



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

Rome, 5 - 6 December 2001

PLANNED PROJECT ACTIVITIES
2001 – 2002

1. At the Second Session of the Executive Board, it was agreed that information on planned project activities would be presented to the Board on a regular basis to enable members to keep abreast of developments in IFAD's project pipeline and, should they so desire, to comment on planned projects at an appropriate stage of the project cycle. Such information has been provided to each subsequent session of the Executive Board in the form of annexes to documents submitted under the relevant agenda items.

2. At an early session of the Board, some members requested clarification of the nature and intended purpose of the annexes. This was provided at the Eighth Session and is repeated below for convenience. The information contained in Annex E was requested by the Board at its Thirty-Fifth Session.

(a) Annex A

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



ANNEX A

(b) Annex B

Annex B provides a comprehensive list of pipeline projects that have been reviewed by the Fund's Technical Review Committee to ascertain their suitability for IFAD support. The annex includes projects that have been identified only, those that have reached an advanced stage of processing (and have consequently been included in Annex A of the document or of a previous document), and those that are being presented to the Board for approval at the same session. Annex B provides a ready-reference list of all projects in the pipeline, in addition to information on Country Strategic Opportunities Papers (COSOPs) so far reviewed by the Operational Strategy Committee (OSC) and on COSOPs planned for 2001. This information will allow Executive Board members to discuss issues related to the selection and review of COSOPs.

(c) Annex C

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

(d) Annex D

Annex D provides brief descriptions of TA grants under the Special Operations Facility that have been approved by the President, pursuant to the authority delegated to him by the Board.¹

(e) Annex E

Annex E contains a summary of information available – for comment by Board members, if so desired – on proposed TA grants for agricultural research and training that have reached an advanced stage of design and are thus likely to be presented to the Board at a forthcoming session.

3. The information contained in Annexes A, B and E is intended only to provide an indication of developments in the Fund's operations at various stages of the project cycle. Some of the projects or grants listed may not materialize, while others not yet listed may enter the pipeline at a later stage. It should be noted that the inclusion in these annexes of a project or grant for a country does not imply any definitive judgement concerning the suitability of a given project or grant or with regard to the amount of assistance that may be appropriate for any given country or the number of projects to be financed.

4. The foregoing explanation applies to previous documents and to the annexes attached to the present document.

¹ Descriptions of any TA grants approved by the President since the Board's last session will be tabled at the current session.

ANNEX A

<p>Region: Eastern and Southern Africa</p> <p>Project Name: Gash Barka Livestock and Agricultural Development Project</p> <p>Project Cost (USD million): 14.5</p> <p>IFAD Loan (USD million): To be determined</p> <p>Proposed Terms: Highly concessional</p> <p>Present Status: Under appraisal</p>	<p>Country: Eritrea</p> <p>Per Capita GNI²: 200</p> <p>Population (million)²: 4</p> <p>Leading External Financier³: IFAD</p> <p>Cofinanciers: Discussions ongoing with Belgian Survival Fund Joint Programme (BSF.JP)</p> <p>Appraising Institution and Loan Administrator: IFAD and the United Nations Office for Project Services (UNOPS)</p>
--	--

Project Objectives

Three decades of war and repeated drought have left Eritrea among the poorest countries in the world. The Gash Barka region, located in the western lowlands, is characterized by widespread poverty due to reliance on low-productivity crop and livestock enterprises, a scarcity of other income-generating opportunities and poor access to social services, including health and water supplies. Most households generally face nutritional deficits during part of the year; combined with poor health, this reduces human energy and labour supply. Female-headed households are among the poorest and most food-insecure groups due to lack of labour and draught power for crop production. Against this background, the overall goal of the proposed project is to reduce poverty among the targeted population through locally-determined investments in livestock and agriculture and improved social services. Specifically, the project will seek to: (i) sustain increased food production and farm incomes from improvements in the livestock and crop production activities of poor households; (ii) bring about sustained improvement in the health status of beneficiaries; and (iii) increase the capacity of poor communities to use their resources and the services provided by the Government and other sources to support their initiatives and priorities for social and economic development.

Project Beneficiaries

The project will be implemented in seven sub-*zobas* (subregions) in the Gash Barka region. It is estimated that 16 150 agro-pastoralist and pastoralist households living in seven sub-*zobas*, or 64 600 people representing 25% of the total rural population in the project area, will benefit from the project's livestock, agricultural and water supply activities. All rural households in the seven sub-*zobas* (almost 66 000 households, or about 260 000 people) will benefit from improved health facilities. The project is also expected to have a positive impact on women by improving household nutrition, food security and health. Other benefits will derive from vegetable cultivation, acquisition of goats, membership in water and other user groups, and training programmes.

Project Components

(a) Livestock and Agricultural Development

The project will support four sub-components: (i) rangeland development through the establishment of community-based voluntary livestock exclusion areas – selected by the communities concerned; the formation of community-based grazing management groups; the construction of

² 1999 data; gross national income (GNI) in United States dollars (formerly referred to as GNP).

³ 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.



ANNEX A

livestock watering points (*hafirs* or boreholes); capacity-building in rangeland management and exchange visits for farmers; and institutional support for the Ministry of Agriculture; (ii) improvements in animal health and production by providing financial assistance to animal health services through veterinary clinics and the identification, training and equipping of community-based village livestock workers; and the procurement of goats (and possibly poultry) along with improved livestock marketing opportunities and capacity-building; (iii) increased crop production through irrigation and soil and water conservation; and the establishment, on a pilot basis, of camel breeding pools to overcome the shortage of draught power; and (iv) crop technology transfer to improve household food security and reduce the variability of production.

(b) Social Services

The project will improve physical facilities (health stations and health centres), upgrade the diagnostic and health-care skills of staff working in these facilities, develop the community-based health care system and improve access to safe drinking water.

(c) Project Facilitation and Coordination

Consistent with the Government's decentralization policy, the project will strengthen the capacity of *zoba* administration to provide services in support of the expressed requirements of communities. Specifically, it will support: (i) project facilitation through the recruitment of a *zoba* community development coordinator and facilitators; and the provision of training for facilitators and beneficiary communities, short-term consultants, office facilities, transportation and operating costs; (ii) the establishment of a project coordination unit (PCU) to coordinate the planning, financing, execution and monitoring of project activities; and (iii) *zoba* infrastructure services to carry out the engineering works related to components (a) and (b).

