



IFAD
INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT
Executive Board – Sixty-Sixth Session

Rome, 4-5 September 2002

PLANNED PROJECT ACTIVITIES
2002-2003

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.

(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 the documents placed before the Board at subsequent sessions.

(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 only been identified, projects 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 projects 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 the country strategic opportunities papers (COSOPs) so far reviewed by the Operational Strategy Committee (OSC) and on COSOPs planned for 2002. This information will allow Executive Board members to discuss issues related to the selection and review of COSOPs.



(c) 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

3. The information contained in Annexes A and B 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 with regard to 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 The descriptions of any TA grants approved by the President since the Board's last session will be tabled at the current session.



Region: Eastern and Southern Africa	Country: Comoros
Programme Name: National Programme for Sustainable Human Development	Per Capita GNI: ² 380
Programme Cost (USD million): 18.6	Population (million): ² 0.6
IFAD Loan (USD million): To be determined	Leading External Financier: ³ IFAD
Proposed Terms: Highly concessional	Cofinanciers: None; cofinancing arrangements will be agreed upon as appropriate during implementation
Present Status: Formulation completed	Appraising Institution and Loan Administrator: IFAD and United Nations Office for Project Services (UNOPS)

Programme Objectives

The overall objectives of the proposed programme, which is in line with the overall objectives of the National Strategy for the Agricultural and Rural Sectors, will be to: (a) reduce rural poverty in the target areas; (b) establish community-based systems for the rational management and use of natural resources; (c) increase agricultural production and household incomes, and (d) improve food security and living conditions for rural households. More specifically, the programme will seek to: (a) strengthen rural communities through capacity building and the mobilization of local organizations and strengthen intermediate organizations through training; (b) intensify smallholder agricultural and artisanal fisheries production, while promoting community and individual measures for the conservation and rational management of natural resources, by increasing value added at the farm and small enterprise level; (c) improve the access of rural populations to basic infrastructure (roads, water reservoirs, energy) and economic services (financial services and markets), and (d) promote greater involvement in the productive activities of the most deprived social groups through a special focus on the role of women in production and through improvement in the social status of women, as well as through improved access by the landless and by youth to land and rural financial services.

Programme Beneficiaries

The target group for the programme is the rural populations of the poorest areas of the three islands (Anjouan, Moheli and Grande Comore). The areas have been selected on the basis of the incidence of rural poverty, the fragility of the natural resources, the ongoing process of degradation which is linked to poverty, and the level of commitment of the populations in the targeted areas to undertaking community activities on a participatory basis. The total population of the selected areas is about 145 000 people, representing around one third of the population of the islands. About 110 000 people are considered poor and very poor, and these people constitute the specific target group for the programme. Within this target group, there will be a special focus on the issues related to sharecropping and the rights of youth and women. Approximately 145 000 people are expected to benefit directly or indirectly from the programme's interventions. The direct beneficiaries will include: (a) 10 000 farmers who join the intensive development sites, a population of 63 000 people, and (b) members of the 440 producer groups supported, composed of poor people, women, landless farmers and unemployed youth and corresponding to 44 000 people.

² 2000 data; gross national income (GNI) in United States dollars.

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.



Programme Components

(a) Support to Farmer Organizations and Local Governance

Under this component, the programme will support: (i) the establishment and strengthening of apex village development associations, as well as associations for improved local land management and other common interest associations on the basis of intensive development sites; (ii) producer groups through training, capacity-building and skills development in order to increase the incomes of these groups; the programme will initiate activities with the 100 groups which already exist and is expected to expand to 440 groups at full development; (iii) elected authorities through awareness building and training, and (iv) private sector intermediary organizations in order to enhance their capacity to support development activities.

(b) Land rehabilitation and sustainable local land management will include four sub-components: (i) environmental conservation and crop production (soil conservation and improvement, tree planting, vegetative barriers, improved seeds for staple crops, technical support to producer groups, support to local initiatives in natural resources conservation); (ii) livestock development (the introduction of artificial insemination to upgrade stock and of improved dairy goats in dry zones, the improvement of traditional and semi-intensive poultry raising, improved animal health services, support to producers); (iii) support to local and national processes to promote the security of land tenure and the rational use of lands which are currently unused or opportunistically cultivated outside of formal sharecropping arrangements, and (iv) support to artisanal fishermen to develop the rational use of coastal fisheries resources and to reduce post-catch losses; this will include training in fishing methods and technical and financial support for simple fish processing and storage, as well as marketing and transport.

(c) Support to Economic Initiatives

This component will expand on the achievements of the Support to Economic Grass-Roots Initiatives Project. It will specifically support: (i) the improvement of market linkages; (ii) income-generating activities through the expansion of savings and credit schemes providing loans for individual and group economic initiatives, including women's groups, and financing activities such as credit for the marketing of agricultural produce and fishing equipment; (iii) the consolidation/extension of the two existing microfinance systems, the Sanduk and the Comoran Mutualist Savings and Credit Union (MECK), and (iv) the establishment of a community investment fund to finance basic socio-economic infrastructure such as domestic water supply, hydroelectricity schemes, rural tracks and literacy centres.

(d) Programme Management

The programme will finance the establishment of a small programme coordination unit at the union level and three regional coordination offices at the island level. Funds will also be provided for technical assistance for the programme coordination unit and the island offices of Anjouan and Grande Comore, the establishment of an effective monitoring system, and capacity-building at all levels.

Programme Implementation

Community-level development plans articulated through a participatory process involving the rural poor and women will be the mechanism for identifying and selecting activities to be supported by the programme. It is expected that activities will be implemented by intermediary organizations (e.g. non-governmental organizations (NGOs), private companies and community-based



ANNEX A

organizations) under procedures that have been worked out under a World Bank project and under the Pilot Agricultural Services Project (initiated by the International Development Association (IDA) and cofinanced by IFAD).

The programme implementation arrangements reflect the institutional arrangements put in place by the Government following the approval of the new Constitution, which gives each island responsibility for managing its own budget and development activities. Overall responsibility for this eight-year programme will rest with the Ministry of Finance; a central Union Coordination Unit will be established in Moroni, and three small island-level regional offices will be set up to coordinate field activities. Island-level regional steering committees will be responsible for reviewing annual progress reports and annual work plans and budgets. The Planning Commission will ensure the coordination of activities with the National Strategy for Poverty Reduction.

Important Features

The programme will make an important contribution to the stability of the new Union, which, after three years of political instability, was created in December 2001 through the approval of the new Constitution by referendum. Presidential elections were held in March 2002 in each island and for the Union. There is now an autonomous government on each island, and a Union government in the capital. The programme will support the Government's policy and commitment to rural poverty alleviation in order to support the national reconciliation process, while addressing both national and local governance issues, with an emphasis on environmental conservation. The programme builds upon community-based participatory mechanisms which have emerged in the past decade, and strengthening these organizations is expected to contribute to national cohesion, reducing secessionist tendencies and raising local governance capacity. In a context of deep and worsening poverty and weak social and economic infrastructure, the programme should enable the population to improve its living standards while reducing the speed and gravity of environmental degradation.

Main Issues

The following issues will be addressed during appraisal: (a) finalize institutional and organizational arrangements; (b) agree on a time frame for initiating work to address land tenure and sharecropping issues in order to make land tenure and usage arrangements more secure; (c) explore the possibilities for involving other donors, including cooperation arrangements for some of the larger investments; (d) undertake a close technical review of livestock development and environmental conservation measures, and (e) consider measures to ensure the inclusion of women in programme-supported activities.

Previous IFAD Operations

IFAD has financed four projects (three initiated by IFAD and one initiated by IDA) for a total commitment of SDR 6.6 million (net of cancellations). Two projects are currently under implementation.

