, beneficiary monitoring of project performance, transformation of attitudes regarding modalities to providing project services, etc.) into actual implementation calls for more intensive follow-up by IFAD. This applies particularly to IFAD-initiated projects because, given the level of supervision charges, IFAD's main cooperating institutions are more concerned with regulatory aspects (loan

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<sup>4</sup> The share of under-performing projects at year-end 1998 and 1999 had previously been reported as 33% and 28%, respectively. The revised figures are based on a more systematic definition of what might constitute the overall stock of the rated projects from which the share of those classified as under-performing has been estimated. In the refined approach, the stock of rated projects excludes those that had not become effective at the time of the review but includes those that closed during the period of the review. The refined methodology was retroactively applied to the figures of the previous two years in order to avoid distorting the estimation of the secular trend in the share of under-performing projects.



administration, flow of funds, eligibility of expenditures, procurement, etc.) than with follow-up on specific design features.

33. While many project-specific implementation issues are dealt with on a project-by-project basis, the crosscutting implementation issues that continue to affect the performance of the ongoing project portfolio may be summarized as follows:

- (a) poor project management performance emanating from weak institutional capacity, lack of coordination among implementing agencies, delayed recruitment of key project staff and high turnover of project staff.
- (b) Lack of coherence between the AWP/B and actual project activities, calling for more intensive follow-up by IFAD and the cooperating institution.
- (c) Unsatisfactory performance of M&E systems due to lack of integration between monitoring and project management. In projects where the M&E system is properly installed and operational, emphasis is placed on monitoring physical and financial project progress rather than on indicators to measure the achievement of development objectives.
- (d) Failure on the part of borrowers to ensure timely dispatch of audit reports – a major condition in all project loan agreements. At the same time, IFAD does not possess sufficient capacity to properly review the audit reports when they reach IFAD. Cooperating institution performance is not uniform with respect to follow-up on this issue.
- (e) The adequacy and timely provision of counterpart funds continues to be problematic during project implementation, due to borrowers' weak financial bases and complex procedures for timely release of funds.
- (f) Loan suspension due to arrears adversely affects performance because the project loses its implementation momentum. Once a loan suspension is lifted, considerable time passes before project activities are resumed, thus leading to an extended implementation period. This type of problem is prevalent in the Africa region I and, to a lesser extent, in Africa II.
- (g) Natural calamities, such as drought and earthquakes, have disrupted portfolio performance in the countries affected. Civil unrest has also affected the portfolio, particularly in some countries of Africa and Asia, and in two distinct ways: apart from damage to project assets; arrears may accumulate and lead to suspension of disbursements; and disrupted implementation.

34. Almost all these crosscutting issues have been reported in previous reports on the project portfolio performance. Some problems, such as those arising from *force majeure* situations, are beyond the control of project implementers. For other issues, in addition to the project-by-project approach mentioned earlier, parallel measures have been adopted at the regional and corporate levels.

35. Most regional divisions have made good progress in linking up with regional TA grants to provide support to lending activities. Notable examples here are the Programme for Strengthening the Regional Capacity for Monitoring and Evaluation of Rural Poverty-Alleviation Projects in Latin America and the Caribbean (PREVAL) and the Regional Unit for Technical Assistance (RUTA) in LAC. The former provides training and TA to improve the effectiveness of project M&E systems, whereas the latter provides support for project implementation in the wider sectoral and policy context. In Asia, the TA grants approved for the International Centre for Research in Agroforestry (ICRAF) and International Centre for Integrated Mountain Development (ICIMOD) are intended to provide support to projects both on technical aspects and on thematic areas such as gender



mainstreaming, application of participatory approaches, scouting indigenous knowledge and providing policy feedback to the governments.

36. The Agricultural Management Training Programme for Africa continues to focus on the training of project managers and key project staff. In NENA, TA grants were provided to the International Centre for Agricultural Research in Dry Areas (ICARDA), the Arab Centre for the Studies of Arid Zones and Dry Lands (ACSAD) and the Arab Organization for Agricultural Development (AOAD) to provide technical backstopping services to ongoing projects in accordance with their respective comparative advantages. Using trust funds, all PD divisions carried out thematic studies of direct operational relevance. For example, the Governments of Italy, Japan, Norway and The Netherlands have provided financial assistance for gender mainstreaming work on the part of all PD divisions. In the Africa II Division, substantial bilateral grant resources have been provided by Switzerland to support the implementation of small-scale irrigation projects.

37. Some crosscutting issues are being dealt with at the corporate level. In collaboration with VC, special joint missions have been fielded by IFAD to assist borrowers in the management of their arrears to IFAD. At the corporate level, IFAD is also engaged in addressing the future debt management problems of heavily indebted poor countries by participating in the Debt Initiative for Heavily Indebted Poor Countries (HIPC). The question of measuring and reporting on the impact and associated performance of M&E systems is being dealt with at the corporate level through more rigorous application of the logical framework technique (see paragraphs 40 and 41). With the approval of a grant for the preparation of loan administration manuals, provision is being made to prepare guidelines for better recording and review of audit reports.

### III. RESPONSE TO THE PLAN OF ACTION

38. Implementation of the Plan of Action started in 2000, with impact assessment and enhancement as its major focus. Its main building blocks are defined by a number of interrelated activities: (i) impact assessment; (ii) strategic partnerships with other stakeholders; (iii) knowledge management; and (iv) contribution to the development of relevant policies and institutions – thereby encompassing the entire project cycle. Discussion in this section, however, is largely confined to those elements of the Plan of Action relating to the project implementation period.

39. **Impact assessment.** Training courses in applying the logical framework approach, conducted at IFAD since late-1998, have provided the basis for creating a resource group to propagate the principles of management by objectives and provide coaching to staff. The group was further mandated to explore and suggest approaches for enhancing the impact of IFAD-assisted projects during the project cycle. At its Sixty-Ninth Session in May 2000, the Executive Board approved a TA grant for the “Programme to Promote Impact Orientation during Project Cycle Management”, which aims at promoting an impact-oriented approach by IFAD and its implementing partners throughout project design and implementation, largely relying on the logical framework approach.

40. In line with a component of the aforementioned programme, IFAD held an international workshop in November 2000 with the participation of bilateral and international institutions with experience in measuring project impact, as well as management teams from IFAD-assisted projects, representatives of non-governmental organizations (NGOs) and staff of IFAD and its cooperating institutions. The workshop provided an opportunity for discussing and exchanging experience on impact management initiatives, particularly participatory approaches employed by IFAD and the bilateral institutions represented (e.g. the Canadian International Development Agency, the German Agency for Technical Cooperation (GTZ), the Swiss Agency for Development Cooperation (SDC), and the Department for International Development (DFID) of the United Kingdom). Regional workshops are planned for 2001 to extend the outreach of impact enhancement approaches.



41. The regional divisions have also commenced work on collecting information on region-specific experience for the purpose of measuring development impact. The Africa I Division has embarked on a series of training courses in the logical framework approach and its implementation, with particular attention to strengthening M&E systems in directly supervised and Flexible Lending Mechanism (FLM) projects. In addition, case studies were carried out in four ongoing projects in three countries – Burkina Faso (369-BF), The Gambia (428-GM) and Nigeria (273 and 307-NG) – to test various approaches to impact assessment. In the Africa II region, a joint IFAD/UNOPS project implementation workshop held in Addis Ababa, Ethiopia, in October 2000 focused on M&E and trained participants in the establishment of management information systems.

42. Impact assessment was one of the major themes of two subregional project implementation workshops organized by the Asia and the Pacific Division in Thailand and Nepal in May and September 2000, respectively. The workshops dwelt on the method for participatory impact monitoring (PIM) developed by the Mysore Resettlement and Development Agency (MYRADA) in India, in collaboration with a German university. The Division has already applied the method in the Participatory Resource Management Project – Tuyen Quang Province – in Viet Nam (328-VN) and in the Agricultural Diversification and Intensification Project in Bangladesh (1029-BD), and preliminary results have been obtained. At another workshop on participatory processes, held by the Asia and the Pacific Division in Bangalore, India, in July 2000, two promising methods were discussed: (i) a participatory rural appraisal (PRA) technique known as “Timeline”, used successfully by OUTREACH, an NGO; and (ii) the methodology for participatory assessment used for a socio-economic and environmental impact study of a World Bank-funded water sanitation project in India. A resource book on participatory methods is to be published as a result of the workshop. By drawing on a Japanese Government grant for the Programme on Women in Development (WID), the Asia and the Pacific Division commissioned the Asian Institute of Technology to carry out five case studies on the gender impact of three IFAD-assisted projects in India, Laos and Viet Nam.

43. At the Sixteenth Symposium of the International Farming Systems Association held in Santiago, Chile, in November 2000, the LAC Division facilitated the presentation of selected case studies on the project implementation and impact assessment experience of two recently completed projects (El Salvador 267-SV and Peru 297-PE (see Annex III for a summary performance analysis of the two projects at completion)) and one ongoing project (Venezuela 521-VE). The NENA Division has introduced new impact monitoring systems and beneficiary-led planning processes in several of its ongoing and new projects, namely, in Azerbaijan (1148-AZ), Georgia (1147-GE), Jordan (481-JO) and Morocco (1178-MA) and with more clearly defined and readily measurable indicators.

44. Project completion documents have traditionally recorded progress on physical and financial performance. A parallel measure to training in the use of the logical framework and other impact assessment methodologies has been the systematic preparation of PCRs based on the new format. This new format goes beyond the simple input-output relationship by emphasizing the analysis of development objective achievements and according equal importance to capturing the qualitative aspects of project performance. Some 13 PCRs were prepared on the basis of the new guidelines, which became operational in 2000.

45. It is understandable that the M&E units of the completed projects were not equipped to fully respond to the new format’s requirements in terms of providing adequate information for systematic measurement of project outcome. This first-round experience has been useful, however, inasmuch as it has created an awareness of the results-oriented approach to project management, identified shortcomings – conceptual, methodological, operational – and reinforced the conviction within IFAD that impact assessment should run through the entire project cycle. On the whole, the PCRs have shown exactly what the projects have achieved and areas where there has been little or no progress/outcome. It was interesting to see that even projects whose overall performance was judged unsatisfactory reported positive results in certain areas, particularly in the achievement of physical



targets (226-DZ, 337-CI and 224-TR (see Annex III)). However, the majority of PCRs showed that good-performing projects succeeded in implementing most key components.

46. The completed project in Bangladesh (the Smallholder Livestock Development Project (280-BD)), had a positive impact on poultry production and protein intake by the beneficiaries. The single main success of the Smallholders' Agriculture Development Project in The Paracentral Region (267-SV) of El Salvador has been gender mainstreaming. As a result, the El Salvadorian Ministry of Education has introduced gender in the national curriculum using experience acquired under the project. The East Java Rainfed Agriculture Project (255-ID) in Indonesia very successfully integrated soil conservation measures with crop production, using available technology. Although the Village Development Fund Programme, Phase II (278-ML) in Mali obtained mixed results with its stated objectives, it was particularly successful in institution building, rural finance and creation of self-sustaining village-based development processes. The Southern Highlands Extension and Rural Financial Services Project (324-TZ) in the United Republic of Tanzania recorded improvements in household food security and in the nutritional status of its beneficiaries due to significant increases in production and productivity. The Tunisia component of the Pilot Project in Algeria and Tunisia for the Integrated Rural Development of the Melleque Watershed (227-TU) succeeded in protecting land resources and in halting some of the most serious erosion by introducing integrated watershed management. However, the experience of this project pointed to the need for a balanced approach between soil conservation activities and production.

47. A common feature of all PCRs is that promising elements of the highly-successful projects require more time to be self-propelling, which is contingent upon internalizing the gains of these activities by empowering the major stakeholders, particularly the beneficiaries. Based on the lessons learned, most such cases were either considered for continuation in a second phase (315-SN, 267-SV), led to the development of new projects with more refined innovative features (278-ML, 324-TZ), or were replicated and/or scaled up by other donors and governments (280-BD, 282-IN). Another interesting finding was that, given sufficient time and dedication, supervision and follow-up missions can overcome certain deficiencies in project design, as in the completed project in India (282-IN). A summary of the findings on each of the completed projects is given in Annex III.

48. With regard to ongoing projects, PSRs are used routinely as a tool for portfolio management and for the recording of individual project performance. To monitor the achievement of individual projects' development objectives, CPMs and regional divisions increasingly use these reports. This report is supplemented by a 'Country Sheet' for each country to monitor overall performance with respect to the main elements of the Plan of Action.

49. **Strategic partnerships.** Partnerships have assumed a variety of forms across geographic regions, from programme development and lending to regional grants and other grants supervised by IFAD (for summary information on TA grants, see Section VIII). Partners include governments, NGOs, regional and subregional organizations providing technical and management support, bilateral and multilateral donors (the cofinancing element of partnership is dealt with in Section IV of this report), and academic centres of excellence.

50. Historically IFAD's major partner in the two Africa regions has been the World Bank. Nonetheless, cofinancing with the World Bank has decreased, mainly as a result of the Bank's reduced engagement in agricultural development. In the Africa I region, annual consultations and *ad hoc* meetings have been held with a number of multilateral and bilateral donors including, *inter alia*, the World Bank, the African Development Bank (AfDB), the French Agency for Development (AFD) and GTZ to discuss existing partnership programmes and identify new areas of collaboration. Continuous dialogue and collaboration is taking place with the Food and Agriculture Organization of the United Nations (FAO). In Nigeria, the Africa I Division has initiated an important partnership with the World Bank, AfDB, FAO and DFID for the formulation of a community-based rural



development project. In addition, subregional collaboration has been supported through active follow-up of existing agricultural research TA grants and the approval of new grants.

51. The Africa I Division has also started work on designing support to a regional hub in Côte d'Ivoire, which will be an important mechanism for strengthening collaboration at the project/programme level. In November 2000, a one-day videoconference was held with Dakar, based on the regional poverty assessment prepared by the Division, in order to identify areas of consensus for approaches to reducing rural poverty in Western and Central Africa. Participants in Dakar included representatives of the World Bank, AfDB, West African Development Bank (BOAD), FAO, the French Government, the International Institute of Tropical Agriculture (IITA), Council of West and Central African Ministers of Agriculture, NGOs and farmers' associations.

52. In the Africa II region, recent collaboration with the World Bank has focused on rural finance, market system development and small-scale water management. The regional division concerned actively pursued stronger multilateral and bilateral partnerships in 2000. This included meetings with the OPEC Fund, GTZ, AFD and the Norwegian Agency for Development Cooperation, as well as presentations to DFID and the United States Agency for International Development (USAID). While considerable technical interest has been shown in IFAD's strategy for the region, declining bilateral interest in agricultural development region makes it difficult to develop strategic partnerships. Nevertheless, the Africa II Division has collaborated significantly with Danish International Development Assistance (DANIDA) with regard to project cofinancing. It has also played a leading role in the establishment of the multi-donor-supported Southern African Development Community (SADC) Rural Development Hub in Harare charged with supervising projects, building partnerships and establishing policy dialogue. The Division has a good track-record for engaging national and international NGOs as implementing partners (e.g. Kenya Women's Finance Trust and Uganda Women's Finance Trust). Collaboration with civil-society organizations is also gaining momentum in the areas of water management, technology dissemination, market linkages and rural finance. A major challenge for the region will be in fostering organization among similar civil-society groups to have a stronger voice in policy and public investment and in forging partnerships with IFAD in internal policy dialogue. The Africa II Division has mobilized grant funding from the Government of Italy to broaden the scope of a regional NGO partnership strategy.

53. Following its initiation in 1998, the reality-check workshop approach has widened Asia's reach-out to partners and local champions to mobilize regional support for its poverty reduction approaches. Close links have been established with multilateral organizations (World Food Programme (WFP), FAO, the United Nations Development Programme (UNDP)), with bilateral donors (DFID, GTZ and the Australian Agency for International Development), with international research institutions (ICRAF, CIMOD, International Centre for Maize and Wheat Improvement (CIMMYT), International Food Policy Research Institute (IFPRI), International Center for Living Aquatic Resources Management (ICLARM), and with prominent members of academia.

54. Partner NGOs in the recently-approved Post-Crisis Programme for Participatory Integrated Development in Rainfed Areas (1112-ID) in Indonesia were authorized by the Government to participate in loan negotiations with IFAD, representing a first in the history of IFAD. In India, NGOs have organized many exposure-and-exchange visits among various IFAD-assisted projects to facilitate learning on group development and management of poverty-reduction approaches. Other NGOs in Bangladesh, Nepal, Pakistan and, most recently, in Indonesia, are providing strategic support to poor households to enable them to assume full 'ownership' of IFAD-funded projects and initiatives. The Asia and the Pacific Division's collaboration with WFP on projects in China has been successfully extended to India, and the Second Orissa Tribal Development Project (1155-IN) is under preparation by a team comprising IFAD, WFP and DFID staff. The Division's close collaboration with FAO Investment Centre has been instrumental in enlarging its network for institutional and technical support.



55. In the LAC region, an agreement on institutional partnership for collaboration on rural and poverty alleviation was signed by the Economic Commission for Latin America and the Caribbean (CEPAL), the Inter-American Development Bank (IDB), the Inter-American Institute for Cooperation on Agriculture (IICA), FAO, GTZ and IFAD during the IDB annual meeting in March 2000, followed by a second meeting in Santiago, Chile, in November 2000. Two recently-approved regional TA grants, namely RUTA – Phase V and the Regional Programme to Consolidate Gender-Mainstreaming Strategies in IFAD-Financed Projects in Latin America and the Caribbean (PROGENDER), are expected to result in a consolidated network of rural development actors in Central America and in increased partnerships with local organizations throughout the LAC region with regard to gender awareness.

56. In the NENA region, over and above its collaboration with NGOs and regional institutions, IFAD is beginning to build up partnerships with non-traditional partners in Central and Eastern Europe and the Newly-Independent States (CEN). In the Former Yugoslav Republic of Macedonia, for example, cofinancing has been secured from the Swedish International Development Cooperation Agency (SIDA). Furthermore, under a potentially long-term relationship with SIDA, a start has been made on supporting activities in Albania. Similarly, SDC is financing activities in conjunction with the Rural Development Programmes for Mountainous and Highland Areas in Azerbaijan and Georgia (1148-AZ and 1147-GO). In Bosnia and Herzegovina, the OPEC Fund has agreed to cooperate in the IFAD-initiated Livestock and Rural Finance Development Project, which is submitted for approval at the present Session of the Board (1157-BA). Collaboration with Germany (through GTZ) is going forward in Romania in the context of the Apuseni Development Project (1052-RO). Following the Rome Millennium Initiative, IFAD is exploring opportunities for investing in Egypt, using funds generated from the Italian Debt Swap to support poverty-alleviation and food security projects involving the three Rome-based United Nations agencies.

57. In addition to building partnerships at the regional level, many collaborative activities straddle geographical boundaries through the activities of the Technical Advisory Division (PT). In the field of rural finance and financial sector policies, for example, close contact has been established among IFAD and major international and regional financial institutions and bilateral donors such as GTZ and the German Federal Ministry of Economic Cooperation and Development. IFAD is currently chairing a working group of the Consultative Group to Assist the Poorest (CGAP) dealing with agricultural development bank reform, and has provided inputs to both the theory and practice of linking agricultural development banks to rural financial systems. Close collaboration on sustainable livelihoods has been established with DFID at headquarters and in the field, together with other United Nations focal points (UNDP, FAO, WFP).

58. **Knowledge management.** Activities aimed at generating, validating and disseminating knowledge on rural development have been undertaken at IFAD headquarters and at the project and country levels. Four thematic groups, focusing on rangeland management, small-scale enterprises, diagnostic methods and small-scale irrigation, were established in 1999. The thematic group on rural finance is now preparing operational guidelines in support of the rural finance policy paper (document EB 2000/69/R.12) approved by the Executive Board at its Sixty-Ninth Session in May 2000. The pilot phase of the rangelands management thematic group, the first thematic group established, has been completed and the results have been shared both within and outside IFAD. Furthermore, under the Process Re-engineering Programme, a small knowledge management and facilitation support unit has been established in IFAD, *inter alia*, for the purpose of preparing a knowledge management strategy and plan of work.

59. Pending the development of corporate strategies for knowledge management, the regional divisions have adopted a pragmatic approach to the subject. This is governed by key rural development issues emerging from past experience in project portfolio management and by focus



areas identified by regional assessments (regional poverty studies) prepared in support of the IFAD's Rural Poverty Report 2001. Instruments include thematic studies, regional TA grants, NGO/Extended 2001 Cooperation Programme (ECP) grants, grants administered by PT and, not the least, the lending programme.

60. In the Africa I region, a grant to the programme for creating a Regional Network in West and Central Africa (FIDAFRIQUE) is intended to establish an Internet-based network among 30 IFAD-assisted projects in more than 20 West African countries. Several TA grants are being used for the management of environmental information and for crop-specific topics. In the Africa II region, special studies have been completed or are under preparation on access to land and water, access to capital, rural market organization and access to technology. A new theme initiated by the Africa II Division concerns the impact of HIV/AIDS on rural development in the region.

