



IFAD
INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT
Executive Board – Seventy-Seventh Session
Rome, 10-11 December 2002

PLANNED PROJECT ACTIVITIES
2002 – 2003

ADDENDUM

Since document EB 2002/77/R.29 was dispatched to Executive Board Directors, three additional projects/programmes have reached a sufficiently advanced stage of preparation to warrant inclusion in the annex of the document. The relevant project/programme summaries are attached.



Region: Asia and the Pacific	Country: Pakistan
Programme Name: Community Development Programme	Per Capita GNI: ¹ USD 440
Programme Cost (USD million): 43.4	Population (million): ¹ 138.1
IFAD Loan (USD million): To be determined	Leading External Financier: ² IFAD
Proposed Terms: Highly concessional	Cofinanciers: Discussions ongoing with the World Food Programme (WFP)
Present Status: Under pre-appraisal	Appraising Institution and Loan Administrator: IFAD and the United Nations Office for Project Services (UNOPS)

Programme Objectives

About 70% of the poor in Pakistan live in rural areas, and their numbers are reported to be increasing. Azad Jammu and Kashmir (AJK) is one of the poorest states in the country, with annual per capita income ranging from USD 180 to 200, about half the national average. Land degradation, farmland fragmentation and reduced agricultural productivity are jeopardizing the traditional lifestyle, forcing increasing numbers of the poor to migrate in search of off-farm employment. Against this background, the proposed programme aims to reduce rural poverty by empowering community organizations to assume responsibility for the decentralized planning and implementation of development activities. It will promote gender-sensitive community development through a process of participatory planning, implementation and monitoring. In particular, it will: (i) strengthen the role and capabilities of existing community organizations (COs), and establish new COs to ensure that decentralized development benefits are available to the target group on a sustainable basis; (ii) lay the groundwork for successful devolution by promoting effective governance, transparency and accountability, and by improving the relationship between central and local institutions (including financial and operational aspects); (iii) improve natural resource management and expand social and economic infrastructure in order to increase income and employment opportunities and reduce poverty, especially among the most vulnerable groups.

Programme Beneficiaries

The programme will cover the entire state of AJK, where the vast majority of the population, an estimated 2.9 million people, live at or below the subsistence level. Around 88% of the population live in rural areas and are dependent on forestry and agriculture for their livelihoods. The target group will comprise three specific subgroups: (i) women and woman-headed households, the programme's priority target group; (ii) landless households (10% of the rural households); and (iii) land-owning small farmers (75% of the target group). Women will be expected to establish about 50% of the COs and have access to the greatest share of programme support in terms of training, microenterprise development, income-generation and credit. Of the state's 383 800 rural households, the programme will target approximately 120 000.

Programme Components

(a) Gender-Sensitive Community Development

The programme will finance the recruitment of: (i) qualified non-governmental organizations (NGOs) as community development facilitators and service providers for the capacity-building of CO leaders and members; (ii) community development coordinators (one man and one woman);

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.



ANNEX A

(iii) social mobilizers, who will be trained in participatory local development planning and implementation; and (iv) a senior training coordinator to be based in the programme management unit (PMU). It will also provide support for (i) training of beneficiaries in areas such as microenterprise development and management, income-generating skills, assessment of market potential, and operation and maintenance of social and economic infrastructure; (ii) social forestry development; (iii) a range management survey; and (iv) transport facilities and operational costs.

(b) Community Development Fund

This component will comprise three financing windows: (i) a *microfinance window*, based on the concept of tiered development; (ii) an *infrastructure window*, to finance the development of social and economic infrastructure (e.g. small-scale infrastructure benefiting one CO, or inter- and intra-community infrastructure benefiting a cluster of COs), with activities prioritized and approved through the village development planning process; and (iii) an *innovation window*, to provide funds, on a competitive basis, to support community initiatives (such as improved or new systems of agriculture, livestock, forestry, rural enterprise development and women's development), new product processing or packing systems, and on-farm innovations to save women time and facilitate their tasks.

(c) Natural Resource Management

Because of their demand-led nature, the list of activities to be financed under this component is not prescriptive. Instead it contains options from which communities can choose, adapting enterprise models to their perceived needs and to the expressed demands of individual farmers or communities. The list may include options supporting the development of improved varieties of field and horticulture crops, livestock enterprises, social forestry, soil and water conservation, water management and small-scale irrigation, seed and seedling production, processing and inputs, and produce-marketing enterprises. These activities will be financed through CO microfinance schemes. The programme will also support extension activities, training, participatory on-site adaptive research, and other activities as established by community demand.