Project Implementation

Overall responsibility for implementation of this six-year project will be entrusted to the Ministry of Local Government. A national steering committee will be responsible for reviewing annual work plans and budgets, and for reports on project implementation. Project implementation responsibilities will lie with Gash Barka *zoba* administration. At the *zoba* and sub-*zoba* levels, project implementation will involve: staff of the Ministries of Agriculture and Health, administration staff, and the communities and user groups and/or committees involved. Private-sector contractors, local communities or village groups will carry out all construction work.

Important Features

The introduction of decentralized project implementation (with the *zoba* administration responsible for project planning, financing, execution and monitoring) is new to Eritrea, as is the provision of investment and services in response to the demands of communities through a participatory planning process. These elements contrast with the top-down approach that has characterized the rehabilitation and reconstruction-type aspects of previous donor-assisted projects. Finally, the project design integrates the provision of investment and associated livestock and agricultural services support financed by the IFAD loan with improvements to health-care services financed by the BSF.JP.



Main Issues

During appraisal, the following issues will be addressed: (i) undertake a 'light' exercise to update the socio-economic assessment carried out by the Socio-Economic and Production Systems Survey, particularly status of health and other basic infrastructure for BSF.JP financing; (ii) review the project's cost structure and the implementation period with a view to ensuring that the project can contribute both to improving local capacity-building and processes at the *zoba* level and the ability of communities to articulate and take charge of their own development; (iii) discuss the Government's contribution, including the share of recurrent costs and its implications for sustainability; and (iv) better articulate the project's approach for partnership-building at the field level.

Previous IFAD Operations

The first IFAD project in Eritrea was approved in 1994 for a total of SDR 8.55 million. The project is currently under implementation.

<p>Region: Asia and the Pacific</p> <p>Project Name: Indigenous Communities Empowerment Project in East Kalimantan</p> <p>Project Cost (USD million): 26.2</p> <p>IFAD Loan (USD million): To be determined</p> <p>Proposed Terms: Highly concessional</p> <p>Present Status: Formulation completed</p>	<p>Country: Indonesia</p> <p>Per Capita GNI⁴: 600</p> <p>Population (million)²: 207</p> <p>Leading External Financier⁵: IFAD</p> <p>Cofinanciers: Discussions ongoing with the German Agency for Technical Cooperation (GTZ)</p> <p>Appraising Institution and Loan Administrator: IFAD and UNOPS</p>
---	--

Project Objectives

Indigenous communities have been marginalized economically, socially, culturally and politically by the development policies of the past 30 years, and largely deprived of the land and forest resources on which they have been traditionally dependent. There has been widespread deforestation as a result of logging, land clearance for estate crop and industrial forest plantations, catastrophic forest fires, and mining. The overall goal of the proposed project is to improve the social and economic well-being of indigenous upland communities in East Kalimantan through the sustainable use of the natural resource base. More specifically, the project seeks to: (i) empower indigenous communities through the development of strong and self-sustaining village institutions, which have improved access to and control over productive resources; (ii) facilitate provision of the technical and financial resources required for community-based economic development; (iii) improve access to and the quality of village education and health services, and upgrade village infrastructure; (iv) develop the institutional systems necessary for official registration of village claims to traditional lands, and establish effective project management services.

Project Beneficiaries

The total population of East Kalimantan is about 2.43 million, approximately 20-30% of whom belong to indigenous groups. Around 30% of all households in rural districts are classified as poor. Food insecurity is prevalent in many poor households. The project will target indigenous communities living in upland areas where the concentration of poverty is highest. Overall, the project is expected to benefit 53 000 poor indigenous households, or around 210 000 people, living in 284 villages in the upland areas of East Kalimantan. During the first phase, the project will target about 14 000 households living in the districts of West Kutai and Malinau. The remaining households will be covered during the project's second phase.

Project Components

(a) Community Empowerment

The project will support: (i) non-governmental organizations (NGOs) in developing the capacity of target communities to use project and non-project resources in a productive, equitable and sustainable manner; (ii) the implementation of participative planning processes; (iii) the establishment of savings and credit (S&C) groups as a primary means of financing investment activities; and (iv) the participative mapping of village boundaries as a basis for establishing claims to traditional land.

⁴ 1999 data; gross national income (GNI) in United States dollars (formerly referred to as GNP).

⁵ 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.

(b) Economic Empowerment

This will involve: (i) the provision of technical and financial resources required for community-based economic development, including strengthening of rural financial services; (ii) the provision of performance-based matching grants to S&C groups and credit unions; (iii) the strengthening/establishment of agricultural and community-based forest management (CBFM) extension services; (iv) extension/training programmes in support of village-based economic development activities, including farmers' extension programmes; and (v) the arrangement of adaptive research. A highly flexible mechanism – the Flexible Economic Development Fund – will be established to finance activities in response to community-identified needs and priorities.

(c) Social Services and Village Infrastructure

The project will finance: (i) the improvement of village sub-district health services, with particular emphasis on primary health care and mother and child health programmes; (ii) the improvement of education programmes in primary and junior high schools, with particular emphasis on health, nutrition and environmental education; (iii) the provision of scholarships to improve access to formal education and relevant vocational education for children from the poorer households; and (iv) the establishment of a flexible funding mechanism – the Small-Scale Village Infrastructure Fund – for financing small-scale, community-identified infrastructure improvements.

(d) Professional Institutional Services

Support will be provided for the development of the institutional systems necessary for registration by the Government of village claims to traditional lands and the establishment of competent project management services.