61. In the Asia and the Pacific region, a workshop, funded by the NGO/ECP grant to the Asian NGO Coalition for Agrarian Reform and Rural Development (ANGOC), was organized in Bangalore, India, in July 2000 with the objective of producing a resource book on participatory processes in project design, implementation and evaluation. Under the TA grant-funded Programme of Electronic Networking for Rural Asia/Pacific Projects (ENRAP), preliminary work has been undertaken on designing and implementing a prototype system for knowledge sharing, based on the Asia and the Pacific Division's experience in India, Pakistan, The Philippines and Sri Lanka. The ENRAP website is already operational and is being used by several projects and IFAD staff to share information and knowledge on new and ongoing projects.

62. In the LAC region, a coordination meeting was held in Lima, Peru, in June 2000 with recipients of regional TA grants, the purpose being to sensitize them on the four main building blocks of IFAD's Plan of Action. As a result, the Internet-based System of Information Exchange for IFAD Programmes throughout Latin America (FIDAMERICA) and PREVAL have been entrusted with the systematic dissemination of knowledge among IFAD-supported projects on four main themes, i.e. farmers' organizations, environmental management, rural finance and rural institutional development. Interested projects will establish bilateral agreements with PREVAL and FIDAMERICA for the preparation of new products. In the NENA region, several small TA grants have been approved for studies and workshops to share knowledge on various aspects of the Plan of Action.

63. **Policy and institutional environment.** Modalities for a more systematic approach to the policy and institutional environment aspects of the Plan of Action are under consideration by an inter-departmental working group chaired by the Assistant President, PD. The group is expected to provide guidance on analysing and influencing the policy and institutional environment of IFAD-supported activities. This work is largely based on experience gained in the context of the ongoing project and grant portfolio, as summarized in this section.

64. The Africa I Division has continued to provide support to rural decentralization by cooperating with the World Bank in the Community-Based Rural Development Project (1132-BF) in Burkina Faso, in addition to ongoing projects in Ghana, Guinea and Senegal. Since it is clearly recognized that decentralization does not by itself lead to poverty alleviation, these projects have built-in mechanisms for ensuring that the poor participate in local decision-making. The Division also facilitates the access of vulnerable groups to income-generating activities so that they can benefit more from the infrastructure provided by a given project in a given locality. Moreover, two national microfinance support programmes have been approved for Ghana and Niger, in addition to a similar programme approved for Cameroon in 1999. All three programmes integrate national-level support for policy planning and legislation with the strengthening of field-level microfinance service providers. To promote regional and national policy dialogue on strategies and best practices, the Division has also co-sponsored rural microfinance conferences in Mali and Nigeria.



65. In the Africa II region, TA grant resources have been used to support sectoral policy articulation at different levels. In the water/irrigation area, over and above support for decentralized water management under the new Participatory Irrigation Development Programme (1086-TZ) in the United Republic of Tanzania (following similar initiatives in Ethiopia, Malawi and Zimbabwe), the Harare Hub is being equipped to undertake dedicated policy/institutional dialogue for SADC in the small-scale irrigation sector. The TA grant-supported African Regional Agricultural Credit Association (AFRACA) (a pan-regional operation that also involves the Africa I region) is beginning to emerge as an extremely useful forum for governments and up-stream financial institutions to address policy and institutional issues in connection with rural finance operations. Parallel operations have also been pursued at the country level. Under the Cotton Sub-sector Development Project (360-UG) in Uganda, for example, support was provided to the Bank of Uganda to develop operational policy in support of rural microenterprise institutions. Similar support is being provided in Lesotho under the Rural Finance and Enterprise Support Project (468-LS). In the Comoros, IFAD participated in the joint International Monetary Fund (IMF)/World Bank mission that led to the lifting of international suspensions on the country and to closer collaboration on policy issues.

66. In Asia, as a follow-up to the Nepal Country Portfolio Evaluation Roundtable Workshop held in December 1999, written endorsement was obtained from the Government of Nepal on the recommendations of the workshop. As a result of this exercise, stunting among children is now being used as an indicator of project impact with respect to gender equality. The Country Portfolio Review and Evaluation Mission for Viet Nam, undertaken in 2000, aimed at identifying policy issues to be brought to the attention of the Government. The Ministry of Labour, Invalids and Social Affairs has expressed its willingness to host a policy dialogue workshop in Hanoi in 2001 in order to review the recommendations of the portfolio evaluation exercise. Policy issues will likely concern the areas of decentralization, mainstreaming of participatory approaches based on PRA, use of irrigation fees to strengthen water users' associations (WUAs), and extension system reform. The Asia and the Pacific Division also carried out a technical review of credit in China, focusing on macro issues limiting rural credit cooperatives, demand for financial services and assessment of available instruments for microfinance. A workshop held in July 2000 aimed at disseminating study findings among specialists, researchers and persons concerned with rural finance. Another aim was to arrive at a common understanding of issues confronting the implementation of credit components under IFAD-assisted projects in order to reach broad agreement on future action with regard to rural finance.

67. The LAC Division is collaborating with a number of countries (e.g. Bolivia, Haiti) in the context of the Comprehensive Development Framework (CDF). Preliminary experience shows that working through CDF in countries with a relatively weak institutional set-up helps to avoid undue pressure being exerted on existing institutions as a result of donor proliferation. The challenge facing the regional divisions is to establish an entry point for operationalizing project policies for targeting the rural poor and to participate at key meetings of donors and government. In a number of countries, IFAD has collaborated with UNDP in the preparation of the United Nations Development Assistance Framework (UNDAF).

68. In the NENA region, policy dialogue with IDA and the European Union on Yemen aimed at reorienting fishery policy towards poverty alleviation in the poorer coastal areas through support to artisanal fishery development. This partnership resulted in a stakeholder workshop in May 2000, which led to the country's adoption of a pro-poor fishery support strategy. In Azerbaijan, Georgia and the Republic of Moldova, credit unions have been established after ensuring that the appropriate legislation had been introduced. Support to small-scale irrigation projects in Armenia laid the groundwork for adoption of government regulations for the control and management by WUAs of shared water resources.

#### IV. COFINANCING

69. IFAD perceives cofinancing as only one element, albeit important, for the establishment of partnerships (see paragraphs 49-56 in Section III). The scope for partnership building extends well into the advocacy of pro-poor policies, exchanges of information and know-how and complementary activities with or without cofinancing. In aggregate terms, of the total project costs of USD 20 370.8 million approved by IFAD since its establishment, 34% has been provided by IFAD, 36% by domestic financing and 30% through cofinancing. These aggregate figures show considerable variations across regional divisions, as indicated in Table 6.

**Table 6: Financing Breakdown by Region – 1978-2000**

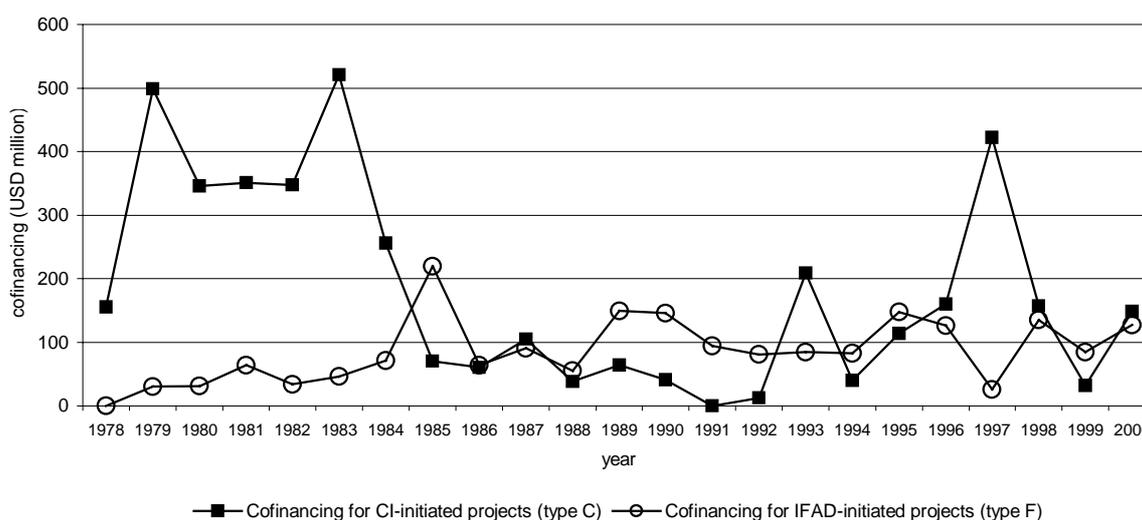
Region	IFAD Amt USD m	% of Project Cost	Cofinancing USD m	% of Project Cost	Domestic USD m	% of Project Cost	Project Costs USD m
Africa I	1 211.0	38.8	1 250.7	40.0	663.0	21.2	3 124.7
Africa II	1 194.1	44.6	904.5	33.8	577.3	21.6	2 675.9
Asia	2 275.8	31.5	1 824.1	25.3	3 123.0	43.2	7 222.9
LAC	1 100.6	41.7	751.4	28.4	789.5	29.9	2 641.6
NENA	1 150.6	24.5	1 408.8	29.9	2 146.4	45.6	4 705.7
<b>Total</b>	<b>6 932.2</b>	<b>34.0</b>	<b>6 139.4</b>	<b>30.1</b>	<b>7 299.2</b>	<b>35.8</b>	<b>20 370.8</b>

m = million

70. Total cofinancing has now reached USD 6 139.4 million, of which USD 4 920.2 million was provided by multilateral donors, USD 1 059.5 million bilaterally and USD 29.8 million by NGOs. Cofinancing in 2000 amounted to USD 276.0 million, surpassing the year's scorecard target.

71. Cofinancing arrangements fall under two main categories: IFAD-initiated projects for which IFAD seeks cofinancing; and projects initiated by the cooperating institutions. Chart 1 shows financing types since the establishment of IFAD.

**Chart 1: Cofinancing by Year and Type of Financing**



72. The above chart clearly demonstrates that, in the early years of IFAD's operation, the bulk of cofinancing was based on projects initiated by other international financial institutions (IFIs). The trend reached its peak in 1983 and had fallen sharply by 1985. This overall decline continued well into 1991 but started to pick up again from 1992. Although the increased cofinancing of cooperating institution-initiated projects has fluctuated year-by-year, the overall trend has been positive since



1992. IFAD-initiated projects have also registered annual fluctuations and, in the aggregate, account for 46% of total cofinancing of cooperating institution-initiated projects for the period 1990-2000.

73. While IFAD's catalytic role is not exactly identical in the two types of cofinancing, both involve the advocacy of pro-poor policies. Invariably, IFAD-initiated projects focus on marginal areas or on the activities of marginalized target groups. On the other hand, the Fund's entry into other IFIs' pipelines provides an opportunity to blend its grass-roots-oriented project approach with the sectoral/programme interventions of major multilateral donors and, where possible, to stretch their operations to marginal areas.

74. For example, in collaboration with IDA, Denmark and The Netherlands and through participation in the Community-Based Development Project (1132-BF) in Burkina Faso, the Africa I Division has launched a long-term effort to harmonize rural development activities throughout Burkina Faso. The project will expand the participatory land development approach in limited geographical zones to national coverage and, in this way, provide the basis for implementing the Government's decentralization policy. IFAD's participation in the Agricultural Research and Training Project (1082-ET) in Ethiopia will help to extend the research coverage to neglected, mostly drought-prone agro-ecological zones afflicted by serious degradation of the natural resource base and high concentrations of particularly poor and vulnerable households, many of which were displaced by the civil war. In view of its poverty alleviation experience through productive investment, especially in the most marginalized sectors, the World Bank invited IFAD to join in cofinancing the Indigenous and Afro-Ecuadorian Peoples' Development Project (1043-EC) in Ecuador.

75. The Irrigation Rehabilitation Project (433-AM) in Armenia, cofinanced with IDA, constitutes an interesting example of WUA formation. The project provided the backbone for subsequent IFAD financing in the country and for collaboration with the World Bank in parallel projects, even without entering into formal cofinancing arrangements. Benefiting from World Bank involvement in providing village infrastructure and the experience of other donors (e.g. GTZ, USAID) in microfinance, IFAD entered into cofinancing arrangements with the Asian Development Bank (AsDB) in the Income Generating Project for Marginal Farmers and Landless Project (1024-ID) in Indonesia. IFAD's involvement provides a major interface with AsDB's previous experience in rural finance by targeting the poor and supporting self help-groups.

76. New trends have emerged in the composition of cofinancing among regular cofinanciers. To modify the random effects of annual fluctuations in cofinancing performance, the aggregate figures for 1998-2000 have been compared with those for 1995-97.

77. Whereas aggregate cofinancing with the World Bank has decreased (from USD 369 million to USD 277 million), the figures for AFESD (from USD 59 million to USD 85 million), AfDB/African Development Fund (AfDF) (from USD 6 million to USD 15 million), WFP (from USD 44 million to USD 56 million) and the OPEC Fund (from USD 21 million to USD 25 million) show significant increases. With regard to bilateral cofinanciers, during 1998-2000, new cofinancing arrangements were entered into with DFID involving USD 34 million against no cofinancing for the period 1995-97. Figures for cofinancing with DANIDA over the same period show an increase from USD 1.2 million to USD 11 million. It is also worth noting that, with a view to reducing coordination problems in the application of multi-donor procedures, some countries in North Africa and Latin America have expressed a strong preference for single-donor support to their projects.

## V. COOPERATING INSTITUTIONS FOR PROJECT SUPERVISION

78. The ongoing portfolio of 198 projects is being administered by nine cooperating institutions and by IFAD. As shown in Table 7, UNOPS is responsible for the supervision of 53% of the portfolio, followed by the World Bank with 12%, CAF with 8% and AFESD with 7%.

**Table 7: Distribution of the Portfolio by Cooperating Institution**

Cooperating Institution*	No. of projects	% of total	IFAD Amt USD m	% of total
AfDB	4	2.0	29.9	1.2
AFESD	14	7.1	187.3	7.5
AsDB	6	3.0	99.6	4.0
BCIE	4	2.0	42.8	1.7
BOAD	9	4.5	102.0	4.1
CAF	15	7.6	177.9	7.1
CDB	4	2.0	17.6	0.7
IFAD	14	7.1	201.8	8.0
UNOPS	104	52.5	1 393.6	55.4
World Bank	24	12.1	261.3	10.4
Total	198	100.0	2 513.7	100.0

\* For full names, see Annex I.

79. Regular meetings have been held with major cooperating institutions throughout 2000. In addition to operational and administrative issues, various aspects of the Plan of Action, particularly the need for reporting on project impact, featured predominantly in these discussions. Given the unchanged level of resources allocated for the supervision work, the cooperating institutions' major concern had to do with the supervision of regulatory aspects and new demands for monitoring progress on project impact. Discussions on this issue are continuing.

80. The Fund's major cooperating institution, namely UNOPS, was requested to create awareness of the issue among project implementing agencies. It was also requested, with the assistance of IFAD, to provide sufficient coaching to key project staff during project supervision to enable them to direct their monitoring process to capture qualitative and quantitative aspects of the impact of IFAD-assisted projects. With regard to the projects directly supervised by IFAD, the establishment of the required set-up (e.g. conduct of baseline surveys and provision of backstopping support in installing a workable M&E system) is, however, more promising (see Section VI).

81. All project implementation workshops (e.g. Ethiopia, Nepal and Thailand) launched by the Divisions for Africa II and Asia and the Pacific also involved the active participation of UNOPS. The central aim of these workshops was to improve management information systems and approaches to participatory measurement of project impact. Such fora provided excellent opportunities for IFAD to learn and exchange knowledge with project implementers, promote partnerships and create more awareness on the new requirements of IFAD, as embodied in the Plan of Action.

## VI. PROJECTS DIRECTLY SUPERVISED BY IFAD

82. At its Sixty-Eighth Session in December 1999, the Executive Board approved the last project (in Zambia) for direct supervision by IFAD, bringing the number of such projects to 15 (see Annex II). In addition to maintaining the regional share called for by the Executive Board in terms of direct project supervision by IFAD, the majority (12) of the loans were made on highly concessional terms. One loan was approved under the FLM.

83. Grants under the SOF were made to 12 of the countries involved, for the purpose of facilitating start-up. Disbursements (including commitments for expenditure) under the 12 SOF grants average about 87%. Focused activities financed under SOF grants have been instrumental in providing early implementation support. These grants have been used to develop appropriate tools for project management, including implementation manuals, financial and accounting systems and M&E systems, and in support of procurement activities. They have also been used to finance baseline surveys used to identify pertinent monitoring indicators and set the benchmarks for the measurement



of project impact. So far, baseline surveys have been carried out (or almost completed) for seven of the projects.

84. In order to evaluate IFAD as a supervising institution, the projects directly supervised by it will be compared with two separate control groups. The first control group consists in effective IFAD-initiated projects approved between April 1997 and December 1999 (when the first and last directly supervised projects were approved). This group, which comprises 47 projects supervised by traditional cooperating institutions, has been further divided by region. The second control group is made up of effective IFAD projects in a given country. Throughout the pilot exercise, the performance of directly supervised projects will be compared with that of projects within such control groups.

85. The IFAD direct supervision process appears to have had little influence on reaching pre-implementation milestones, most importantly loan effectiveness. Table 8 below compares the average time period to reach key pre-implementation milestones for directly supervised projects, with averages for the first control group.

**Table 8: Approval to Effectiveness for Directly Supervised Projects**

Loan Status	Directly Supervised (months)			IFAD-initiated since April 1997 (months)		
	Approval to Signing	Signing to Effective/ 31/12/2000	Approval to Effective	Approval to Signing	Signing to Effective	Approval to Effective
Effective	6.0	8.6	14.6	3.1	6.5	9.6
Not Effective	1.9	18.2				

86. **Loans not yet effective.** Only one of these loans, that for the Bihar-Madhya Pradesh Tribal Development Programme (1063-IN), in India has not yet been declared effective. Complex administrative requirements for coordinating the efforts of two States have delayed effectiveness of the project. Madhya Pradesh State has met all conditions for effectiveness, while certain conditions remain to be met by Bihar State. IFAD is working with Bihar State to speed up fulfilment of the outstanding conditions.

87. **Effective loans.** Eleven of the 14 directly supervised projects that have been declared effective have started disbursing. The three projects (Brazil, Peru and Zambia) for which disbursements were not made in 2000 were only recently declared effective. Start-up workshops for all effective projects have been held or are scheduled for early 2001.

88. A participatory approach was adopted from the outset in Benin, with clear emphasis on beneficiary demand and participatory planning. As of December 2000, 28 financial services associations (FSAs) have been created, benefiting approximately 7 300 persons. Some two thirds of all FSA members are women. An important development under this project was the Government's decision to establish a committee on microfinance policy. The IFAD project will play an active role in this committee and in the elaboration of a national policy. The project in The Gambia assisted the Rural Finance Unit of the Central Bank to strengthen the policy and regulatory aspects of microfinance. Parallel to the commencement of the credit operations, the project's farmer partnership fund (FPF) also became operational and 20 small-scale enterprises have been initiated through FPF funding (one per each *kafo* – men's and women's groups). Both projects have introduced annual beneficiary consultations that provide beneficiaries with a forum for evaluating project interventions. The results of these consultations are fed into the planning of subsequent years' activities. Financed under the FLM, the directly supervised Sahelian Areas Development Fund Programme in Mali will focus implementation efforts during the early years on setting up institutions and ensuring their workability. One national association and a regional association have been established and are fully operational; preparatory activities for the establishment of a second regional association are well



under way. Implementation of the first microprojects identified by the villages has begun. The institutional arrangements under this programme are particularly important as no public sector institutions are being used for implementation or procurement.

89. The IFAD programme in Zimbabwe has made good progress in establishing a programme facilitation unit; in setting up programme and financial management systems; and in defining and operationalizing implementation arrangements at the provincial and district levels. The first districts have been chosen for participation in the programme, on the basis of transparent criteria, and up to three schemes have been selected per district. The current macroeconomic situation and suspension since August 2000 (lifted in February 2001) of the portfolio due to arrears, however, have jeopardized this promising start. For the Uganda project, additional cofinancing from the Government of Ireland was approved in 2000 to support agricultural activities in Kabarole District. The very early stages of implementation focused on the completion of baseline surveys (for each of the three districts) and support to the project management team. The Zambia project was declared effective within 11 months of Board approval. An important condition for effectiveness was the awarding of the project management contract to a private company.

90. Over the last six months, the project in Bangladesh has made good progress on the ground and has met or exceeded most of the appraisal targets for infrastructure and group formation. The project has facilitated an effective partnership between the Department of Agricultural Extension, NGOs and beneficiary groups. The group extension approach appears to be working well and extension activities have become more diversified and relevant to marginal and landless farmers. Implementation of some activities is somewhat behind schedule, most notably those associated with the rural savings and credit component. The project has used the PIM approach to help establish an ongoing evaluation framework. Indicators more relevant to stakeholders were defined during the first PIM exercise and, as a result, the project's logical framework was redrafted. Indications were found of increased diversification of functionally landless households and greater intensification of paddy production. The results of the PIM exercise will be used by the forthcoming project MTR scheduled for early 2001. A proposal to replace IFAD as the supervising institution for the project in Sri Lanka is to be submitted to the current session of the Executive Board.