(d) Programme Management

The programme will establish a PMU in Muzafferabad within the Planning and Development Department (P&DD). District programme offices (DPOs) will be set up in each district. The programme will also help strengthen the P&DD's capacity to serve the rural population.

Programme Implementation

The programme will be implemented over a seven-year period. The state of AJK will delegate all powers and authority for programme implementation to the P&DD. The additional chief secretary of P&DD will be in charge of policy direction. The PMU will be responsible for the provision of coordination/facilitation services and overall programme implementation. Day-to-day management responsibilities will be devolved to the DPOs. A programme steering committee will coordinate programme activities. The district steering committee will ensure effective coordination among all stakeholders at the district level, and will review and approve the district's annual workplan and budgets (AWP/Bs).

Important Features

This programme is the first major, broad-based area development programme covering the entire state of AKJ. It will initiate a comprehensive development process by empowering the COs to own the development process and by making government service providers accountable to the COs, thus paving the way for effective devolution. It will also establish contractual relationships between



ANNEX A

beneficiaries and line agencies for the delivery of services. All programme activities will be based on community participation and political transparency; e.g. Union Council members are, at government request, not involved in the selection of infrastructure schemes and other programme interventions. Responsibilities will be largely decentralized to the district level, and programme implementation will be decentralized to the communities. The proposed credit arrangements to channel matching funds to the community credit pools will strengthen the financial and managerial capacity of the COs and the involvement of microfinance institutions for on-lending directly to microenterprises and to clusters of mature COs; it will also further empower the COs and women's community organizations and contribute to their future sustainability. In addition, these arrangements will lead to the development of sub-apex structures at district level and eventually to the development of an apex organization representing all the state's rural communities. To reinforce beneficiary ownership of the programme, beneficiary organizations will become members of the programme steering committee and the programme technical committees. The World Bank AJK Community Infrastructure and Services Project will broaden the programme's impact on rural households by complementing social and economic infrastructure efforts. Implementation of programme-funded activities will be highly flexible in a demand-driven, process-type programme, with year-to-year activities responding to beneficiary initiatives and needs. Development of micro, small and medium enterprises, with an emphasis on those benefiting women, will revitalize the rural economy and reduce poverty among the vulnerable groups.

Main Issues

The main issues include the finalization of memoranda of understanding with (i) the Pakistan Poverty Alleviation Fund/National Rural Support Programme, on cofinancing arrangements; (ii) the World Food Programme, also on cofinancing arrangements; and (iii) the Khushhali Bank, on the servicing of the financial needs of mature COs, cluster COs, sub-apexes and apex organizations. Other issues will be addressed as identified by IFAD's Operational Strategy and Policy Guidance Committee.

Previous IFAD Operations

IFAD has approved 18 projects for a total of SDR 137.6 million. Six projects are under implementation and the North-West Frontier Province Barani Area Development Project is expected to become effective in the first part of 2003.

ANNEX A

Region: Near East and North Africa	Country: Morocco
Project Name: Rangeland and Livestock Development Project in the Eastern Region – Phase II	Per Capita GNI: ¹ 1 180
Project Cost (USD million): 11.04	Population (million): ¹ 28.7
IFAD Loan (USD million): To be determined	Leading External Financier: ² IFAD
Proposed Terms: Intermediate	Cofinanciers: None
Present Status: Formulation completed	Appraising Institution and Loan Administrator: IFAD and to be determined

Project Objectives

The project aims to increase the income and improve the living conditions of the rural poor living in the eastern region of Morocco, the country's principal zone for pastoral development and one of its poorest areas. The project will achieve this objective by empowering communities to rehabilitate and manage their natural resources sustainably, and by creating new opportunities for the most vulnerable groups (including small livestock producers, women and unemployed youth), capitalizing on the region's considerable natural endowments. More specifically, building on the achievements of its first phase, the project will: (i) strengthen the capabilities of local grass-roots organizations, enabling them to establish viable participatory mechanisms through which the target group itself can drive the identification and implementation of investment opportunities; (ii) promote adapted livestock production systems, adding value to animal products through local processing and improved markets linkages; and (iii) diversify income sources through the promotion of income-generating activities and improved access to technical, marketing and financial services.

