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**IFAD**

**INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT**

**Executive Board – Eighty-Second Session**

Rome, 8-9 September 2004

**REPORT AND RECOMMENDATION OF THE PRESIDENT**

TO THE EXECUTIVE BOARD ON A PROPOSED LOAN TO THE

**REPUBLIC OF YEMEN**

FOR THE

**AL-DHALA COMMUNITY RESOURCE MANAGEMENT PROJECT**



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**CURRENCY EQUIVALENTS**

Currency unit	=	Yemeni rial (YER)
USD 1.00	=	YER 178
YER 1.00	=	USD 0.0056

**WEIGHTS AND MEASURES**

1 kilogram (kg)	=	2.204 pounds (lb)
1 000 kg	=	1 metric tonne (t)
1 kilometre (km)	=	0.62 miles (mi)
1 metre (m)	=	1.09 yards (yd)
1 square metre (m <sup>2</sup> )	=	10.76 square feet (ft <sup>2</sup> )
1 acre (ac)	=	0.405 ha
1 hectare (ha)	=	2.47 acres

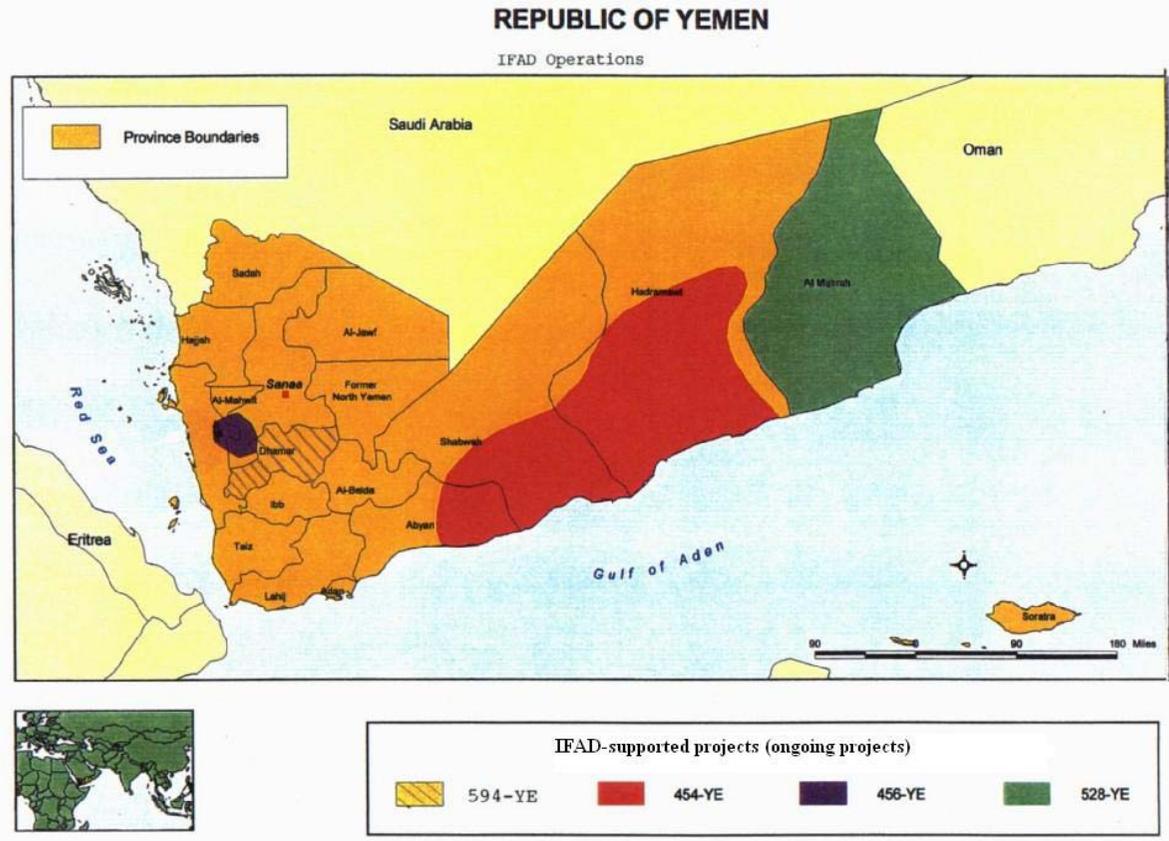
**ABBREVIATIONS AND ACRONYMS**

AFPPF	Agriculture and Fisheries Production Promotion Fund
AREA	Agricultural Research and Extension Authority
CACB	Cooperative and Agricultural Credit Bank
COSOP	Country Strategic Opportunities Paper
GAO	Governorate Agriculture Office
GARWS	General Authority for Rural Water Supply
GIS	Geographical Information System
MAI	Ministry of Agriculture and Irrigation
MMU	Multi-Media Unit
M&E	Monitoring and Evaluation
PMU	Project Management Unit
RIMS	Results and Impact Measurement System
RWSSP	Rural Water Supply and Sanitation Project
SFD	Social Fund for Development