91. The IFAD-supervised project in the Dominican Republic has signed contracts with some 22 NGO partners for group formation and credit delivery. Satisfactory progress has been made in training, demonstration and other extension activities, and in building growth and training centres. With assistance from IFAD, project staff have been trained in the logical framework approach, which will be employed in the elaboration of AWP/Bs. Although the signing of the IFAD loan for Brazil was significantly delayed, effectiveness was declared only two months thereafter and a project start-up workshop is scheduled for the first quarter of 2001. In Peru, reorganization of ministerial responsibilities and the political crisis delayed effectiveness of the IFAD-supervised project. It is noteworthy that this project nominated a woman as project director.

92. The project in Armenia has achieved impressive field results. The two main project activities, irrigation and credit, have already had a positive impact in the project area. The number of village credit associations formed by the implementing bank (the Agricultural Cooperative Bank of Armenia (ACBA)) has exceeded appraisal targets by 175%. Approximately 5 800 loans (about 95% of appraisal targets) have been granted, with repayments averaging 92%. Demand for loans continues to be strong and savings deposits have trebled – which is clear evidence of customer confidence, especially considering Armenia's fragile banking system. Largely because of its strong performance under this project, ACBA has been able to mobilize an unsecured loan of about USD 1.0 million from the French banking institution, *Credit agricole*. It has also served as an effective voice for smallholders, successfully lobbying Parliament to reduce the cost of collateral registration. Approximately 135 WUAs have been established and rehabilitation works have been carried out over



more than 7 000 ha. Anecdotal information suggests that beneficiaries under the IFAD-assisted project were less vulnerable to the effects of the recent drought in the area.

93. In Gaza and the West Bank, initial project activities have mostly focused on implementation modalities. These have included the signing of a subsidiary loan agreement between the Palestinian Authorities and the Arab Bank for disbursement of credit funds, and a memorandum of understanding and a trust fund agreement with UNDP for assistance in procurement and other project management-related duties. Implementation has begun in 13 villages, but project activities have been stalled due to the serious security situation. The project in The Sudan was declared effective in June 2000, and the project executive group was appointed by competitive selection. Initial project interventions are focused on strengthening the institutional capacity of local councils and village organizations.

94. Preliminary lessons from IFAD's experience are that:

- (a) Direct supervision enables IFAD to leverage its country portfolio more effectively. It contributes to better coordination of the entire project portfolio, and has facilitated the work of CPMs to establish a network among IFAD projects in a given country. For example, in Benin and The Gambia, staffs of other closed/closing projects have been used as project expeditors to facilitate start-up. In addition, some of the assets (including the headquarters) of a closed IFAD-financed project have been turned over to the directly supervised project in The Gambia.
- (b) The institutional memory and knowledge generated by the process of direct supervision are significantly greater.
- (c) Direct supervision provides a vehicle for learning and developing best practices, particularly with regard to harmonizing institutional arrangements through a participatory process.
- (d) Direct supervision has helped foster an implementation partnership among IFAD, governments and PMUs. The Fund has been pro-active in identifying and resolving problems.
- (e) Supervision recommendations are followed up more quickly and, under direct supervision, the management letter and supervision reports are prepared and distributed more rapidly.
- (f) The skill requirements for direct supervision should not be taken for granted. Therefore, more time should be allowed for on-the-job learning by IFAD staff responsible for direct supervision.
- (g) Progress in the performance of non-quantifiable indicators (e.g. group formation, empowerment) is more difficult to monitor. This requires a longer presence in the field by supervision mission members dealing with "software" aspects of projects.

## VII. FLEXIBLE LENDING MECHANISM

95. IFAD recognizes that longer implementation periods (more than five-to-six years) and greater flexibility during project implementation is often required to ensure the sustainability of highly participatory projects and develop the supporting institutional framework. As such, at its Sixty-Fourth Session in September 1998, the Executive Board approved the FLM as a new financing instrument for development projects. Projects financed under the FLM share a highly participatory and innovative approach to implementation, supported by long-term institutional development. The first project for financing under the FLM was approved by the Executive Board at its Sixty-Fifth Session in December 1998. Since then, another 11 such projects have been approved, corresponding to 14% of all projects approved since the introduction of the FLM. IFAD financing for the 12 projects amounts to USD 191.5 million. All but one (Guatemala, 1085-GT) were granted on highly concessionary terms, and all but one (Nicaragua, 1120-NI) were initiated by IFAD.



96. Grants under the SOF have been approved for 11 of the above-mentioned projects. Since one of the triggers for proceeding to the second and third phases of the projects is the development of a responsive M&E system, funds under the SOF grants are specifically targeted for this purpose. OE has provided support for the design of such systems.

### VIII. TECHNICAL ASSISTANCE GRANTS

97. In 2000, 120 TA grants amounting to USD 32.8 million were approved for grant-funded operations. Over the period 1978-2000, a total of USD 381.8 million in TA grants was approved (Table 9).

**Table 9: Summary of Technical Assistance Grants**

	1978-2000				2000			
	No. of Grants	% of Total	Grant Amt (USD m)	% of total	No. of grants	% of total	Grant Amt (USD m)	% of total
Project component	39	2.7	25.9	6.8	2	1.7	0.8	2.5
Project preparation/ Project Development Fund	601	41.2	81.1	21.3	22	18.3	8.5	0.0
Agricultural research	185	12.7	147.4	38.6	8	6.7	8.8	27.0
Agricultural research CGIAR	126	8.6	97.0	25.4	3	2.5	3.4	10.2
Agricultural research non-CGIAR	59	4.0	50.4	13.2	5	4.2	5.5	16.7
Other research, training and others	215	14.8	94.0	24.6	34	28.3	10.9	33.3
Special Operations Facility	169	11.6	16.9	4.4	24	20.0	1.6	4.8
Preliminary development and testing phase	49	3.4	4.0	1.0	2	1.7	0.2	0.6
IFAD/NGO/ECP	199	13.7	12.4	3.3	28	23.3	1.9	5.8
Total	1 457	100.0	381.8	100.0	120	100.0	32.8	100.0

98. In 2000, three TA grants amounting to USD 3.4 million were approved for agricultural research undertaken by centres supported by the Consultative Group on International Agricultural Research (CGIAR). Five TA grants amounting to USD 5.5 million were approved for research undertaken by non-CGIAR-supported centres. A review of TA grants for agricultural research, undertaken in 2000, revealed that such grant-supported interventions are well positioned to achieve the objectives for which they were designed – although they are also prone to many of the implementation and start-up delays that affect IFAD's lending operations. Most research TA grants continue to be cofinanced, often with several funding partners and more than one operational partner. Although this is justifiable in terms of pursuing the Fund's TA grant criteria of maximizing the potential impact of emerging technologies and early replicability, experience shows that, in practice, numerous National Agricultural Research Systems partners can be difficult to coordinate.

99. The TA grant portfolio's focus on specific pro-poor crops and commodities and in some instances on participatory technology development processes remained strong in 2000. The current cohort includes various grants in support of integrated pest management (IPM) interventions based on farmer-group decisions (International Centre of Insect Physiology and Ecology (ICIPE)-386; International Crops Research Institute for the Semi-Arid Tropics (ICRISAT)-330; International Potato Centre (CIP)-411; West Africa Rice Development Association (WARDA)-448; IITA-487; research on scale-neutral animal health technologies (FAO)-309; International Livestock Research Institute (ILRI)-284 and ILRI-376; Global Initiative on the Delivery of Livestock Services to the Poor (GLSP)-515; FAO-517; ACSAD-489); and pest control for crops of particular importance to the rural poor and/or women (IITA-412, IITA-457 and ICRISAT-330). Other examples include the adaptation of crops to stress-affected areas of marginal land where many of the rural poor live (CIMMYT/IITA-375, International Plant Genetic Resources Institute (IPGRI)-319 and ILRI-384).

100. Diagnostic surveys, farmer participation in technology generation, adaptation and transfer, and the expansion of national capacities for this type of research support: all these are integral parts of the



design of many current projects. A number of highly innovative scientific approaches to insect control, with potentially important environmental benefits in the medium or longer term, also remain in the portfolio (ICIPE-191a, IICA-321). Increasingly, TA grants include funding for universities and the voluntary and private sectors, to enable them to participate as additional or alternative research and development partners with government organizations for national programmes. One TA grant (CIMMYT/IITA-375) uses competitive grants for this purpose. The main regional focus of grants was on North and Sub-Saharan Africa.

101. Many Implementation Progress Reports reported success in generating a range of the essential ingredients of technology for local adaptation. Newly-adapted germplasm was the most frequently reported output (CIMMYT/IITA-375, ICARDA/CIMMYT-306, CIP-411, IPGRI-361, IPGRI-319) in terms of its role in improving farm productivity through higher performance than conventional varieties (when adopted along with accompanying improved farm-management practices). Other reported successes were a better understanding of epidemiology or safer techniques for the control of crop pests – especially via IPM. In several cases, the potential of highly innovative approaches, for instance the control of desert locusts (ICIPE-191a), tropical fruit flies (IICA-321) and tsetse flies (ILRI-284a), were confirmed as environmentally-friendly adjuncts to available control measures.

102. Regional TA grants are primarily aimed at supporting various capacity building and training activities to address region-specific concerns of direct relevance to the Fund's target group and operations. Of the grants that were approved in support of activities to help achieve the objectives of the regional lending programme, the main ones included: (i) RUTA – Phase V: Belize, Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua and Panama; (ii) Programme of Action to Assist IFAD Projects to Reach Rural Women in Near East and North African Countries; (iii) PROGENDER; (iv) West African Economic and Monetary Union: Support to Regional Intergovernmental Organizations; and (v) Programme for Improving the Technical Capacity of Local Organizations to Support Rural Investment Projects in Central America, Mexico and Panama. Examples of ongoing regional TA grants are provided in paragraphs 35 and 36 of this report.

## **IX. NATURAL RESOURCE AND ENVIRONMENTAL MANAGEMENT<sup>5</sup>**

### **A. Why Natural Resource and Environmental Management Matter**

103. Natural resource and environmental management (NRM) has a key role to play in IFAD's poverty-alleviation strategy. Because the rural poor, including farmers, artisanal fisherfolk, the landless and pastoralists, depend on the environment for their water, food and livelihoods, there is a systematic link between environmental degradation and rural poverty.

104. Approximately 70% of IFAD-supported projects are located in ecologically fragile, marginal environments, prone to ongoing and severe environmental degradation and challenges, including land degradation and deforestation, energy issues, water resources, demographic change and population pressures. Degradation of environmental resources (e.g. soil, water, biodiversity) is a central factor limiting the development of sustainable systems of production for the poor.

105. Unless environmental degradation is reversed and the constraints to sustainable use of natural resources overcome, attempts to alleviate rural poverty may be jeopardized and the potential sustainability of rural development projects undermined. IFAD's mandate to increase incomes and

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<sup>5</sup> This review, which constitutes the theme of the 2000 Progress Report on the Project Portfolio, is based on reports by the PD divisions. In addition, information has been provided by the Review of the Effectiveness of Environmental Assessment (EA) as a Tool in the Design of IFAD Projects, carried out in 2000; and reports from the Global Mechanism of the Convention to Combat Desertification (CCD), and the Belgian Survival Fund (BSF).



improve food security must, therefore, be accompanied by measures that reflect efficient and sustainable use of natural resources.

## **B. IFAD's Evolving Approaches to Natural Resource and Environmental Management**

106. The primary goal of most IFAD-supported projects is to improve agricultural production and to increase poor farmers' incomes, and project interventions have generally sought to enhance the productivity of the natural resources on which the poor depend. Sustainable resource management has been implicit in project interventions even when these have not been expressly designed for that purpose. Over the past decade, IFAD's approaches to NRM have been evolving from implicit to explicit, and from reactive to proactive. This focus on NRM has been a prime mover in encouraging a more holistic approach to project design.

107. IFAD explicitly articulated its approach to NRM in 1990 and 1991 in two policy documents endorsed by IFAD's Governing Council.<sup>6</sup> These documents recognize the systematic relationship between environmental sustainability and poverty alleviation and the need to internalize environmental considerations in IFAD operations at all levels. While prudent management of natural resources is critical, attention must also be given to the policy environment, appropriate technologies and an enabling institutional framework. In 1992, IFAD created the post of environmental advisor to act as a focal point for NRM and to promote the internalization of environmental issues into the development and management of IFAD's pipeline of projects.

108. Formal Administrative Procedures for Environmental Assessment (President's Bulletin 94/03) were adopted in September 1994. Since then, all projects entering IFAD's pipeline have been provided an environmental classification on the basis of an environmental screening and scoping exercise resulting in an Environmental Screening and Scoping Note (ESSN). This procedure is intended to ensure that IFAD projects do not adversely affect the environment or the local populations and to provide the means to improve performance. Of the 137 projects that have entered the IFAD project pipeline requiring an ESSN, 110 (80%) have had ESSNs drafted. Those not drafted were mainly for Category C projects. Nine projects have been classified in Category A and 14 in high B, thus requiring a full EA.<sup>7</sup>

109. These EAs have led to increased awareness of the need for the incorporation of environmentally sound procedures into project design which, in turn, improve project implementation. EAs are financed through TA grants and, since 1994, USD 2 095 000 has been allocated for EAs. An analysis of the EA process in 2000 showed that 66% of EAs had a significant impact on project design. The most important outcome was the preparation of Environmental Management Plans. NRM is also being taken into consideration as early as at the stage of preparing the Country Strategic Opportunities Paper (COSOP).

110. Since 1994, the Fund has increased its partnership with environmental organizations and conventions. IFAD is hosting the Global Mechanism (GM) of the United Nations Convention to Combat Desertification (CCD), and is an active member of the Multilateral Finance Institutions Environment Group. As part of partnership building, the PD Divisions have revitalized their

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<sup>6</sup> President's Report and Recommendation on "Environmental Sustainability and Rural Poverty Alleviation: Operational Issues for IFAD" (GC 13/L.12) submitted to the Thirteenth Session of the Governing Council in January 1990; and Progress Report on IFAD's Evolving Approaches to Environmentally Sustainable Rural Poverty Alleviation (GC 14/L.9/Rev.1) submitted to the Fourteenth Session of the Governing Council in May 1991.

<sup>7</sup> Category A projects are those that may have significant environmental implications, while Category B projects may have some environmental implications. Category C projects have little or no environmental implications.



relationships with the Commission on Sustainable Development, UNDP, FAO and the Popular Coalition to Eradicate Hunger and Poverty.

### **C. Regional Approaches in Addressing Natural Resource and Environmental Management**

111. IFAD-supported projects address a wide range of NRM issues, notably: soil and water conservation, watershed management, deforestation, rangelands management, desertification, biodiversity conservation, environmental health, fisheries and response to emergency situations. Important overall trends can be discerned across regions: increasing beneficiary and community participation, the development and transfer of environmentally-friendly technologies, the promotion of environmental policies as well as rural finance to promote off-farm income-generating activities and microenterprises to take the pressure off natural resources. Other crosscutting issues include gender and indigenous knowledge.

112. Most of the financial support to NRM project components is channelled through the lending programme. To complement this, the Fund's TA grants are provided for agricultural research and training to national and regional programmes in Member States. A number of TA grants are encouraging farmers to increase their net returns through better NRM techniques, some of which may cut across regions, such as IPM, crop rotations and integrated nutrient management using livestock crop systems. TA grants also focus on participatory NRM, particularly community and group-based approaches. Grants are given to NGOs through the NGO/ECP. Supplementary funds have been used to augment environmental activities and to prepare thematic papers. This has included the preparation of summaries of EAs, and papers on sustainable livelihoods in dryland regions and local NRM.

113. A key challenge is the diversity of NRM issues across regions. Because the causes and effects of environmental degradation vary considerably across regions, countries and agro-ecological zones, approaches to addressing the environment and NRM are location-specific. The following section looks at the approaches that the various PD regional divisions use to address environment and NRM in the particular situations encountered in their regions.

#### ***Africa I Division: Western and Central Africa***

114. In Western and Central Africa, land and water degradation have reached alarming levels due to desertification and growing scarcity of arable land surface, groundwater and rangeland. Forest cover is declining with growing population demands for expansion of agriculture, fuelwood and timber. Consequently, IFAD is focusing on sustainable approaches to agricultural intensification in the region, as well as promoting appropriate technologies, community empowerment, informed decision making, and policies that support NRM. Of the 46 ongoing projects, 18 have NRM components. Environmental Screening and Scoping has been carried out for 26 projects. Two full EAs were conducted with significant impact on the design of the two projects.

115. Current NRM work in the region has profited from the experiences of the Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification (SPA) which, from 1986 to 1995, was the first major NRM programme undertaken by IFAD to address land degradation issues in relation to poverty and drought. A review of the SPA shows that 13 projects out of 23 had an NRM focus in different ecological zones in sub-Saharan African countries. These included soil and water conservation (SWC) in semi-arid zones, and small-scale irrigation and water control components. Experience showed that approaches that use indigenous, low-input farming techniques usually result in fewer negative impacts on the environment compared with standardized, high-input techniques.

116. IPM has been successfully implemented in the Ghana Root and Tuber Improvement Programme (1053-GH) using biological control methods. IPM is also being used in Benin and Nigeria



(1127-BJ and 1016-NG). In Benin, leguminous plants have been used to suppress *Imperata* (spear grass) and to improve soil fertility.

117. The integration of SWC techniques into farming practices is being promoted both to increase output and to reduce soil erosion (369-BF, 1124-GH, 273-NG, 307-NG). For instance, the half-moon technique (i.e. shallow semi-circles dug in the ground) to catch water on slopes is used in Burkina Faso. In Cape Verde (456-CV), farmers were encouraged to plant on terraces and low ridges and to adopt other land-use measures (paths, live fences). The terraces produced an increase in forage production and a slight increase in maize yields, while the introduction of pigeonpea resulted in greater food security. Farmers showed interest in the technical options because the long-term objective of protecting soil against erosion was achieved in parallel with the immediate objective of better incomes from sales of forage and greater food security.

118. In The Gambia (428-GM), water management contributed to the reclamation of degraded rice fields through low-technology water and soil conservation techniques and low-input agronomic practices, using self-help labour. These technologies included simple water retention dykes, spillways to flush out saline water from the tidal swamps, and wooden causeways to access the swamps. Better and more stable rice yields motivated communities to contribute to SWC works. The project also strengthened traditional village groups to take responsibility for the implementation and management of their projects.

119. Technologies built on existing practices have a greater chance of success because they respond to the priority needs of farmers. In Nigeria, the 273/307-NG projects showed the benefits of involving community participation in the generation and adaptation of appropriate SWC technologies. Strategies to rehabilitate degraded grazing land also involved the transfer of land from public ownership to the local community. A local water-harvesting technique used in the Special Country Programme in Niger (441-NG) was so successful that it is now being used in projects in Burkina Faso and Cape Verde as well. This is the *tassa* technique, which consists of digging holes some 20-30cm in diameter and 15-20cm deep and placing the earth removed from the holes next to them to form a small ridge. The hole bottoms are covered with manure, which also helps promote termite activity during the dry season, thus enhancing the possibilities for water infiltration. When it rains, the holes fill up with water like a sponge and farmers plant millet or sorghum in them.

120. Efforts are also being made to overcome such constraints as weak government institutions, inadequate policies and lack of information and awareness of the complexities of the interaction of the environment and natural resources with other sectors. For instance, IFAD is participating in the multi-donor, six-country Regional Environmental Information Management Project (REIMP) in the Congo Basin. In Burkina Faso, the Community-Based Rural Development Project (1132-BF) aims to increase the management capacity of beneficiary groups and their institutions and to support the Government's decentralization policy.

#### ***Africa II Division: Eastern and Southern Africa***

121. Degradation of natural resources is a serious problem in Eastern and Southern Africa: the area suffers from deforestation, loss of soil fertility, soil compaction, water scarcity and overgrazing. There are 50 ongoing projects in the region. Because of the diversity of the natural resource base in the region, projects address different site-specific problems. Major areas of concern are arresting and reversing deforestation, erosion control and soil management, soil moisture and water management, halting the degradation of pastures, recovering and conserving marine resources, and conserving biodiversity. Of the 41 projects approved since 1994, ESSNs have been prepared for 29 projects. Of these, four were categorized as Category A and two as Category high B. Full EAs were carried out for all six projects.



122. The Zambia Forest Resource Management Project (1039-ZM) has embarked on a series of community-based actions both to raise incomes and to enhance the sustainable use of forest resources. One major initiative is woodlot planting by communities for their own use and for sale, which should reduce cutting in the natural forest. Another strategy is to develop the gathering and processing of non-wood products such as mushrooms and other wild foods. The processing activities are intended as sources of income for women. The Bututsi Agro-Pastoral Development Project in Burundi (229-BI) aims to improve food security, incomes and the status of women and conserve the resource base, through establishing private nurseries managed by farmers' groups and providing training in the production and distribution of seedlings. Similarly, the Ruyigi Rural Resources Management Project (463-BI) in Burundi is undertaking reforestation along with the development of small and medium-scale forest enterprises.