Project Implementation

This ten-year project will be implemented in two phases using the Flexible Lending Mechanism. The provincial government will have overall responsibility for project execution at the provincial level. The Governor's Office will perform coordination, supervision, monitoring and implementation support functions through the establishment of a project-specific Provincial Project Board constituted as a legal independent entity. A project facilitation unit will be established as the secretariat of the Provincial Project Board and operate under its direct control. District parliaments, through the offices of the *Bupati* (District Chairman), will have overall responsibility for project execution at the district level. Project-specific District Boards will assist the *Bupati's* office in planning, management and monitoring of implementation functions. Project management units (PMUs), which will operate under the direct control of the District Boards, will have full responsibility for project implementation. At the village level, responsibility for coordinating and monitoring project activities will lie with the NGOs contracted by the project to develop village-level institutions, working in close collaboration with the village parliaments and executives.

Important Features

Several features are worth noting: (i) the project is based on community empowerment through the development of strong and self-reliant village institutions as the foundations of the development process, and all development activities supported by the project will be channelled through or initiated by these village-level institutions; (ii) the full involvement of local NGOs in project implementation; (iii) the adoption of a highly decentralized project management structure; (iv) a project governance/management structure that involves, but is independent from, government in order to facilitate the involvement of non-governmental stakeholders; (v) the adoption of a design that is



ANNEX A

strongly process-driven rather than the implementation of a set of pre-specified activities; (vi) the establishment of highly-flexible financing arrangements to respond better to demand as articulated by target communities; and (vii) a strong focus on indigenous communities and their access to land and forest resources, including the establishment of CBFMs as a means of preventing further environmental degradation and impoverishment of the local communities that depend on forest resources for their sustenance.

Main Issues

During appraisal the following issues will be addressed: (i) finalize responsibilities for counterpart funding; (ii) clarify issues related to flow of funds, debt-servicing and foreign exchange risk; (iii) ascertain the availability of reforestation funds to finance project reforestation activities; and (iv) obtain a clear commitment of local NGOs to becoming active partners in implementation.

Previous IFAD Operations

To date, IFAD has approved 11 projects in Indonesia (two cofinanced and nine initiated by IFAD) for a total of SDR 162.24 million. Of these, four are currently under implementation.



Region: Asia and the Pacific	Country: Laos
Project Name: Community Initiatives Support Project	Per Capita GNI⁶: 290
Project Cost (USD million): 37.94	Population (million)²: 5
IFAD Loan (USD million): To be determined	Leading External Financier⁷: IFAD
Proposed Terms: Highly concessional	Cofinanciers: Discussions ongoing with GTZ, United Nations Drug Control Programme, World Food Programme (WFP) and the Government of Luxembourg
Present Status: Under appraisal	Appraising Institution and Loan Administrator: IFAD and UNOPS

Project Objectives

Laos is one of the world's poorest countries, whether measured in economic terms or using broader human development indicators. In 1997-98, 39% of the total population was living below the poverty line, with the highest rates of 53% registered in the provinces of the northern region. The overall goal of the proposed project is to reduce the poverty of the targeted households in a sustainable manner. The project's specific objectives are to: (i) enable poor households to sustain increased food production and farm incomes from intensified and diversified productive activities, and from stabilized agricultural and natural resources management; and (ii) increase the capacity of the poor to use their resources and available services (from the Government and other sources) to support their initiatives and priorities for social and economic development. The project will expand and further consolidate achievements made through the Bokeo Food Security Project (loan 351-LA) in three districts.

Project Beneficiaries

The project will cover the contiguous north-western provinces of Oudomxai (seven districts) and Bokeo (three districts). Both provinces are poor, vulnerable to food insecurity⁸ and are major opium producers. Slash-and-burn agriculture practices are widespread. The target group, made up of various poor ethnic groups, comprises at least 68% of the project area population, 72% in Oudomxai and 28% in Bokeo, representing about 42 000 poor households (nearly 250 000 people). It is estimated that approximately 12 840 households in 321 villages will benefit directly from the project. Women (many of them heads of households) will be an important part of the target group because of their important role in on- and off-farm activities (e.g. non-timber forest products (NTFPs) and small livestock). Opium producers and addicts will also constitute an important beneficiary sub-group.

Project Components

(a) Community Development

The component will strengthen the capacity of village development committees (VDCs), community organizations and mass organizations, while developing the capacity of implementing agencies and service providers. In so doing, a more participatory and gender-sensitive approach will be promoted to change the work culture of service providers.

⁶ 1999 data; gross national income (GNI) in United States dollars (formerly referred to as GNP).

⁷ 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.

⁸ According to the Vulnerability Analysis and Mapping of WFP.

(b) Agriculture and Natural Resources Management

Financing will be made available to: (i) test and promote both successful and appropriate technologies, in response to the demands of local communities, and the delivery mechanisms of these technologies in a participatory manner; (ii) provide a package of inputs for the poorest households to enable them to start sustainable enterprises to replace shifting cultivation and/or opium production; (iii) assist the provincial and district Offices of Agriculture and Forestry to develop and strengthen their extension system and network and promote the establishment of generalist extension workers; (iv) support both the training and the establishment of a network of village extension workers/village livestock workers, with equal representation for women; (v) support the development of sustainable systems for animal husbandry, aquaculture, rainfed/irrigated crop production, NTFPs, agro-forestry and natural resources management; and (vi) marketing support.

(c) Rural Financial Services

The project will support: (i) capacity-building for microfinance operations of the Lanexang Bank (LXB); (ii) the provision of a line of credit as a revolving fund with LXB to finance on- and off-farm investments; (iii) international TA to assist in the training of bank staff and credit agents (men and women) and borrowers; (iv) the establishment of a sub-branch office in one district in Oudomxai, if justified; and (v) the provision of basic office equipment and transportation. Credit agents selected from each of the target villages will provide services to the members of the savings and credit groups as well as links between sub-borrowers and LXB staff, thus improving the outreach capacity of the LXB.

(d) Rural Infrastructure Development

In response to the needs identified by the communities during the participatory planning process, the project will finance investments in irrigation and water control, rural access roads, school dormitories, drinking water supply and operational costs of primary rural health services. Beneficiaries will contribute (in labour, local material or cash) towards the construction of the facilities and assume full responsibility for their operation and maintenance. The project will also develop the capacity of the line agencies concerned to plan, manage and monitor rural infrastructure development.