<p>Region: Eastern and Southern Africa</p> <p>Project Name: Mount Kenya East Pilot Project for Land Use and Water Management</p> <p>Project Cost (USD million): 23.8</p> <p>IFAD Loan (USD million): To be determined</p> <p>Proposed Terms: Highly concessional</p> <p>Present Status: Formulation completed</p>	<p>Country: Kenya</p> <p>Per Capita GNI:² 350</p> <p>Population (million):² 30.1</p> <p>Leading External Financier:³ IFAD</p> <p>Cofinanciers: Discussions ongoing with the United Nations Environment Programme for submission to the Global Environmental Facility</p> <p>Appraising Institution and Loan Administrator: IFAD and UNOPS</p>
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Project Background and Objectives

Mount Kenya is the watershed for the Tana River, which provides water for about half of the population of Kenya. The flow of water coming off the mountain during dry periods has been declining, and this is principally a result of the use of water in the high-potential agricultural areas surrounding the National Park and Forest Reserve. Furthermore, inappropriate agricultural practices have led to accelerating soil erosion, which has resulted in an extraordinary silt load in the tributaries leading off the mountain and feeding the Tana River. The combination of these factors (in addition to the deforestation of Mount Kenya itself) is the principal cause of the environmental degradation in the watershed and is undermining both the productive potential of the area and the area's capacity to provide water catchment for the ecosystem. Given this situation, the overall goal of the proposed project will be to contribute to poverty reduction by promoting a more effective use of natural resources and improved agricultural practices. An intermediate objective will be to enhance the equitable use of these resources, with a particular focus on environmental conservation. Specific objectives will be to: (a) introduce on and off-farm environmental conservation and rehabilitation practices in the areas adjacent to rivers and trust lands, focusing on soil-erosion control; (b) bring about improvements in river water management in order to increase dry-season base flow and reduce the sediment loads and pollution in these rivers; (c) raise household incomes through the improved marketing of agricultural and natural resource-based products, and (d) strengthen governance at the local level for better land use and water management.

Project Beneficiaries

The project will be located in five districts (Embu, Mbeere, Meru South, Meru Central and Tharaka) of the Eastern Province, which is located on the east side of Mount Kenya. For the purpose of better land use and water management, the project will focus on the 5-km band along the 30-40 tributaries of the Tana River that originate on the eastern side of Mount Kenya. For the purpose of environmental conservation, the project will promote the participatory management of the government and communal lands (hilltops and forests) surrounding the National Forest Reserve. The total population of the five districts is about 1.2 million people, of which about 624 000 people are considered poor or very poor. Coffee farmers have been affected by low international coffee prices, and the neglect of existing plantations is contributing to soil erosion, while switches to horticulture are increasing the demand for water. About half of the population now considered slightly more well off risks slipping into poverty because of a variety of forces at work in the proposed project area. The target group for the project is 650 000 people (about 350 000 people living within 5 km of the targeted rivers and 300 000 people living within the 5-km area of the National Forest Reserve). The target groups are poor farmers (mainly coffee farmers), women and youth groups. The project is expected to benefit approximately 410 000 people.



Project Components

(a) Water Resources, Water Use and Management

Through this component, the project will undertake, together with users, an assessment of the current situation with regard to water, including a comprehensive assessment of the baseline situation in terms of the number of water abstractions (both legal and illegal), water quality and water flows. Building on the existing water users associations and the local initiative to form the Rupingazi River Water Users Association from a group of concerned water users associations, the project will support the formation of local-level river users organizations and the preparation of sub-basin catchment management plans, as well as provide water-related infrastructure investments to improve water-use efficiency and increase the availability of water for agriculture. Monitoring, together with users, relative to the baseline situation in order to build knowledge and awareness of the natural processes and human factors affecting water quantity and quality would be a central activity.

(b) Environmental Conservation

Project interventions will focus on trustlands and other publicly owned lands both within and outside the sub-basin catchment areas. Support will be provided for the preparation of local-community natural-resource-management plans, tree planting and other activities to reduce erosion. Since about 10-20% of the silt load in the river is estimated to come from roadside erosion, control of the latter is also foreseen. Negotiations are currently ongoing with the Global Environment Facility for the financing of an Integrated Ecosystem Management and Rehabilitation sub-component to be carried out by the Kenya Wildlife Service in the upper catchment areas of the National Forest Reserve and aimed at addressing issues of human/wildlife conflict.

(c) Rural Livelihoods

Under this component, the project will support on-farm soil and water-conservation measures for agricultural activities, the promotion of income-generating activities and the improvement of access to local markets by mobilizing farmers to form marketing groups, facilitating links between marketing groups and credit institutions, disseminating market information to target groups and rehabilitating rural infrastructure, including selected access roads, so that farmers can obtain fair prices for their goods.

(d) Strengthening Local Governance

This will include two activities: (i) community development that will cover the strengthening of sub-basin operating organizations, such as water users associations and the community afforestation of trust lands, and support the implementation of innovative community initiatives in agriculture, marketing and the microprocessing of natural resource products and by-products, and (ii) the strengthening of district technical capacity through the training of district-level staff in project-cycle management and the preparation of annual work plans and participatory techniques, including those for monitoring and evaluation and field-level physical audits of community-support activities.

Project Implementation

This seven-year project will be implemented under the overall responsibility of the Ministry of Environment and Natural Resources. Relevant district technical staff will work with the project in supervising and implementing activities. A small, autonomous project management unit will be established at Embu by the ministry to work with district technical staff in the implementation of project activities.



Important Features

IFAD's financing of this project supports the overall goal of Kenya's Poverty Reduction Strategy Paper to promote environmental conservation as a means of ensuring sustainable livelihoods for the rural poor. The project has been designed in light of recently passed legislation on the environment (1999) and pending legislation for the water and forest sectors. The design of the project reflects the new policy directions of the legislation, which foresees a policy role for Government, while devolving regulatory and management responsibilities to the district level and local associations. The project will aim at improving local governance by strengthening the capacity of community-based organizations and other stakeholders operating in the proposed project area, including the relevant line ministry staff. Training will be central to project activities in order to promote a culture of transparency among government technical services and within local communities.

Main Issues

The project has undergone a comprehensive design process with a special focus on environmental conservation. The main issues to be addressed are: (a) how to ensure adequate incentives for off-farm environmental conservation work; (b) how to link community development into the process of strengthening local governance, and (c) how the project can promote learning among other ongoing initiatives in Kenya, particularly those for soil and water conservation.

Previous IFAD Operations

So far, Kenya has benefited from ten projects (six initiated by IFAD and four initiated by cooperating institutions), totalling SDR 40.9 million (net of cancellation). Two of these projects were financed through the Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification. In addition, four grants for BEF 600 017 829.3 were financed through the IFAD/Belgian Survival Fund Joint Programme. In 2000, IFAD extensively reviewed implementation issues with the Government, and the two ongoing projects reflect the new implementation modalities agreed with the Government.

Region: Eastern and Southern Africa	Country: Rwanda
Project Name: Smallholder Cash and Export Crop Development Project	Per Capita GNI: ² 230
Programme Cost (USD million): 26.3	Population (million): ² 8.5
IFAD Loan (USD million): To be determined	Leading External Financier: ³ IFAD
Proposed Terms: Highly concessional	Cofinanciers: Arab Bank for the Economic Development of Africa and Third World Information Network Ltd. (TWIN, Fair Trade Organization)
Present Status: Formulation completed	Appraising Institution and Loan Administrator: IFAD and UNOPS

Project Objectives

Coffee and tea are major pillars of Rwanda's economy, accounting for 90% of the foreign exchange earnings. The Government is aware that continued access to increasingly highly competitive international markets is dependent on the production of high-quality products and that diversification into new cash and export crops is important so that the economy becomes less dependent on the two traditional export crops. Therefore, the main objective of the proposed project is to maximize and diversify the income of poor smallholder cash-crop growers, subject to the development of financially sustainable commercial cash-crop processing and marketing activities. Specific objectives include: (a) the development of mechanisms geared to maximize the value of smallholders' products in international markets; (b) the exploitation of the country's favourable natural conditions, of appropriate technologies and of existing human capital for the production of high-quality crops for the export market; (c) the development of efficient and cost-effective processing activities; (d) the introduction of mechanisms that secure the maximum return to growers, that is compatible with financially sound processing and marketing and based on fair trade principles, mainly by offering high-quality commodities to northern consumers, while providing a better deal to poor southern growers, and (e) the promotion of the diversification of cash crops produced by smallholders.