123. Because small farmers are especially vulnerable to the effects of declining soil quality and fertility, efforts are being made to incorporate erosion control and soil management in projects in the region. The locally developed Machobane Farming System, named after its local farmer inventor, was used in the Soil and Water Conservation and Agroforestry Programme in Lesotho (445-LS). This system replaces traditional mono cropping with intensive relay cropping on the contours to control erosion and conserve moisture. It enhances soil fertility by using wood ash and farmyard manure. Intercropping with vegetables reduces the high risk of crop failure and stabilizes farm income. The system also places great emphasis on intensive farmer training, mostly farmer-to-farmer, a high level of participation and empowerment of smallholders.

124. Experience has shown that private irrigation schemes are generally more viable and self-sustaining than public investment ones. Regional strategy is, therefore, concentrating its efforts in water management in projects that can be farmer-led and operated. The Upper Mandrare Basin Development Project (429-MG) in Madagascar is rehabilitating public and community irrigation systems and turning the public systems over to management by their users. Local facilitators are trained by an NGO to work with beneficiaries in forming WUAs that are then involved in the planning and development of the rehabilitation work. This project is building on traditional water management and irrigation systems.

125. Over-fishing by both artisanal and industrial fleets and destructive fishing practices has seriously depleted fish stocks in much of the region and has damaged the marine environment. In Mozambique, where fish is a major source of export revenue, project interventions have been instrumental in promoting government policies favouring artisanal fisheries, by extending the exclusion zone for industrial fleets from one to three miles from the coast. Also in Mozambique, the Nampula Artisanal Fisheries Projects (334-MZ) promoted the formation of community-based fishing committees whereby fisherfolk can control and better manage their local fish resources.

126. In partnership with the BSF, the Rehabilitation Programme for Drought Affected Areas (168-ET) in Ethiopia included a sanitation component that supplied over 12 000 latrines of the ventilated improved pit (VIP) variety. The technique for making them was taught to local masons, and since then the VIPs have been made mostly with local materials. Under the ongoing Southern Region Cooperatives Development and Credit Project (342-ET) in Ethiopia, also cofinanced by BSF, support is being provided to the regional Water, Mines and Energy Resources Development Office to enable it to conduct inventories, investigate potential sources of water for the communities and organize community water and sanitation committees to develop plans in accordance with their needs.

### *Asia and the Pacific Division*

127. The major environmental problems facing poor rural farmers in Asia and the Pacific are land and water resource degradation, sedimentation of watercourses, loss of forest resources and biodiversity and degradation of fisheries. Because the Asian financial crisis of 1997 hit hardest rural people in marginalized areas, i.e. the uplands, hills and mountains, special attention is being given to



programmes in upland areas. Environmental issues have been mainstreamed through a focus on conservation farming, forests and their biodiversity, and policy, legal and institutional frameworks. Of the 56 ongoing projects in the region, 34 (61%) are located in marginal areas, particularly in the upland regions, and 24 (43%) include significant investment in NRM. Twenty-four projects have had ESSNs and eight have had EAs.

128. Soil erosion is a major problem in Asia and affects agricultural productivity by reducing the available soil water, nutrients and organic matter. Soil conservation is therefore an important NRM activity in the region. Experience has shown that poor farmers often do not have sufficient time and labour to take part in slow and costly remedial operations to restore soil fertility. For this reason, many projects aim to improve production and soil conservation simultaneously. The East Java Rainfed Agriculture Project (255-ID) in Indonesia involved beneficiaries in a participatory planning process and provided incentives, including food rations supplied by WFP. On-farm SWC works included improved bench terraces to optimize soil water retention, drainage channels, gully plugs and minor drop structures to control the flow of excess water. The project also introduced grasses and forage materials for both erosion protection and livestock feed. The 60% increase in net returns per unit area of food crop was a major incentive for all project activities.

129. The Sichuan Livestock Development Project (233-CN) in China was designed both to alleviate poverty in the marginal uplands and to halt environmental degradation due to cropping on unsuitable land. These objectives were achieved through improved forage production on marginal agricultural and non-arable hillside land and livestock activities to utilize the additional fodder; and by establishing a permanent cover of grassy legume mixtures for forage production on sloping land susceptible to erosion. The project provided credit to small farmers for livestock development and small-scale processing facilities. As a condition of credit approval, farmers participated in training activities. Farmers' associations were created and supported for the marketing and processing of products.

130. Some attempts to address rangeland degradation through grazing management techniques and land improvement in China and Mongolia proved less successful. Fencing was used in some instances, but was found to have a negative effect on the poor as it restricted access to those who could not afford land or fencing. Attempts to apply fertilizer to range areas also produced disappointing results because of the large areas and the costs involved. The creation of community-based Grassland Management Units in the Qinghai/Hainan Prefecture Agricultural Development Project (364-CN) in China was, however, more promising.

131. Another major concern in Asia is biodiversity conservation: it is estimated that, over the next 25 years, Asia will lose a higher proportion of species and natural ecosystems than any region of the world. Experience has shown that the most effective way to conserve biodiversity is in designating protection areas. To ensure that this does not marginalize resource users, care must be taken to ensure beneficiary participation. Efforts have been made to reconcile conservation with people's needs in the North Eastern Region Community Resource Management Project for Upland Areas (1040-IN) in India. A buffer zone around a protected area is being established along with village supply forests to meet the needs of the communities and prevent encroachment into the protected areas. The project is also designed to improve the productivity and sustainability of tribal shifting cultivation (*jhum*) systems, increase soil fertility and reduce soil erosion. In view of the important role of tribal women, who provide 70-80% of the labour and are involved in forest produce gathering and household management, special attention is being given to designing appropriate extension programmes for women.

132. Many of the target groups in the region live in or near forests and their livelihoods depend partly or fully on the forest. In the face of threats to forest resources, projects include forest resource management through support to enhanced property rights for marginalized groups, more efficient



management and harvesting of non-timber forest products, and communal forestry. The Hills Leasehold Forestry and Forage Development Project in Nepal (250-NP), for instance, aims to induce rehabilitation of degraded forest areas by allocating small areas on long lease to individuals and small groups who undertake rehabilitation in return for the right of use and extraction. The project provides technical packages for production of fodder trees, grasses and legumes to support livestock. Rapid improvement in forage and good recovery of local vegetation resulted, once grazing was stopped and a cut-and-carry system introduced.

133. A holistic approach to watershed management, in which collective action plays an important role, was taken in the Andhra Pradesh Tribal Development Project in India (282-IN) where watershed management committees were constituted for routine maintenance of SWC works. This project supports and improves indigenous irrigation technologies. In Viet Nam, the Ha Giang Development Project for Ethnic Minorities (1025-VN) supported the protection of critical watershed forests by issuing contracts to individual farmers or communities. In the East Java Rainfed Agricultural Project (255-ID) in Indonesia, the importance of planning for the wider watershed rather than single farm or the micro-watershed was recognized. For this, various conservation groups and villages evolve common action for conservation.

134. Aquatic resources, another important source of livelihoods in Asia, are also facing degradation and reduced yields. Based on lessons learned in the Oxbow Lakes Small-Scale Fishermen Project (237-BD) and other fisheries projects, community-based approaches to fisheries management are being used in the Aquaculture Development Project (1074-BD) in Bangladesh. Lessons demonstrate the importance of: secure tenure to ensure sustained interest of community members; common property resources (CPRs) for improved productivity and sustainability of resources; participation of all communities around each water body; equitable distribution of benefits; transparency in accounts to maintain trust in the organization; rotation in management responsibilities; sharing in stocking, guarding and marketing tasks; and welfare functions by the organized fisher groups to members and the larger community.

135. NGOs are contributing to environment and NRM efforts in the region, particularly through group formation. In Bangladesh, for instance, the Bangladesh Rural Advancement Committee (BRAC) helped form fisher groups in the Oxbow Lakes Project. Another large NGO in Bangladesh, Proshika, has been instrumental in forming community resource management groups in support of an IFAD research project. In Mongolia, a local NGO, the Centre for Policy Research, is piloting a community-based NRM system in support of the Arhangai Rural Poverty Alleviation Project (502-MN).

136. In Asia, women often have traditional responsibilities as regards forests and are experienced natural resource managers. Recognizing that the development of sustainable livelihoods systems depends on improving women's access to productive natural resources and their participation in community decision making, the Orissa Tribal Development Project (214-IN) in India provided land titles to women, which has led to major improvements in NRM. In Nepal, the Hills Leasehold Forestry and Forage Development Project (250-NP) successfully involved women in all activities.

### ***Latin America and the Caribbean Division***

137. About 60% (30 projects) of the current lending portfolio of the LAC Division clearly state a concern for the environment and include activities related to sustainable agriculture, soil erosion, desertification, land and property rights, and improved NRM. Of the 33 projects approved since 1994, 30 have had an ESSN. The concern for the environment is not an end in itself but is aimed at reducing poverty on a sustained basis. The focus is mainly on the protection of biodiversity and management of renewable natural resources for agriculture and animal production, particularly soil and water. Support is also given to community-based organizations in the area of land rights.



138. The Management of Natural Resources in the Southern Highlands Project (475-PE) in Peru aims to rehabilitate the natural resource base that sustains the production of traditional Andean crops and animals by poor farmers, through collective action that combines traditional indigenous knowledge and modern techniques for improved soil and water management. The Project for the Capitalization of Small Farmers in the Tropiseq Area of the Segovias - Region I (TROPISEC) (346-NI) in Nicaragua also takes an integral approach to improved plant and animal production. It includes the establishment of multi-purpose trees, improved watershed management and reforestation of degraded lands through collective action by the beneficiary communities. A similar holistic approach, taken by the Rehabilitation and Development Project for War-torn Areas in the Department of Chalatenango (PROCHALATE) (322-SV) in El Salvador, included extensive reforestation designed to mitigate the negative social and environmental effects of the civil war, and agroforestry. According to the project's evaluation, PROCHALATE was able to reforest 1 000 ha of land.

139. The management of water resources, the monitoring of wetlands and biodiversity and the establishment or improvement of perennial plantations of citrus trees are part of a project to rehabilitate low humid zones of Venezuela (1186-VE). These measures are intended to reduce soil erosion in the hills and to stop migration of farmers by engaging them in highly profitable citrus production.

140. Vulnerability to frequent natural disasters in the region is increased by environmental degradation, deforestation and mismanagement of watersheds. Projects to cope with the aftermath of Hurricane Mitch in Central America (1120-NI, 1128-HN and 1115-SV) include technical interventions in rural areas to improve landscape and watershed management to reduce ecological vulnerability, combined with the active participation of civil society in poverty-reduction programmes to decrease social vulnerability.

141. Land rights also constitute an important issue in the region. Secure land rights increase the incentives and possibilities for farmers to engage in sustainable practices of land and water management. Several projects in the region include support to farmers or farmers' organizations to secure legal rights to the land that they farm as well as to the land that they share with other members of their communities (344-BR, 373-BO, 322-SV, 1049-PA, 279-VE). In addition to increasing incentives for sustainable agriculture, secure land rights can be used as collateral in credit transactions and lead to more efficient production. Women play an important role in the rural environment in the region, in particular in reforestation, preparing organic fertilizers and plant biocides, and in designing and managing more efficient cooking stoves.

#### ***Near East and North Africa Division***

142. Major environmental threats facing both NENA and CEN include drought, desertification, scarcity of water resources, water pollution, and soil/land degradation. Severe land degradation results from climatic conditions, rangeland mismanagement and over-grazing. In CEN countries, water pollution is severe, due to the intensive use of out-dated industrial technologies and the lack of attention paid to the environment under the former command economy. Project components focus strongly on the sustainable management of natural resources for increased agricultural production, including soil and water conservation, land reclamation, and irrigation. Of the 33 projects that have entered the NENA pipeline since 1994, 27 have had ESSNs.

143. Environmental threats in the region are to a great extent the cause, and to a certain degree the effect, of rural poverty. Projects are increasingly designed with NRM as part of the overall rationale and as a major objective. In Jordan, for example, the first generation of projects focused on increasing the capital of the rural poor while the second generation of projects, approved since 1995 (481-JO, 1071-JO, and 1092-JO), address poverty through NRM (SWC and rangelands management).



144. The Yarmouk Agricultural Resources Development Programme (1092-JO) in Jordan takes a participatory approach with innovative measures to ensure the empowerment of the poor by providing them with access to productive resources and to decision making. SWC measures are based on a sustainable land-use plan prepared with the participation and approval of the communities, by consensus. For on-farm water conservation, spring protection and rehabilitation works, beneficiaries are encouraged and assisted to form users' groups or WUAs and to participate in group planning, design and implementation, contribute to the initial costs of the work, and make a commitment for future operation and maintenance.

145. In Yemen, resource conservation is the key to sustainability of agricultural production. Located in the most important agricultural area in Yemen, the Tihama Environment Protection Project (330-YE) has focused on conservation measures from its inception. The central environmental issue in Tihama is the stabilization of sand dunes to prevent the encroachment of desertification. Both indigenous and exotic tree species are being used for sand-dune fixation. The project benefits from aerial surveys that monitor desertification. Water monitoring has made it possible to influence government policies regulating the digging of new wells. The EA grant, TAG EA 006-Yemen, had a significant impact on the design of the Tihama Project.

146. The TA grant EA-024-Jordan for the National Programme for Rangeland Rehabilitation and Development – Phase I also influenced project design, leading to an improved pastoral resource assessment and monitoring component. This included: the establishment of a Pastoral Information and Monitoring and Evaluation Unit; range assessment and monitoring; soil and land use evaluation and mapping; livestock related studies; and institutional support and collaboration.

147. Throughout the region, NGOs are collaborating in training and extension activities: in Gaza and the West Bank (1079-PS), Syria (482-SY) and Tunisia (298-TN and 483-TN). NGOs have supported group formation and participatory NRM in Jordan (1092-JO) and are involved in the implementation and monitoring of project components in Tunisia (298-TN).

148. In CEN countries, the main target areas are mountainous and upland areas due to the high number of poor people and the high degree of environmental degradation. Priority is given to income generation and enabling poor households to enter the market economy. In terms of mitigating environmental degradation and improving NRM, the formation of WUAs proved successful in the Irrigation Rehabilitation Project in Armenia (433-AM). In Azerbaijan (1033-AZ), land retitling is expected to provide incentives for farmers to safeguard natural resources. The Rural Development Programme for Mountainous Highlands Areas of Georgia and Azerbaijan (1147-GE/1148-AZ), prepared in 2000, aims to increase incomes while protecting and restoring the environment. Components include the testing of community participatory approaches to reforestation of degraded forest areas through community-forest management; soil erosion control; land improvement measures; and energy conservation.

#### **D. Collaboration with Global Environmental Initiatives**

149. Environment and NRM are also addressed through strategic alliances with relevant organizations, which include UNDP, FAO, United Nations Environment Programme, the GM/CCD and the Global Environment Facility (GEF).

150. In addition to housing the GM for the CCD, IFAD has intensified its collaboration with CCD through TA and resource mobilization. To this effect, IFAD recently approved a second tranche of USD 2.5 million to the CCD Support Facility to catalyse voluntary contributions from other sources. Through the Facilitation Committee, IFAD is engaged in exchange of views and supports the GM's work in CCD implementation. In 1995, the Executive Board approved a two-year USD 1.15 million TA grant for Assistance to African Countries in the Implementation of the CCD to serve as catalyst



for launching or completing National Action Programmes (NAPs), Regional Action Programmes (RAPs) and Subregional Action Programmes (SRAPs) and provide finance for technology transfer and to civil-society organizations. The grant was used to support the formulation of NAPs in Burkina Faso, Lesotho, Niger and the United Republic of Tanzania. Support was also given to Cuba, Haiti and Peru for plan development, TA and training, respectively, for NAP-related activities. In support of regional and subregional-level organizations, IFAD has committed a major proportion of its research grant funding to support the development of environmentally sustainable technologies to increase the incomes of target groups. Grants totalling USD 289 000 were also provided for the development of RAP activities in LAC, Africa and Asia. In addition, 30% of ECP grants were earmarked specifically for NGO pilot activities in support of the CCD and the GM.

151. Following agreement reached in April 1997, IFAD and the World Bank initiated a joint training and information session with the GEF and the development of a demonstration pipeline of GEF land degradation projects. Eight GEF concept papers were produced, two of which were found to be eligible for further GEF project development. They include the recently approved biodiversity conservation project in the Niger Delta of the Mopti area in Mali. Possible GEF cofinancing is being explored for other projects, including two conservation efforts to benefit indigenous people in India, one to protect a watershed in Mongolia and a resource management project in Belize. IFAD is also cooperating with the GEF and several other donors in financing the Second Environment Programme Support Project in Madagascar, and the six-country REIMP in the Congo Basin which includes Cameroon, the Central African Republic, The Congo, D.R. Congo, Equatorial Guinea and Gabon.

152. IFAD has also forged partnership with multilateral and bilateral institutions through its membership of the Multilateral Financial Institutions – Environment Group. The group serves as an important forum to discuss environment- and NRM-related issues of common interest, exchange information on best environmental practices and focus on practical steps to promote enhanced policy and operational cooperation among the various institutions.

### **E. Lessons Learned and Challenges**

153. Many lessons have been learned from IFAD's evolving experiences in addressing the environment and NRM. At the same time a number of challenges have arisen. Some of the most important ones are summed up in this section.

#### ***Promoting participation and community organizations***

154. Natural resource management is more sustainable when beneficiaries engage in managing resources and maintaining structures. A trend in natural resource degradation often reflects the erosion of traditional community institutions for NRM. Strong local institutions are a prerequisite for equitable NRM and, in many cases, the most successful interventions involve community organizations such as WUAs. In building on existing formal or informal community groups, it is crucial to ensure that the poorest and most vulnerable, particularly women, are included and have an opportunity to participate in community decision-making processes.

155. Effective participation was associated with projects employing community-based approaches to project development and with working relationships with civil-society organizations. Effective government NRM decentralization policies must be accompanied by support to community-based organizations to build their capacity to manage natural resources. Local-level organizations must have the skills to manage their resources and relate to other formal and informal authorities that influence control over natural resources, and to deal with potential conflicts. Where potential conflicts exist within and among communities, the participation of beneficiaries and other stakeholders in project design and implementation is essential. Emphasis will therefore be given to building the capacity of local people and their organizations, with special attention to women and marginalized groups, in order to increase beneficiary participation in project design and implementation. Sharing of local experiences among communities will be promoted as a means of enhancing local knowledge of NRM



approaches. IFAD will also continue to forge stronger relations with NGOs and civil-society organizations in project development and implementation.

***Need for focused, but flexible, technologies***

156. Conservation technologies do not always lead to quick increases in yield and cash returns. This is a disincentive for the poor to adopt and maintain them. Investment in agricultural research and extension for low-potential areas and conservation technologies has lagged behind that for high-potential areas. Where technologies do exist, adoption is constrained by low short-term returns, lack of labour, food security needs, poor marketing opportunities and poor communication and extension services. The success of technology packages depends on detailed knowledge of local integrated farming systems and the livelihood strategies of local populations. Technical considerations are taking into account specific regional priorities, as, for instance, the introduction of drought resistant species in the NENA region.

157. Overall, there is a need to develop, validate and transfer more appropriate NRM technologies as well as the TA needed to back these up. Efforts are being made to ensure that TA grants produce results that can be fed into IFAD projects, particularly environment and NRM, and research is closely linked to the priorities and needs of target groups. Fixed technological packages sometimes become irrelevant as conditions change due to fluctuations in the prices and availability of agricultural inputs and the cost and availability of labour, changing marketing opportunities, and the incidence of pests and disease that may preclude the production of certain crops. In delivering technologies, therefore, emphasis is thus being placed on underlying principles and processes to allow people to adapt to changing conditions. Adaptive research and technology transfer will focus on participatory farm trials and seek to strengthen farmer-extension-research links. Efforts to assess the uptake of technologies will be given due consideration.

***Traditional knowledge***

158. Indigenous knowledge is directly tied to the sustainable use and maintenance of a healthy and vibrant ecosystem. Many successful examples of regenerating ecosystems and supporting local livelihoods are found in areas where users themselves have established a management structure, or management is based upon an indigenous system. Further efforts are needed to document traditional sustainable farming systems and best practices, e.g. the role of trees and traditional management practices in the savannah zones of Africa. It is also noted that not all indigenous methods and technologies are appropriate for use in NRM and can cope with the current pressure on land and natural resources. This challenge is being met by designing projects that blend traditional and new technologies and involve the affected groups in the decision-making process.

***Gender issues***

159. Rural women have specific knowledge of local resources and processes. They also have gender-specific NRM responsibilities and are experienced natural resource managers. NRM activities need to take into consideration this knowledge and experience and build upon it. Attention also needs to be given to the situation in which women's rights and access to land and common property resources are declining. The development of sustainable livelihood systems depends on improving women's access to productive natural resources, including land, forest and water resources, and their participation in the decision-making process. Enhancement of women's roles, including participation in public and community affairs, is critical for NRM. Project development teams will give emphasis to incorporating social dimensions in IFAD's EA process. Using IFAD's gender and household food security memory checks, different gender roles in NRM will receive sharper focus, both in project design and execution.