**GOVERNMENT OF THE REPUBLIC OF YEMEN**  
**Fiscal Year**

1 January – 31 December

**MAP 1: IFAD OPERATIONS IN YEMEN**

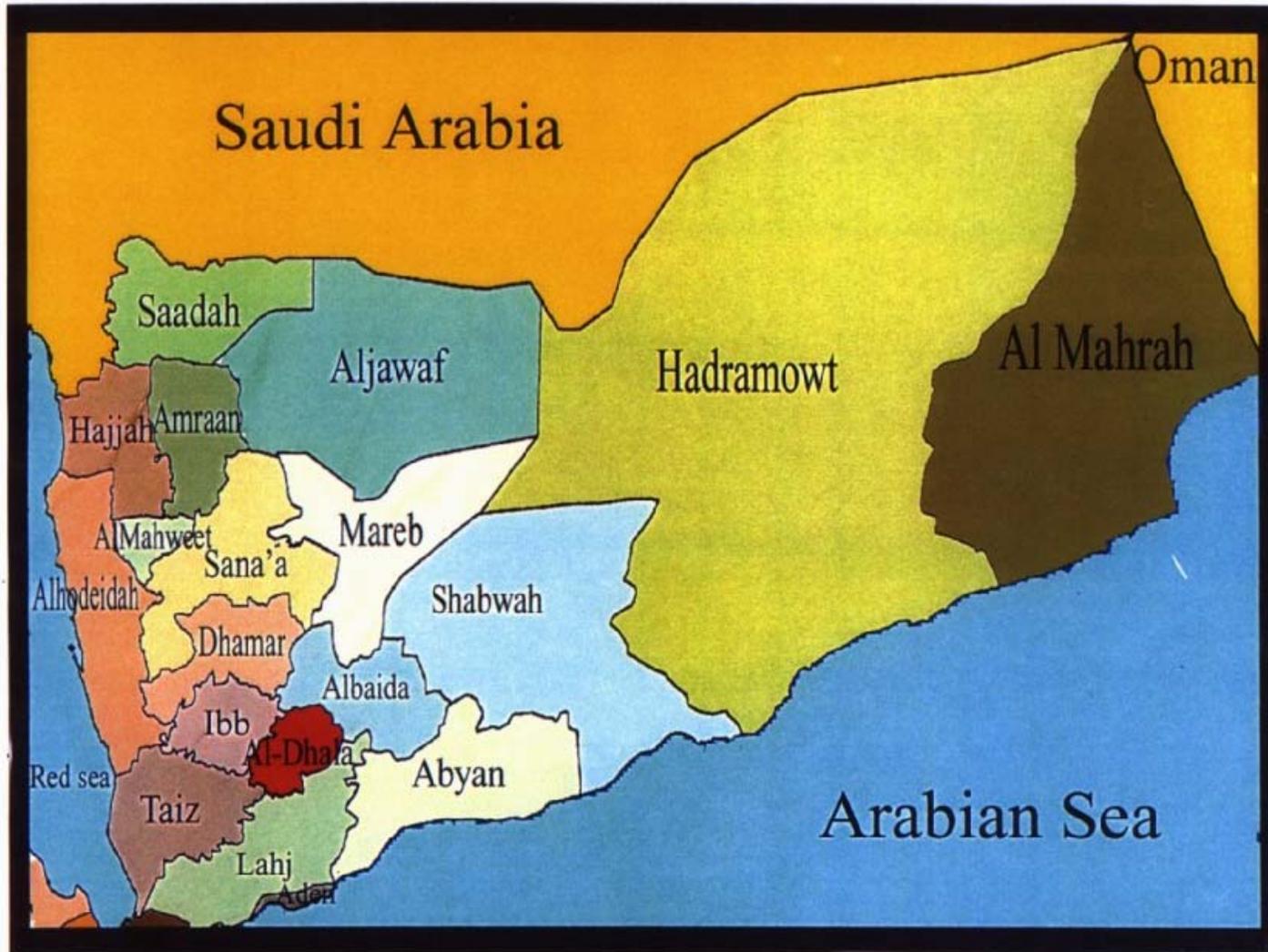


The designations employed, boundaries and presentation on this map do not imply on the part of IFAD any judgment on the legal status of any territory.

**Source:** IFAD

The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.

MAP 2: PROJECT AREA



Source: IFAD

*The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.*

**REPUBLIC OF YEMEN**

**AL-DHALA COMMUNITY RESOURCE MANAGEMENT PROJECT**

**LOAN SUMMARY**

<b>INITIATING INSTITUTION:</b>	IFAD
<b>BORROWER:</b>	Republic of Yemen
<b>EXECUTING AGENCY:</b>	Ministry of Agriculture and Irrigation (MAI)
<b>TOTAL PROJECT COST:</b>	USD 22.79 million
<b>AMOUNT OF IFAD LOAN:</b>	SDR 9.8 million (equivalent to approximately USD 14.35 million)
<b>TERMS OF IFAD LOAN:</b>	40 years, including a grace period of ten years, with a service charge of three fourths of one per cent (0.75%) per annum
<b>CONTRIBUTION OF BORROWER:</b>	USD 3.06 million from budgetary allocation USD 0.59 million from the Agriculture and Fisheries Production Promotion Fund (AFPPF) USD 0.25 million from the Cooperative and Agricultural Credit Bank (CACB)
<b>CONTRIBUTION OF BENEFICIARIES:</b>	USD 4.54 million
<b>APPRAISING INSTITUTION:</b>	IFAD
<b>COOPERATING INSTITUTION:</b>	World Bank

## PROJECT BRIEF

**Who are the beneficiaries?** The target group will primarily comprise households below the poverty line. Overall, these are estimated to represent about 30% of the rural population in the Governorate of Al-Dhala, numbering about 30 000 households living in about 100 village units in nine districts (a village unit is approximately 300 households). These are located principally in the poorer, more remote communities.

**Why are they poor?** The endemic poverty of Yemen stems primarily from a limited natural resource base and high population growth. It is exacerbated by: ownership biased in favour of large holdings and the over-exploitation of key natural resources, specifically land and water, by a few better-off sectors of society; poor development of human resources; reduction in food subsidies; contraction of employment opportunities, particularly in the public sector; and inadequacy of infrastructure, facilities and services.

**What will the project do for them?** The overall goal is to provide sustainable and equitable growth in rural living standards and greater livelihood security to economically vulnerable households in Al-Dhala through better management of the resource base, leading to enhanced income-generating opportunities. The specific objectives are to: (i) provide access to water and protect and restore the natural resource base; (ii) equip and support farming households in enhancing output of agricultural and livestock products and in pursuing other income-raising opportunities; and (iii) empower communities, including women and the poor, to participate in and benefit from community-based planning and implementation and to develop institutional capacity to support them in their endeavours.

**How will beneficiaries participate in the project?** The core concern of the project is achieving sustainability by fostering self-reliance and promoting community ownership of the development process. This will be achieved through: building the capacity of communities to plan, manage, implement and monitor their own development activities; ensuring that all members of the community, including women, are involved in decision-making; and building community institutions capable of sustaining the project's development initiatives and maintaining the development momentum, through their own initiative, beyond the life of the project. Greater prominence will be given to women's development by ensuring that women are an integral part of all decision-making processes within the community, while addressing their specific needs and interests.

**Size of the project and cofinancing.** The total cost of the project, over eight years, is estimated at USD 22.79 million. The proposed IFAD loan of USD 14.35 million will finance 63% of total project costs. The Government of the Republic of Yemen will contribute USD 3.06 million (13%), with the Cooperative and Agricultural Credit Bank (CACB) additionally contributing USD 248 000 (1%) to the credit line and the Agriculture and Fisheries Production Promotion Fund (AFPPF) contributing USD 594 000 (3%) to irrigation infrastructure. The beneficiary communities will contribute USD 4.54 million (20%) to total project costs, through voluntary labour contributions and local materials for drinking-water and small land- and water-development infrastructure, and through the equity contributions and savings of community-association members with the community credit funds.



