



**IFAD**  
**INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT**  
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**PLANNED PROJECT ACTIVITIES**  
**2001-2002**

Since document EB 2001/72/R.28 was dispatched to Executive Board Directors, two additional projects have reached a sufficiently advanced stage of preparation to warrant inclusion in the Annex A portion of the document. The relevant project summaries are attached.

In addition, four new projects have entered the official pipeline, as follows: Western and Central Africa (Africa I) – Artisanal Fisheries Development Project (Benin); Asia and the Pacific – Livelihood Security Project for Earthquake-Affected Rural Households in Gujarat (India) (included in Annex A – see above); and the Rural Income Diversification Project in the Tuyen Quang Province (Viet Nam); and Latin America and the Caribbean – the Reconstruction and Rural Modernization Fund project (El Salvador).

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<b>Region:</b> Asia and the Pacific	<b>Country:</b> India
<b>Project Name:</b> Livelihood Security Project for Earthquake-Affected Rural Households in Gujarat	<b>Per Capita GNP<sup>1</sup>:</b> 450
<b>Project Cost (USD million):</b> 25.0	<b>Population (million)<sup>1</sup>:</b> 998
<b>IFAD Loan (USD million):</b> To be determined	<b>Leading External Financier<sup>2</sup>:</b> IFAD
<b>Proposed Terms:</b> Highly concessional	<b>Cofinanciers:</b> World Food Programme (WFP)
<b>Present Status:</b> Formulation-cum-appraisal	<b>Appraising Institution and Loan Administrator:</b> IFAD/WFP (India) and the United Nations Office for Project Services (UNOPS)

### Project Background and Objectives

On 26 January 2001, a massive earthquake struck the State of Gujarat. The official death toll numbers over 20 000 people and more than 167 000 were injured. The magnitude of destruction was enormous (preliminary estimates indicate USD 4-5 billion). The ecologically fragile, economically vulnerable and socially oppressed communities in Gujarat were most severely affected by the earthquake, and the livelihoods of many families have been disrupted due to the vulnerability of their coping strategies. In response to the Government of India's request to develop a disaster-mitigation project for the earthquake-affected areas in Gujarat, IFAD fielded a reconnaissance mission in February 2001, followed by a fact-finding mission the following month, which identified the proposed project. The aim of the project is to rebuild the livelihoods of the rural poor in the project area and enhance their resilience and crises-coping capability. This will involve capacity building among communities by promoting and strengthening membership-based community institutions, rehabilitation of the pre-earthquake productive potential of the people affected, expansion and diversification of their livelihood opportunities, and building mechanisms that enable them to cope with future crises.

### Project Beneficiaries

Although the State of Gujarat is relatively better off in terms of a range of economic and social indicators, the area most severely affected by the earthquake has a higher incidence of poverty and other signs of deprivation. The aridity of the area increases the vulnerability of the poor. The project will cover three districts – Kutch, Surendranagar and Patan – and blocks will be selected based on the fragility of the livelihood systems. The primary target group will encompass all households affected by the earthquake. However, only those villages where more than two thirds of the population is made up of poor households will be selected; priority will be given to households belonging to socially disadvantaged groups such as scheduled castes, scheduled tribes, religious minorities and other disadvantaged castes. Within these groups, priority will be given to both *de jure* and *de facto* women-headed households, landless workers in the salt and crafts sectors, and other vulnerable segments of the population.

### Project Components

#### (a) Capacity building and empowerment

Support will be provided for: (i) conducting broad-based awareness-building campaigns among the target groups on the question of their vulnerability, including the need to build earthquake-resistant dwellings and the longer-term need for building up crisis-coping capabilities; (ii) the formation and strengthening of new and existing savings and credit groups based on the principle of

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<sup>1</sup> 1999 data; GNP in United States dollars.

<sup>2</sup> The external financier who, at the request of the Government, takes the lead in project design, pre-appraisal processing and the mobilization of external resources.

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self-help; and promotion of micro-insurance services; (iii) skills training in the construction of dwellings, water harvesting and conservation structures, and other income-generating activities; and (iv) networking among the self-help groups and federating the groups both to provide wider support, leverage relationships and provide training.

**(b) Rebuilding and enhancement of livelihood systems and crisis-coping capabilities**

Financing is expected to be provided for: (i) reviving and regenerating water resources; (ii) rebuilding and diversifying sources of livelihood through rehabilitation of crafts, upgrading of skills and products and diversification of markets; restoration of animal assets; breed improvement; fodder planning and budgeting through afforestation and pasture development; and salt farming rehabilitation; and (iii) microfinance services, including micro-insurance.

**(c) Housing/shelter reconstruction**

To a limited extent, the project will support the construction of disaster-resistant dwellings with the involvement of the communities, with some assistance from experts and experienced agencies. Training in masonry and building construction will also be provided to communities.

