



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

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PLANNED PROJECT ACTIVITIES
2002 – 2003

1. Since document EB 2002/75/R.32 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.
2. In addition, three new projects have entered the official pipeline, as follows: Western and Central Africa (Africa I) – Agricultural Development Project in Matam – Phase II (PRODAM II) (Senegal) and Kanem Rural Development Project (Chad); and Asia and the Pacific – Azad Jammu and Kashmir (AJK) Development Project (Pakistan). In terms of project processing, the Rural Microenterprise Development Project in the Xingo Region/San Francisco River Basin (Brazil) is now scheduled for presentation to the Executive Board in 2003 instead of 2002. The Micro Regional Development Project for Poor Rural Communities of North-Eastern Mexico (Mexico) is now planned for presentation to the Board in December 2002.
3. Corrigenda to main report of Planned Project Activities 2002-2003 (document EB 2002/75/R.32):

Page 3, under “Project Beneficiaries”, the first sentence should read:

“The project will be implemented in the **13** districts covered in its first phase (in the Ashanti and Brong Ahafo) and will progressively add 35-40 new districts from the Upper East, Northern and Upper West Regions.”

Page 29, footnote 3 should read:

“Ecuador in **2003**. Paraguay postponed.”

Region: Western and Central Africa	Country: Guinea
Project Name: Sustainable Agricultural Development Project in the Forest Region	Per Capita GNI¹: 450
Project Cost (USD million): 15.5	Population (million)¹: 7.4
IFAD Loan (USD million): To be determined	Leading External Financier²: IFAD
Proposed Terms: Highly concessional	Cofinanciers: Discussions ongoing with the <i>Agence française de développement</i>
Present Status: Formulation completed	Appraising Institution and Loan Administrator: IFAD and the United Nations Office for Project Services (UNOPS)

Project Objectives

Soils are rapidly degrading in the Forest Region of Guinea, especially in high-density zones. This has resulted in declining productivity and reduced smallholder incomes. The objective of the proposed project will be to support sustainable agricultural development in the Forest Region through the organization of rural communities. A *gestion de terroirs* (GTV) approach will be adopted in order to help beneficiaries increase their incomes, improve food security and protect the environment. More specifically, the project will seek to: (i) raise agricultural productivity in a sustainable manner and diversify income sources; (ii) strengthen the capacity of the target group (in particular, women and vulnerable persons); and (iii) develop and promote sustainable proximity rural financial services. The project will build on the achievements and lessons learned during the implementation of the Smallholder Development Project in the Forest Region (Loan No. 313-GU), due to close in June 2002.

Project Beneficiaries

Project beneficiaries will include the vulnerable poor in rural communities of the Forest Region, who are facing several constraints as a result of the high level of soil degradation, limited access to resources (land in particular) and social infrastructure. Vulnerable groups include small subsistence farmers, who depend for their livelihoods on dry farming. Women and youth are particularly disadvantaged as they are traditionally excluded from decision-making processes and face more severe problems than men in gaining access to resources and information. The project will cover about 180 villages in five prefectures, or about 20 rural development communities (CRDs) – out of 56 CRDs in the project area. Approximately 270 000 persons, representing about 31% of the region's total population, are expected to benefit from the project directly. The project will also bring about improvements to surrounding villages by providing better access to potable water and socio-economic infrastructure, and by empowering local populations through their participation in decision-making processes.

Project Components

- (a) ***Gestion de terroir and development of sustainable agriculture.*** The project will strengthen the capacity of the rural population and of their organizations. Specifically, it will help village community organizations and their committees to prepare, negotiate, implement and monitor development activities through GTV. To this end, village committees will be trained in diverse areas to allow them to participate efficiently in the preparation of village development plans (PGTVs). A functional-literacy training programme will be provided to women and youth in particular. The project will train the trainers, who in turn will ensure the training of the project's

¹ 2000 data; gross national income (GNI) in United States dollars.

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



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target village population. Funds will be provided to support: (i) microprojects aimed at improving agricultural productivity and protecting the environment (e.g. soil erosion control, reforestation); (ii) the provision of agricultural advice, and research and development; (iii) the development of an agricultural inputs distribution system; and (iv) the rehabilitation of rural feeder roads and water wells. These financial resources will be channelled through a village agricultural development fund (FDAV) and a rural infrastructure development fund (FDIR).