**REPORT AND RECOMMENDATION OF THE PRESIDENT OF IFAD  
TO THE EXECUTIVE BOARD ON A PROPOSED LOAN TO THE  
REPUBLIC OF YEMEN  
FOR THE  
AL-DHALA COMMUNITY RESOURCE MANAGEMENT PROJECT**

I submit the following Report and Recommendation on a proposed loan to the Republic of Yemen for SDR 9.8 million (equivalent to approximately USD 14.35 million) on highly concessional terms to help finance the Al-Dhala Community Resource Management Project. The loan will have a term of 40 years, including a grace period of ten years, with a service charge of three fourths of one percent (0.75%) per annum. It will be administered by the World Bank as IFAD's cooperating institution.

**PART I – THE ECONOMY, SECTORAL CONTEXT AND IFAD STRATEGY<sup>1</sup>**

**A. The Economy and Agricultural Sector**

1. The Republic of Yemen is classified as both a least developed country and a food-deficit country. It is among the world's poorest, measured not only by its per capita gross domestic product (GDP), which decreased from USD 525 in 1990 to USD 450 in 2001, but also by its position in the same year in the Human Development Index (HDI) and Human Poverty Index (HPI). In these, Yemen was ranked 133<sup>rd</sup> out of 162 countries and 70<sup>th</sup> out of 90 developing countries respectively. Yemen also fares poorly on most measures of quality of life – 52% of children under five are stunted; less than 20% of the rural population has access to an active health facility; infant mortality is high, at 76 per 1 000 births; maternal mortality is among the highest in the world, at 1 400 per 100 000 births; and the average literacy rate for rural women is 15%.

2. The Government has been able to arrest the serious decline in economic conditions experienced after unification through a series of bold economic and political reforms to address economic imbalances and promote democracy. Real GDP growth averaged almost 5% per annum from 1996 to 2001. However, the economy remains highly dependent on oil and vulnerable to its international price fluctuations.

3. Yemen is a predominantly rural country where agriculture remains important, providing 58% of employment, although it accounts for only 15% of GDP, down from 30% in the 1990s as a consequence of the increasing importance of oil. Agricultural-sector growth averaged only 2% per year during the late 1990s – well below population growth. Food availability is highly dependent on imports, which account for 78% of cereal supply despite 81% of the cultivated land being planted to cereals.

4. Yemen's agriculture remained overwhelmingly traditional until the 1960s. Following the oil boom in the 1970s, the sector grew rapidly in the 1970s-1980s and changed structurally under the influence of considerable investment, market expansion and protectionist policies. The sector today is characterized by: a generally market-oriented agriculture; widespread groundwater irrigation that has brought self-sufficiency in fruit and vegetables (helped by an import ban), but which is subject to growing water constraints; explosion of *qat* (or khat: *Catha edulis*) cultivation to cover one tenth of prime farm land; heavy dependence on imported cereals, paralleled by marginalization of the cereals

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<sup>1</sup> See Appendix I for additional information.

economy, reduction in the cereal cultivation area and consequent deterioration of watersheds and terraces; stagnation in the traditional livestock economy; absence of any recent productivity breakthrough and generally not-very-advanced levels of husbandry and productivity<sup>2</sup>; and quite weak linkages to industry, with an inward-looking orientation and very limited exports.

5. The efficiency of smallholder livestock production can be increased significantly through the adoption of known technologies such as mineral supplements, control of production diseases, improved animal housing and introduction of better fodder plants. With the country's high population growth, the domestic market for agricultural produce is large and fast-growing, and demand is likely to move to higher-value foods as urbanization continues and incomes gradually rise. Given the natural-resource constraint, Yemen's comparative advantage lies in high-value produce. Yemen's best export opportunities are in niche markets – original mocha coffee, frankincense, saffron, myrrh, and eventually agro-/ecotourism, etc.

### **B. Lessons Learned from Previous IFAD Experience**

6. The lessons learned from IFAD's portfolio of 16 projects in Yemen that are relevant to the design and implementation of the present project are: (i) the poor can be most easily and assuredly reached by focusing on traditional rainfed and crop/livestock mixed systems or sharecropping, as these are the systems in which the poor are overwhelmingly engaged; (ii) gender issues have to be approached very cautiously and sensitively in view of the cultural traditions of communities, and gender sensitivity must be applied to the provision of extension, training and services by deploying women staff to ensure that women in the community are effectively contacted and engaged in project activities. It is also necessary to overcome problems of gender discrimination within project management by ensuring that women staff are provided with autonomy in access to vehicles, equipment, etc.; (iii) the calibre of project staff and the incentives provided for staff to perform well are central to achieving good project implementation, and the appointment of good staff is paramount in overcoming the institutional constraints and general weak management capability within the Ministry of Agriculture and Irrigation (MAI) – and must be backed by high-quality staff training, particularly in management; (iv) access of the poor to credit is essential to the adoption of improved technologies and practices that enhance productivity and income, thus the project needs to continue to seek a successful formula for microfinance in Yemen and to work with the Cooperative and Agricultural Credit Bank (CACB) to encourage its interest in and support of microfinance; (v) given the limited resource base, agriculture alone cannot meet the needs of rural households, and the poor in particular are heavily dependent on other sources of income besides farming for their livelihood; projects need to help the poor obtain greater income from and security of off-farm employment through enhancing their skills; and (vi) implementation is improved where interventions have the involvement and commitment of target groups and benefit them directly.

7. IFAD's approach to future project design in Yemen should gradually shift to a programme approach, concentrating on national programmes with the potential to improve the quality of life of the rural poor and to improve productivity, income and access to investment and working capital. Examples of these would be national programmes for rural infrastructure (access roads and water supply), participatory rural finance (establishment of credit unions or savings and credit cooperatives) and rural income improvement initiatives to promote small enterprise in the rural economy. This innovative approach should be facilitated by the IFAD field presence in the country, which will be launched by January 2005.

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<sup>2</sup> Yields in Yemen are typically half those of comparable environments in other countries.