**(d) Nutrition**

In view of the low nutritional status of the inhabitants of the project area, particularly women and children, the project will provide for: low-cost mobile ration shops; distribution of nutritious food to infants, young children, pregnant and lactating mothers at the child-care centres; screening for anaemia and other nutritional deficiency diseases; and nutrition education. In addition, a supplementary feeding programme will be designed for the purpose of maintaining an acceptable nutritional level, especially among children.

**Project Management**

The project will finance the establishment of a project management unit; the design and implementation of the management information system; an ongoing impact assessment; and a community-managed self-monitoring system.

**Project Implementation**

This six to seven-year rehabilitation and rebuilding project will be implemented mainly by the Self-Employed Women's Association (SEWA) (a membership-based organization) and its sister organizations, a number of other voluntary organizations and institutions with specific technical capabilities in project-supported interventions. A standing committee, established by the Government of Gujarat, will be responsible for formulating policies related to project implementation. Participatory methods and tools will be used in village-level needs-based micro planning. At the grass-roots level, the project will be implemented through community institutions.

**Important Features**

Since the Government of India and other donors (e.g. the World Bank and Asian Development Bank) are likely to focus on the restoration of infrastructure, IFAD expects to play a catalytic role in channelling resources for rebuilding the livelihoods of poor rural people through this well-focused, appropriately targeted intervention. In view of IFAD's emphasis on participatory development, the project will be implemented through non-governmental organizations (NGOs) actively involved during the design process. Women's empowerment is an inherent part of the project's long-term goal. By channelling development efforts through women's organizations promoted by SEWA and other



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NGOs, interventions will be made more relevant to women's needs. This will make intra-household distribution more egalitarian. WFP participation will be instrumental in enhancing household food security among the target group during project implementation and in rehabilitation work, including the revival of water-harvesting infrastructure. In addition, participating beneficiary households and NGOs will contribute significantly both in cash and in kind.

**Main Issues**

The following issues will be addressed during the formulation-cum-appraisal exercise: (i) review the appropriateness of project investments per household/capita and training needs at the individual and group/community-based organization (CBO) levels; (ii) explore coordination mechanisms with other agencies funding disaster rehabilitation, including the Government of India and Government of Gujarat, and possible parallel financing.

**Previous IFAD Operations**

To date, 15 interventions (two cofinanced and 13 IFAD-initiated) have been approved for India for a total of SDR 297.9 million, of which five are currently under implementation. The loan agreement for the Bihar-Madhya Pradesh Tribal Development Programme (subsequently renamed Jharkhand-Chattisgarh Tribal Development Programme) has been re-signed. This was occasioned by the need to address a number of legal issues and because of the creation of two new States in the tribal zones of the project area. The project is expected to be declared effective shortly. The National Microfinance Support Programme was approved in May 2000, and loan signing and effectiveness are expected shortly.



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<b>Region:</b> Near East and North Africa	<b>Country:</b> Algeria
<b>Project Name:</b> Pilot Project for the Development of Mountain Agriculture in the Province of Skikda	<b>Per Capita GNP<sup>1</sup>:</b> 1 550
<b>Project Cost (USD million):</b> 27.7	<b>Population (million)<sup>1</sup>:</b> 30
<b>IFAD Loan (USD million):</b> To be determined	<b>Leading External Financier<sup>2</sup>:</b> IFAD
<b>Proposed Terms:</b> Intermediate	<b>Cofinanciers:</b> None
<b>Present Status:</b> Under formulation	<b>Appraising Institution and Loan Administrator:</b> IFAD and UNOPS

### Project Objectives

Over the last ten years, a large proportion of the country's population, particularly in the rural areas, have been moving towards serious impoverishment as a result of the economic crisis. Between 1988 and 1995, 70% of the poor lived in rural areas. The highest incidence of poverty is to be found in the mountainous regions in the northern part of the country, the steppe areas and the southern Saharan zones. Against this background, the overall objective of the proposed project is to contribute to the sustainable socio-economic development of the disadvantaged rural populations in the mountain areas of the *Wilayas* (provinces) of Skikda and Constantine through the improvement and diversification of sources of income. It is also expected to help improve their living conditions and lead to the development of sustainable systems of natural resources management. More specifically, the project will seek to: (i) strengthen the participatory capacity and involvement in project implementation of grass-roots organizations, particularly those of the targeted groups; (ii) improve the productivity of agricultural and livestock production systems, thus increasing the value of their products and facilitating marketing; (iii) improve farmers' access to rural financial systems of proximity by supporting the creation of local, self-managed savings and loans associations; (iv) increase and diversify agricultural and non-agricultural sources of income through the development of income-generating activities that especially benefit women and the young; (v) facilitate the access of the poorest rural communities to basic socio-economic infrastructure; and (vi) rehabilitate, protect and rationally manage natural resources.