Project Beneficiaries

The project area will include four provinces (Gikongoro, Kibungo, Kibuye, and Kigali-Ngali). Poverty and extreme poverty are common in the project area. Approximately 30% of households are headed by women. The majority of households have less than one hectare of land. Between 40% and 60% of the families complement their agricultural income by selling their labour. The project's target group will comprise 15 000 to 20 000 smallholder coffee growers and some 8 000 smallholder tea growers. All of them have incomes below the poverty line. Among the target group of the tea programme, there are 4 000 poor farmer households, including 2 000 woman-headed households in the Nshili district of Gikongoro which account for some of the very poor rural people of Rwanda. Overall, the project support to the traditional export crop sub-sector will benefit approximately 140 000 persons.

Project Components

(a) Smallholder Tea Development

The project will finance two sub-components: (i) integrated tea production, processing and marketing in Nshili by supporting: (1) the distribution of the OCIR-The⁴ industrial estate plantation to smallholder growers living in the surrounding area; about 4 000 plots of about 0.25 ha each will be distributed, reserving 50% of the land for households headed by women; (2) the minor rehabilitation of 965 ha in the existing estate and the expansion of new smallholder tea plantations near the existing

⁴ OCIR-The is a State Agency in charge of the tea sector.

estate (150 ha); (3) the provision of services and agricultural inputs; (4) the organization of primary cooperative societies of smallholder growers and the training of new planters; (5) the construction of a tea factory at Nshili, including initial management support; the tea factory will be constructed and operated by a private company, the share capital of which will be owned by a private investor and the local cooperatives of growers, the latter holding the majority of the shares, and (6) the connection of the factory site to the national electricity grid; (ii) the rehabilitation and expansion of smallholder tea in Central and Northern Gikongoro, involving: (1) the rehabilitation of 300 ha of drainage works in the *marais* (marshes) planted to tea by smallholders, new smallholder tea planting on 200 ha of IFAD-funded *terrasses* (terrace-farming) radicals (in the recently closed IFAD project in Gikongoro) and 600 ha on fallow land, and (2) the planting of 200 ha of smallholder wood-tree plots and 400 ha of district wood-tree plantations.

(b) Coffee Diversification

Support will be provided for: (i) the rehabilitation and replanting of existing poor smallholder coffee plots and the expansion of these coffee plots to enable the smallholders to produce 8 000-10 000 tonnes of cherries of good quality arabica coffee; (ii) agricultural research to improve the quality of the coffee produced and to introduce successful environment-friendly agricultural practices; (iii) the identification, organization and training of cooperatives of poor growers willing to participate in the processing and marketing of their produce; (iv) the establishment of four private limited-share coffee-processing companies, including initial support and training, to enable the growers cooperatives to acquire ownership and control of the processing facilities; a scheme similar to the one envisaged for the tea factory will be supported, and (v) the provision of services to control and certify the quality of coffee, as well as market access through associated fair trade organizations. The project will also fund a guarantee credit scheme for the primary cooperative societies (also for the Nshili sub-component).

(c) Support for the Development of New Cash Crops

Under this component, the project will: (i) support the search for new market outlets and the creation of marketing linkages for small enterprises investing in new cash-crop production, processing and marketing; (ii) provide support to farmer groups, formal cooperatives and private-sector small and medium enterprises for the preparation of the documentation required to obtain project funding through the Rwanda Development Bank; (iii) extend a credit line to the bank to finance projects aimed at developing new cash and export crops, and (iv) support agricultural research on new cash and export crops.

(d) Project Coordination

Project management will be highly decentralized. The project will support the establishment of a project coordination unit comprising a central unit based in Kigali and three provincial units. Funds will also be provided for short-term technical assistance, workshops, studies and the purchase of vehicles.

Project Implementation

The overall responsibility for the implementation of this seven-year project will be entrusted to a project policy steering committee, under the chairmanship of the Ministry of Finance. The project's banking operations will be supervised by a special subcommittee of the project policy steering committee. There will be a small central project coordination unit and three small provincial units. TWIN will be responsible for organizing and training the primary societies, providing direct services and recruiting a national NGO to work directly with the societies on a regular basis.



Important Features

The project fully reflects IFAD's strategy in Rwanda. It also reflects the policy of the Government to promote cash-crop production as a strategic means to reduce rural poverty in a sustainable manner. The project will support a set of measures aimed at introducing the poor smallholder growers of cash and export crops in Rwanda to the world of modern industrial business, marketing and finance. The institutional and financial arrangements proposed provide the bridge between local small farmers associations and the type of organizations that have the legal and financial power to play in the global international market. The project will involve the association of a non-profit organization specializing in the promotion of linkages between producer cooperatives in developing countries and fair trade organizations. The project is in line with IFAD's strategy to increase the participation and empowerment of the poor in the full cycle of the production, processing and marketing of their produce.

Main Issues

The following issues will be addressed during appraisal: (a) further clarification of the rationale for IFAD support for cash/export-crop development in the country; (b) further clarification of the risk-management mechanisms for addressing the vulnerability of smallholder producers; (c) confirmation by the Government of Rwanda of the project to develop the Nshili tea programme as envisaged by the formulation mission; (d) further development of the participation of TWIN, the fair trade organization, in the project; (e) enhancement of the gender approach of the project, including mechanisms and resources required to support it; (f) confirmation of the proposed financial packages for tea and coffee companies with the Rwanda Development Bank, and (g) final definition of the role of commercial banks in funding the overdraft facilities foreseen under the project.

Previous IFAD Projects

As of today, IFAD has approved nine IFAD-initiated projects, for a total financing of SDR 57.2 million. Two projects are currently under implementation. The Umutara Community Resource and Infrastructure Development Twin Project is expected to become effective in late August 2002. In addition, four grants amounting to BEF 115 100 000 have been financed through the IFAD/Belgian Survival Fund Joint Programme.



Region: Asia and the Pacific	Country: Iran
Programme Name: Forsat Mosawi Finance Programme	Per Capita GNI: ² 1 680
Programme Cost (USD million): 100.4	Population (million): ² 63.7
IFAD Loan (USD million): To be determined	Leading External Financier: ³ IFAD
Proposed Terms: Intermediate	Cofinanciers: None
Present Status: Under appraisal	Appraising Institution and Loan Administrator: IFAD and UNOPS

Programme Background and Objectives

The financial sector framework in Iran represents a system in the early stages of liberalization. It is estimated that only around 50% of the estimated 2.5 million rural households engaged in agriculture or agriculture-related activities have access to institutional credit (Bank Keshavarzi [BK] and commercial banks together). Due to limited access to formal credit, the poorest groups in rural communities are unable to make the significant investments needed to improve their livelihoods. The rural poor are further constrained by the lack of microfinance facilities. The overall objective of the proposed programme will be to increase the income, employment opportunities and food security of disadvantaged rural households through expanded access to financial services. Secondary objectives will be: (a) to establish systems of rural financial intermediation that ensure the access of the rural poor to financial services, and (b) to enable the rural poor to utilize credit effectively to enhance their incomes. To this end, the programme will assist BK – the principal provider of rural credit – in expanding and deepening its outreach and provision of financial services to the poorer households in rural communities and strengthen the capacity of the target group households to receive credit. This will allow BK to deepen its impact on rural poverty alleviation.

Programme Beneficiaries

The programme will be implemented in four north-western provinces of Iran (Ardebil, East Azerbaijan, West Azerbaijan and Kurdistan). These provinces are among the country's poorest. The agriculture is predominantly rainfed and drought prone. The rural communities are vulnerable. Food is insecure and poor, and the rural women are particularly exposed. Within the most disadvantaged areas, programme interventions will be directed towards poor households comprising small landholders, the landless, women, particularly *de jure* and *de facto* woman-headed households, and rural unemployed youth. Approximately 75 000 households (about 400 000 people) will benefit from the enhanced resilience of livelihoods, increased income, diversified sources of income and improved living conditions.

Programme Components

(a) Financial Services

The programme will provide a line of credit to finance a menu of activities in the on-farm, off-farm and non-farm sectors, including microenterprises and rural services. The access to credit will be entirely demand driven, with loans provided for the activities requested by beneficiaries which BK considers viable. Credit will initially be provided as individual loans to members of solidarity groups, but on the basis of group guarantees. As groups mature, they may become financial intermediaries, receiving bulk loans from BK.