- (b) **Development of proximity rural financial services.** The component will aim to facilitate, in a sustainable manner, smallholders' (and particularly women's) access to financial services (savings and credit) in order to respond to their needs. This will be achieved by consolidating the financial services associations (FSAs) and village credit and savings associations (AVEC) established under the first project and by promoting the creation of new ones. Assistance will also be provided for the establishment of a national institution with expertise in rural finance capable of both supporting (technically and methodologically) and promoting FSAs. A limited number of highly qualified FSAs will be assisted in increasing their capital on the basis of strict qualification criteria.
- (c) **Project management.** Financing will be provided for the establishment of a small, highly qualified project coordination unit (PCU).

Project Implementation

This seven-year project will be implemented under the overall responsibility of the Ministry of Agriculture and Livestock (MAE). The PCU will have financial and administrative autonomy. Overall guidance will be provided by a steering committee chaired by the Secretary-General of MAE. Project activities will be implemented through contractual arrangements with partners (private, public or non-governmental organizations (NGOs)).

Important Features

The project is in line with the Government's agricultural development policy (LPDA 2) and IFAD's strategic framework and country strategy. IFAD has contributed to the poverty reduction strategy paper (PRSP) process through financing of a local consultant facilitator and the participation of the country portfolio manager at the validation workshop of the agriculture and environment component of the PRSP. The innovative feature of this project is its large-scale use of the GTV approach in empowering rural communities, whereby each *terroir* will design its development action plan and implement it. This approach has been endorsed by the government, which has agreed to extend it to other IFAD projects. This is also in line with the Interim Evaluation of the Smallholder Development Project in the Forest Region, which recommended building on the positive experiences this project had with the community development approach (or GTV) in the Forest Region.

Main Issues

During pre-appraisal/appraisal, the following issues will be addressed: (i) further review of institutional development for microfinance and technical services to the target group, with particular attention to identifying the type of partner institutions that the project will support; (ii) opportunities and enabling conditions for private-sector involvement; (iii) lessons learned from past experience; (iv) consolidation of cofinancing opportunities; (v) completion of the environmental screening and scoping exercise, and review of the national environmental guidelines currently used in environmental assessment for infrastructure and forest development to confirm their adequacy; (vi) refining of project focus and targeting; (vii) review of farming systems, including the role of livestock in local farming systems, food security and income-generation; and (viii) definition of institutional arrangements for income-generating and small business activities.



Previous IFAD Projects

To date, Guinea has received nine highly concessional loans from IFAD for total assistance of about SDR 66.34 million. One project was jointly financed with the Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification (SPA). Four projects are under implementation.

Region: Western and Central Africa	Country: Niger
Project Name: Community Development and Peasant Initiative Promotion Project	Per Capita GNI¹: 180
Project Cost (USD million): 15.3	Population (million)¹: 10.8
IFAD Loan (USD million): To be determined	Leading External Financier²: IFAD
Proposed Terms: Highly concessional	Cofinanciers: BSF
Present Status: Formulation completed	Appraising Institution and Loan Administrator: IFAD and the United Nations Office for Project Services (UNOPS)

Project Objectives

With a rural population of 83%, a limited natural resource base and landlocked position, Niger is one of the poorest countries in the world. Households in Maradi region are growing significantly poorer, particularly in the southern department (district) of Aguié, thus increasing their food insecurity and vulnerability. Building on the achievements of the Aguié Rural Development Project (Loan No. 292-NG), the proposed project will aim at improving the incomes and livelihood standards of the poor in Aguié, with a special emphasis on women and the youth. Its specific objectives will be to strengthen, within a local development process, the target group's capacities to design, develop and implement innovations and initiatives (in technical, economic or organizational areas) that could reduce their poverty or vulnerability or improve their food security. More specifically, the project will seek to: (i) support the creation and consolidation of organizations able to foster the development of local dialogue, decision-making and the implementation of innovations and initiatives; (ii) encourage individuals and/or groups to design and implement their own microprojects; (iii) assist in the identification, fine-tuning and dissemination of local innovations; and (iv) strengthen the delivery capacity of local services in response to the target group's real needs and demands, and facilitate local innovations and initiatives.