***Land issues and common property resources***

160. Land rights are of utmost importance in relation to NRM. Secure land rights are an incentive for farmers to invest and engage in sustainable land and water management practices. CPRs are also



crucial to the livelihoods of many poor people, supplying fuelwood and fodder, the gathering of which is frequently the responsibility of women. In many countries, systematic exclusion of the poor from CPRs, due to agricultural intensification and extensification, environmental degradation and population growth, is an ongoing process. IFAD has found that institutional strengthening of CPRs can greatly reduce poverty through improved productivity and sustainability of resources as well as lead to empowerment, creation of social capital and increased capacity for community management. Continued care is being taken to ensure that women and poor people are not excluded from community NRM, and continued consideration given to conflicting rights to CPRs by different groups.

### ***Holistic approach to NRM***

161. IFAD carries out the vast majority of its interventions at the micro level. NRM issues are, however, affected by economic, social and political situations at the meso and macro levels. The main beneficiaries of projects are usually farmers with smallholdings, but in some regions within a given ecosystem, more land is under the management of large owners and commercial farms. The ecological fate of the entire ecosystem thus depends mostly on the decisions of the large landowners and commercial enterprises, regardless of the support provided to small farmers for sustainable NRM. A comprehensive approach to improving land management requires consideration of environmental decision-making at the regional, national and international levels as well as at the local level. While IFAD's approach is location-specific, support to the NRM efforts of small farmers is being combined with other activities that address environmental issues at the broader level: national meetings, partnership with other international organizations, support to research and technology development, regional cooperation, and CCD activities. It is expected that this will lead to a more integral vision during project design as well as attention to conflict resolution with large farmers.

162. NRM efforts in many countries are constrained by lack of sufficient NRM information on the subject; limited financial resources and duplicating lines of responsibility; inadequate policies; and weak enforcement agencies. The disconnection between local and national development priorities often results in severe degradation of local livelihood systems. Moreover, the participation of the poor and grass-roots organizations in decisions affecting their livelihoods is often looked upon with misgivings in government echelons. More attention is therefore required to establish dialogue with governments regarding enabling policies to promote NRM, support the development of studies or natural resource plans, and strengthen institutional capacities, where necessary.

### ***Environmental assessment***

163. The Thematic Group on Diagnostic Tools has completed a comprehensive review of the design phase of the EA process since its introduction, and made preliminary recommendations to improve the process. The review found that 80% of the projects requiring ESSNs had undergone environmental screening and scoping. It also found that ESSN and EA effectiveness is enhanced when these are undertaken early in the project cycle and at the field level, as then the findings are more likely to be incorporated into project design. In the future, greater use will be made of strategic EAs at the country and regional levels and attention will be given to building in-country and regional capacity to carry out EAs. Attempts will be made to use EA more effectively to grapple with complex NRM issues, as well as to increase stakeholder involvement in the preparation of EAs and in acting upon recommendations. The impact of EA on ongoing projects will be reviewed with the aim of improving the existing EA process.

### ***Measuring progress and impact***

164. Reliable indicators are needed in order to measure the state of natural resources in a given area and to evaluate the environmental effect and impact of investment projects. In the absence of these indicators, M&E is not able to measure the state of natural resources, but only the results of activities carried out during a project. Emphasis will be given to the development of project-specific indicators and the establishment of a participatory monitoring process to highlight the impact of recommended



measures on NRM and poverty reduction. For all Category A and selected Category B projects, efforts will be made to ensure that EA reports are made available and used by project evaluation and supervision missions. An existing tracking system is undergoing improvement to better monitor how NRM measures are being mainstreamed in IFAD's operations. An inventory of lessons learned and good practices is being developed to build knowledge of the impact of projects on the NRM.

***Seeking integration***

165. Serious efforts to build synergies among the lending portfolio, non-lending services, and policy advice are needed to foster better stewardship of natural resources. NRM approaches must shift from simply inputs and processes to achieving tangible benefits that contribute to IFAD's mission to fight poverty. To that end, the environmental technical advisor, in consultation with the regional divisions, has developed a two-year strategic plan and work programme (February 2000 – February 2002) for mainstreaming NRM into IFAD operations. A five-prong strategy has been adopted comprising policy-level activities; operational activities; capacity building; partnerships; and knowledge management. In addition, a more proactive role towards building synergies with crosscutting issues, such as gender, participation, civil-society organizations, and institutional strengthening, is being pursued.

166. Policy-level activities include strengthening the EA procedures and M&E. Emphasis will be on more proactive assessment carried out early in the project cycle and on Strategic Environmental Assessment at the COSOP stage. Operational activities will include provision of technical advice to operational staff in the design of projects with a focus on environmental issues and activities; ensuring the effective operationalization of the EA procedures; and supervision and monitoring of the environmental and natural resource aspects of projects. Capacity-building activities will focus on strengthening IFAD's ability to mainstream NRM in the design, implementation and M&E of projects and will include the dissemination of articles, best practices and tools to operational staff. In regard to partnerships, priority will be given to building stronger links and collaboration with CCD and GEF. In the area of knowledge management, priority will be given to developing networks that empower IFAD to achieve greater excellence in the understanding of NRM. Guidelines will be developed to promote the mainstreaming of NRM in the project cycle. These guides will serve to assist Project Development Teams and missions to address NRM concerns during project development.





### IFAD'S COOPERATING INSTITUTIONS

AfDB	African Development Bank
AsDB	Asian Development Bank
AFESD	Arab Fund for Economic and Social Development
BCIE	Central American Bank for Economic Integration
BOAD	West African Development Bank
CAF	Andean Development Corporation
CDB	Caribbean Development Bank
IBRD*	International Bank for Reconstruction and Development
IDA*	International Development Association
IDB	Inter-American Development Bank
UNOPS	United Nations Office for Project Services

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\* IBRD and IDA are part of the World Bank Group.

## PROJECTS DIRECTLY SUPERVISED BY IFAD

Region	Country	Project ID	Project Name	Lending Terms	Project Type	Board Approval	Loan Signing	Loan Effect.
PA	Benin	1028	Microfinance and Marketing Project	HC	Credit and Financial Services	22/04/1998	03/07/1998	04/05/1999
PA	Gambia, The	1100	Rural Finance and Community Initiatives Project	HC	Credit and Financial Services	02/12/1998	18/02/1999	14/07/1999
PA	Mali	1089	Sahelian Areas Development Fund Programme	HC	Flexible Lending Mechanism	02/12/1998	19/02/1999	14/10/1999
PF	Uganda	1060	District Development Support Programme	HC	Rural Development	10/09/1998	11/02/2000	24/05/2000
PF	Zambia	1108	Smallholder Enterprise and Marketing Programme	HC	Rural Development	09/12/1999	16/02/2000	07/11/2000
PF	Zimbabwe	1051	Smallholder Irrigation Support Programme	HC	Irrigation	02/12/1998	17/02/1999	14/09/1999
PI	Bangladesh	1029	Agricultural Diversification and Intensification Project	HC	Agricultural Development	29/04/1997	29/05/1997	04/12/1997
PI	India	1063	Bihar-Madhya Pradesh Tribal Development n OpProgramme	HC	Rural Development	29/04/1999	25/06/1999	
PI	Sri Lanka	1113	Matale Regional Economic Advancement Project	HC	Agricultural Development	03/12/1998	02/03/1999	15/12/1999
PL	Brazil	1101	Sustainable Development Project for Agrarian Reform Settlements in the Semi-Arid North-East	O	Credit and Financial Services	03/12/1998	10/10/2000	21/12/2000
PL	Dominican Republic	1068	South Western Region Small Farmers Project - Phase II	I	Rural Development	03/12/1998	19/01/1999	05/04/2000
PL	Peru	1044	Development of the Puno-Cuzco Corridor Project	O	Research/Extension/Training	04/12/1997	07/12/1999	17/10/2000
PN	Armenia	1038	North-West Agricultural Services Project	HC	Agricultural Development	04/12/1997	05/12/1997	14/04/1998
PN	Gaza and the West Bank	1079	Participatory Natural Resource Management Programme	HC	Rural Development	23/04/1998	07/05/1998	01/02/2000
PN	Sudan	1045	North Kordofan Rural Development Project	HC	Rural Development	28/04/1999	14/07/1999	14/06/2000

PA – Africa I Division

PF – Africa II Division

PI – Asia and the Pacific Division

PL – Latin America and the Caribbean Division

PN – Near East and North Africa Division





## REVIEW OF CLOSED PROJECTS BASED ON PROJECT COMPLETION REPORTS

1. In systematically monitoring the project portfolio, the next logical step is the establishment of a system for registering and reporting on the achievements of development objectives. For this reason, IFAD prepared a conceptual framework and an annotated outline (reference EB/2000/69/R.14, Annex III) for the preparation of PCRs, with a view to reporting on project outcomes. This annex includes summaries of 13 PCRs carried out in 2000. Eleven of the PCRs are for projects that were completed in 1999, representing the target of conducting PCRs on 50% of the projects completed in 1999. Two additional PCRs were prepared for projects completed in late 1998 and in 2000.

### **Algeria: Pilot Project in Algeria and Tunisia for the Integrated Rural Development of the Mellegue Watershed (226-DZ)**

2. This project was designed to (i) assist the Government of Algeria to implement efficient land use of watersheds; and (ii) increase food production and income while arresting resource degradation. It aimed to integrate cost-effective erosion control measures with a balanced fruit tree, fodder shrubs and cereals-based farming system favouring permanent vegetative cover, taking account of the slope of the land. The measures were expected to be maintained and replicated through full beneficiary participation. It was expected that access to credit and efficient extension would facilitate farmer adoption, while replicability of a long-term development programme would be ensured through the creation of the Oued Mellegue Development Authority. Because the Mellegue Watershed straddles the borders of Algeria and Tunisia, the project was also implemented in Tunisia (refer to the description of project 227-TU in this annex).

3. In terms of physical structures, the project's objectives were achieved. SWC works covered 30 000 ha; some 3 100 ha of rangeland were improved to the benefit of 780 people; and irrigation works were extended to 236 ha, surpassing the target of 160 ha. The creation of forage reserves for use during drought periods led to increased incomes. However, the project did not achieve its objectives with regard to beneficiary participation, monitoring or the extension system. Consequently the sustainability of the project could not be guaranteed. Moreover, it failed to achieve, through fruit tree and fodder shrub plantations, the consolidation of anti-erosion activities, establishment of a rangelands management system, extension of modern irrigation techniques, and intensification of annual crops.

4. The project faced a number of constraints during implementation. Institutional changes in the project management structure, including the dissolution of the Oued Mellegue Development Authority and organizational changes within the Algerian Development Bank, led to a three-year delay in starting the project. As a result, several key strategies were not implemented, i.e. training of personnel; awareness building and organization of beneficiaries; and the updating of the technological package. In addition, the poor security and political situation in Algeria from 1993 to 1998 prevented IFAD and cooperating institution staff from visiting the project area.

5. The project was characterized by a weak project management system, which could not effectively act as a catalyst to encourage beneficiary participation. Physical works were sub-contracted to private enterprises. In consequence, the level of organization among beneficiaries remained low, with little potential for take-over and ownership. While the rural women's component achieved its targets in terms of the number of family gardens created and small livestock raised, there was a high mortality rate among livestock. This was attributed to the absence of female extension agents and the lack of activities to organize women. Unfavourable climatic conditions, the high cost and unavailability of agricultural inputs, a non-responsive agricultural extension system and difficulties in terms of beneficiary access to short-term credit combined to impede the achievement of increased productivity.

ANNEX III

6. The main lessons learned from this project are the need to (i) involve beneficiaries from the design stage of a project to ensure sustainability and local ownership; (ii) provide institutional and technical support for SWC measures; (iii) involve female personnel and women's organizations in activities designed for rural women; and (iv) establish a functioning monitoring system that would enable timely adaptation of the project in response to changing political, economic and social situations as well as to the impact of the project on natural resource conservation and on the economic and social conditions of the beneficiaries.

**Bangladesh: Smallholder Livestock Development Project (280-BD)**

7. The principal objective of the project was to enhance productivity and incomes derived from small livestock-keeping in the homestead compounds by landless and poor people, and specifically by women members of the target households. It was also expected to help reverse the decline in per capita availability of animal protein for the country as a whole.

8. The project had a positive impact on poultry production and protein intake by beneficiaries. Poultry production in the project area increased by approximately 5 million chickens, egg production by 360 million eggs, and meat production by 2 400 tons. The impact may be attributed to a significant decline of mortality rates of all classes of birds, and a higher egg-laying rate (20-50%) under an improved management system introduced by the project. These advances would have been much greater had natural disasters not affected the production cycles.

9. Another noteworthy impact of the project was the development of collaborative and mutually complementary working relationships between the DLS and the participating NGOs. Poor and landless women, under the guidance of the three contracted NGOs, formed basic units for organizing themselves into viable credit-worthy groups. The NGOs carried out their mandated work satisfactorily, and two of them still have staff engaged in providing continuing support to the project beneficiaries.

10. The project did not succeed in establishing a complete cycle of producers and market operators at the village level since the planned market groups were not organized. Nevertheless, it was successful in developing easier access to the market to ensure fairer prices for the producers.

11. The overall success of the project has led to the countrywide acceptance of the model propagated, with some changes incorporated into it based on ground reality. Besides the three participating NGOs, many other NGOs have come forward to test and replicate the model in their service areas. Moreover, three more projects designed by, and launched after, this project are currently in various stages of implementation in different parts of the country. These are: (i) the AsDB-funded Participatory Livestock Development Project in the north-east; (ii) the DANIDA-supported Smallholder Livestock Development Project, Phase II, in the south; and (iii) the multi-donor-aided Poultry for Nutrition Project in nine selected *upazilas*. The Government of Bangladesh is also currently funding a similar project from its own resources.

12. The experience of this project shows that access to credit by the target group is crucial in promoting and sustaining the model developed by the project as a viable and remunerative small-scale enterprise. It also shows that project design should anticipate measures to cope with risk factors caused by natural disasters and other factors affecting sustainable subsector development. While confirming the major findings of the project achievements, the participatory impact assessment carried out at completion revealed some of the concerns of the target groups. These included high interest charges by the NGOs and seasonal shortages of vaccines. The beneficiaries also expressed concern about their non-involvement in the planning process, and requested opportunities for more exposure and training as well as improved legal awareness.

**Côte d'Ivoire: National Agricultural Services Restructuring Project (337-CI)**

13. The overall objectives of this World Bank-initiated project included: (i) streamlining and decentralizing the organization of agricultural services; (ii) enhancing the role of the Ministry of Agricultural and Animal Resources in policy-making and supervision of agricultural development; and (iii) increasing farmer empowerment and influence over the decision-making process. Within this context, IFAD support was focused primarily on agricultural services in the northern savannah zone through support to farmer's organizations, and on targeted development activities including technical training, rural finance and management support to ANADER in the northern region for the coordination and monitoring of project activities.

14. Although the project suffered from a number of weaknesses, several positive results were achieved, particularly in the area of institutional capacity building. Joint annual planning of extension and research activities through regional technical committees (of which 50-60% of participants are farmers) has begun to increase the relevance of research and extension. The component to support farmers' organizations provided training to the extension agents of the area through some 36 workshops covering a range of subjects (e.g. management of cooperatives, financial management, cooperative law, credit and marketing). Ultimately, this training is intended to benefit more than 1 100 farmers' organizations, comprising a total membership of 120 000. Agents were also provided with equipment, including motorcycles that were intended to increase their mobility and visits to farmers' organizations. The benefits of this were not realized until late in the project, however, because of considerable delays in providing the equipment.

15. Implementation of the rural finance component did not materialize due to problems in finding an institution able to manage the provision of credit. This, in turn, weakened the project component intended to promote greater integration of small farmers, youths and women into the cooperative network. The activities of this component were to have been supported by the rural finance component. Nevertheless, a number of activities were carried out, i.e. technical training of farmers' groups, a large proportion of them women groups, in food production; and a literacy programme. Funds were also provided for a number of local microprojects, particularly in the areas of food processing and water supply. Due to the fact that these funds were provided late in the project, only 10 of the 32 initiatives approved for financing had been completed or were nearly completed at the time of project completion.

16. The project suffered from a number of constraints. Primary among them was the poor performance of the executing agency, ANADER, in disbursing the funds. The low disbursement rate prevented or seriously delayed the initiation and completion of a number of project activities. This was compounded by the difficulties in initiating the rural finance component and the fact that other activities were dependent on this financing which did not materialize. These problems stemmed, in part, from the difficulties in getting ANADER established and the fact that the ANADER staff were charged with multiple responsibilities.

**El Salvador: Smallholders' Agricultural Development Project in the Paracentral Region (267-SV)**

17. The goals of this project were to: (i) improve the living conditions, income level and nutritional status of smallholders of the departments of San Vicente and Cabana in the Paracentral Region of El Salvador, both landowners and landless, with special attention to women; and (ii) contribute to social stability in the project area through creating job opportunities, promoting agricultural diversification towards production systems with higher productivity levels and promoting adequate measures to alleviate the critical conditions in the deterioration of natural resources.



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18. The project was implemented in an area that was seriously affected by conflict. The implementation period started in 1993, shortly after the Peace Accord of Chapultepec that ended the civil war in February 1992. The project implementation period also coincided with the *El Niño* climatic phenomenon that caused at least two severe droughts – in 1994 and 1997 – and Hurricane Mitch. The credit component represented 61% of the total project base cost. At the end of the project, nearly 6 000 households had benefited from the credit operation, which was highly concentrated on tenants, a group that had previously little access to loans. Half of the financing was devoted to vegetables, fruit, export crops, soil conservation and livestock as well as small livestock, thus promoting diversification in production systems. Despite good progress in disbursement, loan recovery performance was rather poor because of climatic factors and the adoption of a lenient policy for loan recovery.

19. It should be noted, however, that project impact has been very noticeable in the areas of gender mainstreaming; environmental conservation; and sector policies. The project also demonstrated that a successful development intervention is possible in areas affected by civil war. The single major success of the project was the extension of gender training, not only to the beneficiaries but also to project staff and local schools and teachers. As a result, the Ministry of Education of El Salvador has introduced gender in the national curricula, using project experience with local schools.

20. Production support services comprised extension and validation of technology, reaching some 15 000 beneficiaries. The project also trained and monitored 90 innovative community farm leaders responsible for disseminating technologies and promoting positive changes in attitude towards adoption of technology.

21. To consolidate the gains of this project, the Rural Development Project for the Central Region (PRODAP II) was prepared and was approved by the Executive Board at its Sixty-Sixth Session in April 1999. The focus of the new project is participation and empowerment of the target group through more reliance on producers' organizations for project implementation and development of financial intermediaries for the implementation of the credit component. As in the first phase, gender mainstreaming will continue, with stronger coordination of gender issues at the project level.

**India: Andhra Pradesh Tribal Development Project (282-IN)**

22. The objective of the project was to foster self-reliant household food security by increasing the food production and raising the incomes of the tribal families in the project area, while pursuing a community-based participatory and cooperative approach.

23. The project design was ambiguous, focusing on overcoming the perceived negative effects of tribal farming but overlooking the positive elements. During implementation, successive supervision missions tried to focus on the latter and made a wide range of improvements. The overall project performance has been remarkable, with physical achievements often exceeding expectations. The project initiated a large series of productive activities, including horticulture plantations, soil conservation structures, minor irrigation schemes, demonstration sites, as well as some major grass-roots institutional developments such as the establishment of thrift and credit groups, grain banks, village tribal development agencies, etc.

24. Savings and credit groups, widely promoted among women, have consequently created opportunities for them to increase their ability to deal with money, and to save and obtain credit in order to respond to the specific situation of tribal children and their educational needs. Innovative interventions in education were attempted, notably the establishment of village community schools and village education committees, and the constitution of mothers' committees, ensuring the quasi-universal enrolment of children in primary education. Project activities also contributed to the two development objectives of higher incomes and increased production. Household incomes rose by an



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average of 40% and food stocks at the disposal of households increased. Some of these innovations have been scaled up by other donors, including the World Bank and DFID.

25. However, some income and production effects may have actually weakened household food security because: (i) the increased income has been generated mostly through “male” cash cropping and consequently its impact on household food security is less than if the income were in the hands of women; and (ii) increased food mono-crop production at the expense of diversified *podu* production may have truncated the traditional diet and in fact reduced the overall nutritional status.

26. Although the introduction of a participatory approach to planning and implementation was part of the project strategy and produced some positive results, generalizing the approach over all programmes would require a change in the corporate strategy of the implementing departments. The application of such a strategy and of truly participatory planning and implementation modalities would require an adjustment of the corporate strategy of the Tribal Welfare Department and the implementing departments, with more emphasis on the place of tribal culture and local knowledge in development. This is not only a matter of more staff training, but of an in-depth policy dialogue. Future IFAD projects could play the role of pilot programmes to test out such new corporate thinking. A stronger involvement of NGOs would also be required.