(b) Business Development Services

To complement the provision of credit, the programme will support a range of business-development services to strengthen borrowers' management capacity, enhance the viability of credit-financed activities and expand the range of business opportunities available to target-group households. It will specifically support: (i) a participatory needs-and-opportunities assessment for key sectors, paying particular attention to the specific needs of women and to suitable opportunities for women beneficiaries; (ii) technology generation and transfer; (iii) marketing assistance; (iv) research and development, with a view to identifying new business opportunities within existing economic activities or potential new microenterprises, and (v) the development of private advisory services.

(c) Beneficiary Training

This will involve the provision of skill-development and entrepreneurship-development training to borrowers, with a particular focus on equipping beneficiaries for non-farm microenterprises.

(d) Community Mobilization

The programme will assist the target group to form solidarity groups as vehicles for the provision of financial services and for building the capacity of the poor to participate actively in the development process and to act as focal points for the delivery of non-financial services. Competent public, private and NGO agencies will be contracted through open competitions for social mobilization, group formation and capacity-building among the groups.

(e) Institutional Support to BK

The programme will strengthen the capacity of BK at all levels to enhance its microfinance capability and develop its ability to promote microenterprises, orient them towards participatory methods and increase gender sensitivity. Special training courses and exposure visits to successful microfinance programmes within the region will be supported. In addition, the programme will fund international technical assistance (rural microfinance adviser and microenterprise development adviser) and a national social mobilization expert for group development and gender issues.

Programme Implementation

This five-year programme will be implemented by BK. BK will also be responsible for coordinating the provision of social-mobilization and business-development services contracted out to competent service providers in the public, private, or NGO sector. A programme facilitation unit will be established at BK headquarters, and programme facilitation cells will be established in each of the provincial offices of BK. The programme facilitation unit will be headed by the programme coordinator, who will report directly to the chairman/managing director of BK. A programme steering committee will guide and oversee the overall progress and performance of the programme. Coordination at the provincial level will be ensured through the existing Water, Agriculture and Natural Resources Working Group of the Provincial Planning and Development Council.

Important Features

The Forsat Mosawi Finance Programme represents the first IFAD project in Iran. It will use IFAD funding as a means of leveraging much larger amounts of domestic resources behind a programme to provide credit to the rural poor (USD 58.8 million by BK for the credit line and USD 6.7 million from the Government for the cost of social mobilization and business-development services). It will play a key role in transferring the knowledge of microfinance principles and practices



to BK. The programme will be demand-driven and will introduce the concept of group liability to overcome the difficulties which the poor face in providing physical collateral or personal guarantees. It will develop strategies to address the gender imbalance in development by ensuring that women's concerns and interests are systematically addressed throughout all programme interventions.

Main Issues

No major issues are expected to remain pending after the completion of the appraisal.

Previous IFAD Operations

None.



Region: Latin America and the Caribbean	Country: Dominican Republic
Programme Name: Social and Economic Development Programme for Vulnerable Populations – The Border Province	Per Capita GNI: ² 2 130
Programme Cost (USD million): 24.0	Population (million): ² 8.4
IFAD Loan (USD million): To be determined	Leading External Financier: ³ IFAD
Proposed Terms: Ordinary	Cofinanciers: Organization of the Petroleum Exporting Countries (OPEC)
Present Status: Under appraisal	Appraising Institution and Loan Administrator: IFAD and UNOPS

Programme Background and Objectives

An estimated 82% of the rural population is poor, a level higher than in most countries in Latin America and the Caribbean (LAC). The highest incidence of poverty and extreme poverty occurs in the Dominican-Haitian border regions and those areas with a high concentration of *bateyes*⁵ settled by Dominican people of Haitian descent, as well as migrant seasonal Haitian workers. A long history of discrimination and prejudice has exacerbated the vulnerability of these areas. Against this background, the main objective of the proposed programme will be significantly to reduce poverty, exclusion and discrimination in the more neglected border areas and *bateyes* through sustainable and inclusive rural-development processes. The specific objectives are to: (a) generate effective participation and strengthen the capacity of vulnerable communities and their organizations; (b) bring about a significant and sustainable improvement in the income-generation capacity of the target population; (c) improve the living conditions of beneficiaries by providing cofinancing resources to construct and improve social infrastructure, and (d) strengthen the decentralization, poverty-reduction and regional-development policies and operational tools of the Government and the National Planning Office.

Programme Beneficiaries

The programme area will include three provinces in the border region with Haiti (Monte Cristi, Dajabón and Pedernales). It will also cover three provinces near the frontier (San Juan, Barahona and Santiago Rodríguez) that encompass poor rural communities and have economic corridors with the border provinces. The remaining three border provinces (Bahoruco, Elías Piña and Independencia) are covered by the ongoing IFAD-financed South Western Region Small Farmers Project – Phase II, which is currently in the second year of operation. The programme area includes around 241 000 rural poor and over 50 000 extremely poor, of which 45% are Dominicans of Haitian descent living in the *bateyes*. The target group will comprise 105 000 persons. The programme will strengthen the human and social resource base and the sustainable social and economic development of 35 000 poor men and women small farmers, artisanal fisher-folk, microentrepreneurs, landless and wage-worker families located in the border region provinces (including Dominicans and Dominicans of Haitian descent). These people will be trained in small farming, livestock production, microenterprise management and marketing, and community leaders will be actively involved in the local development efforts. A total of 70 000 additional persons will be indirect beneficiaries as a result of investments in social services, water, sewerage and electrification works and rural roads.

⁵ Sugar-cane plantation settlements.



Programme Components

(a) Human and Social Capital Development

This will involve: (i) the provision of legal support to poor Dominicans and Dominicans of Haitian descent for obtaining birth certificates and identity documents; (ii) an adult and youth education programme; (iii) a primary school ‘scholarship programme’, with some cash incentives for rural mothers sending children to school (together with a nutrition programme) and base education costs for those attending secondary school, and (iv) community mobilization and the strengthening of local grass-roots organizations through a training programme to increase their capabilities in participatory diagnosis, the prioritization of community social demands and the implementation of local social projects.

(b) Sustainable Income Generation

The programme will support: (i) the border-region economic-development plan through technical and financial assistance; (ii) the institutional strengthening of NGOs and the staff of the project management unit through systematic training; (iii) the provision of demand-led technical support services to help plan and implement economic investments in agricultural and livestock production, rural microenterprises and artisanal fishing and mining; (iv) productive infrastructure investments through the provision of cofinancing resources to formal and informal economic organizations (through a productive investment fund); once the latter have an adequate level of productive capitalization and an ongoing market-oriented productive capacity, the programme will facilitate access to local sources of credit (either through the financial component of the South Western Region Small Farmers Project – Phase II, or through local rural financial services), and (v) a labour-skills training programme for young men and women.

(c) Social Infrastructure

The programme will establish a social infrastructure fund to cofinance social infrastructure initiatives identified by rural communities. Financing will be provided to repair or construct houses, latrines, water supply systems and small electrification networks, as well as to construct, improve and repair rural schools and health posts.

(d) Policy Dialogue and Institutional Strengthening

The programme will finance and support the following activities: (i) the design of a plan for decentralization and institutional articulation and coordination for border-area regional development; (ii) the development of a public space for dialogue among government, civil society and grass-roots organizations with regard to poverty reduction, decentralization, border-area development and conflict resolution, and (iii) the development of a territorial micro-regional decentralization and social and economic-development process to strengthen local and regional development actors. Support will also be provided through permanent seminars, institutional strengthening, conflict resolution and social communications. The Latin American Faculty of Social Sciences will organize local and national seminars.

(e) Project Management Unit

The programme will establish a project management unit in the project area that will have financial and administrative autonomy.



Programme Implementation

The National Planning Office will have overall responsibility for the implementation of this six-year programme. A project regional steering committee with strong beneficiary representation will be set up, with the director of the National Planning Office as the chairperson. It will be responsible for the approval and supervision of annual operating plans and budgets, as well as for overall programme guidance. The project management unit will administer and coordinate programme implementation on behalf of the National Planning Office. Components will be implemented using a phased approach. NGOs will also be involved in the implementation of some components.