### C. IFAD's Strategy for Collaboration with the Republic of Yemen

#### Yemen's Policy for Poverty Eradication

8. In accordance with IFAD's strategy as expressed in the Republic of Yemen Country Strategic Opportunities Paper (COSOP), the project is in harmony with the Government's development policies and priorities. Recurring themes in the latter are the devolving of greater responsibility to the people in development initiatives, building the necessary human capacity to support this and enhancing equity. Thus the Government's poverty-reduction strategy paper emphasizes enhancing the capacities and increasing the assets of the poor, developing human resources and social capital, enhancing equity, improving infrastructure and supporting community programmes based on participation in and contribution of the people to the preparation and implementation of local projects. The recently adopted policy of decentralization seeks to devolve responsibility for planning and execution of projects to the local level, and to activate the role of local citizens and expand their participation in development. The Aden Agenda, which outlines the policy for the restructuring of MAI, similarly emphasizes limiting the role of the public sector in agriculture and supporting the entry of community and private organizations in a demand-driven approach to the provision of services. Government policy recognizes the need to improve gender balance through changing traditional social views of women as inferior and working towards giving women their proper place as effective and equal partners with men in terms of rights and responsibilities.

#### The Poverty-Eradication Activities of Other Major Donors

9. **World Bank Groundwater and Soil-Conservation Project (GWSCP).** The second phase of the project includes the Governorate of Al-Dhala. The main focus is to tackle the current over-exploitation of groundwater. The project will fund improvements in water-conveyance systems, particularly the promotion of water-conserving systems such as drip irrigation, spate-irrigation improvements and various water-harvesting and soil-conservation activities, including protection of the seasonal watercourses called wadis. As a result, the IFAD-funded project will not implement certain activities central to GWSCP, such as spate irrigation and wadi protection, in order to avoid duplication and overlap, and will seek coordination with the World Bank project.

10. **Social Fund for Development (SFD).** SFD has implemented or approved 50 infrastructure projects in Al-Dhala, mainly schools, but also seven water-harvesting projects plus one for spring development for drinking water and two road-improvement projects.

11. **Public Works Project (PWP).** PWP has implemented water-supply systems in rural areas in the form of water-harvesting structures (birkas, or open reservoirs, and covered cisterns) as part of its wider infrastructure programme.

12. **Rural Water-Supply and Sanitation Project (RWSSP).** RWSSP will begin implementation in Al-Dhala in 2004. Its main focus is the development of groundwater through mechanized, piped supply schemes, although it has a mandate to implement all types of water-supply schemes.

13. **General Authority for Rural Water-Supply (GARWS) Project.** GARWS is similarly implementing mainly mechanized, piped water-supply schemes, although, like RWSSP, it has a mandate for all types of water supply schemes.

14. **French coffee-sector support.** The French Government, under its food-aid assistance programme, is assigning to MAI part of the counterpart funds in order to support the development of the coffee sector. It is interested in collaborating with the project to promote such development, and will seek to fund a parallel initiative that will complement the IFAD project by focusing on coffee processing, marketing and quality control, as well as by providing follow-up assistance to production and water management.

15. **GTZ/IDAS<sup>3</sup> project.** GTZ is currently administering an IDAS project, Promotion of Self-Help in Rural Areas, that builds the capacity of community organizations to prioritize and plan their development. It also assists them in preparing feasibility studies for microprojects in drinking-water supply, irrigation, etc. to submit to various funding agencies for assistance. GTZ has recently launched IDAS 3 in Al-Dhala, which will last 3-5 years and support about 20 communities per year.

### **IFAD's Strategy in Yemen**

16. The main thrusts of the project reflect IFAD's own strategy and policy framework. The project design responds to the COSOP by giving equal weight to activities to enhance the incomes of the poor and to improve their access to basic infrastructure, particularly water. It ensures sustainability through a participatory approach to planning and implementation that focuses on generating ownership of project activities in marginalized communities in upland areas. It emphasizes, and makes provision for, involving women as equal partners in the development process, supporting IFAD's policy for the promotion of gender equity and women's empowerment. The project also promotes the development of a sustainable, community-managed microfinance system linked to the formal financial system. Through the project, IFAD remains one of the few donors providing significant support to implementing the Government's policies for agricultural development, as the majority of donors are now focusing their support on the health and education sectors. On water issues, which are a key concern of the Government, the project is in harmony with the efforts of other donors such as the World Bank to support the government concern for promoting sustainable utilization of water (through expansion of water harvesting, improving traditional irrigation and introducing modern irrigation to raise the efficiency of water use) and to begin to address the problem of water depletion, caused largely by *qat* cultivation, through demonstrating the potential profitability of alternative crops. The project stresses water harvesting for both human consumption and irrigation, promotes saving of scarce water resources through demonstrations of improved water use, and seeks to help farmers raise the productivity of other cash crops such as coffee, fruit and vegetables, which can potentially compete with *qat* cultivation.

17. In line with the COSOP, the project design also emphasizes developing synergies and collaboration with other donor-funded projects. Thus the project will not finance certain land- and water-management structures such as spate irrigation and wadi protection, which, as mentioned, are key elements of the World Bank project, nor mechanized drinking-water supply schemes, which are the main focus of RWSSP and GARWS. Similarly, discussions are ongoing regarding collaboration with the GTZ/IDAS project on community capacity-building.

### **Project Rationale**

18. Al-Dhala has never attracted substantial aid or investment, and the communities feel neglected. The natural resource base is poor, exacerbated by low and erratic rainfall and recurrent droughts, resulting in a high rate of poverty. With low-productivity crop and livestock production, income from agriculture is insufficient to sustain families, but other sources of income from remittances and wage labour have become increasingly unstable and insecure, forcing people to look again to agriculture. These livelihoods are not inherently unviable, but they suffer from lack of management of the natural resource base. There is clear potential for improving agricultural and livestock productivity through the application of relatively simple, known techniques, and through halting and reversing the accelerating trend of resource degradation through participatory initiatives in natural resource management. The major impediments are lack of knowledge and support services, and inadequate financial resources.

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<sup>3</sup> German Agency for Technical Cooperation (GTZ) and Innovation Development in the Agricultural Sector (IDAS).

## PART II - THE PROJECT

### A. Project Area and Target Group

19. Al-Dhala is divided into four distinct topographical zones: (i) the central montane plains – an elevated plateau at an altitude of about 2 500 m where some 75% of the 34 000 ha of irrigated land are to be found; (ii) the western mountains, characterized by highly dissected, rugged mountain terrain with elevations ranging from 1 500 to 2 900 m and with agriculture limited to narrow terraces and small plots in narrow valleys, with some irrigation; (iii) semi-tropical wadis and terraces in the far west of the governorate at elevations above 200 m, leading down to the Tihama plains and the Red Sea coast; and (iv) arid eastern highlands, comprising less rugged mountain terrain with elevations of around 2 300-2 500 m, and characterized by mainly pastoral activities on communal rangeland and limited crop cultivation in pockets in the foothills, where rainfall runoff from the rocky slopes can be channelled onto small areas of soil.