Project Beneficiaries

The project is expected to benefit 30 000 rural families (180 000 persons, or 85% of Aguié's population) living in poverty, with special attention to the most vulnerable households. The target group will include: (i) households considered as 'vulnerable' or 'very vulnerable' to food insecurity and poverty; (ii) poor women and woman-headed households (13% of total households); and (iii) unemployed or underemployed youth who increasingly need to look for alternative livelihoods (off-farm activities) due to the narrow resource base and the high demographic pressure.

- (a) **Capacity-building for local instances and organizations.** The aim of this component is to foster the emergence of rural institutions and organizations (RIOs) based either on the concept of the *terroir* or upon other rationales (thematic, networking, etc.) around different levels (e.g. interest groups, intra- or intervillage, professions, etc.). Building on the positive experience of a pilot project in six villages in Aguié, financed by a technical assistance grant (TAG) – Support to Farmer Initiative and Innovation Project (PAIIP) – action plans will be developed and implemented with the support of a team of local development agents. A range of training activities will be organized by the local development agents.
- (b) **Local innovation and initiative support fund.** The project will support a local innovation and initiative support fund (FAILL) to finance innovations or initiatives put forward by promoters (interest groups, villages, individuals, etc.) and endorsed by the relevant RIOs (e.g. agriculture and livestock development, processing or other economic activities, support to microfinance and development of social services). Promoters will receive support for organizational and negotiation aspects from the local development team.



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- (c) **Support to innovation.** Support will be provided to an innovation support team comprising project staff and innovator farmers. They will have both innovation-identification and monitoring/facilitation functions.
- (d) **Strengthening of local services supply capacity.** The aim of the component is to support: (i) the delivery of essential services through the provision of infrastructure or institutional support to public or private providers; (ii) the promotion of service providers able to respond both to the needs induced by the project's approach or by FAAIL-supported actions. The project will support the provision of rural infrastructure and will strengthen the supply of a wide range of local services (literacy campaigns, health services, etc.) through a specific fund (*Fonds d'appui au renforcement de l'offre locale de services* (FAROLS)).
- (e) **Project management unit.** Financing will be provided for the establishment of a project management unit (PMU) under the authority of the ministry in charge of rural development, which is currently the Ministry of Agricultural Development.

Project Implementation

This seven-year project will be implemented under the overall responsibility of the Ministry of Agricultural Development. The project's organization will consist of: (i) a consultative local partnership; (ii) a small steering committee with representatives from RIOS, line departments and administrative entities (districts and councils); (iii) an autonomous PMU; and (iv) RIOS. Planning and management responsibilities are expected to be gradually transferred to RIOS.

Important Features

The project has been designed along a grass-roots oriented and innovative approach and builds strongly on the synergies developed between PAIIP and the former Aguié Rural Development Project. The IFAD TAG-supported innovative activities in the area of participatory research offer opportunities for learning and knowledge sharing. The project is expected to contribute to the empowerment of the poor, who will participate through project-supported local institutions and organizations.

Main Issues

During appraisal, the following issues will be addressed: (i) review and refinement of institutional and management arrangements; (ii) the opportunities for building on the ongoing experiences in support of decentralization; (iii) the project duration period needed to enable a smooth transfer of responsibilities to grass-roots/stakeholder institutions; (iv) identification of the organization and participatory methodology suitable for implementing the infrastructure and service-supply activities in line with the project approach; (v) development of clear guidelines and rules to ensure there is no overlap between rural financial services provided by the ongoing IFAD-supported Rural Financial Services Development Programme and the projects funds (FAROLS and FAAIL); (vi) finalization of the environmental screening and scoping note; (vii) measures to ensure that monitoring and evaluation (M&E) activities are farmer-led and village-based; and (viii) possibility of piloting a project development and implementation partnership, either funded by a TAG or as part of the loan.



Previous IFAD Projects

To date, IFAD has supported five projects (one cooperating institution-initiated and four IFAD-initiated) in Niger for a total of SDR 43.31 million. Two of these projects were jointly financed with the Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification (SPA) and one exclusively through the SPA. Two projects are currently under implementation.