Project Beneficiaries

The project area will cover the nine communes of the first phase plus two new communes with similar agro-ecological and socio-economic characteristics. All communes are located in the eastern region of Morocco and are part of the provinces of Figuig, Jerada and Taourit. The population of the project area is among the poorest in the country. Some 80% of the 70 700 inhabitants in the 11 communes live in the rural areas. Main project beneficiaries will be the poorer livestock producers and their families from among the 9 000 members of range users' associations (cooperatives) in the project area. At least 3 000 people will directly benefit from the project's physical and production-related activities such as rangeland rehabilitation and the creation of water points, forage plantations and animal fattening units. An estimated 4 000 beneficiaries and 250 microenterprises will benefit from the promotion of income-generating activities and support to local financial services. In addition, as the development of income-generating activities for women has previously been constrained by their lack of access to rural financial services, women represent a major target group during this second project phase. Unemployed youth (including school graduates) living in the project area will also benefit from various project activities. Practically all the population will benefit indirectly from the project.

Project Components

(a) Consolidation of Institutional Assets and Acquired Knowledge

This component will involve: (i) implementation in the region of the existing national strategy for rangeland development and livestock production, consisting in the preparation of an action plan for the Ministry of Agriculture and Rural Development (MARD) and corresponding workplans for the two provincial directorates for agriculture (DPAs) involved; (ii) improved information management, including the preparation of reference manuals and the establishment of a geographic information



system and a documentation centre for the eastern region; and (iii) institutional support to cooperatives, MARD's field structures and project management through the provision of both non-technical and technical training, logistical support and technical assistance. The two coordination units of the PMU will be strengthened with additional staff.

(b) Promotion of Partnership Building

The project will provide support for: (i) establishing partnership mechanisms, which will basically involve holding information/sensitization workshops with possible cofinanciers and implementing partners, providing legal assistance for preparing partnership agreements, and carrying out research and development activities of mutual interest to partners; and (ii) promoting partnerships through investments in pasture rehabilitation and management, livestock development and technical training.

(c) Improving Production Value Added

The project will promote: (i) income-generating activities, by identifying outlets and market linkages for the region's main products, preparing procedures manuals, and providing professional training and legal and business counselling services to microentrepreneurs; (ii) rural financial services, through the provision of equipment, materials and logistical support to local microcredit associations; and (iii) market development, through sectoral studies, promotion campaigns, publicity spots and fairs.

Project Implementation

This six-year project will be implemented under the overall responsibility of the Directorate of Livestock in the MARD. A national steering committee will approve AWP/Bs. At field level, a project director, operating through the two coordination units located in the two DPAs covering the project area, will be responsible for project implementation. The units will be in charge of planning, coordinating and programming project activities. Activities will be carried out through the DPAs and their *centres de travaux*, the regional directorate for water and forests, NGOs and the private sector, depending on the expertise required.

Important Features

This second-phase project is in line with the Government's rural development strategy for the year 2020, which emphasizes the development of traditional pastoral systems as an important way to tackle rural poverty. It also reflects the main thrusts of IFAD's strategy for Morocco as outlined in the Country Strategic Opportunities Paper, which are based on community-driven rural development, diversification of production systems and sources of income, decentralization and strengthening of local institutions, and improved access to assets (including land, water, support services and capital). The project will give priority to integrating activities by planning within a framework of participatory programming at the level of homogenous socio-territorial units. Cooperative development plans will help harmonize activities and create synergies among the principal actors in the project area, leading to more rational natural resource management. The project will contribute to the national strategy for rangeland development and livestock production in the steppe of the eastern region. It will also fit in well with the thrusts of IFAD's strategic framework in terms of enhancing impact, harnessing knowledge and strengthening partnerships at local, regional and national levels.



ANNEX A

Main Issues

An appraisal mission will: (i) further develop the project's gender strategy; (ii) articulate the project's approach to business counselling; and (iii) liaise with the Government regarding its financial contribution to the rural finance component.

Previous IFAD Operations

IFAD has so far supported seven projects (three of which are ongoing) for a total SDR 61.7 million (net of cancellation).



Region: Near East and North Africa	Country: Turkey
Project Name: Sivas-Erzincan Development Project	Per Capita GNI: ¹ 3 100
Project Cost (USD million): 27.91	Population (million): ¹ :65.3
IFAD Loan (USD million): To be determined	Leading External Financier: ² IFAD
Proposed Terms: Ordinary	Cofinanciers: Discussions ongoing with the OPEC Fund
Present Status: Formulation completed	Appraising Institution and Loan Administrator: IFAD and UNOPS

Project Objectives

In Turkey there are wide disparities in economic and social development among geographic regions and provinces, and between urban and rural areas. The provinces of Erzincan and Sivas have a high incidence of rural poverty. They suffer from environmental degradation, especially of their range- and forestlands, and offer few non-agricultural economic opportunities. At the same time, both provinces have a varied agricultural, range and forest resource base, and considerable economic potential. Against this background, the objectives of the proposed project will be to: (i) increase agricultural productivity and income levels of the rural poor in the less developed parts of the two provinces; (ii) expand rural employment opportunities and encourage the individual and group initiatives of smallholders; (iii) build and strengthen self-sustaining institutions directly related to the rural poor; and (iv) improve the living conditions of the rural poor, and especially of women.