20. The target group will principally comprise a mix of small farmers/livestock owners on rainfed land and landless livestock owners. Special emphasis will be given to women and in particular to *de jure* and *de facto* woman-headed households. Target-group households typically consist of extended families of two to three nuclear families, each with six to seven persons. Adult illiteracy ranges from 20-50% for men and 90-100% for women. Available land and livestock resources vary among communities but are limited. A typical upland small farmer in the target group will own and cultivate 0.13-0.7 ha of crop land, all of it rainfed, and although fairly fertile, the cultivation of principally sorghum only meets the family's requirements for two to three months. Livestock ownership is typically one cow per family and up to ten small ruminants. The poorest families 'sharecrop' a cow, receiving all or part of the milk and half the offspring in return for its maintenance. Apiculture was very important in the past, but the number of households engaging in this activity has declined due to disease problems.

### B. Objectives and Scope

21. The overall goal of the project is to enhance family food security for subsistence farmers, raise family incomes and improve the living conditions and development participation of small farm households and village communities in Al-Dhala. To achieve this, the project will: (i) empower communities, including women and the poor, to mobilize and organize themselves to participate in and gain direct benefit from development planning and project execution; and (ii) remove critical physical- and social-infrastructure and social constraints on productivity and advancement; and (iii) equip farm households to enhance output, and support them in doing so, in order to secure basic food supply, produce marketable surpluses and pursue income-raising opportunities.

### C. Components

22. Project investment will be organized around five principal components:

- **Land and water resources management:** (i) **drinking-water supply** through the construction of covered cisterns and other surface water schemes identified by the communities; and (ii) **land- and water-management structures** within community-identified, small surface-water irrigation schemes (water-harvesting structures, on-farm storage tanks, small dams for direct use for irrigation) where crops other than *qat* will be grown, and soil conservation measures, particularly terrace rehabilitation and catchment-area protection for existing dams.
- **Agriculture and livelihood development:** (i) **livestock and range management** by means of: improved access to veterinary care through training of village animal-health workers, establishment of private veterinary practices and vaccination campaigns; enhanced livestock productivity through better animal-husbandry practices and feed regimes and genetic

improvement; and range management through strengthening and replicating traditional range-management practices, reseeded of the rangeland and establishment of protected range areas to provide germplasm of threatened species; (ii) **apiculture development** through the introduction of modern hives and improved honey-processing techniques; (iii) **crop production** focusing on on-farm adaptive research for rainfed and irrigated crops, involving testing of drought-tolerant varieties of cereals for rainfed farming, and technology transfer through demonstration programmes (including on-farm water management with drip/bubbler irrigation for coffee production) and training of village crop extension leaders within the communities; (iv) **community-based microfinance facilities** through community credit funds established with initial share capital raised in the community, matched by funds from the project as a grant, with additional resources sourced through a bulk loan from CACB to in turn provide loans to members, with priority on the credit requirements of poor households and women; and (v) **non-farm employment** through provision of vocational training in a range of skills.

- **Community development:** (i) **capacity-building of communities** to enable them to: prioritize their development needs through a participatory planning process – both as individual households and as communities – and compile community action plans; and strengthen their capabilities, individually and communally, to manage their own development and assist them in establishing community associations capable of accessing resources from outside the project in order to continue their development; and (ii) **strengthening women’s development capacity** through the provision of literacy and life-skills training and promotion of new technology, including labour-saving tools and nutrition gardens.
- **Development initiatives facility:** through this facility the project will provide additional funding for those successful activities for which there is high demand from the communities and for new activities identified as feasible and attractive in the course of project implementation.
- **Institutional support and project management:** (i) **institutional support** to the restructuring of the Governorate Agricultural Office through provision of technical assistance for organizational development, funding of office buildings and equipment and staff training; and (ii) **project management** through funding management staff and operating costs.

23. The project will adopt a flexible, process-oriented, demand-driven approach in which the communities determine their priority activities and the resources needed for their effective implementation.

#### **D. Costs and Financing**

24. The total cost of the project, over eight years, is estimated at USD 22.79 million. The proposed IFAD loan of USD 14.35 million will finance 63% of total project costs. The Government of Yemen will contribute USD 3.06 million (13%), with CACB additionally contributing USD 248 000 (1%) to the credit line and AFPPF contributing USD 594 000 (3%) to irrigation infrastructure. The beneficiary communities will contribute USD 4.54 million (20%) to total project costs through voluntary labour contributions and local materials for drinking-water and small land- and water-development infrastructure and through the equity contributions and savings of community-association members with the community credit funds.

**TABLE 1: SUMMARY OF PROJECT COSTS<sup>a</sup>**  
(USD '000)

Component	Local	Foreign	Total	% of Foreign Exchange	% of Total Base Costs
<b>A. Land and water resources management</b>	5 895	2 170	8 065	27	40
<b>B. Agriculture and livelihood development</b>					
Livestock and range management	1 443	807	2 250	36	11
Apiculture development	352	272	624	44	3
Crop production	509	217	726	30	4
Community-based microfinance facilities	3 268	179	3 447	5	17
Non-farm employment	95	5	100	5	1
<b>Subtotal agriculture and livelihood development</b>	<b>5 667</b>	<b>1 479</b>	<b>7 146</b>	<b>21</b>	<b>36</b>
<b>C. Community development</b>					
Capacity-building of communities	357	631	988	64	5
Strengthening women's development capacity	625	196	821	24	4
<b>Subtotal community development</b>	<b>982</b>	<b>826</b>	<b>1 809</b>	<b>46</b>	<b>9</b>
<b>D. Development initiatives facility</b>	<b>400</b>	<b>-</b>	<b>400</b>	<b>-</b>	<b>2</b>
<b>E. Institutional support and project management</b>					
Institutional support	423	218	640	34	3
Project management	1 308	567	1 875	30	9
<b>Subtotal institutional support and project management</b>	<b>1 730</b>	<b>784</b>	<b>2 515</b>	<b>31</b>	<b>13</b>
<b>Total base costs</b>	<b>14 675</b>	<b>5 260</b>	<b>19 935</b>	<b>26</b>	<b>100</b>
Physical contingencies	452	184	636	29	3
Price contingencies	1 614	609	2 223	27	11
<b>Total projects costs</b>	<b>16 741</b>	<b>6 053</b>	<b>22 794</b>	<b>27</b>	<b>114</b>

<sup>a</sup> Discrepancies in totals are due to rounding.