(e) Institutional Support

The project will strengthen the capacity of the local institutions involved to plan, manage, coordinate and implement poverty alleviation programmes in the project area and deliver their services to the target population on a sustainable basis. Specifically, it will finance: (i) the establishment and operation of a PCU within the Department of Planning and Cooperation (DPC), including training, TA, office equipment, transport and operating costs; (ii) the monitoring and evaluation units in the DPC; (iii) office equipment and other operating costs of District Implementation Support Units (DISUs); (iv) the operation of an Inter-Provincial Consolidation Unit; and (v) capacity-building for staff at the provincial and district levels.

Project Implementation

The seven-year project will be implemented under the overall responsibility of the provincial governments of Bokeo and Oudomxai. Project implementation responsibilities will be decentralized to the provincial governments in the area. At the provincial level, the Project Steering Committee (PSC), the PCU and the implementing agencies will be responsible for strategic guidance, coordination and monitoring. At the district level, the DISUs and the district-based staff of line



ANNEX A

agencies will be responsible for planning and budgeting. At the village level, beneficiaries, VDCs and user groups will play a major role in project planning and implementation. The PCU and DISUs will be responsible for coordination of day-to-day project implementation. The Committee for Planning and Cooperation and the Lao National Commission for Drug Control and Supervision will provide policy guidance and coordination, and monitor project performance.

Important Features

The project will place emphasis on NTFFPs and livestock as alternatives to shifting cultivation and opium production. Gender considerations will be mainstreamed in all project activities through support provided to the Lao Women's Union. The project will focus on capacity-building, particularly at the village and district levels, in line with the Government's decentralization policy. It will also include a capacity-building programme at the primary school level through a dormitory programme that is expected to facilitate the emergence of future village workers. The project will pilot privatized animal health services and a gradual approach to stabilization of shifting cultivation based on availability of alternative livelihoods in the upland area.

Main Issues

No major unresolved issues will remain after the completion of appraisal.

Previous IFAD Operations

IFAD has supported seven projects in Laos (five initiated by IFAD and two cofinanced), for a total of SDR 25.87 million. Four projects have closed.

ANNEX A

Region: Asia and the Pacific	Country: Mongolia
Programme Name: Rural Poverty Alleviation Programme	Per Capita GNI⁹: 390
Programme Cost (USD million): 16.6	Population (million)²: 2
IFAD Loan (USD million): To be determined	Leading External Financier¹⁰: IFAD
Proposed Terms: Highly concessional	Cofinanciers: Discussions ongoing with GTZ and the SOROS Foundation
Present Status: Formulation completed	Appraising Institution and Loan Administrator: IFAD and UNOPS

Programme Objectives

Poverty is a relatively new phenomenon in Mongolia, in part caused by the wholesale down-sizing or closure of most state processing plants for lack of markets, and the increasing deterioration of key services such as education and health. This, coupled with strong inflationary pressure, has led many newly-poor urban households to take up herding as a way of ensuring some livelihood, resulting in the rapid degradation of grazing conditions in the vicinity of rural centres and exacerbating the effects of recent adverse winters and dry summers. The long-term goal of the proposed programme is to achieve sustainable and equitable poverty eradication for vulnerable rural households living in an environment with increasingly degraded natural resources. The overall objectives are to: (i) achieve a sustainable increase in productive capacity for herders, cultivators and the general public; and (ii) offer increased access to economic and social resources, including education, health and social networks.

Programme Beneficiaries

Programme activities will focus on four of the country's poorest *aimags* (provinces), comprising the two *aimags* of the first programme (Arhangai and Hovsgul), and the new *aimags* of Bulgan and Khentii. The incidence of poverty is spread almost equally between the rural areas and *soum* (district) and *aimag* centres. Nearly all households are poor to very-poor and live in exceptionally harsh conditions with limited food availability and negligible cash income. At least 90% of households are poor, with 25% classified as the poorest. Approximately 80 000 households (or 90-95% of the total) will be eligible to participate in the programme. The programme will generate income growth for herding-households through improved productivity of livestock and rangelands. Similarly, non-herding families living in the districts and sub-districts will benefit from the programme through increased access to services, rural financing, vegetable gardening and other economic and income-generating activities. Given the range and intensity of the various technical and socio-economic development proposals, most if not all households in the area are likely to be able to benefit from programme interventions. Women will constitute a significant part of the target group and specific assistance will be provided to female-headed households in the rural and urban centres.

⁹ 1999 data; gross national income (GNI) in United States dollars (formerly referred to as GNP).

¹⁰ 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.

Programme Components

(a) Livestock and Natural Resource Management

In order to increase the sustainable productivity of the ranges, the programme will: (i) support the setting up and maintenance of strong beneficiary-led rangeland management and monitoring systems (Rangeland Management and Monitoring Committees – RMMCs), including specific action to improve grazing conditions and the resilience of herds to exceptional climatic conditions; (ii) enhance the performance of selected key livestock support services, including veterinary and animal services; and (iii) establish and support the institutions that will be responsible for both livestock and crop production extension services.

(b) Other Economic Activities

The programme aims to alleviate poverty in rural centres mainly through an extensive programme of support to income-generating activities. This will include: (i) a combination of targeted training and financial packages, the latter to be delivered and managed autonomously by selected banks in the area; (ii) support measures for various non-agricultural income opportunities, including marketing, financial and managerial aspects; (iii) support to vegetable production and marketing of produce; in addition to training and credit, specific support will be provided through the extension system; and (iv) a large-scale campaign to promote the cultivation and consumption of vegetables aimed at improving the diet of both urban and rural households.

(c) Rural Financial Services

The programme will promote the provision of rural financial services with a poverty and gender focus as a major instrument to help the target group in asset-building for sustainable development. Emphasis will also be placed on savings mobilization to ensure the sustainability of financial services. Eligible borrowers will be low-income and poor individuals who are economically active but currently have little or no access to formal financial resources.

(d) Social Development

The aim is to improve access to social services, especially for herding communities living in isolated locations. Social support systems will be enhanced by: (i) contracting out the women's federation and its local women's associations to implement programmes to bring benefits to the poorest women, particularly female-headed households; this will be achieved primarily through the promotion of appropriate income-generating activities (including home-based activities); (ii) strengthening the fabric of the primary school services that are particularly useful for isolated herder communities; and (iii) strengthening basic health services in isolated locations and among herder communities in particular.