Important Features

The programme is in line with the Government's commitment to poverty alleviation in general and in the more neglected communities and *bateyes*. It represents an innovative and challenging intervention in that it provides legal support to Dominicans of Haitian descent so that they can obtain birth certificates, and it builds awareness of human rights. In accomplishing this, it will also respond to one of IFAD's Strategic Framework objectives by empowering the rural poor. Combined with the parallel project in the frontier zone in Haiti, it will provide an opportunity to build IFAD's experience in border economies.

Main Issues

The following issues will be addressed during appraisal: (a) ensure that the risks associated with programme implementation are minimized by working towards the sustained commitment of local stakeholders in the objective and approaches of the programme; (b) ensure appropriate linkages and a balance of support on both sides of the Dominican-Haitian border, with a view to minimizing the risk of an influx of migration into the programme area; in particular, the programme should establish synergies with the proposed Dominican Republic-Haiti Artibonito River Basin Programme, which is being designed; (c) review the programme's cost structure to ensure a proper balance between productive and social investments; (d) finalize implementation arrangements, detailing the sequencing and phasing of the different activities and, if needed, the geographical phasing; (e) fine-tune targeting criteria for different types of activities, and (f) finalize coordination arrangements with the ongoing IFAD-financed South Western Region Small Farmers Project – Phase II.

Previous IFAD Operations

IFAD has financed five projects (three initiated by IFAD and two initiated by cooperating institutions) for a total of SDR 32.6 million. One project is currently being implemented.



Region: Latin America and the Caribbean	Country: Mexico
Project Name: Integrated Rural Development Project for the Sierra Micro-Region of Querétaro	Per Capita GNI: ² 5 070
Project Cost (USD million): 34	Population (million): ² 98.0
IFAD Loan (USD million): To be determined	Leading External Financier: ³ IFAD
Proposed Terms: Ordinary	Cofinanciers: None
Present Status: Formulation completed	
	Appraising Institution and Loan Administrator: IFAD and UNOPS

Project Objectives

The overall goal of the proposed project will be to bring about a sustainable improvement in the economic and social conditions of poor rural communities in the Sierra micro-region of the State of Querétaro in the central area of Mexico. These communities suffer from widespread poverty, geographical isolation, marginality and the lack of income-generating opportunities. The project's general objective will be to improve the productive and social-management capacity of beneficiary families and base organizations, forging efficient links to local, state and national social and economic micro-regional development programmes, as well as improving their income-generating capacity in agriculture, processing and marketing in an efficient and sustainable manner. The specific objectives will be to: (a) develop and strengthen the human and social resource base as a first step to economic and social development; (b) consolidate rural-development processes at the micro-regional and municipal levels by improving the participation, planning and implementing capacities of beneficiaries, rural community organizations and the states; (c) raise in a sustainable fashion the income levels of beneficiary households through the improved production and marketing of forestry, crop, livestock and microenterprise products and enhanced labour skills, and (d) promote a gender-balanced approach to project activities. Finally, the project will strengthen the capacity of the Secretariat of Social Development in micro-regional development and promote a more rationale use and conservation of local natural resources.

Project Beneficiaries

The project area comprises four municipalities (Landa de Matamoros, Pinal de Amoles, Arroyo Seco and Jalpan de Serra) located in the northern part of the State of Querétaro, with a total population of 82 000. The rural poor account for 73% of the inhabitants. The target group will comprise poor small farmers and members of *ejido*⁶ and peasant communities, rural wage labourers and rural women. About 10% of the target group consists of indigenous people, and the remaining 90% are *mestizos*. In addition to family-raising responsibilities, rural women are heavily involved in agricultural and microenterprise activities due to male migration. They face constraints because of illiteracy and low educational level. The project will directly benefit 35 000 poor men and women small farmers and wage-worker families through systematic training in forestry, small farming, livestock production and microenterprise management, and marketing, and community leaders will be actively involved in the local development efforts. A total of 25 000 persons will indirectly benefit from investments in social services (education and health) and basic community services. They will also benefit from investments in watershed management, waste disposal and land and natural resource conservation efforts to be implemented in association with the Sierra Gorda Biosphere Reserve.

⁶ A system of communal land tenure.



Project Components

(a) Human and Social Capital Development

The aim of this component is to generate effective participation capabilities among the beneficiaries' grass-roots organizations in local, micro-regional and municipal social and economic-development processes. Support will be provided for: (i) a comprehensive training programme for project beneficiaries and the staff of local and state public-sector institutions; (ii) strengthening beneficiaries' grass-roots and economic organizations; (iii) enhancing gender equity, and (iv) the use of a participatory, demand-led social investment fund. Enhanced planning capacity and access to financial resources will help improve the living conditions of poor rural families (through better sanitation, basic services, water supply and electrification), as well as enhanced access to health care and education. Particular attention will be given to strengthening women's social and economic organizations through leadership training and support services.

(b) Strengthening Micro-Regional Development Processes and Methodologies

The project will support: (i) an inter-institutional articulation and coordination plan linking the planning and budgeting processes of federal sectoral secretariats and harmonizing federal planning with state and municipal planning; (ii) the Sierra Micro-Region Strategic Development Plan (technically and financially); (iii) the strengthening of municipal capacities to foster local dialogue and micro-regional planning by locating one of the Community Strategic Centres of the Secretariat of Social Development in each municipality; (iv) the establishment of a geographic information system as a planning tool for municipal governments, and (v) the preparation of municipal annual operative plans using participatory methodologies.

(c) Sustainable Economic Development

The project will promote market-oriented productive activities and higher returns to salaried labour. To this end, the project will: (i) support economic development in areas such as forestry extraction and related industries and in local tourism development; (ii) enhance agricultural and livestock production and non-agricultural microenterprise production through market and technical assistance and productive investment funds; (iii) undertake a labour-skill training programme for adults and young men and women, and (iv) support a labour-placement service in order to help beneficiaries search for local, state, or national market opportunities.

Project Coordination Unit

The project will support the establishment of a project coordination unit in the project area. Four municipal development agents will be located in each of the four participating municipalities.

Project Implementation

This six-year project will be implemented under the overall responsibility of the Secretariat of Social Development through the General Directorate of Micro-Regions of the Undersecretariat of Social and Human Development. The project will be located within the administrative structure of the General Directorate of Micro-Regions. The project direction committee will be responsible for the approval and supervision of annual operating plans and budgets, as well as for overall project guidance. A micro-regional technical coordinating committee will be established in Querétaro. The day-to-day implementation of the project will be the responsibility of a financially and administratively autonomous project coordination unit.



Important Features

The project will promote the social, political and economic integration of the rural inhabitants of the Sierra micro-region into Mexico's developmental mainstream. In line with IFAD's strategy in the region, the project will empower the rural poor through the strengthening of their basic organizations. The project beneficiaries will be active participants in all project micro-regional-development processes, taking on responsibilities in local and central steering committees. The Micro-Regional Strategic Development Plan will be constructed using a gender-balanced participatory methodology. It is expected that the project will lay the foundations for an effective policy dialogue between IFAD and the Secretariat of Social Development on poverty and micro-regional-development policies. The project is also expected to play a catalytic role in enhancing municipal, state and federal government relations in regard to micro-regional-development and poverty-reduction policies.

Main Issues

The following issues will be addressed during appraisal: (a) the development of the innovative features of the project to ensure a beneficial impact, the positive role of the catalytic effects and the influence of the project at the policy level; (b) the review and refinement of methods for environmental classification; (c) per-beneficiary costs, and (d) ways to ensure joint planning and the full coordination of the actions to be undertaken through the project and the Sierra Gorda Biosphere Reserve.

Previous IFAD Projects

The Fund has financed five IFAD-initiated projects for a total of SDR 76.8 million. Two projects are currently being implemented.



Region: Near East and North Africa	Country: Djibouti
Project Name: Rural Microfinance and Microenterprise Development Project	Per Capita GNI: ² 880
Project Cost (USD million): 3.8	Population (million): ² 0.6
IFAD Loan (USD million): To be determined	Leading External Financier: ³ IFAD
Proposed Terms: Highly Concessional	Cofinanciers: None
Present Status: Formulation completed	Appraising Institution and Loan Administrator: IFAD; others to be determined

Project Objectives

The lack of access of the poorest to rural financial services has severely limited the diversification of activities, as well as the improvement of family incomes. This constraint is exacerbated by the absence of non-financial and business-development services to support the development of income-generating activities. The overall goal of the proposed project will be to reduce poverty in rural areas by increasing poor household incomes, with a special focus on gender mainstreaming. Specific objectives include: (a) the creation of a sustainable network of savings and credit associations which would provide rural financial services in proximity to target groups; (b) the development of sustainable non-financial services and market-based business-development services in rural areas, and (c) the strengthening and diversification of income-generating activities.