**TABLE 2: FINANCING PLAN<sup>a</sup>**  
(USD '000)

Component	IFAD		AFPPF		CACB		Beneficiaries		Government		Total		For. Exch.	Local (Excl. Taxes)	Duties and Taxes
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%			
<b>A. Land and water resources management</b>	5 474	56.5	594	6.1	-	-	3 065	31.6	559	5.8	9 692	42.5	2 605	6 758	329
<b>B. Agriculture and livelihood development</b>															
Livestock and range management	1 912	73.3	-	-	-	-	28	1.1	670	25.7	2 610	11.5	915	1 547	148
Apiculture development	550	78.0	-	-	-	-	-	-	155	22.0	705	3.1	306	357	42
Crop production	569	67.4	-	-	-	-	-	-	276	32.6	845	3.7	252	540	53
Community-based microfinance facilities	1 546	43.9	-	-	248	7.0	1 451	41.2	276	7.8	3 520	15.4	198	3 294	28
Non-farm employment	121	100.0	-	-	-	-	-	-	-	-	121	0.5	6	115	-
<b>Subtotal agriculture and livelihood development</b>	<b>4 698</b>	<b>60.2</b>	<b>-</b>	<b>-</b>	<b>248</b>	<b>3.2</b>	<b>1 478</b>	<b>18.9</b>	<b>1 377</b>	<b>17.6</b>	<b>7 801</b>	<b>34.2</b>	<b>1 677</b>	<b>5 853</b>	<b>271</b>
<b>C. Community development</b>															
Capacity-building of communities	743	68.1	-	-	-	-	-	-	348	31.9	1 090	4.8	683	342	65
Strengthening women's development capacity	795	82.4	-	-	-	-	-	-	170	17.6	965	4.2	218	701	46
<b>Subtotal community development</b>	<b>1 537</b>	<b>74.8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>517</b>	<b>25.2</b>	<b>2 055</b>	<b>9.0</b>	<b>901</b>	<b>1 043</b>	<b>111</b>
<b>D. Development initiatives facility</b>	<b>400</b>	<b>100.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>400</b>	<b>1.8</b>	<b>-</b>	<b>400</b>	<b>-</b>
<b>E. Institutional support and project management</b>															
Institutional support	391	55.3	-	-	-	-	-	-	316	44.7	706	3.1	234	438	34
Project management	1 848	86.4	-	-	-	-	-	-	290	13.6	2 139	9.4	636	1 421	82
<b>Subtotal institutional support and project management</b>	<b>2 239</b>	<b>78.7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>606</b>	<b>21.3</b>	<b>2 845</b>	<b>12.5</b>	<b>870</b>	<b>1 860</b>	<b>116</b>
<b>Total disbursement</b>	<b>14 349</b>	<b>63.0</b>	<b>594</b>	<b>2.6</b>	<b>248</b>	<b>1.1</b>	<b>4 544</b>	<b>19.9</b>	<b>3 059</b>	<b>13.4</b>	<b>22 794</b>	<b>100.0</b>	<b>6 053</b>	<b>15 914</b>	<b>827</b>

<sup>a</sup> Discrepancies in totals are due to rounding.

### **E. Procurement, Disbursement, Accounts and Audit**

25. Procurement of goods and services financed by the IFAD loan will be in accordance with IFAD procurement guidelines. The major procurement categories for the project are civil works, vehicles, training and technical assistance. Procurement of equipment and materials will be bulked to the extent possible to take advantage of discounts.

26. **Civil works.** All infrastructure works for drinking-water supply will be carried out by SFD, whose procurement procedures have been established by the World Bank in agreement with all donors financing similar activities. To the extent possible, SFD relies on labour-intensive, participatory approaches in which responsibility is delegated to the beneficiaries, who will be responsible for engaging skilled labour and hiring machinery as required, in accordance with SFD/project management unit (PMU) guidelines and with SFD/PMU approval.

27. For community-implemented infrastructure schemes, procurement of skilled labour and/or equipment and transport services will be done through a simplified local competitive bidding process for contracts up to USD 5 000. Contractors for irrigation infrastructure such as earth dams (40 000-100 000 m) costing USD 50 000 or less will be selected by the PMU through local shopping procedures, with quotations from at least three contractors. Works costing above this amount will be contracted following standard local competitive bidding. Sufficient sources exist within the project area to allow local shopping and local competitive bidding.

28. **Vehicles and equipment.** Vehicles will be procured through international competitive bidding procedures and will be grouped into lots exceeding USD 100 000. Equipment will be procured through local competitive bidding for amounts from USD 20 000 to USD 100 000, and through local shopping for amounts below USD 20 000.

29. **Training and technical assistance.** All training-service consultancies and technical assistance will be procured following IFAD procurement guidelines. All things being equal, preference for training services in agricultural project management will be given to NENAMTA, the IFAD-financed regional programme.

30. **Review process.** Contracts for goods and civil works estimated at USD 100 000 or above will be subject to prior review by the cooperating institution. Contracts below this amount will be subject to post review on a selective basis.

#### **Accounts and Audit**

31. **Accounts.** Separate accounts and records will be kept by the PMU and all implementing agencies – CACB, SFD and the Agricultural Research and Extension Authority (AREA). SFD and CACB will submit quarterly financial statements on expenditures to enable the accounts for the entire project to be consolidated by the PMU. The latter will submit six-monthly and annual consolidated financial records and financial reports to the Government, IFAD and the cooperating institution, in a format acceptable to IFAD, not later than three months after the end of the reporting period.

32. **Audit.** Project accounts will be audited annually by an independent auditor appointed in accordance with IFAD's audit guidelines. The audited accounts will be submitted to the Government and IFAD not later than six months after the end of the financial year. SFD, AREA and CACB will submit separate annual audit reports covering project expenditures to the Government and IFAD.

## F. Organization and Management

33. MAI will be the executing agency for the project. In support of the decentralization process and in the interests of sustainability, the ultimate objective will be to implement the project through the Governorate Agriculture Office (GAO). However, in view of the present weaknesses of GAO, this intention cannot be realized until GAO has been restructured within the overall restructuring of the ministry. In the interim, the project will be implemented under temporary arrangements by the PMU, which at the appropriate time will be merged with GAO. The core activities in community development, land and water management and agricultural development will be implemented directly by project management through social and technical mobilization teams at the field level, supported by a technical support team at the governorate level. Other components will be implemented through the contracting of competent specialized agencies. Thus SFD will be responsible for implementing the drinking-water component, the Adult Literacy Organization will be contracted to implement the literacy and life-skills programme, and AREA will be contracted to implement the adaptive research programmes for crops, apiculture and rangeland management.