(e) Management

The programme will support the introduction of beneficiary-responsive facilitating management processes. To this end, programme implementation units (PIUs) will be set up at the *aimag* level and existing institutions at the *soum* and *bag* (sub-district) levels to plan and implement activities. A small programme support unit (PSU) will be established at the Ministry of Food and Agriculture to assist the four *aimag* PIUs. Since adverse climatic conditions might obliterate the effects of the programme in the early stages of implementation, additional resources will be allocated in an emergency fund to enable the programme to react appropriately to mitigate the results of a natural calamity.



Programme Implementation

Overall responsibility for this six-year programme will rest with the Ministry of Food and Agriculture, together with the Ministry of Finance and Economy. The proposed implementation structure contains the following building blocks: (i) at the grassroots level, *bag* RMMCs, nominated by the *bag* parliament; (ii) a *soum* PSC; (iii) an *aimag* PSC, with a PIU in the Governor's office; and (iv) a national PSC with a secretariat, and the PSU in the Ministry of Food and Agriculture. The implementation is based on the development plans and resource maps of the RMMCs that will be submitted from bottom upwards to the district and provincial levels. The PIU and the PSU will monitor, coordinate and facilitate planning and technical implementation of the programme's activities.

Important Features

The programme will build on the experience of in the Arhangai Rural Poverty Alleviation Project (AHRPAP), that was based on a livestock re-distribution scheme and was the first project implemented by IFAD in Mongolia. Two major principles will guide programme implementation: (i) the strong participatory nature of the decision-making process; and (ii) a deep decentralization of technical implementation. The innovative features include: (i) local rangeland management committees that will be given wide powers to self-manage the resources under their control; (ii) a beneficiary-initiated self-monitoring programme; (iii) a client-responsive livestock and crops extension service; and (iv) the channelling of all rural financial services through a set of banks and non-bank financial institutions operating on a commercial basis, with a view to ensuring sustainability and creating lasting financial institutions.

Main Issues

These include: (i) the identification and structuring of independent financial institutions to operate in the programme area as poverty- and gender-responsive service providers to identified programme beneficiaries; (ii) careful assessment of the potential implication of the proposed land legislation, currently under review, to the programme's participatory approach for rangeland management; and (iii) confirmation of cofinancing arrangements and potential collaboration opportunities with other donors to ensure implementation of the required TA grant.

Previous IFAD Operations

IFAD's first loan to Mongolia (AHRPAP) was approved in 1996 for a total of SDR 3.45 million. The project is expected to close on 31 December 2003.

ANNEX A

<p>Region: Near East and North Africa</p> <p>Project Name: West Noubaria Rural Development Project</p> <p>Project Cost (USD million): 54.75</p> <p>IFAD Loan (USD million): To be determined</p> <p>Proposed Terms: Intermediate</p> <p>Present Status: Under appraisal</p>	<p>Country: Egypt</p> <p>Per Capita GNI¹¹: 1 380</p> <p>Population (million)²: 63</p> <p>Leading External Financier¹²: IFAD</p> <p>Cofinanciers: the Government of Italy (through Italian debt-swap proceeds), the Food and Agriculture Organization of the United Nations (FAO) and WFP</p> <p>Appraising Institution and Loan Administrator: IFAD and the Arab Fund for Economic and Social Development</p>
---	--

Project Objectives

The Government of Egypt is devoting significant resources and effort to the reclamation and settlement process in the newlands, but the future stability and sustainability of newland communities remain at risk without the provision of adequate post-settlement support and services. The goal of the project is to enhance the livelihoods of the targeted population through increased and sustainable economic activity and greater social self-reliance. The subsidiary objectives include: (i) achievement of social cohesion and a sense of community in the villages; (ii) reliable and equitable access to the support services essential for economic and social well-being; (iii) diversified and profitable farming, based on more efficient water use; (iv) self-sustaining arrangements in place to provide accessible and effective credit services; and (v) a diversified and strengthened local economy contributing to wider, national economic advancement. The project builds on the lessons learned from other projects in Egypt and from evaluation of the recently-completed (December 2000) Newlands Agricultural Services Project (NLASP) (loan 306-EG).

Project Beneficiaries

The primary project area will comprise the two Noubaria reclamation zones of El Bustan Extension and Branch 20. The project will also serve the three newland zones covered by the above-mentioned IFAD-supported project (Sugar Beet, West Noubaria and Old Bustan), in view of the continuing support required by settlers in these areas, particularly with respect to credit facilitation, enterprise development and marketing-related activities. This will constitute the secondary project area. The target population in the primary project area will comprise some 16 780 households occupying the 13 villages of El Bustan Extension and the six villages of Branch 20; it includes both displaced farmers from the old lands (66% of settlers) and graduates (34% of the population). Women constitute 12% of the settlers and 19% of displaced settlers. The target group in the project's secondary area will comprise some 19 400 households, about 82% of which are made up of previously unemployed rural youth. The remainder is made up of displaced traditional farmers. It is estimated that approximately 14 500-16 000 households (representing approximately 85 000 people) will benefit from at least one component of the project.

¹¹ 1999 data; gross national income (GNI) in United States dollars (formerly referred to as GNP).

¹² 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.

Project Components

(a) Community Organization and Development

Support will be provided for: (i) interaction at the community level, based on the participatory development principles of the Shorouk¹³ methodology and involving: awareness/publicity campaigns; establishment of village-based representative associations to facilitate community action planning; formation and/or strengthening of community, women's and farmers' interest groups and societies; and training and capacity-building in management, administration, financial control and civic affairs; (ii) the upgrading of low-cost housing and introduction of essential community services for sewage/refuse disposal; other social infrastructure investments to be financed will be identified through a consultative process in the villages; and (iii) the distribution of basic food rations to some 5 925 households recently settled in the project area.

(b) Technical Operations

The project will finance: (i) the provision of a small team of specialized staff in the PMU and at the zonal level to support increased numbers of men and women village extension workers who will provide advice on crop and livestock production, and water management; (ii) training for farmers and technical personnel geared towards the establishment of financially and technically-viable farming enterprises; (iii) a limited number of technology adaptation tests; and (iv) the establishment and training of water user associations to improve water management.