Project Beneficiaries

The project area will cover two of the least-developed provinces in Turkey, focusing on the poorest counties of those provinces. The target group is estimated at about 200 000 people (39 000 households) spread over about 400 villages, representing 42% of the rural population and 19% of the total population of the provinces. It will comprise the poorest people in the project area – small farmers, pastoralists and women – whose livelihood systems are based on exploitation of local natural resources. About 3 600 households are expected to benefit from project investment in improved animal health coverage and production advisory support. Crop production and agroforestry activities will benefit around 9 500 farm households, including some 6 350 households involved in rainfed farming and 3 150 operating under mixed rainfed and irrigated farming. Investments in irrigation will benefit about 7 500 households. Approximately 15 000 women will benefit from the provision or improvement of domestic water supplies, with additional benefits in improved health for members of the benefiting families.

Project Components

(a) Community and Cooperative Development

This component will involve (i) capacity-building of community institutions, by assisting participating villages in establishing community institutions (community development associations, cooperative farmer groups, women groups, producers' associations and water users' associations), providing sensitization and skills training of villagers, and training cooperative (management committee) members; (ii) cooperative development, by assisting interested small-scale farmers in establishing new cooperatives or encouraging them to join existing ones, and by supporting the preparation and implementation of cooperative development plans; (iii) the establishment of a community and cooperative initiatives fund to support community productive and social investments (e.g. small-scale irrigation works, improved access to remote villages, provision of domestic water

ANNEX A

supply, primary health, primary education, milk-cooling tanks, produce collection centres, grading and packaging facilities, flour mills, etc.).

(b) Agricultural Development

Through this component, the project will support: (i) technology transfer through adaptive research and farmer-managed on-farm technology testing, together with less conventional extension methods using a bottom-up community participatory approach and strengthening the capacity of communities in problem diagnosis and technology design, testing and evaluation; (ii) closer integration of crops and livestock, and increased output of animal products (milk and meat); (iii) improved and increased crop output through the provision of improved technologies for a range of cereals, pulses, vegetables, fruit trees and forage crops; (iv) agroforestry on private, public and communal access lands, and improved soil and water conservation technologies; (v) the promotion of private animal health service delivery; (vi) range improvement and conservation of natural resources and biodiversity, using as a legal basis the provisions of Law 4342 on pastures and meadows; and (vii) formation of processor groups for value-added milk and honey products, and marketing assistance.

(c) Project Management

Support will be provided for (i) the establishment of a PMU and (ii) training and support for village development coordinators.

Project Implementation

The Ministry of Agriculture and Rural Affairs will be the executing agency of this seven-year project. To the extent possible, however, activities will be implemented through contracts with various government and private institutions. A project steering committee will be responsible for the approval of AWP/Bs and the coordination of implementation. The project implementation unit, based in one of the provinces, will be responsible for day-to-day project implementation (a senior village development organizer will be the representative in the other province). At village level, village development coordinators will be responsible for coordination and management of project activities.

Important Features

The project is consistent with the objectives of IFAD's strategic framework. It will build the capacities of local community institutions and empower them to articulate the needs and aspirations of the poor rural, while maintaining transparency and accountability. Through the development of a business-minded cooperative structure, it will open new avenues for improving the poor's access to the services of the wider financial system and enhance the potential to add value to their production and to strengthen their bargaining power in the market. It will apply an advanced participatory approach, giving farmers, through their cooperatives, a more proactive role in range management, agroforestry and extension. Physical investments in community infrastructure, in environmentally friendly agricultural technologies and in sustainable natural resource management (water and rangeland) will conserve and expand the poor's access to their principal productive assets. The project will promote post-harvest activities for the processing and marketing of milk and honey products as a reliable source of income-generation.

Main Issues

The appraisal mission will: (i) review the institutional aspects, including the risks associated with the participatory approach, especially with the relatively new institutions; (ii) assess the PMU



model, paying particular attention to such issues as legal support and monitoring; (iii) elaborate gender differences; (iv) look into monitoring of progress and impact.

Previous IFAD Operations

So far, IFAD has approved five projects for a total of SDR 45.2 million. Currently, one project is under implementation.