34. A project steering committee will guide project implementation, and a district project coordination committee will be established in each district to facilitate coordination between the project and the decentralization process.

35. **Results and impact-measurement system (RIMS).** During the process of project design, the framework for a Geographical Information System (GIS)-based RIMS has been developed. This system enables data on various aspects of the project communities, activities and outcomes to be linked or overlaid and presented in graphical form for ease of comprehension. The GIS system will provide project management with a number of key management tools, i.e. a database, selection tools for project communities, planning tools for identifying potential development activities for project villages, performance monitoring tools, and impact evaluation tools indicating the impact of project activities on key indicators. The project provides for an additional three months' involvement by the GIS specialist (two months in project year (PY)1 and one in PY2) to finalize the system and train staff and to review its implementation after one year. In addition, the project will contract a monitoring and evaluation (M&E) specialist for two months to design the overall RIMS.

## G. Economic Justification

36. **Impact on household incomes.** Approximately 15 600 households will benefit from increased incomes and livelihood security and improvements in overall living conditions. Women will be major beneficiaries from the project through improved access to drinking water, literacy, skills training and access to credit. The impact of the project at the household level is based on a number of partial farm models<sup>4</sup> representing typical landless herder families and mixed small-farm households, with an average farm holding of 0.5 ha for rainfed farmers and 0.33 ha for irrigated farmers. These models indicate that net farm incomes, averaged over good and drought years, are estimated to increase by: 35-330% for landless livestock herders adopting a combination of activities ranging from improved livestock herding to improved beekeeping; 37% to 244% for a mixed group practicing rainfed cultivation; and 114% for farmers using irrigation. The adoption of improved beekeeping is the activity most able to give a significant boost to income. Nevertheless, although these represent significant increases, they are not by themselves adequate to bring small-farm households above the poverty line, indicating that families need to continue to engage in a multiplicity of activities and to focus on raising the productivity of each activity, and expanding the scale wherever possible, in order to have a significant impact on poverty. In this they continue to be constrained by the limitations of the resource base. Coffee production is the one crop that provides significant income with 0.1 ha –

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<sup>4</sup> These are partial models because no attempt was made to quantify other sources of income.

providing an income at the poverty-line. The economic internal rate of return is 17.4%, decreasing to 16.0% with a 10% increase in costs and to 15% with a 10% decrease in benefits.

37. **Gender.** The project is proactive in its support for women, and project interventions will have a significant impact in improving the overall well-being and living conditions of women, as well as in contributing to raising the profile of women in the household and the community. The drudgery of domestic tasks will be reduced through improved access to water, fodder and fuelwood and to labour-saving tools, freeing women's time for more productive uses. Many women will be trained as village animal-health workers, village livestock extension leaders and village crop extension leaders, and this and their appointment as trial/demonstration farmers will give them recognition in the community. The training of a few young women as veterinary assistants will be a major step forward, signalling acceptance on the part of some families of new opportunities for young women and establishing valuable role models. The community credit funds will assist women in accessing previously unavailable financial support for income-generating activities and, through this, in achieving a measure of economic independence.

### H. Risks

38. Major risks include: (i) extended drought or poor rainfall in the early years of project implementation will prejudice the increases in productivity needed to enable households to build up reserves (the project is introducing several ideas – associated with range management and dryland farming – for mitigating such risks); (ii) the ability of communities to revive the imposition of social controls in support of community management of the rangeland is unproven; (iii) the participatory development approaches are highly dependent on the quality of the staff deployed in the field teams and the provision of adequate incentives; (iv) cultural traditions may prejudice the project's attempts to give women a greater voice; (v) a less than wholehearted commitment on the part of project management to pursue the gender agenda and/or inability to recruit sufficient women staff in various catalytic roles could undermine the objective of involving women equally in project activities; and (vi) private veterinarians may not be able to establish profitable businesses, leaving a continued vacuum in the provision of veterinary services, which in turn deters livestock owners from investing in livestock improvements.

### I. Environmental Impact

39. Overall the project is expected to have positive environmental impact and benefits. The livestock and range activities are specifically designed not only to arrest the present rate of degradation, but to restore the natural status of the range. This will be achieved through protection of threatened species for seed collection and propagation, thereby enabling species diversity to be restored, providing increased feed for livestock, while also contributing to a reduction in soil erosion. The accumulation of livestock numbers will be actively discouraged through culling of less productive animals and fattening males off-range through stall-feeding, thereby reducing the numbers of animals using the range. The productivity of existing animals will be maximized through improved husbandry practices, feed availability and genetic improvement. The switch of farmers to more productive landraces of cereals, together with the treatment of crop residues, will increase the quantities and nutritional value of crop by-products and reduce pressure on the rangeland. The overarching participatory approach will provide a forum for engaging communities in an increasing understanding and awareness of environmental issues.

40. Interventions in terrace rehabilitation, watershed management and catchment-area protection – and the associated reforestation – will reduce wadi bed siltation, wadi bank erosion and the erosive effects of run-off, and will provide more grazing resources, fuelwood and forage for bees. The project addresses the issue of water scarcity by focusing on harvesting rainwater to increase drinking-water

supplies for humans and livestock; it stresses the importance of improving rainfed agriculture and supports initiatives to increase the efficient utilization of irrigation water.

41. Accordingly, the Environmental Screening and Scoping Note proposes to classify the project as Category B, given that positive environmental impacts are expected and any potential negative impacts (such as in ensuring safe drinking water) can be avoided through basic mitigation measures.

#### **J. Innovative Features**

42. This project is following the same innovative ideas as were introduced in Yemen in the Dhamar Participatory Rural Development Project, i.e. emphasis on sustainability through fostering self-reliance and promoting community ownership of the development process. Due to the difficulties of getting participatory planning up and running, the project introduces a relatively longer pre-implementation period. Another new feature of this project is its introduction of the GIS-based RIMS. Last but not least – and given the difficulties with formal credit and the slow process of reforming and structuring CACB – the project introduces a pilot activity for setting up a participatory rural finance system with the help of local and international non-governmental organizations. The project will continue to support decentralization and policy dialogue for the restructuring of MAI. The management of the project has been simplified significantly by relying more on outsourcing and contracting specific activities to experienced institutions such as SFD, which will be implementing the infrastructure works for drinking-water supply.