(c) Marketing Operations Support

To support agricultural marketing, the project will: (i) increase awareness of and access to market information among the target population; (ii) improve the monitoring and use of farm economic and market information; (iii) facilitate farmers' links with private-sector partners in relevant marketing chains; (iv) train field staff and farmers regarding the importance of responsiveness to market requirements (e.g. in terms of quality, seasonality and regularity of supply); and (v) support market research and other studies to assist in the identification of new market and production opportunities.

(d) Credit Facilitation and Enterprise Development

The aim is to enhance access to credit for investments in economic (farming and non-farming-related) activities by increasing the efficiency of the credit disbursement process within an economically-viable and self-sustaining structure. Support will be provided for: (i) improving lender efficiency and loan origination/assessment/monitoring; (ii) the setting up of a trust fund as a credit revolving fund, with disbursements administered on behalf of the project by an agent bank; (iii) the establishment of a credit line for enterprise diversification in the primary and secondary project areas, including investments associated with agricultural marketing and agro-processing; and (iv) training in the establishment and management of small businesses.

(e) Project Management

Funds will be provided for the establishment of a semi-autonomous PMU to be located in Noubaria City in the offices of the former NLASP. The project manager will be assisted by a support services group and a technical management group.

¹³ Takes its name from the Shorouk Programme, a wholly Egyptian initiative, which offers a new approach to rural development and governance through people's participation at the village level.



Project Implementation

Overall responsibility for this seven-year project will rest with the Ministry of Agriculture and Land Reclamation. A national steering committee, to be constituted by ministerial decree, will provide overall project guidance. A local-level advisory panel will provide advice on project-specific issues at the field level. Day-to-day project implementation will be the responsibility of the PMU. The project manager will report to the Minister of the Agriculture and Land Reclamation (or his deputy) through the Executive Director of the National Mubarak Project for Graduate Lands in Noubaria, implemented by the Ministry of Agriculture and Agrarian Reform.

Important Features

The project represents the first concrete case of project-level intervention under the Rome Millennium Initiative, and serves as an excellent example of inter-agency cooperation among the three Rome-based United Nations food and agriculture agencies (FAO, IFAD and WFP). It also reflects IFAD's strategy of continued support for 'newlands development' as a way to pursue rural poverty alleviation while supporting the Government's efforts to reclaim, develop and settle desert areas abutting the Nile Delta. The project emphasizes the adoption of a more commercialized approach to service delivery and seeks to introduce a market-oriented perspective in helping rural households. The arrangements for credit disbursement introduce several measures that are designed to improve lending efficiency, raise the quality of loan initiation, loan assessment and loan portfolio monitoring, and improve loan success rates. The project will also take advantage of recent developments in the banking and financial sector in Egypt that will permit a wider range of loan types to become accessible to poor rural households while maintaining prudent banking practices. Finally, the extent of villager participation in the identification of project interventions and the influence of communities in drawing up the annual work plans and budgets constitutes an innovation in the local context of West Noubaria.

Main Issues

No major unresolved issues will remain after completion of the appraisal.

Previous IFAD Operations

IFAD has approved seven projects in Egypt (one cofinanced and six initiated by the Fund) for a total of SDR 120.64 million. Three projects are currently under implementation.



ANNEX B

PART I - PROJECTS UNDER CONSIDERATION (2001–2002), CLASSIFIED BY STAGE OF PROCESSING

PART II - COSOPs UNDERTAKEN SINCE 1995 AND REVIEWED BY OSC

PART III - COSOPs CURRENTLY PLANNED FOR 2001

PART I - PROJECTS UNDER CONSIDERATION (2001-2002)
CLASSIFIED BY STAGE OF PROCESSING

Region	Country	Population (million) 1/	GNI Per Capita Income (1999) (USD)	Project Name	Nature of Project	Tentative Loan (USD million)	Primary IFAD Contact	COSOP Reviewed by OSC	Included in Annex A	Tentative Executive Board Presentation
SEVENTY-FOURTH SESSION OF THE EXECUTIVE BOARD, DECEMBER 2001										
Africa I										
	Benin	6	380	Participatory Artisanal Fisheries Development Support Programme	Fisheries	10.0	Mr Tounessi	Jun 1997	EB 73/Sep 01	Dec 2001
	Ghana	19	400	Northern Region Poverty Reduction Programme	Rural development/ community development	12.3	Mr Manssouri	Jul 1998	EB 73/Sep 01	Dec 2001
Africa II										
	Ethiopia	63	100	Rural Financial Intermediation Programme	Financial services	25.7	Mr Gicharu	Nov 1999	EB 73/Sep 01	Dec 2001
	Rwanda	8	250	Umutara Community Resource and Infrastructure Development Twin Project 2/	Rural development	12.0	Ms Benhammouche	Jul 2001 (revision)	3/	Dec 2001
	Swaziland	1	1 350	Lower Usuthu Smallholder Irrigation Project – Phase I	Irrigation	14.9	Mr Yayock	Jul 1999	EB 71/Dec 00	Dec 2001
	Tanzania, United Republic of	33	260	Agricultural Marketing Systems Development Programme	Market linkages	16.3	Mr Faisal	Apr 1998	EB 73/Sep 01	Dec 2001
Asia and the Pacific										
	Nepal	23	220	Western Uplands Poverty Alleviation Project 4/	Rural development	20.0	Mr Roy/Mr. Brett	Mar 2000	EB 73/Sep 01	Dec 2001
	Philippines	74	1 050	Northern Mindanao Community Initiatives and Resource Management Project	Rural development/ community development	14.2	Mr Roy/Ms. Altarelli	Oct 1999	EB 69/May 00	Dec 2001