**Indonesia: East Java Rainfed Agriculture Project (255-ID)**

27. The objectives of the project were to: (i) increase farm production and incomes, while protecting the threatened natural resource environment through on-farm soil conservation measures and developing on- and off-farm employment opportunities; and (ii) improve the quality of life through selected investments in rural infrastructure that may not have readily quantifiable financial or economic benefits.

28. The establishment of soil conservation structures was highly successful in terms of targets. By the end of the project (31 March 1999), soil conservation demonstration plots and associated activities had been completed in 173 villages compared with the original estimate of 143; while the area covered by these structures was over 21 000 ha compared with an estimated 13 000 ha. With an average plot size of 0.4 ha, compared with 0.7 ha envisaged at appraisal, over 58 000 households benefited compared with the 15 000-20 000 households anticipated in the staff appraisal report. The average size of the 2 140 conservation groups was 27 members. Both farmers and project staff received training in a variety of project-related subjects.

29. Several factors contributed to the achievement of the conservation targets. First, soil conservation was considered as part of the crop production system rather than as a separate activity. Secondly, proven technology (bench terraces, multiple cropping and higher-yielding varieties) was available, with crop demonstrations to show the benefits of improved crop production systems held in the village in the year prior to the start of terrace construction. The project provided crop recommendations for both the demonstration and impact villages. Thirdly, farmers received substantial incentives to participate. These included food-for-work, initially funded by WFP, while terracing their plots and constructing the drainage channels and drop structures; free crop production inputs (seed, fertilizer and pesticides) for the first year following terrace construction; and, subsequently, some 13 700 sheep and goats were provided through credit (as revolving funds) to consume the forage produced on the terraces and provide a source of organic manure to further boost soil fertility and water retention. Fourthly, project investments were part of a village annual development plan prepared in advance, using PRA techniques after 1993. Finally, the project financed the following: (i) the employment of additional field extension workers (FEWs), so that there was on average one FEW per village and farmers received the assistance required; (ii) the construction of 16 rural extension centres and the rehabilitation of a further four; and (iii) the incremental operating costs of the agencies implementing project activities.

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30. The experience of this successfully implemented project highlights the following: (i) the importance of availability of technology that is proven; (ii) the role that incentives can play, such as provision of crop inputs, in technology adoption; (iii) the need for sustainable systems for the supply of livestock vaccines and medicines; and (iv) the effectiveness of properly managed and supported village extension workers in promoting the use of improved technologies.

31. A further lesson is the importance of using an NGO, or similar organization for community mobilization, capable of operating without continuing high levels of outside support, especially after the end of project assistance. While the project demonstrated the desirability of using existing government structures and the practicability of using many separate institutions to implement project activities, continuing support is needed after the end of the project if farmers are to continue to be able to take up new technology and adjust to changing circumstances. Once project funding ceased the number of field staff was reduced and the extension link with the villagers weakened. Under these circumstances the lack of village-based extension workers is a constraint to continuing agricultural development and the sustainability of project conservation activities. Such activities would have been enhanced if a cadre of voluntary (or paid) farmer extension workers had existed in the village.

**Mali: Village Development Fund Programme – Phase II (278-ML)**

32. The programme objectives were to increase food production in order to: (i) ensure family food security; (ii) improve general living conditions of poor farmers in remote villages not yet reached by any development effort; and (iii) create a self-sustaining village-based development process. These were to be achieved by: (i) creating an institutional framework for self-sustaining rural development investments; (ii) bringing about an intensification of technical training and functional literacy, whereby farmers might participate more actively and meaningfully in the planning and executing functions assigned to local development committees charged with administering such resources; and (iii) integrating production support activities (agricultural credit and extension services) into the national para-public and public institutions created for that purpose.

33. Programme results were mixed, with some of the objectives successfully attained and others less so. The programme was particularly successful in the areas of institution building at the levels of programme management, rural finance, and the creation of a self-sustaining village-based development process. In addition, marketing activities were successfully promoted, particularly at the beginning of the programme. Literacy activities were enthusiastically taken up by the villages and some newly-literate people were able to assume positions of responsibility. The construction of roads has had a positive effect on isolated villages. Finally, the programme had the effect of bringing a better balance of development activities to the region by reaching the more marginalized areas.

34. On the other hand, the programme was weak in achieving its objectives in the areas of NRM, the integration of activities in the area of agricultural production, and the integration of activities and objectives at the regional level. In particular, the extending of cultivated areas rather than increasing productivity might have a negative effect on natural resources. There was an absence of government funds for infrastructure and the village development fund was unable to mobilize the amount of resources foreseen. Moreover, there was a very low level of technical research and the extension approach was piecemeal and not integrated into the agricultural production activities. The monitoring system was late in getting started and suffered from a lack of economic data. Finally, there were a number of contradictions between activities at the village level in the area of health and livestock care and national policies.

35. The programme as a whole suffered from these imbalances, which may have been due to an overly-ambitious and large range of objectives, particularly for a four-year programme in a limited area. Nevertheless, the programme was sufficiently successful to justify in part the Sahelian Areas



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Development Fund Programme (1089-ML), which was designed to extend progressively the achievements of the programme to the majority of people in the Sahelian areas.

**Peru: Promotion of Technology Transfer Project to Peasant Communities in the Highlands (297-PE)**

36. The aim of this project was to stimulate the existing extension services market for the provision of appropriate and specific agricultural advice and to maintain this service in a viable and self-sustained manner. The main objectives were to: (i) increase productivity, incomes and the standard of living of farm families living and organized in peasant communities; (ii) strengthen peasant communities and other highland farmer organizations; (iii) encourage a specific problem-solving approach to Andean agriculture, using available technological information and responsive research; (iv) further the use of beneficiary-owned and -operated communication media and expand information exchange mechanisms; (v) mobilize the resources (human and financial) already in the project area through several NGOs, universities and public institutions; and (vi) develop a new extension service methodology in the highlands.

37. The project was implemented in the midst of a major structural adjustment programme which led to the laying off of a large number of government employees; the closure of state development banks, including the Banco Agrario del Peru (BAP); and the virtual disbandment of the national agricultural extension and research system. The project approach was based on two basic components: a fund to be granted to organized producers for procuring services supplied by technical and professional personnel; and a number of ancillary activities. The project approach was intended to fill the vacuum left by a disappearing extension system. Due to the political unrest in most areas during project design, the project was implemented in limited areas of the country. The provision of agricultural credit by BAP did not materialize due to closure of its operations, and other approaches, therefore, had to be tried. In many instances, the new project approach for a market-based service provider conflicted with other projects and programmes implemented by the Government of Peru and NGOs, which continued to provide free extension advice, inputs and subsidized credit through a revolving-fund mechanism.

38. For 58 000 families of small farmers, the project created the possibility to access non-reimbursable resources for the purpose of contracting the services of the technicians they needed in the marketplace at prices agreed by both parties, and for the activities the peasants themselves decided. Management of these resources (which amounted to around USD 7 million, supplemented by beneficiary contributions), was carried out efficiently under strong control by the beneficiaries and their organizations.

39. Given the circumstances surrounding its implementation, the project required close attention during supervision and IFAD's outpost in Lima played an important role in filling the gap in the provision of backstopping support. Although not all ancillary project activities (e.g. in-service training, communication support) performed satisfactorily, the completion evaluation of the project identified three levels of impact: (i) the introduction of technological and management innovations among the target population that helped increase productivity, profitability and better management of production and marketing risks; (ii) the creation of competitive employment opportunities for men and women among former extensionists and professionals; and (iii) the generation of great interest among agricultural projects in Peru and other countries for replication of the project approach.

40. The main lessons drawn from this project show the need for farmers' organizations both to compete for project resources and to increase their contribution in order to benefit from the services; built-in flexibility in the amount and timing of incentives; provision of incentives to identified women's groups; systematic provision of training for project staff and beneficiaries during project implementation; and more care in the selection of project staff.

**Philippines: Visayas Communal Irrigation and Participatory Project (302-PH)**

41. The goal of the project was to contribute to the Government's efforts to alleviate poverty and improve food self-sufficiency. For this reason, project activities were to be located in areas where a high proportion of farm households have incomes below the poverty line. The objectives of the project were to: (i) increase the incomes and welfare of about 11 600 families in the lowlands and uplands as a result of increased farm output; (ii) enhance institutional capabilities in the Irrigators' Associations (IA) and in the National Irrigation Administration; and (iii) foster self-sustaining development by combining NRM and environmental conservation practices.

42. By the close of the project, 99 communal irrigation schemes had been developed, covering a total service area of 10 409 ha. Of these, 65 systems were rehabilitated, with a total area of 7 796 ha, and 34 new systems had been developed over 2 613 ha. Compared with appraisal estimates, these results may be seen as successful achievement of the target of 10 950 ha. A total of 99 IAs are in place, most of them having been established before the project. An impressive number of members have been trained, but performance varies widely between IAs. The IAs' legal status limits their possibilities to undertake other profitable activities.

43. The project has contributed to the achievement of two goals: poverty alleviation and food self-sufficiency. The development of IAs has contributed to the promotion of local capacities, but this achievement is not yet sustainable and several IAs will need continued support before they can become autonomous. IAs have been the instrument for participation and this potential needs to be strengthened. The project approach to irrigation construction and IA development is replicable. However, in future programmes, more emphasis on the agricultural development aspects will be needed to ensure more efficient use of the infrastructure created.

44. Project benefits as perceived by the beneficiaries include employment generation, improved nutrition and enhanced participation of women in development activities. During construction, about half the members of the IAs provided labour. In several cases, external labour was hired. As a result of irrigation, the demand for hired farm labour increased, especially during harvesting, providing an additional source of income for the indirect beneficiaries. Production benefits flowed both from the increased irrigated area and from yield improvements of up to 30%. Other benefits included improvements in the daily diet as well as increased expenditures for children's education, house repairs and health. The access roads built during construction were often indicated as the cause of better marketing terms and improved availability of necessities in the village. The participation of women in IAs corresponded to about 10% of the members. In the case of one IA, a woman was elected as president and women usually hold the positions of treasurer and secretary. Beneficiary involvement in design and construction was actively encouraged and all future projects should follow a similar approach.

45. Experience from the implementation of this project indicates that: (i) communal irrigation development is an effective instrument for poverty alleviation and food self-sufficiency; (ii) while important, irrigation is not the only means of increasing production and income, and therefore future programmes should give more attention to agricultural issues; (iii) development of IAs requires considerable time and projects should include a corresponding component for management support and training; and (iv) the policy of investment cost recovery from communal systems may need to be reviewed.

**Senegal: Village Organization and Management Project (315-SN)**

46. The project was expected to contribute to the Government's goal of securing food security within the framework of a changing policy and institutional environment, by facilitating the transition



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from a State-supported to a privatized agricultural production and marketing system. Within this framework, the overall objective of the project was to improve the incomes and living conditions of the most disadvantaged rural populations by (i) improving of the management capacity of rural communities; (ii) increasing and diversifying agricultural production; and (iii) protecting the environment and the natural resource base.

47. The project supported the development of the organizational capacity of 436 villages through the establishment of village development committees, the strengthening and/or creation of 1 218 economic interest groups, and participatory formulation and implementation of village development plans. This was supported by village literacy programmes and the training of village animators, especially women. More than 17 000 persons, 60% of them women, participated in functional literacy activities which generally continued after the first year with little support from the project. However, in qualitative terms, the literacy programme needs considerable improvement as tests have shown that only 30% of participants were able to read and write fluently following these activities.

48. The use of live hedges was widely adopted and resulted in the protection of 6 474 ha of agricultural plots. Nurseries were established in 137 villages, which produced about 63% of the targeted number of trees. However, targets were not reached as regards composting, reforestation and, especially, community-wide anti-erosion measures. The rural credit component was not executed as foreseen and the two credit lines through the partner financial institutions were under-utilized. Nevertheless, satisfactory results were achieved in terms of access of the target group to short-term credit. Some 462 groups, with a membership of 8 265 small farmers, received credit for agricultural inputs. Another 539 groups, with 11 679 members, benefited from credit to finance women's income-generating activities, livestock activities, grain banks and village shops.

49. Overall, the coordinating structure of the project functioned in a satisfactory manner. According to a participatory survey, all of the villages, without exception, felt that the project was having an overall positive impact and that it had increased their incomes. The situation of women was considerably improved by the project in that they were the main beneficiaries of the literacy actions and were able to obtain credit to develop income-generating activities. Women also participated in the village development committees, although this needs to be strengthened as the survey showed that only about a quarter of the villages felt that women had access to decision-making bodies.

50. In view of the positive results attained in the first phase of the project, a second phase was approved by the Executive Board at its Seventieth Session in December 2000. This will permit the consolidation of achievements in the villages already involved in the project and enable expansion to other villages. The second phase will also allow the expansion of project activities to include economic activities and community investments identified in the village development plans.

**Tanzania, United Republic of: Southern Highlands Extension and Rural Financial Services Project (324-TZ)**

51. The main objectives of the project were to remove the constraints hampering the increase of smallholder productivity by (i) developing a participatory demand-driven extension and community services system especially responsive to the needs of poor families, and ensuring the development and extension of environmentally-sound technological packages for smaller farmers and women; and (ii) supporting the development of rural financial services at the grass-roots level to enable the rural poor, including small traders and stockists, to obtain credit and generate savings; and strengthening institutional capacity.

52. The overall performance of the project was satisfactory. Due to the restructuring and privatization of the two major banks, the National Bank of Commerce and the Cooperative and Rural



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Development Bank, the project promoted grass-roots microfinance institutions (MFIs) to implement the rural financial services component. The success of these MFIs is largely due to their proximity to borrowers, accessibility to funds, mutual confidence-building approach and capacity to mobilize savings within the community. As of September 2000, savings mobilized by 15 200 members in 3 038 groups (38% men, 24% mixed and 38% women) amounted to about USD 850 000. The repayment rates for farm input credit were generally high.

53. There has been a significant improvement in household food security and in the nutritional status of beneficiaries due to an increase in production and productivity. This increase was mainly attributable to the adoption of new technologies, facilitated by the complementary relationship between extension and credit services, expansion in the area of cultivation and good management of household food stocks. Studies revealed a 239% increase in maize production, 362% in beans, 241% in sunflower, 150% in finger millet, 92% in milk and 95% in eggs. The over-dependency of maize as a food-cum-cash crop has been minimized, as farmers were encouraged to diversify their income-earning sources and to try environmentally-friendly enterprises and agro-processing. This increased household income and improved the availability of varieties of food, which in turn improved the household nutritional status.

54. Through its institutional capacity-building programme, the project provided a wide range of training to extension staff. Prior to project intervention, farmers faced an acute marketing problem that impacted on their capacity to increase their income. Through extension services, the project created awareness of value-adding technologies and integration of economic activities (i.e. on- and off-farm activities) that partially alleviated the marketing problem. The extension services also created awareness and encouraged adoption of sustainable agricultural practices. Tree planting, contouring and terracing in undulating terrain and organic farming are now practised.

55. The credit, extension and business management programmes enabled women to obtain access to extension and credit services and to establish entrepreneurial activities. Introduction of labour-saving technology, e.g. the use of animal traction in weeding and domestic activities, changed the labour-use pattern in favour of women and children. For both men and women, the project had an important impact on social asset building, particularly through the formation of groups that enabled farmers to engage in collective work during peak labour periods, and provided support in times of underemployment and crises. The groups provided the basis for mutual understanding and collective decision making, and inspired further development.

56. Major lessons emerging overall from the project are that, when adequately supported through capacity building, grass-roots MFIs can have a major impact in providing improved savings and credit services to their members. Furthermore it has been demonstrated that, when complemented with credit services, extension enhances awareness and adoption of improved technologies and leads to increased biological yields. However, other socio-economic factors such as diversification of income-earning opportunities, agro-processing, marketing strategies, environmental issues and gender relations need equal attention in order to improve income, household food security and welfare in general.

**Tunisia: Pilot Project in Algeria and Tunisia for the Integrated Rural Development of the Mellegue Watershed (227-TU)**

57. The project was designed to (i) assist the Governments of Algeria and Tunisia to ensure efficient land use in watersheds; and (ii) increase food production and income while arresting resource degradation. It aimed at consolidating existing technical packages of watershed conservation measures developed in Tunisia, in particular the integration of cost-effective erosion control measures into more productive cereal and livestock farming systems. These measures were expected to be fully maintained and replicated by the beneficiaries themselves.



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58. Overall, the project experience validated the integrated development of watersheds approach. In physical terms, most project targets were achieved and even surpassed. These included SWC work, fruit tree plantation, forestry, rangelands improvement and cereal crop intensification. Between 3 000 and 5 000 farm families benefited directly from the project. The number of indirect beneficiaries was, no doubt, even higher although there has been no systematic study of the project's effect on incomes. The farmers interviewed expressed satisfaction with project services, as confirmed by sustained demand for such services even after the project closed. The development of small livestock activities was well received by the farmers and has contributed to diversifying and increasing their income.

59. The project has been instrumental in protecting land resources and halting some of the most serious erosion. Although these effects cannot be easily measured, they are evident to people living in and knowledgeable about the project area. Considerable public investment in basic infrastructure in the region has had a complementary effect on the overall development of the region. In particular, the combination of public investment and project activities seems to have changed the traditional pattern of internal migration and has stabilized population movements. Moreover, the project has increased awareness of a number of development issues among major stakeholders, and has created the required incentives for further public investment in this field.

60. The major lesson learned from this project is that a more balanced approach should be developed between activities related to natural resources conservation and activities aimed at increasing production. Participatory approaches should be built into the design and activated right from the start of any new project.

**Turkey: Bingöl-Mus Rural Development Project (243-TR)**

61. The objectives of the project were to (i) raise agricultural production and alleviate poverty in the less developed parts of the two project provinces; (ii) expand rural employment opportunities and promote individual and group initiatives of smallholders and their families; (iii) improve the living conditions of the rural poor, especially women; and (iv) build and strengthen self-supporting institutions directly relevant to the rural poor. The focus was on less accessible, less developed and poorer areas and villages.

62. This was the first IFAD-initiated project in Turkey, the two earlier projects having been cofinanced from the World Bank's pipeline. Project implementation was severely affected by the deteriorating security situation, and many components, with the exception of infrastructure, made only limited progress. As part of an intensive portfolio restructuring exercise undertaken in 1996, the project was reappraised in 1997. As a result, the project was scaled down and its targets reset, but the loan size was maintained and the closing date extended by two years, i.e. to December 1999.

63. The project completion review shows that while it is difficult to quantify the effect of the project on income because of fractured implementation, there is anecdotal evidence that rural households receiving project assistance for crop and livestock production, apiculture, carpet/kilim making and other income-generating activities have experienced moderate-to-considerable gains compared with productivity levels before the project. For instance, yields per hectare of wheat, the dominant agricultural crop, increased from 1.1 tons to 1.5 tons for rainfed wheat and 2.5 tons for irrigated wheat. In the case of sheep, the average liveweight increased from 20kg to 28kg. The number of crossbreeds in an average herd reportedly increased during project life. Women have benefited from training in bee-keeping and carpet/kilim weaving. Greenhouse production, although not planned initially for women, has the potential to become a women's job for two main reasons: (i) greenhouses are built closer to the house, in the homestead, directly in women's sphere of influence; and (ii) women are less busy during the winter, when labour is needed in the greenhouses. There was a clear deficiency in the project's monitoring system, which made it difficult to collect the information needed to assess project's outcome.



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64. The main lessons learned from the project were the need to: (i) move away from multi-agency rural development projects; (ii) improve coordination among implementing agencies; and (iii) promote and strengthen the participatory framework, including the involvement of NGOs and civil-society organizations. These were taken into account in determining the strategic thrust of IFAD's future operations through the COSOP.

**PROJECTS COMPLETED DURING 2000**

Project ID*	Country/Project Name	Cooperating Institution	Type of Financing	Approval to Effectiveness (months)	Years Extended	% Time Overrun	Percentage Disbursed (31/12/2000)	No. Days Suspended (for arrears)
<b>Agricultural Development</b>								
460-TD	Chad	AfDB	F	7.6	1.5	22%	65%	2
	Food Security Project in the Northern Guéra Region							
318-MR	Mauritania	UNOPS	F	6.2	1.7	28%	96%	31
	Maghama Improved Flood Recession Farming Project							
273-NG	Nigeria	World Bank: IDA	F	30.9	2	37%	95%	73
	Katsina State Agricultural and Community Development Project							
461-SN	Senegal	BOAD	F	16.5	1	16%	90%	193
	Agricultural Development Project in Matam							
262-TG	Togo	BOAD	F	40.2	2	37%	43%	211
	Support to Village Groups in the Eastern Savannah Region Project							
464-MW	Malawi	UNOPS	C	10.5	0.5	10%	63%	95
	Agricultural Services Project: Smallholder Food Security Sub-project							
1059-RW	Rwanda	UNOPS	F	1.4	1	46%	100%	0
	Rwanda Returnees Rehabilitation Programme							
232-RW	Rwanda	World Bank: IDA	E	12.7	3	37%	92%	422
	Gikongoro Agricultural Development Project							
293-ZM	Zambia	UNOPS	F	6.5	1	14%	89%	146
	Northwestern Province Area Development Project - Phase II							
343-BD	Bangladesh	UNOPS	F	7.2	0	0%	98%	0
	Netrakona Integrated Agricultural Production and Water Management Project							
364-CN	China	UNOPS	F	6.1	0	0%	97%	16
	Qinghai/Hainan Prefecture Agricultural Development Project							
309-LK	Sri Lanka	AsDB	F	5.5	0.5	7%	69%	0
	North-western Province Dry Zone Participatory Development Project							
275-EC	Ecuador	CAF	F	16.8	2.5	41%	97%	0
	Upper Basin of the Cañar River Rural Development Project							
336-HN	Honduras	BCIE	F	14.4	1.5	33%	97%	0
	Agricultural Development Programme for the Western Region (PLANDERO)							
270-MX	Mexico	UNOPS	E	12.5	3.6	65%	90%	0
	Development Project for Marginal Rural Communities in the Ixtlera Region							

\* Project ID and country code as they appear in PPMS.