Project Beneficiaries

The project will cover all rural areas and peri-urban zones. It will focus primarily on the population in rural areas, estimated to be 150 000 people, and on the peri-urban poor, estimated to be 50 000. Overall, 200 000 people, representing approximately 30 000 households, will be involved. The project target group will be made up of people whose income derives from animal breeding, gardening and agriculture, fishing, handicrafts and other small income-generating activities such as small trade and services. It will also include young unemployed people interested in engaging in a productive activity. Special attention will be paid to the most vulnerable households headed by widows or divorced women. Approximately 10 000 households, or 60 000 people will benefit from project interventions.

Project Components

(a) Rural Microfinance Development

This component will facilitate access by the target groups to viable financial services adapted to their needs by helping them to participate in the elaboration of a national strategy for microfinance, as well as in the preparation of an adapted regulatory framework, by supporting the creation of a network of grass-roots savings and credit associations owned and managed by beneficiaries and by strengthening the capacities of communities in management, follow-up, audit and control. It will specifically support: (i) the creation of a network of 17 savings and credit associations; various training programmes will be organized, and a credit line will be made available for lending to associations; (ii) the creation of an apex institution, the National Union of Savings and Credit Associations, which will represent and support the associations, and (iii) the establishment of a national task force on microfinance development to formulate a microfinance strategy and policy.

(b) Support for Income-Generating Activities and the Promotion of Rural Microenterprises

The aim of this component will be to develop a business advisory capacity in Djibouti's rural areas. Support will be provided for: (i) the gauging of the demand for the development of income-



generating activities at the level of the target group through the organization of national and local workshops and surveys in order to assess needs and enhance the exchange of information; (ii) the promotion of actions in favour of microentrepreneurs through networking, as well as the dissemination of best practices in order to help improve the supply of business-development services and inform microentrepreneurs about possible linkages and training; (iii) the creation of a network of five district-based private independent business-development-service providers (advisers) selected and trained through the project; these advisers will provide microentrepreneurs with training according to their specific needs on a pay-for-services principle so as to help expand the network of business-development-service providers; (iv) partnership building with the Chamber of Commerce and the University of Djibouti in order to create adapted training packages and develop subsector analyses, and (v) assistance to associations with a view to increasing their management and planning capabilities, as well as their capacity to market their products.

(c) Project Management and Organization

The project will finance the costs of a specialist-operator in microfinance to act as the implementing agency, including the provision of staff, equipment and logistical support. The specialist will be selected through international competitive bidding on the basis of the level of experience in microfinance and business-development services. The operator will recruit two national managers, one for each of the two main components, as well as two facilitators.

Project Implementation

This ten-year project will be implemented under the overall responsibility of the Ministry of Agriculture, which will nominate a project coordinator. It will be implemented in three phases using the flexible lending mechanism. Coordination at the national level will be ensured by a steering committee. A national task force for microfinance development will be responsible for formulating a national policy for microfinance and an adapted legal framework. An specialist-operator in microfinance will be in charge of project implementation.

Important Features

The entire project concept has been the result of a policy dialogue with the Government over a two-year period concerning the introduction of rural financial services that would be owned and managed by beneficiaries. This dialogue has also led to the revision of the country's legal framework so as to allow more flexibility in the establishment of microfinance activities by grass-roots organizations. The project is consistent with IFAD's strategy in Djibouti that identifies the need to strengthen the capacity of beneficiaries through literacy and specific training programmes and to promote income-generating activities and microenterprises, particularly those benefiting women and youth, with the support of business-development-service advisers. The project will also facilitate access to financial resources through the creation of a sustainable network of savings and credit associations that will provide rural financial services in proximity to target groups. Finally, partnerships will be promoted between the project and various national institutions such as the Chamber of Commerce, the University of Djibouti, ministries and the Central Bank of Djibouti to support microfinance and microenterprise development.

Main Issues

The following issues will be addressed during appraisal: (a) the rationale for supporting the project through the flexible lending mechanism; (b) whether the scope of the project can be expanded and how to select intervention areas; (c) the implementation arrangements, particularly the options regarding potential operators; (d) additional grant-cofinancing opportunities; (e) the cost structure, and (f) the lessons to be drawn from the Near East Foundation's pilot activities and experiences in



setting up community-managed credit schemes in Djibouti that are financed by an IFAD/NGO Extended Cooperation Programme grant.

Previous IFAD Operations

Three projects have been financed for a total of SDR 1.8 million. One project was financed through the Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification. No project is currently being implemented.

<p>Region: Near East and North Africa</p> <p>Project Name: Idleb Agricultural Development Project</p> <p>Project Cost (USD million): 45.2</p> <p>IFAD Loan (USD million): To be determined</p> <p>Proposed Terms: Highly concessional</p> <p>Present Status: Under appraisal</p>	<p>Country: Syria</p> <p>Per Capita GNI:² 940</p> <p>Population (million):² 16.2</p> <p>Leading External Financier:³ IFAD</p> <p>Cofinanciers: Arab Fund for Economic and Social Development (AFESD). Discussions ongoing with the United Nations Development Programme (UNDP)</p> <p>Appraising Institution and Loan Administrator: IFAD and AFESD</p>
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Project Objectives

Despite the potential of the project area, the demographic pressure on the land has led households, particularly the poorest and most marginalized, to settle in less fertile, rockier and more mountainous areas. The limited cultivable area adversely affects food sufficiency. Against this background, the principal objectives of the proposed project will be to improve food security and increase the incomes of the target group by expanding the area of arable land, enhancing the access to water and introducing better farming and water-management practices for the sustainable use of land and water resources. These objectives will be achieved by: (a) selectively removing surface and subsurface rocks to allow small farmers substantially to increase the arable area of their holdings and to promote appropriate cropping; (b) providing technical and financial support to allow the target group to harvest water, rehabilitate springs and improve their water-management practices; (c) supporting microfinance through the establishment of *sanduqs* (village banks) to provide credit for income-generating production, processing and marketing opportunities suitable for investments by small producers, rural women and the landless, and (d) strengthening the capacity of government and community-oriented institutions in the project area to provide the required technical and community-support services.

Project Beneficiaries

The target group will cover 51% of the Idleb Governorate's rural population (or 380 000 people) residing in 140 villages. Project interventions will be oriented towards disadvantaged villages, and priority will be given to addressing the needs of poor small farmers and rural women. Targeting mechanisms will be introduced at both the village and household levels. The project will directly benefit 156 000 people. Approximately 19 500 households are expected to benefit from land reclamation, and 42 300 households from extension activities. Women will be able to increase their incomes through training and assistance in obtaining access to credit and markets,

Project Components

(a) **Agricultural development** will be promoted through three sub-components: (i) land reclamation and agricultural extension involving the reclamation of 20 000 ha of rocky land through credit schemes and the establishment of a repair and maintenance workshop for heavy equipment; the establishment of 12 000 ha of orchard; the strengthening of the planning and implementation capacity of the Directorate of Agriculture and Agrarian Reform, and training, participatory planning, the development of extension packages and messages; demonstrations on farm fields, and communication support (for example, audio-visual media); (ii) livestock development through the construction and furnishing of five veterinary centres in order to support the modernization and expansion of veterinary services and vaccination programmes, the rehabilitation of two existing livestock training centres, the provision of training to specialized staff and extension agents, as well as to herders and producers, and the provision of means of transport and technical assistance, and (iii) marketing through the training of two locally recruited extension officers in marketing development so that they can work with



individual farmers, farmers associations and women's groups to raise awareness and help identify new market niches requiring the development of marketing skills.