Region	Country	Population (million) 1/	GNI Per Capita Income (1999) (USD)	Project Name	Nature of Project	Tentative Loan (USD million)	Primary IFAD Contact	COSOP Reviewed by OSC	Included in Annex A	Tentative Executive Board Presentation
	Viet Nam	78	370	Rural Income Diversification Project in Tuyen Quang Province	Rural development	20.9	Mr Prayer Galletti	Dec 1996	EB 73/Sep 01	Dec 2001
Latin America and the Caribbean (LAC)	El Salvador	6	1 920	Reconstruction and Rural Modernization Fund Programme 5/	Reconstruction and rural development	20.0	Ms Vargas-Lundius	Mar 2001	EB 73/Sep 01	Dec 2001
	Panama	3	3 080	Sustainable Rural Development Project for Ngöbe-Buglé Groups and Poor Small Farmers of the Western Provinces 6/	Rural development	25.0	Mr Murguia	Dec 2000	EB 73/Sep 01	Dec 2001
Near East and North Africa (NENA)	Algeria	30	1 550	Pilot Project for the Development of Mountain Agriculture in the Watershed Basin of Oued Saf-Saf 7/	Rural development	13.5	Mr Nourallah	Oct 1999	EB 72/Apr 01	Dec 2001
APPRAISAL COMPLETED										
Africa II	Lesotho	2	550	Sustainable Agriculture and Natural Resource Management Programme	Agricultural development	10.0	Mr Gicharu	Jun 1999	EB 69/May 00	To be determined
UNDER APPRAISAL										
Africa I	Cameroon	15	600	Community Development Project	Rural development	To be determined	Mr Tounessi/ Ms Muller	Feb 1998	EB 73/Sep 01	Apr 2002
Africa II	Eritrea	4	200	Gash Barka Livestock and Agricultural Development Project	See Annex A	To be determined	Mr Sorensen	Apr 1998		Apr 2002
Asia	India	998	440	Second Orissa Tribal Development Project	Tribal development	20.0	Mr Khadka	Jul 2001 (revised)	EB 72/Apr 01	Apr 2002





Region	Country	Population (million) 1/	GNI Per Capita Income (1999) (USD)	Project Name	Nature of Project	Tentative Loan (USD million)	Primary IFAD Contact	COSOP Reviewed by OSC	Included in Annex A	Tentative Executive Board Presentation
	Laos	5	290	Community Initiatives Support Project 8/	See Annex A	To be determined	Mr Wang	Sep 1996		Apr 2002
LAC	Haiti	8	460	Productive Initiatives Support Programme in Rural Areas	Rural development	To be determined	Mr Gariglio	Nov 1999	EB 71/Dec 00	Apr 2002
NENA	Egypt	63	1 380	West Noubaria Rural Development Project	See Annex A	To be determined	Mr Hassani	Nov 2000 (revised)		Apr 2002
	Yemen	17	360	Dhmar Rural Development Project	Rural development	To be determined	Mr Hassani	Mar 2000 (revised)	EB 73/Sep 01	Apr 2002
FORMULATION/PREPARATION COMPLETED										
Asia	Indonesia	207	600	Indigenous Community Empowerment Project in East Kalimantan	See Annex A	To be determined	Mr. Prayer Galletti	Nov 1998		Apr 2002
	Mongolia	2	390	Rural Poverty Alleviation Programme 9/	See Annex A	To be determined	Mr Martens	Nov 1998		Apr 2002
UNDER FORMULATION/PREPARATION										
Africa I	Burkina Faso	11	240	Community Investment Programme in Agricultural Fertility Improvement	Agricultural development	To be determined	Mr Jatta	May 1998		To be determined
	Ghana	19	400	Rural Enterprises Project – Phase II	Rural development	To be determined	Mr Manssouri	Jul 1998		To be determined
	Guinea	7	490	Smallholder Development Project in the Forest Region – Phase II	Rural development	To be determined	Mr Nsimpati	May 1999		Apr 2002
	Mauritania	3	390	Maghama Improved Flood Recession Farming Project – Phase II	Rural development	To be determined	Mr Ben-Senia	May 2000		Apr 2002
	Nigeria (X)	124	260	Rural Financial Services Programme	Financial services	To be determined	Mr Saint-Ange	Oct 2000		Apr 2002
	Sierra Leone	5	130	Rural Sector Support Programme	Rural development	To be determined	Mr Tounessi	Mar 1997		To be determined
Africa II	Uganda	21	320	Rural Finance Services Programme	Financial services	To be determined	Mr Yayock	Dec 1998		Sep 2002

Region	Country	Population (million) 1/	GNI Per Capita Income (1999) (USD)	Project Name	Nature of Project	Tentative Loan (USD million)	Primary IFAD Contact	COSOP Reviewed by OSC	Included in Annex A	Tentative Executive Board Presentation
Asia	China	1 254	780	Environment-Sensitive Poverty Alleviation Programme	Rural development	To be determined	Mr Martens	Feb 1999		Sep 2002
	China	1 254	780	Rural Financial Institutions Support Programme	Financial services	To be determined	Mr Martens	Feb 1999		To be determined
	Iran	63	1 810	Rural Finance Project	Financial services	To be determined	Mr Attig	10/		Sep 2002
LAC	Brazil	168	4 350	San Francisco-Xingó River Basin Rural Microenterprise Development 11/	Rural micro-enterprises	To be determined	Mr Gariglio	Jun 1997		Sep 2002
NENA	Egypt (X)	63	1 380	Matrouh Resource Management Project – Phase II	Natural resource management	To be determined	Mr Hassani	Nov 2000 (revised)		To be determined
	Turkey	64	2 900	Participatory Livestock, Forage and Rangeland Development Programme	Livestock	To be determined	Mr Rahman	Jun 2000		To be determined
	Tunisia	9	2 090	Agro-Pastoral Development Project in the Governorate of Tataouine	Agricultural development	To be determined	Mr El Harizi	Apr 1998		Sep 2002
	Gaza and the West Bank	3	1 780	Natural Springs Rehabilitation Programme	Irrigation	To be determined	Mr Hassani	Jun 1997		To be determined
INCEPTION/IDENTIFICATION COMPLETED										
UNDER IDENTIFICATION/INCEPTION										
Asia	Laos	5	290	Support for Rural Credit Project	Credit	To be determined	Mr Wang	Sep 1996		
LAC	Chile	15	4 630	Southern Region Agricultural Development Project	Agricultural development	To be determined	Mr Murguia	n.a.		