**PROJECTS COMPLETED DURING 2000**

Project ID*	Country/Project Name	Cooperating Institution	Type of Financing	Approval to Effectiveness (months)	Years Extended	% Time Overrun	Percentage Disbursed (31/12/2000)	No. Days Suspended (for arrears)
295-VC	Saint Vincent and the Grenadines Smallholder Crop Improvement and Marketing Project	CDB	E	19.6	1	17%	90%	0
306-EG	Egypt Newlands Agricultural Services Project	UNOPS	E	20.5	1.5	27%	86%	0
268-SD	Sudan Southern Roseires Agricultural Development Project	UNOPS	E	15.3	1	14%	100%	108
298-TN	Tunisia Sidi M'Hadheb Agricultural and Fisheries Development Project	AFESD	F	7.9	2	31%	85%	0
<b>Sub-total</b>	<b>19 projects</b>		<b>Average</b>	<b>13.6</b>	<b>1.4</b>	<b>24%</b>	<b>87%</b>	
<b>Credit and Financial Services</b>								
431-BD	Bangladesh Employment-Generation Project for the Rural Poor	UNOPS	E	6.4	0	0%	80%	0
335-CN	China Yunnan-Simao Minorities Area Agricultural Development Project	UNOPS	F	2.8	0.5	8%	99%	16
332-UY	Uruguay National Smallholder Support Project	UNOPS	E	3.3	0.5	8%	97%	0
<b>Sub-total</b>	<b>3 projects</b>		<b>Average</b>	<b>4.2</b>	<b>0.3</b>	<b>6%</b>	<b>93%</b>	
<b>Fisheries</b>								
462-MR	Mauritania Banc d'Arguin Protected Area Management Project	UNOPS	F	13.1	1.2	22%	93%	31
276-DZ	Algeria Artisanal Fisheries Pilot Development Project	UNOPS	E	19.7	3.5	71%	68%	0
<b>Sub-total</b>	<b>2 projects</b>		<b>Average</b>	<b>16.40</b>	<b>2.35</b>	<b>45%</b>	<b>71%</b>	
<b>Irrigation</b>								
345-DO	Dominican Republic Agricultural Development Project in San Juan de la Maguana	IDB	C	38.8	0	0%	72%	0
433-AM	Armenia Irrigation Rehabilitation Project	World Bank: IDA	C	5.8	1.5	46%	100%	0
<b>Sub-total</b>	<b>2 projects</b>		<b>Average</b>	<b>22.30</b>	<b>0.75</b>	<b>21%</b>	<b>87%</b>	

**PROJECTS COMPLETED DURING 2000**

Project ID*	Country/Project Name	Cooperating Institution	Type of Financing	Approval to Effectiveness (months)	Years Extended	% Time Overrun	Percentage Disbursed (31/12/2000)	No. Days Suspended (for arrears)
<b>Livestock</b>								
260-MA	Morocco Livestock and Pasture Development Project in the Eastern Region	AfDB	F	13.2	2	26%	48%	0
<b>Sub-total</b>	<b>1 project</b>		<b>Average</b>	<b>13.2</b>	<b>2</b>	<b>26%</b>	<b>48%</b>	
<b>Research/Extension/Training</b>								
337-CI	Côte d'Ivoire National Agricultural Services Restructuring Project	World Bank: IDA	C	8.9	0.8	16%	20%	0
324-TZ	Tanzania, United Republic of Southern Highlands Extension and Rural Financial Services Project	World Bank: IDA	E	2.8	0.8	13%	100%	0
<b>Sub-total</b>	<b>2 projects</b>		<b>Average</b>	<b>5.85</b>	<b>0.80</b>	<b>14%</b>	<b>70%</b>	
<b>Rural Development</b>								
358-GQ	Equatorial Guinea Peasant Production and Marketing Promotion Project	UNOPS	E	10.7	-1.8	-27%	66%	591
307-NG	Nigeria Sokoto State Agricultural and Community Development Project	World Bank: IDA	F	25.9	0.5	9%	96%	36
319-PK	Pakistan Mansehra Village Support Project	UNOPS	F	3.7	0	0%	65%	0
296-GT	Guatemala Cuchumatanes Highlands Rural Development Project	UNOPS	F	24	1.5	27%	93%	0
303-MX	Mexico Rural Development Project for the Indigenous Communities of the State of Puebla	UNOPS	E	15.1	3	67%	65%	0
310-PY	Paraguay Peasant Development Fund Project - North-eastern Region of Paraguay	UNOPS	F	11	2	37%	73%	0
<b>Sub-total</b>	<b>6 projects</b>		<b>Average</b>	<b>15.1</b>	<b>0.9</b>	<b>15%</b>	<b>73%</b>	
<b>Total</b>	<b>35 projects</b>		<b>Average</b>	<b>13.2</b>	<b>1.2</b>	<b>21%</b>	<b>82%</b>	

Notes:

Percentage time overrun is calculated from date of loan effectiveness.

Percentage disbursement is calculated against the approved loan amount.

'C' - projects initiated by a cooperating institution and cofinanced by IFAD.

'F' - projects initiated by IFAD and cofinanced by external donors.

'E' - projects initiated and exclusively financed by IFAD.

**PROJECT PORTFOLIO AT YEAR-END 2000**

Project ID*	Country	Project/Programme Name	Board Approval Date	IFAD Loan (SDR m)	Amount Disbursed (SDR m)	Percentage Disbursed (31/12/2000)	Project Completion Date
<b>Africa I</b>							
488-BJ	Benin	Income-Generating Activities Project	06/12/1995	8.05	3.01	37%	31/12/2003
1028-BJ	Benin	Microfinance and Marketing Project	22/04/1998	9.15	0.96	11%	31/12/2004
1127-BJ	Benin	Roots and Tubers Development Programme	03/05/2000	9.75	0.00	0%	
369-BF	Burkina Faso	Special Programme for Soil and Water Conservation - Phase II	05/12/1994	11.85	8.74	74%	30/06/2003
512-BF	Burkina Faso	South West Rural Development Project	11/09/1996	10.15	0.99	10%	31/12/2004
1103-BF	Burkina Faso	Rural Microenterprise Support Project	28/04/1999	6.95	0.00	0%	30/09/2007
1132-BF	Burkina Faso	Community-Based Rural Development Project	04/05/2000	8.55	0.00	0%	
1080-CM	Cameroon	National Agricultural Research and Extension Programmes Support Project	10/09/1998	7.90	0.76	10%	31/12/2002
1126-CM	Cameroon	National Microfinance Programme Support Project	09/12/1999	8.05	0.00	0%	
1015-CV	Cape Verde	Rural Poverty Alleviation Programme	08/09/1999	6.95	0.39	6%	30/09/2009
290-CF	Central African Republic	Savannah Food Crops Rural Development Project	11/12/1991	8.45	5.57	66%	30/06/2001
469-TD	Chad	Ouadis of Kanem Agricultural Development Project	20/04/1994	4.10	3.26	80%	31/12/2001
1144-TD	Chad	Food Security Project in the Northern Guéra Region – Phase II	03/05/2000	8.25	0.00	0%	
513-CI	Côte d'Ivoire	Marketing and Local Initiatives Support Project	11/09/1996	7.25	1.43	20%	31/03/2004
1081-CI	Côte d'Ivoire	Rural Development Project in the Zanzan Region	10/09/1998	8.30	0.71	9%	30/09/2005
1133-CI	Côte d'Ivoire	Small Horticultural Producer Support Project	04/05/2000	8.30	0.00	0%	
428-GM	Gambia, The	Lowlands Agricultural Development Programme	12/04/1995	3.40	1.28	38%	31/12/2003
1100-GM	Gambia, The	Rural Finance and Community Initiatives Project	02/12/1998	6.60	1.20	18%	30/06/2005
466-GH	Ghana	Rural Enterprises Project	02/12/1993	5.55	4.21	76%	30/06/2001
477-GH	Ghana	Upper West Agricultural Development Project	14/09/1995	6.75	4.38	65%	31/12/2002
1002-GH	Ghana	Village Infrastructure Programme	04/12/1996	6.95	0.89	13%	30/06/2003
1053-GH	Ghana	Root and Tuber Improvement Programme	04/12/1997	6.55	2.04	31%	30/06/2004
1124-GH	Ghana	Upper-East Region Land Conservation and Smallholder Rehabilitation Project - Phase II	29/04/1999	8.30	1.62	20%	31/03/2005
1134-GH	Ghana	Rural Financial Services Project	03/05/2000	8.20	0.00	0%	

**PROJECT PORTFOLIO AT YEAR-END 2000**

Project ID*	Country	Project/Programme Name	Board Approval Date	IFAD Loan (SDR m)	Amount Disbursed (SDR m)	Percentage Disbursed (31/12/2000)	Project Completion Date
313-GN	Guinea	Smallholder Development Project in the Forest Region	02/12/1992	9.85	8.29	84%	31/03/2001
478-GN	Guinea	Smallholder Development Project in North Lower Guinea	14/09/1995	10.20	4.90	48%	31/12/2003
1003-GN	Guinea	Fouta Djallon Local Development and Agricultural Rehabilitation Programme	04/12/1996	6.95	1.34	19%	31/12/2004
1117-GN	Guinea	Village Communities Support Project	02/12/1998	5.00	0.45	9%	31/12/2003
1135-GN	Guinea	Programme for Participatory Rural Development in Haute-Guinée	09/12/1999	10.20	0.00	0%	31/03/2011
367-ML	Mali	Income Diversification Programme in the Mali Sud Area	05/12/1994	10.10	3.51	35%	31/12/2002
497-ML	Mali	Zone Lacustre Development Project - Phase II	17/04/1996	8.65	1.42	16%	31/12/2003
1089-ML	Mali	Sahelian Areas Development Fund Programme	02/12/1998	15.65	0.53	3%	31/03/2009
471-MR	Mauritania	Oasis Development Project - Phase II	06/09/1994	5.40	3.59	66%	31/12/2001
292-NE	Niger	Aguié Rural Development Project	11/12/1991	8.25	6.24	76%	31/12/2001
434-NE	Niger	Special Country Programme - Phase II	13/09/1995	9.55	3.52	37%	30/04/2003
1139-NE	Niger	Rural Financial Services Development Programme	03/05/2000	8.80	0.00	0%	
1016-NG	Nigeria	Roots and Tubers Expansion Programme	09/12/1999	16.70	0.00	0%	
340-ST	Sao Tome and Principe	National Smallholders Support Programme	02/12/1993	1.50	1.02	68%	31/12/2001
491-SN	Senegal	Rural Micro-enterprises Project	06/12/1995	5.00	1.45	29%	30/09/2002
1019-SN	Senegal	Village Management and Development Project	04/12/1997	6.90	0.27	4%	31/12/2006
1102-SN	Senegal	Agroforestry Project to Combat Desertification	02/12/1998	5.85	0.37	6%	30/06/2005
1130-SN	Senegal	National Rural Infrastructure Project	09/12/1999	5.40	0.00	0%	
1156-SN	Senegal	Village Organization and Management Project - Phase II	07/12/2000	10.70	0.00	0%	
308-SL	Sierra Leone	North-central Agricultural Development Project	09/09/1992	10.25	6.20	60%	31/12/2000
490-TG	Togo	Village Organization and Development Project	06/12/1995	5.10	1.57	31%	30/09/2002
1004-TG	Togo	National Agricultural Services Support Project	04/12/1996	6.95	1.22	18%	30/06/2002
<b>Total: Africa I</b>		<b>46 Projects</b>		<b>367.25</b>	<b>87.36</b>	<b>24%</b>	

**PROJECT PORTFOLIO AT YEAR-END 2000**

Project ID*	Country	Project/Programme Name	Board Approval Date	IFAD Loan (SDR m)	Amount Disbursed (SDR m)	Percentage Disbursed (31/12/2000)	Project Completion Date
<b>Africa II</b>							
492-AO	Angola	Northern Region Foodcrops Development Project	07/12/1995	9.00	2.66	30%	31/12/2003
1023-AO	Angola	Northern Fishing Communities Development Programme	04/12/1997	5.30	0.65	12%	31/12/2005
229-BI	Burundi	Bututsi Agro-Pastoral Development Project	29/11/1988	6.70	2.49	37%	30/06/2002
463-BI	Burundi	Ruyigi Rural Resources Management Project	15/09/1993	5.05	3.50	69%	31/12/2002
1105-BI	Burundi	Rural Recovery and Development Programme	28/04/1999	14.75	0.74	5%	30/09/2006
470-KM	Comoros	Support to Economic Grass Roots Initiatives Project	06/09/1994	2.45	1.24	51%	30/06/2004
514-KM	Comoros	Pilot Agricultural Services Project	11/09/1996	0.70	0.00	0%	30/06/2003
365-ER	Eritrea	Eastern Lowlands Wadi Development Project	05/12/1994	8.55	2.09	24%	31/12/2002
342-ET	Ethiopia	Southern Region Cooperatives Development and Credit Project	02/12/1993	12.60	4.73	38%	06/07/2002
54 515-ET	Ethiopia	Informal Seed Component of the Seed Systems Development Project	11/09/1996	4.60	1.89	41%	30/06/2001
1011-ET	Ethiopia	Special Country Programme - Phase II	05/12/1996	15.65	2.81	18%	30/06/2003
1082-ET	Ethiopia	Agricultural Research and Training Project	10/09/1998	13.65	0.00	0%	30/09/2004
467-KE	Kenya	Eastern Province Horticulture and Traditional Food Crops Project	02/12/1993	7.90	0.80	10%	30/06/2002
366-KE	Kenya	Western Kenya District-based Agricultural Development Project	05/12/1994	7.95	1.19	15%	30/06/2002
1114-KE	Kenya	Central Kenya Dry Area Smallholder and Community Services Development Project	07/12/2000	8.45	0.00	0%	
468-LS	Lesotho	Rural Finance and Enterprise Support Project	02/12/1993	2.95	2.48	84%	31/03/2002
1022-LS	Lesotho	Sustainable Agricultural Development Programme for the Mountain Areas	10/09/1998	6.35	0.57	9%	31/03/2004
429-MG	Madagascar	Upper Mandrare Basin Development Project	12/04/1995	4.65	4.12	89%	30/06/2001
499-MG	Madagascar	North-East Agricultural Improvement and Development Project	17/04/1996	8.05	2.41	30%	31/12/2002
1020-MG	Madagascar	Second Environment Programme Support Project	29/04/1997	5.65	1.93	34%	31/12/2001
1167-MG	Madagascar	Upper Mandrare Basin Development Project - Phase II	07/12/2000	9.85	0.00	0%	31/05/2004

**PROJECT PORTFOLIO AT YEAR-END 2000**

Project ID*	Country	Project/Programme Name	Board Approval Date	IFAD Loan (SDR m)	Amount Disbursed (SDR m)	Percentage Disbursed (31/12/2000)	Project Completion Date
338-MW	Malawi	Rural Financial Services Project: Mudzi Financial Services Sub-project	02/12/1993	8.65	4.76	55%	31/03/2001
1047-MW	Malawi	Smallholder Flood Plains Development Programme	23/04/1998	9.25	2.03	22%	30/06/2005
1093-MU	Mauritius	Rural Diversification Programme	29/04/1999	8.20	0.46	6%	30/06/2006
334-MZ	Mozambique	Nampula Artisanal Fisheries Project	15/09/1993	4.35	3.43	79%	31/12/2001
359-MZ	Mozambique	Niassa Agricultural Development Project	20/04/1994	8.80	4.08	46%	31/12/2003
1005-MZ	Mozambique	Family Sector Livestock Development Programme	04/12/1996	13.45	3.80	28%	30/06/2004
1109-MZ	Mozambique	PAMA Support Project	08/12/1999	16.55	0.00	0%	31/12/2007
362-NA	Namibia	Northern Regions Livestock Development Project	06/09/1994	4.20	3.15	75%	30/06/2003
264-RW	Rwanda	Byumba Agricultural Development Project - Phase II	01/10/1990	6.35	3.94	62%	30/11/2000
314-RW	Rwanda	Intensified Land Use Management Project in the Buberuka Highlands	02/12/1992	6.75	3.19	47%	31/12/2001
500-RW	Rwanda	Rural Small and Micro-enterprise Promotion Project	17/04/1996	3.75	1.67	44%	31/12/2001
1149-RW	Rwanda	Umutara Community Resource and Infrastructure Development Project	04/05/2000	11.85	0.00	0%	31/12/2010
323-SZ	Swaziland	Smallholder Agricultural Development Project	06/04/1993	5.10	2.66	52%	31/03/2002
489-TZ	Tanzania, United Republic of	Mara Region Farmers' Initiative Project	06/12/1995	9.65	7.41	77%	31/12/2002
1006-TZ	Tanzania, United Republic of	Agricultural and Environmental Management Project	04/12/1996	10.30	4.65	45%	30/06/2003
1086-TZ	Tanzania, United Republic of	Participatory Irrigation Development Programme	08/09/1999	12.55	1.18	9%	31/03/2006
1151-TZ	Tanzania, United Republic of	Rural Financial Services Programme	07/12/2000	12.80	0.00	0%	



**PROJECT PORTFOLIO AT YEAR-END 2000**

Project ID*	Country	Project/Programme Name	Board Approval Date	IFAD Loan (SDR m)	Amount Disbursed (SDR m)	Percentage Disbursed (31/12/2000)	Project Completion Date
360-UG	Uganda	Cotton Sub-sector Development Project	20/04/1994	8.95	6.88	77%	30/06/2001
1021-UG	Uganda	Vegetable Oil Development Project	29/04/1997	14.35	0.81	6%	31/12/2005
1060-UG	Uganda	District Development Support Programme	10/09/1998	9.50	0.93	10%	31/12/2004
1122-UG	Uganda	Area-Based Agricultural Modernization Programme	08/12/1999	9.60	0.00	0%	
1158-UG	Uganda	National Agricultural Advisory Services Programme	07/12/2000	13.70	0.00	0%	
368-ZM	Zambia	Southern Province Household Food Security Programme	05/12/1994	10.40	7.67	74%	31/03/2001
430-ZM	Zambia	Smallholder Irrigation and Water Use Programme	12/04/1995	4.30	2.10	49%	30/06/2002
1108-ZM	Zambia	Smallholder Enterprise and Marketing Programme	09/12/1999	11.55	0.00	0%	31/12/2007
1039-ZM	Zambia	Forest Resource Management Project	09/12/1999	9.15	0.00	0%	
341-ZW	Zimbabwe	Smallholder Dry Areas Resource Management Project	02/12/1993	10.00	2.11	21%	31/12/2004
435-ZW	Zimbabwe	South Eastern Dry Areas Project	13/09/1995	7.15	1.32	18%	30/06/2003
1051-ZW	Zimbabwe	Smallholder Irrigation Support Programme	02/12/1998	8.65	0.44	5%	31/12/2007
<b>Total: Africa II</b>		<b>50 Projects</b>		<b>430.65</b>	<b>104.94</b>	<b>24%</b>	