(b) Water Resources Development

This component will support water harvesting through the installation of cisterns, the construction of 25 mini earth dams, the rehabilitation of 14 wells (*ramats*), the protection and rehabilitation of springs for irrigation, the provision of technical assistance for the organization and management of water users groups, the training of trainers and staff in soil conservation, studies for dams, and water-harvesting measures.

(c) Community Development

This will be promoted through: (i) community mobilization and participation, including the organization and staffing of community-development teams, training in participatory methods and the provision of technical assistance for the organization of participation and staff training; (ii) capacity-building in the women development unit of the Extension Department in the Ministry of Agriculture and Agrarian Reform so that it can play a more effective role in building the capacity in extension services and achieve progress in gender mainstreaming, and (iii) the establishment of *sandouqs*, based on the principles of microfinance, to foster income-generating production, processing and marketing opportunities suitable for investment by smallholders and rural women.

(d) Coordination and Management

The project will support the establishment of a project coordination and management unit in Idleb, including the construction and equipping of a project headquarters, the provision of staff salaries, allowances and training and technical assistance for the development of the monitoring and evaluation programme.

Project Implementation

This seven-year project will be implemented under the overall responsibility of the Ministry of Agriculture and Agrarian Reform. A project coordination and management unit, to be established in Idleb, will be responsible for the coordination of project activities. The core components of the project will be implemented by two separate directorates of the ministry: agriculture, livestock and marketing extension and water resources development activities through the Directorate of Agriculture and Agrarian Reform in Idleb and land reclamation and development, community development and microfinance through the project management unit.

Important Features

The project is in line with the Government's agricultural development strategy. It will build on the experience gained from the de-rocking and reclamation of 171 000 ha during four previous investment projects covering seven governorates and a wide ecological and geographic area. The project will adopt a participatory approach to the planning and implementation of activities. Village development committees will be responsible for organizing community participation in the planning, design and implementation of community-based activities. Land reclamation activities will be based on community action plans developed through consensus within the village development committees. The project is expected to have a beneficial effect on women's well-being. The participatory planning process for community-development activities will also seek to draw women into public life in the villages and give them a voice in the affairs of the communities.



Main Issues

The following issues will be addressed during appraisal: (a) the completion of the environmental-assessment process and the exploration of the cost implications of the involvement of stakeholders such as civil society organizations in the environmental-assessment process; (b) the introduction, within the area-targeting framework, of complementary measures to ensure land tenure security for the smallholders and better targeting within the project villages, possibly using the village development committees as an entry point; (c) the determination of whether gender mainstreaming can be further supported through the village development committees, communication-support activities and assistance to the women development unit of the Ministry of Agriculture and Agrarian Reform, and (d) the dynamics of remittances and the collection of relevant information.

Previous IFAD Projects

IFAD has financed five projects (four initiated by IFAD and one initiated by a cooperating institution) for a total of SDR 56 million. Three projects are currently being implemented.



PART I - Projects under consideration (2002-2003), classified by the stage of processing

PART II - COSOPs undertaken since 1995 and reviewed by the OSC

PART III - COSOPs currently planned for 2002

PART I – PROJECTS UNDER CONSIDERATION (2002-2003)
CLASSIFIED BY THE STAGE OF PROCESSING

Region	Country	Population (million) 1/	GNI Per Capita Income (2000) (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-SIXTH SESSION OF THE EXECUTIVE BOARD, SEPTEMBER 2002										
Africa I	Ghana	19.3	340	Rural Enterprises Project – Phase II	Rural development	11.24	Mr Manssouri	July 1998	EB 75/Apr 02	Sep 2002
	Guinea	7.4	450	Sustainable Agriculture Development Project in the Forest Region 2/	Rural development	12.5	Mr Nsimpasi	May 1999	EB 75/Apr 02	Sep 2002
	Mauritania	2.7	370	Maghama Improved Flood Recession Farming Project – Phase II	Rural development	10.1	Mr Ben-Senia	May 2000	EB 74/Dec 01	Sep 2002
Africa II	Uganda	22.2	300	Rural Financial Services Programme 3/	Financial services	18.43	Mr Yayock	Dec 1998	EB 75/Apr 02	Sep 2002
Asia and the Pacific	China	1 262.5	840	Environment Conservation and Poverty-Reduction Programme in Ningxia and Shanxi 4/	Rural development	28.97	Mr Martens	Feb 1999	EB 75/Apr 02	Sep 2002
	Mongolia	2.4	390	Rural Poverty-Reduction Programme 5/	Agricultural development	14.8	Mr Martens/ Mr Rath	Nov 1998	EB 74/Dec 01	Sep 2002
Near East and North Africa (NENA)	Tunisia	9.6	2 100	Agropastoral Development and Local Initiatives Promotion Programme for the South-East 6/	Agricultural development	18.7	Mr El Harizi	Apr 1998	EB 75/Apr 02	Sep 2002
	Yemen	17.5	370	Dhamar Participatory Rural Development Project 7/	Rural development	14.01	Mr Hassani	March 2000 (revised)	EB 73/Sep 01	Sep 2002
APPRAISAL COMPLETED										
Africa I	Niger	10.8	180	Community Development and Peasant Initiative Promotion Project 8/	Rural development	To be determined	Mr Manssouri	March 1999	EB 75/Apr 02	Dec 2002



Region	Country	Population (million) 1/	GNI Per Capita Income (2000) (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
Africa II	Lesotho	2.0	580	Sustainable Agriculture and Natural Resource Management Programme	Agricultural development	10.0	Mr Gicharu	June 1999	EB 69/May 00	Dec 2002
Asia and the Pacific	Indonesia	210.4	570	Indigenous Community Empowerment Project in East Kalimantan	Rural development	19.3	Mr Prayer Galletti	Nov 1998	EB 74/Dec 01	Dec 2002
UNDER APPRAISAL										
Asia and the Pacific	Iran	63.7	1 680	Forsat Mosawi Finance Programme 9/	See Annex A	To be determined	Mr Attig	Under review		Dec 2002/ Apr 2003
Latin America and the Caribbean (LAC)	Brazil	170.4	3 580	Rural Microenterprise Development in the Xingo Region/San Francisco River Basin	Rural microenterprises	To be determined	Mr Gariglio	June 1997	EB 75/Apr 02	Sep 2003
	Dominican Republic	8.4	2 130	Social and Economic Development Programme for Vulnerable Populations – The Border Provinces	See Annex A	To be determined	Mr Glikman	Jan 2002		Dec 2002
NENA	Egypt (X)	64.0	1 490	Matrouh Resource Management Project – Phase II	Natural resource management	To be determined	Mr Hassani	Nov 2000 (revised)		Apr 2003
	Syria	16.2	940	Idleb Agricultural Development Project	See Annex A	To be determined	Mr Abdouli	Nov 2001		Dec 2002
FORMULATION/PREPARATION COMPLETED										
Africa I	Chad	7.7	200	Community Development Project in the Kanem	Rural development	To be determined	Mr Nsimpasi	May 1999		Apr 2003
	Nigeria	126.9	260	Community-Based Natural Resources Management Project – Niger Delta	Natural resource management	To be determined	Mr Saint-Ange	Oct 2000		Dec 2002
	Senegal	9.5	490	Agricultural Development Project in Matam – Phase II	Agricultural development	To be determined	Mr Ben Senia	Apr 1998		Dec 2002
Africa II	Comoros	0.6	380	National Programme for Sustainable Human Development 10/	See Annex A	To be determined	Ms Bradley	Jan 2002		Dec 2002