ANNEX B

Footnotes to Annex B:

- X Projects so marked are selected from the pipeline of a cooperating institution (indicated in parentheses); the remainder are 'IFAD-initiated projects', i.e. projects identified by the Fund's identification missions or directly requested by governments.
- 1/ 1999 data from the World Bank.
- 2/ Former 'Umutara Community Resources and Infrastructure Development Project – Supplementary UCRIDP to cover the entire Umutara Province'.
- 3/ Provisional Agenda (EB 2001/74/R.1)
- 4/ Former 'Western Uplands Development Programme'.
- 5/ Former 'Reconstruction and Rural Modernization Fund Project'.
- 6/ Former 'Sustainable Rural Development Project for Indigenous Groups and Small Farmers of the Western Provinces'.
- 7/ Former 'Pilot Project for the Development of Mountain Agriculture in the Province of Skikda'.
- 8/ Former 'Bokeo and Oudomxai Community Initiative Support Project'.
- 9/ Former 'Sustainable Rural Poverty Alleviation Programme'.
- 10/ Under preparation
- 11/ Former 'San Francisco River Basin Rural Micro-Enterprise Development'.



PART II - COSOPS UNDERTAKEN SINCE 1995 AND REVIEWED BY OSC

- Africa I**
- 1) Benin (Jun 1997)
 - 2) Burkina Faso (May 1998)
 - 3) Cameroon (Feb 1998)
 - 4) Cape Verde (Oct 1996)
 - 5) Chad (May 1999)
 - 6) Congo (Jun 2001 revised)
 - 7) Côte d'Ivoire (Dec 1997)
 - 8) Gambia, The (Nov 1997)
 - 9) Ghana (Jul 1998)
 - 10) Guinea (May 1999)
 - 11) Mali (Jul 1997)
 - 12) Mauritania (May 2000)
 - 13) Niger (Mar 1999)
 - 14) Nigeria (Oct 2000)
 - 15) Sao Tome and Principe (Oct 1999)
 - 16) Senegal (Apr 1998)
 - 17) Sierra Leone (Mar 1997)
- Africa II**
- 18) Burundi (Jul 1996)
 - 19) Eritrea (Apr 1998)
 - 20) Ethiopia (Nov 1999)
 - 21) Lesotho (Jun 1999)
 - 22) Madagascar (Mar 2000)
 - 23) Malawi (Nov 1999)
 - 24) Mozambique (Apr 2000 revised)
 - 25) Rwanda (Jul 2001 revised)
 - 26) Swaziland (Jul 1999)
 - 27) Tanzania, United Republic of (Apr 1998)
 - 28) Uganda (Dec 1998)
 - 29) Zambia (Sep 1998)
 - 30) Zimbabwe (Nov 1998)
- Asia**
- 31) Bangladesh (Dec 1999)
 - 32) Bhutan (Jul 1996)
 - 33) Cambodia (May 1998)
 - 34) China (Feb 1999)
 - 35) India (Jul 2001 revised)
 - 36) Indonesia (Nov 1998)
 - 37) Korea, DPR (Apr 2000)
 - 38) Kyrgyzstan (Dec 1996)
 - 39) Laos (Sep 1996)
 - 40) Mongolia (Nov 1998)
 - 41) Nepal (Mar 2000)
 - 42) Pakistan (Jul 2000)
 - 43) Philippines (Oct 1999)
 - 44) Viet Nam (Dec 1996)
- LAC**
- 45) Bolivia (Nov 1998)
 - 46) Brazil (Jun 1997)
 - 47) Caribbean Region (Mar 2000)
 - 48) El Salvador (Mar 2001)
 - 49) Haiti (Nov 1999)
 - 50) Honduras (Oct 2000)
 - 51) Mexico (May 1999)
 - 52) Panama (Dec 2000)
 - 53) Uruguay (Nov 1999)
 - 54) Venezuela (Dec 1999)
- NENA**
- 55) Albania (Mar 1999)
 - 56) Algeria (Oct 1999)
 - 57) Armenia (Mar 2000)
 - 58) Azerbaijan (Dec 1998)
 - 59) Georgia (Dec 1998)
 - 60) Bosnia and Herzegovina (Jun 1999)
 - 61) Egypt (Nov 2000 revised)
 - 62) Georgia (Dec 1998)
 - 63) Azerbaijan (Dec 1998)
 - 64) Jordan (Oct 2000)
 - 65) Lebanon (May 2000 revised)
 - 66) Former Yugoslav Republic of Macedonia, The (Nov 1999)
 - 67) Moldova (Sep 1997)
 - 68) Morocco (Nov 1999)
 - 69) Gaza and the West Bank (Jun 1997)
 - 70) Tunisia (Apr 1998)
 - 71) Turkey (Jun 2000)
 - 72) Yemen (Mar 2000 revised)

PART III - COSOPS CURRENTLY PLANNED FOR 2001

In 2001, Regional Divisions plan to undertake and/or revise 22 COSOPs, as follows:

Africa I:	Central African Republic ¹⁴ The Congo (already reviewed by OSC) Guinea Bissau Senegal (to be reviewed by OSC in Jan 2002)
Africa II:	Comoros (to be reviewed by OSC in Jan 2002) Kenya (to be reviewed by OSC in Nov 2001) Rwanda (reviewed by OSC in Jul 2001)
Asia and the Pacific:	Central Asia India (reviewed by OSC in Jul 2001) Iran Pakistan Sri Lanka (to be completed in 2002)
Latin America and the Caribbean:	Chile El Salvador (already reviewed by OSC) Ecuador (to be completed in 2002) Nicaragua (to be completed in 2002) Peru (to be reviewed by OSC in Nov 2001) Dominican Republic (to be completed in 2002)
Near East and North Africa:	Djibouti (to be reviewed by OSC in Nov 2001) Romania (to be reviewed by OSC in Dec 2001) The Sudan (to be reviewed by OSC in Dec 2001) Syria (to be reviewed by OSC in Nov 2001)

¹⁴ For Central African Republic, a COSOP will be undertaken only if the situation in the country permits.