**PROJECT PORTFOLIO AT YEAR-END 2000**

Project ID*	Country	Project/Programme Name	Board Approval Date	IFAD Loan (SDR m)	Amount Disbursed (SDR m)	Percentage Disbursed (31/12/2000)	Project Completion Date
<b>Asia and the Pacific</b>							
480-BD	Bangladesh	Small-scale Water Resources Development Sector Project	06/12/1995	7.00	3.28	47%	30/06/2002
1029-BD	Bangladesh	Agricultural Diversification and Intensification Project	29/04/1997	13.65	6.62	49%	30/06/2004
1062-BD	Bangladesh	Third Rural Infrastructure Development Project	04/12/1997	8.50	1.24	15%	31/12/2004
1074-BD	Bangladesh	Aquaculture Development Project	23/04/1998	15.00	2.88	19%	30/06/2005
1076-BD	Bangladesh	Smallholder Agricultural Improvement Project	29/04/1999	13.65	1.60	12%	31/03/2006
1094-BT	Bhutan	Second Eastern Zone Agricultural Programme	08/09/1999	6.95	0.50	7%	30/06/2008
517-KH	Cambodia	Agriculture Productivity Improvement Project	11/09/1996	3.30	1.11	34%	31/12/2003
1106-KH	Cambodia	Agricultural Development Support Project to <i>Seila</i>	08/09/1999	6.35	0.99	16%	31/03/2006
1175-KH	Cambodia	Community-Based Rural Development Project in Kampong Thom and Kampot	07/12/2000	7.85	0.00	0%	
484-CN	China	Jiangxi/Ganzhou Integrated Agricultural Development Project	06/12/1995	15.95	14.01	88%	30/06/2001
523-CN	China	Northeast Sichuan and Qinghai/Haidong Integrated Agricultural Development Project	11/09/1996	19.10	15.02	79%	30/06/2002
1048-CN	China	Southwest Anhui Integrated Agricultural Development Project	11/09/1997	19.10	7.97	42%	31/12/2002
1083-CN	China	Wulin Mountains Minority-Areas Development Project	10/09/1998	21.10	2.78	13%	30/06/2004
1123-CN	China	Qinling Mountain Area Poverty-Alleviation Project	08/12/1999	21.00	0.00	0%	
1153-CN	China	West Guangxi Poverty-Alleviation Project	07/12/2000	23.80	0.00	0%	
325-IN	India	Maharashtra Rural Credit Project	06/04/1993	21.25	13.77	65%	31/03/2001
349-IN	India	Andhra Pradesh Participatory Tribal Development Project	19/04/1994	18.95	9.27	49%	31/03/2001
432-IN	India	Mewat Area Development Project	12/04/1995	9.65	3.73	39%	31/03/2003
1012-IN	India	Rural Women's Development and Empowerment Project	05/12/1996	13.30	0.00	0%	31/12/2001

**PROJECT PORTFOLIO AT YEAR-END 2000**

Project ID*	Country	Project/Programme Name	Board Approval Date	IFAD Loan (SDR m)	Amount Disbursed (SDR m)	Percentage Disbursed (31/12/2000)	Project Completion Date
1040-IN	India	North Eastern Region Community Resource Management Project for Upland Areas	29/04/1997	16.55	0.87	5%	31/03/2004
1063-IN	India	Bihar-Madhya Pradesh Tribal Development Programme	29/04/1999	16.95	0.00	0%	
1121-IN	India	National Microfinance Support Programme	04/05/2000	16.35	0.00	0%	
350-ID	Indonesia	Eastern Islands Smallholder Cashew Development Project	19/04/1994	18.45	8.32	45%	30/09/2001
485-ID	Indonesia	Eastern Islands Smallholder Farming Systems and Livestock Development Project	06/12/1995	12.05	2.93	24%	31/03/2003
1024-ID	Indonesia	P4K – Phase III	04/12/1997	18.25	4.90	27%	31/03/2005
1112-ID	Indonesia	Post-Crisis Programme for Participatory Integrated Development in Rainfed Areas	04/05/2000	17.50	0.00	0%	
487-KP	Korea, D.P.R.	Sericulture Development Project	06/12/1995	10.45	9.18	88%	30/06/2002
1064-KP	Korea, D.P.R.	Crop and Livestock Rehabilitation Project	04/12/1997	20.90	18.94	91%	30/06/2003
1154-KP	Korea, D.P.R.	Uplands Food Security Project	07/12/2000	19.15	0.00	0%	
479-KG	Kyrgyzstan	Sheep Development Project	14/09/1995	2.35	1.32	56%	31/12/2002
1065-KG	Kyrgyzstan	Agricultural Support Services Project	23/04/1998	5.90	1.75	30%	30/06/2003
351-LA	Laos	Bokeo Food Security Project	19/04/1994	2.95	1.85	63%	30/09/2002
1041-LA	Laos	Northern Sayabouri Rural Development Project	04/12/1997	5.30	1.60	30%	30/06/2004
1099-LA	Laos	Xieng Khouang Agricultural Development Project – Phase II	03/12/1998	4.95	1.08	22%	30/06/2005
472-MV	Maldives	Southern Atolls Development Project	13/09/1995	1.90	0.74	39%	31/12/2001
502-MN	Mongolia	Arhangai Rural Poverty Alleviation Project	17/04/1996	3.45	0.98	28%	30/06/2003
250-NP	Nepal	Hills Leasehold Forestry and Forage Development Project	07/12/1989	10.00	2.88	29%	30/06/2001
352-NP	Nepal	Groundwater Irrigation and Flood Rehabilitation Project	19/04/1994	7.00	3.34	48%	30/06/2001
1030-NP	Nepal	Poverty Alleviation Project in Western Terai	11/09/1997	6.55	1.23	19%	15/07/2004
288-PK	Pakistan	Neelum and Jhelum Valleys Community Development Project	04/09/1991	11.90	8.53	72%	30/06/2001
353-PK	Pakistan	Pat Feeder Command Area Development Project	19/04/1994	20.25	10.24	51%	31/03/2002
524-PK	Pakistan	Dir Area Support Project	11/09/1996	11.35	2.32	20%	31/12/2003

**PROJECT PORTFOLIO AT YEAR-END 2000**

Project ID*	Country	Project/Programme Name	Board Approval Date	IFAD Loan (SDR m)	Amount Disbursed (SDR m)	Percentage Disbursed (31/12/2000)	Project Completion Date
1042-PK	Pakistan	Northern Areas Development Project	11/09/1997	10.75	1.23	11%	30/06/2005
1077-PK	Pakistan	Barani Village Development Project	03/12/1998	11.15	1.64	15%	30/06/2005
1078-PK	Pakistan	Southern Federally Administered Tribal Areas Development Project	07/12/2000	13.40	0.00	0%	
326-PG	Papua New Guinea	North Simbu Rural Development Project	06/04/1993	4.35	2.91	67%	31/12/2001
486-PH	Philippines	Cordillera Highland Agricultural Resource Management Project	06/12/1995	6.15	1.22	20%	31/03/2003
505-PH	Philippines	Rural Micro-enterprise Finance Project	18/04/1996	10.15	3.81	38%	30/06/2001
1066-PH	Philippines	Western Mindanao Community Initiatives Project	23/04/1998	11.00	0.88	8%	31/12/2004
283-LK	Sri Lanka	Second Badulla Integrated Rural Development Project	04/04/1991	9.90	5.59	56%	31/12/2000
473-LK	Sri Lanka	North-Central Province Participatory Rural Development Project	13/09/1995	5.45	2.75	51%	31/12/2002
1113-LK	Sri Lanka	Matale Regional Economic Advancement Project	03/12/1998	8.35	0.67	8%	30/06/2005
328-VN	Viet Nam	Participatory Resource Management Project - Tuyen Quang Province	06/04/1993	13.35	11.14	83%	30/09/2001
1007-VN	Viet Nam	Agricultural Resources Conservation and Development Project in Quang Binh Province	04/12/1996	10.05	5.81	58%	31/12/2001
1025-VN	Viet Nam	Ha Giang Development Project for Ethnic Minorities	04/12/1997	9.20	3.15	34%	31/12/2003
1091-VN	Viet Nam	Ha Tinh Rural Development Project	29/04/1999	11.40	1.22	11%	30/09/2005
<b>Total: Asia and the Pacific</b>		<b>56 Projects</b>		<b>660.55</b>	<b>209.81</b>	<b>32%</b>	

**PROJECT PORTFOLIO AT YEAR-END 2000**

Project ID*	Country	Project/Programme Name	Board Approval Date	IFAD Loan (SDR m)	Amount Disbursed (SDR m)	Percentage Disbursed (31/12/2000)	Project Completion Date
<b>Latin America and the Caribbean</b>							
506-AR	Argentina	Rural Development Project for the Northeastern Provinces	18/04/1996	11.35	1.99	18%	31/12/2001
1098-AR	Argentina	North Western Rural Development Project (PRODERNOA)	08/09/1999	12.80	0.00	0%	
1067-BZ	Belize	Community-initiated Agriculture and Resource Management Project	23/04/1998	1.75	0.31	18%	31/12/2005
354-BO	Bolivia	Camelid Producers Development Project in the Andean High Plateau	20/04/1994	5.45	3.86	71%	30/09/2002
373-BO	Bolivia	Sustainable Development Project by Beni Indigenous People	06/12/1994	4.30	2.18	51%	30/06/2002
1031-BO	Bolivia	Small Farmers Technical Assistance Services Project (PROSAT)	29/04/1997	5.85	1.75	30%	31/12/2003
1145-BO	Bolivia	Management of Natural Resources in the Chaco and High Valley Project	13/09/2000	9.25	0.00	0%	
344-BR	Brazil	Low-income Family Support Project in the Semi-arid Region of Sergipe State	02/12/1993	12.90	10.78	84%	30/06/2001
493-BR	Brazil	Community Development Project for the Rio Gaviao Region	07/12/1995	13.50	5.04	37%	31/12/2002
1101-BR	Brazil	Sustainable Development Project for Agrarian Reform Settlements in the Semi-Arid North-East	03/12/1998	17.80	0.00	0%	31/12/2004
427-CL	Chile	Agricultural Development Project for Peasant Communities and Smallholders of the Fourth Region	06/12/1994	5.50	3.73	68%	31/12/2003
520-CO	Colombia	Rural Micro-enterprise Development Programme	11/09/1996	11.00	2.12	19%	31/12/2004
371-CR	Costa Rica	Agricultural Development Project for the Peninsula of Nicoya	05/12/1994	3.40	1.04	31%	30/06/2001
503-DM	Dominica	Rural Enterprise Project	17/04/1996	1.80	0.87	48%	30/06/2002
1068-DO	Dominican Republic	South Western Region Small Farmers Project - Phase II	03/12/1998	8.75	1.01	12%	30/06/2005
321-EC	Ecuador	Saraguro-Yacuambi Rural Development Project	03/12/1992	8.15	4.45	55%	31/12/2001

**PROJECT PORTFOLIO AT YEAR-END 2000**

Project ID*	Country	Project/Programme Name	Board Approval Date	IFAD Loan (SDR m)	Amount Disbursed (SDR m)	Percentage Disbursed (31/12/2000)	Project Completion Date
1043-EC	Ecuador	Indigeneous and Afro-Ecuadorian Peoples' Development Project	04/12/1997	10.85	1.93	18%	31/03/2002
267-SV	El Salvador	Smallholders' Agricultural Development Project in the Paracentral Region	02/10/1990	6.50	6.29	97%	31/03/2001
322-SV	El Salvador	Rehabilitation and Development Project for War-torn Areas in the Department of Chalatenango	03/12/1992	9.25	8.29	90%	30/06/2002
1069-SV	El Salvador	Rural Development Project for the North-Eastern Region	04/12/1997	13.05	2.01	15%	31/12/2004
1115-SV	El Salvador	Rural Development Project for the Central Region (PRODAP-II)	29/04/1999	9.55	0.00	0%	
1008-GT	Guatemala	Programme for Rural Development and Reconstruction in the Quiché Department (PRODERQUI)	04/12/1996	10.45	1.00	10%	31/12/2003
1085-GT	Guatemala	Rural Development Programme for Las Verapaces	08/12/1999	10.85	0.00	0%	
1009-GY	Guyana	Poor Rural Communities Support Services Project	04/12/1996	7.30	0.68	9%	30/06/2003
241-HT	Haiti	Small-Scale Irrigation Schemes Rehabilitation Project	26/04/1989	8.20	3.92	48%	30/03/2002
1070-HT	Haiti	Food Crops Intensification Project – Phase II	03/12/1998	10.95	0.00	0%	30/09/2007
1032-HN	Honduras	Rural Development Project in the Central Eastern Region	29/04/1997	8.90	3.62	41%	31/12/2003
1087-HN	Honduras	Rural Development Project in the South-Western Region	03/12/1998	13.75	2.08	15%	30/06/2005
1128-HN	Honduras	National Fund for Sustainable Rural Development Project (FONADERS)	08/12/1999	12.00	1.53	13%	30/09/2006
494-MX	Mexico	Rural Development Project of the Mayan Communities of the Milpera Region in the Yucatan Peninsula	07/12/1995	6.95	2.16	31%	31/12/2001
1141-MX	Mexico	Rural Development Project for Rubber-Producing Regions of Mexico	03/05/2000	18.60	0.00	0%	

**PROJECT PORTFOLIO AT YEAR-END 2000**

Project ID*	Country	Project/Programme Name	Board Approval Date	IFAD Loan (SDR m)	Amount Disbursed (SDR m)	Percentage Disbursed (31/12/2000)	Project Completion Date
346-NI	Nicaragua	Project for the Capitalization of Small Farmers in the Tropisec Area of the Segovias - Region I (TROPISEC)	02/12/1993	8.25	5.66	69%	30/06/2000
495-NI	Nicaragua	Rural Development Project for the Southern Pacific Dry Region	07/12/1995	8.25	5.25	64%	30/06/2002
1120-NI	Nicaragua	Technical Assistance Fund Programme for the Departments of León, Chinandega and Managua	09/12/1999	10.15	0.00	0%	
331-PA	Panama	Rural Development Project for Ngobe Communities	07/04/1993	5.75	4.42	77%	31/12/2001
474-PA	Panama	Sustainable Agricultural Development and Environmental Protection Project for the Darien	14/09/1995	5.35	2.33	43%	31/03/2002
1049-PA	Panama	Sustainable Rural Development Project in the Provinces of Coclé, Colón and Panama	04/12/1997	8.90	0.95	11%	30/06/2004
496-PY	Paraguay	Peasant Development Fund Credit Project - Eastern Region of Paraguay	07/12/1995	6.65	2.65	40%	31/12/2001
475-PE	Peru	Management of Natural Resources in the Southern Highlands Project	14/09/1995	8.25	3.78	46%	31/12/2002
1044-PE	Peru	Development of the Puno-Cusco Corridor Project	04/12/1997	13.90	0.00	0%	31/12/2006
504-LC	Saint Lucia	Rural Enterprise Project	17/04/1996	1.55	0.97	63%	30/09/2002
1161-UY	Uruguay	National Smallholder Support Programme – Phase II (PRONAPPA II)	07/12/2000	10.80	0.00	0%	
279-VE	Venezuela	Support Project for Small Producers in the Semi-arid Zones of Falcon and Lara States	04/04/1991	11.35	6.75	59%	31/12/2001
521-VE	Venezuela	Economic Development of Poor Rural Communities Project	11/09/1996	8.25	1.85	22%	30/06/2004
1186-VE	Venezuela	Agro-Productive-Chains Development Project in the Barlovento Region	13/09/2000	9.75	0.00	0%	
<b>Total: Latin America and the Caribbean</b>		<b>45 Projects</b>		<b>407.85</b>	<b>107.22</b>	<b>26%</b>	

**PROJECT PORTFOLIO AT YEAR-END 2000**

Project ID*	Country	Project/Programme Name	Board Approval Date	IFAD Loan (SDR m)	Amount Disbursed (SDR m)	Percentage Disbursed (31/12/2000)	Project Completion Date
<b>Near East and North Africa</b>							
347-AL	Albania	Northeastern Districts Rural Development Project	02/12/1993	8.35	5.38	64%	31/12/2000
372-AL	Albania	Small-scale Irrigation Rehabilitation Project	06/12/1994	6.10	4.90	80%	31/12/2001
1129-AL	Albania	Mountain Areas Development Programme	09/12/1999	9.60	0.00	0%	
1038-AM	Armenia	North-West Agricultural Services Project	04/12/1997	9.55	8.76	92%	30/06/2002
1033-AZ	Azerbaijan	Farm Privatization Project	29/04/1997	6.45	3.26	51%	31/12/2001
1148-AZ	Azerbaijan	Rural Development Programme for Mountainous and Highland Areas	13/09/2000	6.90	0.00	0%	
1037-BA	Bosnia and Herzegovina	Small Farm Reconstruction and Development Project	30/04/1997	10.10	10.00	99%	31/03/2001
355-EG	Egypt	Agricultural Production Intensification Project	20/04/1994	14.45	8.65	60%	30/06/2002
1014-EG	Egypt	East Delta Newlands Agricultural Services Project	05/12/1996	17.30	2.60	15%	30/06/2004
1050-EG	Egypt	Sohag Rural Development Project	10/09/1998	18.85	0.00	0%	31/12/2004
1079-PS	Gaza and the West Bank	Participatory Natural Resource Management Programme	23/04/1998	5.80	0.38	7%	31/03/2005
1035-GE	Georgia	Agricultural Development Project	30/04/1997	4.70	2.33	50%	30/06/2002
1147-GE	Georgia	Rural Development Programme for Mountainous and Highland Areas	13/09/2000	6.10	0.00	0%	
329-JO	Jordan	Income Diversification Project	06/04/1993	7.30	3.79	52%	30/06/2001
481-JO	Jordan	Agricultural Resource Management Project in the Governorates of Karak & Tafilat	06/12/1995	8.70	5.29	61%	31/12/2002
1071-JO	Jordan	National Programme for Rangeland Rehabilitation and Development - Phase I	04/12/1997	2.90	0.41	14%	31/12/2002
1092-JO	Jordan	Yarmouk Agricultural Resources Development Project	29/04/1999	7.45	0.27	4%	30/06/2006
305-LB	Lebanon	Smallholder Livestock Rehabilitation Project	15/04/1992	7.30	3.41	47%	30/06/2001
370-LB	Lebanon	Irrigation Rehabilitation and Modernization Project	05/12/1994	6.70	1.80	27%	31/12/2000
1036-LB	Lebanon	Agriculture Infrastructure Development Project	30/04/1997	8.70	0.45	5%	31/12/2002

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**PROJECT PORTFOLIO AT YEAR-END 2000**

Project ID*	Country	Project/Programme Name	Board Approval Date	IFAD Loan (SDR m)	Amount Disbursed (SDR m)	Percentage Disbursed (31/12/2000)	Project Completion Date
522-MK	Macedonia, The Former Yugoslav Republic of	Southern and Eastern Regions Rural Rehabilitation Project	11/09/1996	5.65	2.35	42%	30/06/2001
1162-MK	Macedonia, The Former Yugoslav Republic of	Agricultural Financial Services Project	14/09/2000	6.20	0.00	0%	
1110-MD	Moldova, Republic of	Rural Finance and Small Enterprise Development Project	09/12/1999	5.80	0.31	5%	31/12/2005
356-MA	Morocco	Tafilalet and Dades Rural Development Project	20/04/1994	15.90	10.57	66%	31/12/2001
1010-MA	Morocco	Rural Development Project for Taourirt - Taforalt	04/12/1996	13.50	1.82	13%	31/12/2006
1178-MA	Morocco	Rural Development Project in the Mountain Zones of Al-Haouz Province	07/12/2000	14.10	0.00	0%	
1052-RO	Romania	Apuseni Development Project	10/09/1998	12.40	2.00	16%	31/12/2003
465-SD	Sudan	White Nile Agricultural Services Project	15/09/1993	7.60	6.24	82%	30/06/2001
1045-SD	Sudan	North Kordofan Rural Development Project	28/04/1999	7.75	0.33	4%	30/06/2007
1140-SD	Sudan	South Kordofan Rural Development Programme	14/09/2000	13.30	0.00	0%	31/03/2011
311-SY	Syria	Southern Regional Agricultural Development Project – Phase II	09/09/1992	12.60	6.09	48%	31/12/2000
363-SY	Syria	Jebel al Hoss Agricultural Development Project	06/09/1994	8.25	3.02	37%	31/03/2002
482-SY	Syria	Coastal/Midlands Agricultural Development Project	06/12/1995	13.65	1.69	12%	31/12/2002
1073-SY	Syria	Badia Rangelands Development Project	23/04/1998	14.95	0.81	5%	30/06/2006
348-TN	Tunisia	Integrated Agricultural Development Project in the Governorate of Kairouan	02/12/1993	9.00	5.19	58%	30/09/2002
483-TN	Tunisia	Integrated Agricultural Development Project in the Governorate of Siliana	06/12/1995	7.55	3.41	45%	30/06/2003
1104-TN	Tunisia	Integrated Agricultural Development Project in the Governorate of Zaghouan	03/12/1998	11.40	0.90	8%	30/06/2005
277-TR	Turkey	Yozgat Rural Development Project	13/12/1990	11.50	8.74	76%	30/06/2001
476-TR	Turkey	Ordu-Giresun Rural Development Project	14/09/1995	13.40	2.87	21%	30/06/2004

**PROJECT PORTFOLIO AT YEAR-END 2000**

Project ID*	Country	Project/Programme Name	Board Approval Date	IFAD Loan (SDR m)	Amount Disbursed (SDR m)	Percentage Disbursed (31/12/2000)	Project Completion Date
330-YE	Yemen	Tihama Environment Protection Project	07/04/1993	7.05	6.18	88%	31/12/2002
1061-YE	Yemen	Southern Governorates Rural Development Project	11/09/1997	8.15	1.61	20%	31/12/2003
1075-YE	Yemen	Raymah Area Development Project	04/12/1997	8.75	1.19	14%	31/12/2005
1095-YE	Yemen	Al-Mahara Rural Development Project	09/12/1999	8.90	0.77	9%	30/09/2007
<b>Total: Near East and North Africa</b>		<b>43 Projects</b>		<b>410.65</b>	<b>127.76</b>	<b>31%</b>	
<b>Total</b>		<b>240 Projects</b>		<b>2,276.95</b>	<b>637.08</b>	<b>28%</b>	