Region	Country	Population (million) 1/	GNI Per Capita Income (2000) (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
LAC	Kenya	30.1	350	Mount Kenya East Pilot Project for Land Use and Water Management 11/	See Annex A	To be determined	Ms Bradley	Nov 2001		Dec 2002
	Rwanda	8.5	230	Smallholder Cash and Export Crop Development Project 12/	See Annex A	To be determined	Ms Benhammouche	Jul 2001 (revised)		Dec 2002
	Mexico	98.0	5 070	Integrated Rural Development Project for the Sierra Micro-Region of Querétaro 13/	See Annex A	To be determined	Mr Murguia	May 1999		Dec 2002
	Peru	25.7	2 080	Market Strengthening and Livelihood Diversification in the Southern Highlands Project 14/	Rural development	To be determined	Mr Haudry	Nov 2001		Dec 2002
NENA	Djibouti	0.6	880	Rural Microfinance and Microenterprise Development Project	See Annex A	To be determined	Mr Nourallah	Nov 2001		Dec 2002
UNDER FORMULATION/PREPARATION										
Africa I	Burkina Faso	11.3	210	Community Investment Programme in Agricultural Fertility Improvement	Agricultural development	To be determined	Mr Barry/ Mr Beavogui	May 1998		Sep 2003
	Cameroon	14.9	580	Roots and Tubers Development Programme	Agricultural development	To be determined	Mr Toure	Feb 1998		Sep 2003
	Nigeria (X)	126.9	260	Rural Financial Services Programme	Financial services	To be determined	Mr Saint-Ange	Oct 2000		Apr 2003
	Sierra Leone	5.0	130	Rural Sector Support Programme	Rural development	To be determined	Mr Tounessi	March 1997		To be determined
Africa II	Ethiopia	64.3	100	Pastoral Community Development Programme	Marginal area development	To be determined	Mr Gicharu	Nov 1999		Apr 2003
	Kenya	30.1	350	South Nyanza Integrated Community Development Project	Rural development	To be determined	Ms Bradley	Nov 2001		To be determined
Asia and the Pacific	Bangladesh	131.1	370	Second Smallholder Livestock Development Project	Livestock	To be determined	Mr Brett	Dec 1999		Apr 2003



Region	Country	Population (million) 1/	GNI Per Capita Income (2000) (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
	Cambodia	12.0	260	Support for Local Development in Prey Veng and Svay Rieng Project	Agricultural development	To be determined	Mr Wang	May 1998		Sep 2003
	China	1 262.5	840	Rural Finance Sector Programme 15/	Financial services	To be determined	Mr Martens	Feb 1999		Dec 2002/ Apr 2003
	Pakistan	138.1	440	Azad Jammu and Kashmir Community Development Project	Communities development/ institution building	To be determined	Mr Attig	July 2000		Apr 2003
NENA	Gaza and the West Bank	3.0	1 660	Natural Springs Rehabilitation Programme	Irrigation	To be determined	Mr Hassani	June 1997		To be determined
	Turkey	65.3	3 100	Sivas Erzincan Development Project 16/	Livestock	To be determined	Mr Rahman	June 2000		Sep 2003
INCEPTION/IDENTIFICATION COMPLETED										
NENA	Morocco	28.7	1 180	Livestock and Pasture Development Project in the Eastern Region – Phase II	Livestock	To be determined	Mr Nourallah	Nov 1999		Apr 2003
UNDER IDENTIFICATION/INCEPTION										
Asia and the Pacific	Laos	5.3	290	Support for Rural Credit Project	Credit	To be determined	Mr Wang	Sep 1996		
LAC	Chile	15.2	4 590	Southern Region Agricultural Development Project	Agricultural development	To be determined	Mr Murguia	n.a.		





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, that is, projects identified by the Fund's identification missions or directly requested by governments.
- 1/ 2000 data, the World Bank.
 - 2/ Former Sustainable Agriculture Development Project.
 - 3/ Former Rural Finance Services Programme.
 - 4/ Former Environmentally Sensitive Poverty Alleviation Programme in Ningxia/Shanxi.
 - 5/ Former Rural Poverty Alleviation Programme.
 - 6/ Former Agropastoral Development Programme in the South-East.
 - 7/ Former Dhmar Rural Development Project.
 - 8/ Former Community Development and Peasant Innovation.
 - 9/ Former Rural Finance Project.
 - 10/ Former National Programme for Sustainable Rural Human Development and Environmental Development Conservation.
 - 11/ Former Mount Kenya Pilot Project for Conservation, Land Use and Water Resource Management.
 - 12/ Former Smallholder Cash Crop Development Programme.
 - 13/ Former Micro-Regional Development Project for Poor Rural Communities of North-Eastern Mexico.
 - 14/ Former Market Integration and Livelihood Diversification in the Southern Highlands Project.
 - 15/ Former Rural Financial Institutions Support Programme.
 - 16/ Former Participatory Livestock, Forage and Rangeland Development Programme.

**PART II – COSOPS UNDERTAKEN SINCE 1995 AND REVIEWED BY THE 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) Comoros (Jan 2002)
- 20) Eritrea (Apr 1998)
- 21) Ethiopia (Nov 1999)
- 22) Kenya (Nov 2001)
- 23) Lesotho (Jun 1999)
- 24) Madagascar (Mar 2000)
- 25) Malawi (Nov 1999)
- 26) Mozambique (Apr 2000 revised)
- 27) Namibia (May 2002)
- 28) Rwanda (Jul 2001 revised)
- 29) Swaziland (Jul 1999)
- 30) Tanzania, United Republic of (Apr 1998)
- 31) Uganda (Dec 1998)
- 32) Zambia (Sep 1998)
- 33) Zimbabwe (Nov 1998)

Asia and the Pacific

- 34) Bangladesh (Dec 1999)
- 35) Bhutan (Jul 1996)
- 36) Cambodia (May 1998)
- 37) China (Feb 1999)
- 38) D.P.R. Korea (Apr 2000)
- 39) India (Jul 2001 revised)
- 40) Indonesia (Nov 1998)
- 41) Kyrgyzstan (Dec 1996)
- 42) Laos (Sep 1996)
- 43) Mongolia (Nov 1998)
- 44) Nepal (Mar 2000)
- 45) Pakistan (Jul 2000)
- 46) Philippines (Oct 1999)
- 47) Viet Nam (Dec 1996)

LAC

- 48) Bolivia (Nov 1998)
- 49) Brazil (Jun 1997)
- 50) Caribbean Region (Mar 2000)
- 51) Dominican Republic (Jan 2002)
- 52) El Salvador (Mar 2001)
- 53) Haiti (Nov 1999)
- 54) Honduras (Oct 2000)
- 55) Mexico (May 1999)
- 56) Nicaragua (Jun 2002)
- 57) Panama (Dec 2000)
- 58) Peru (Nov 2001)
- 59) Uruguay (Nov 1999)
- 60) Venezuela (Dec 1999)

NENA

- 61) Albania (Mar 1999)
- 62) Algeria (Oct 1999)
- 63) Armenia (Mar 2000)
- 64) Azerbaijan (Dec 1998)
- 65) Bosnia and Herzegovina (Jun 1999)
- 66) Djibouti (Nov 2001)
- 67) Egypt (Nov 2000 revised)
- 68) Gaza and the West Bank (Jun 1997)
- 69) Georgia (Dec 1998)
- 70) Jordan (Oct 2000)
- 71) Lebanon (May 2000 revised)
- 72) Morocco (Nov 1999)
- 73) Republic of Moldova (Feb 2002 revised)
- 74) Romania (Jun 2002)
- 75) Sudan (Mar 2002)
- 76) Syria (Nov 2001)
- 77) The Former Yugoslav Republic of Macedonia (Nov 1999)
- 78) Tunisia (Apr 1998)
- 79) Turkey (Jun 2000)
- 80) Yemen (Mar 2000 revised)



PART III – COSOPS CURRENTLY PLANNED FOR 2002

In 2002, regional divisions plan to finalize and undertake the following COSOPs:

Africa I:	Central African Republic ¹ D.R. Congo ¹ Côte d'Ivoire (revision) Gambia, The (revision) Guinea-Bissau (continuation of 2001 work) Senegal (revision) (continuation of 2001 work) Sierra Leone (revision) Togo ¹
Africa II:	Angola Burundi (revision)
Asia and the Pacific:	Central Asia (to be reviewed by the OSC in 2002) Iran (under review) Pakistan (continuation of 2001 work) Sri Lanka (continuation of 2001 work) Viet Nam (revision) (to be reviewed by the OSC in October 2002)
Latin America and the Caribbean²:	Chile (continuation of 2001 work) Colombia Nicaragua (reviewed by the OSC)
Near East and North Africa:	Azerbaijan (revision) Bosnia and Herzegovina (revision) Georgia (revision) Romania (finalized and reviewed by the OSC) Sudan (finalized and reviewed by the OSC)

¹ Subject to the lifting of suspension.

² Ecuador in 2003. Guatemala postponed to 2003. Paraguay postponed.