### Project Beneficiaries

The project will be located in the mountainous areas of the *Wilayas* of Skikda and Constantine, covering four disadvantaged rural communes (Zardezas, Ouled Habeba, Es Sebt and Zighout Youcef). The population of this area is among the poorest in both *wilayas*, with 20% of the population living below the poverty line. Of these, 40% live in remote, inaccessible areas. The entire population (around 13 700 persons) is expected to benefit from project interventions such as rural and forestry tracks, drinking water supply, support to market information and establishment of local financial intermediaries. Support to agriculture, soil and water conservation activities, and animal husbandry improvement will target all 1 500 existing farms. The support to microenterprises could potentially benefit about 500 small entrepreneurs – mainly very small farmers, landless farmers, women and young people.

### Project Components

#### (a) Capacity building and participatory programming

Support will be provided for the strengthening of local capacities and promotion of local development, including community development activities and training and organization, and leading to the participatory design of local development programmes at the village level or that of the extended family farm.



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**(b) Support to local development programmes**

Support will be provided for the improvement of production systems by strengthening technical support services in crop production and animal husbandry through the diversification of production systems, including the promotion of arboriculture, processing for value-added improved marketing and generation of appropriate technological packages; pastoral and sylvopastoral improvement over approximately 3 000 hectares (ha); and more effective extension through institutional support. The project will also support soil and water conservation through the construction of contour stone terraces, mechanical treatment of gullies, and establishment of terrace structures for arboriculture and for water harvesting and soil protection; and mobilization of water resources through the inventory and assessment of groundwater capacity; rehabilitation and equipping of existing wells, construction of new wells and hill lakes; and an irrigation system over 117 ha; and enabling the poorest rural communities to gain access to basic socio-economic infrastructure through the construction of rural and forest tracks and drinking water-supply systems.

**(c) Support to microenterprise development and marketing**

The project will promote agricultural and non-agricultural income-generating activities or microenterprises through improving the beneficiaries' access to rural financial services, the provision of technical and financial backstopping to microentrepreneurs, and training and marketing studies. It will also bring value-added to farmers' production in the project area through development of an accessible information system on market prices, and the promotion of grading, storage, processing and labelling.

**(d) Support to rural financial systems of proximity**

Support will be provided for the creation of decentralized rural financial services in the project area, in cooperation with *the Caisse nationale de mutualité agricole (CNMA)*, through the creation of three local savings and loans associations (*caisses*) owned and managed by the beneficiaries, the training and capacity building of CNMA staff in rural microfinance, and backstopping for the establishment of prudential norms for the operation of such associations.

**(e) Institutional support and project management**

The project will finance the establishment of a project coordination unit (PCU) and the recruitment of a project coordinator, a number of subject matter specialists and other administrative staff. Funds will be provided for building rehabilitation; studies and surveys for project performance monitoring and impact assessment; training for project staff and beneficiaries; and the purchase of vehicles, office equipment and furniture.

**Project Implementation**

The Ministry of Agriculture will be responsible for the implementation of this seven-year project. A national steering committee will be responsible for the approval of annual programmes and budgets as well as project-related policy issues. Project implementation at the field level will be the responsibility of the PCU, which will be charged with coordinating and managing all project activities and with administrative and financial management. The PCU will sub-contract various activities to the different local administrations and other entities involved in project implementation.



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**Important Features**

The project, which is in line with the Government of Algeria's new programme for agricultural and rural development in mountainous areas, will contribute to the definition of an appropriate strategy for the development of the mountainous areas in general and watershed basins in particular. It will also provide an opportunity to apply the land privatization programme for the mountain regions of the country launched by the Government in 1998. Priority will be accorded to integration in terms of activity planning within the framework of participatory programming at the level of homogenous socio-territorial units. Finally, the project will contribute to the development of rural financial infrastructures of proximity owned and managed by beneficiaries.

**Main Issues**

The following issues will be addressed during appraisal: (i) the country's regulatory framework for the provision of rural microfinance services of proximity; (ii) further elaboration of the project's strategic contribution to sustainable development of the area of intervention and its incorporation into the logframe; (iii) the organization and management of the project within the country's evolving institutional framework; (iv) beneficiary contribution to the operation and maintenance costs of socio-economic infrastructure, irrigation and soil and water conservation structures; and (v) gender mainstreaming in project-supported activities.

**Previous IFAD Operations**

IFAD has so far supported three interventions in Algeria for a total of SDR 27.4 million. Two such interventions have closed; one is ongoing and will be closed in June 2001.