#### **PART III - LEGAL INSTRUMENTS AND AUTHORITY**

43. A loan agreement between the Republic of Yemen and IFAD constitutes the legal instrument for extending the proposed loan to the borrower. A summary of the important supplementary assurances included in the negotiated loan agreement is attached as an annex.

44. The Republic of Yemen is empowered under its laws to borrow from IFAD.

45. I am satisfied that the proposed loan will comply with the Agreement Establishing IFAD.

#### **PART IV - RECOMMENDATION**

46. I recommend that the Executive Board approve the proposed loan in terms of the following resolution:

RESOLVED: that the Fund shall make a loan to the Republic of Yemen in various currencies in an amount equivalent to nine million eight hundred thousand Special Drawing Rights (SDR 9 800 000) to mature on or prior to 1 September 2044 and to bear a service charge of three fourths of one per cent (0.75%) per annum, and to be upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board in this Report and Recommendation of the President.

Lennart Båge  
President



**SUMMARY OF IMPORTANT SUPPLEMENTARY ASSURANCES  
INCLUDED IN THE NEGOTIATED LOAN AGREEMENT**

(Negotiations concluded in Rome on 9 December 2003)

1. **Counterpart contribution.** The Government of the Republic of Yemen (“the Government”) will make available to the PMU during the project implementation period counterpart funds from its own resources in an aggregate amount of approximately USD 3 901 000 (including taxes and duties). For such purpose, the Government will deposit counterpart funds as specified in the annual workplan and budget (AWP/B) into the project account “B” to cover the first project year of project implementation, and will thereafter replenish the project account “B” by depositing the counterpart funds called for in the AWP/B for the relevant project year in advance.
2. **Project accounts.** The PMU will open and maintain in the branch of the central bank of the Government in Al-Dhala, or another bank acceptable to the loan parties, an account denominated in yemeni rials for the day-to-day expenditures (the project account “A”). The PMU will open and maintain in the branch of the central bank of the Government in Al-Dhala, or another bank acceptable to the loan parties, an account denominated in yemeni rials for the day-to-day expenditures (the project account “B”). The project manager will be fully authorized to operate such accounts. The project account “A” will, upon request, be funded and replenished from time to time from resources of the special account in accordance with the AWP/B. The project account “B” will be funded from counterpart funds in accordance with the AWP/B.
3. **Availability of loan proceeds.** The Government will make the proceeds of the loan available to the PMU and each other project party in accordance with the AWP/Bs, the CACB and SFD subsidiary agreements and any other agreement stipulated between the Government and IFAD.
4. **Project implementation manual.** The project implementation manual, as agreed between the parties, has been adopted, substantially in the form approved by IFAD. The project implementation manual will include, among other things, implementation guidelines for each component.
5. **Subsidiary loan agreements.** The Government will transfer loan funds in accordance with the respective subsidiary agreements. It will enter into an agreement with the CACB, which will specify that the Government will transfer available loan proceeds as a loan to the CACB for the microfinance development subcomponent. The Government will enter into an agreement with the SFD, which will specify, that the Government will transfer available loan proceeds as a loan to the SFD for the implementation of the drinking water subcomponent
6. **Additional events of suspension.** IFAD may suspend, in whole or in part, the right of the Government to request withdrawals from the loan account if (i) any of the subsidiary agreements referred to has been violated or has been waived, suspended, terminated, amended or otherwise modified without the prior consent of IFAD, and IFAD has determined that such violation or waiver, suspension, termination, amendment or other modification has had, or is likely to have, a material adverse effect on any portion of the project; (ii) IFAD has determined that the material benefits of the project are not adequately reaching the target group, or are benefiting persons outside the target group to the detriment of target group members; (iii) procurement has not been carried out in accordance with the loan agreement; and (iv) any competent authority has taken any action for the dissolution of the PMU or the suspension of its operations, and IFAD has determined that such action has had, or is likely to have, a material adverse effect on the project.

7. **Conditions precedent to disbursements.** No disbursements will be made from the loan with respect to the drinking water subcomponent and the microfinance development subcomponent until each subsidiary agreement shall have been signed in a form acceptable to IFAD, and a copy has been delivered to IFAD.

8. **Conditions precedent to the effectiveness of the project loan agreement.** The following are the additional conditions precedent to the effectiveness of the project loan agreement:

- (a) the PMU will have been duly established;
- (b) the Project Steering Committee will have been duly established;
- (c) the project manager and the financial manager of the PMU will have been duly appointed and approved by IFAD;
- (d) the Government will have duly opened the project accounts and the special account;
- (e) the loan agreement will have been duly signed, and the signature and performance thereof by the Government will have been duly authorized and ratified by all necessary administrative and governmental action;
- (f) a legal opinion, issued by the Minister for Legal Affairs will have been delivered by the Government to IFAD.

APPENDIX I

COUNTRY DATA  
YEMEN

<b>Land area (km<sup>2</sup> thousand) 2001 1/</b>	528	<b>GNI per capita (USD) 2001 1/</b>	450
<b>Total population (million) 2001 1/</b>	18.05	<b>GDP per capita growth (annual %) 2001 1/</b>	0.0
<b>Population density (people per km<sup>2</sup>) 2001 1/</b>	34	<b>Inflation, consumer prices (annual %) 2001 1/</b>	8 a/
<b>Local currency</b>	Yemeni Rial (YER)	<b>Exchange rate: USD 1.00 =</b>	YER 0.0056
<b>Social Indicators</b>		<b>Economic Indicators</b>	
Population (average annual population growth rate) 1995-2001 1/	2.9	GDP (USD million) 2001 1/	9 276
Crude birth rate (per thousand people) 2001 1/	41	Average annual rate of growth of GDP 1/ 1981-1991	n.a.
Crude death rate (per thousand people) 2001 1/	11	1991-2001	5.9
Infant mortality rate (per thousand live births) 2001 1/	79	Sectoral distribution of GDP 2001 1/	
Life expectancy at birth (years) 2001 1/	57	% agriculture	15
Number of rural poor (million) (approximate) 1/	n/a	% industry	50
Poor as % of total rural population 1/	n/a	% manufacturing	7
Total labour force (million) 2001 1/	5.72	% services	35
Female labour force as % of total 2001 1/	28	Consumption 2001 1/	
<b>Education</b>		General government final consumption expenditure (as % of GDP)	14
School enrolment, primary (% gross) 2001 1/	79 a/	Household final consumption expenditure, etc. (as % of GDP)	65
Adult illiteracy rate (% age 15 and above) 2001 1/	52	Gross domestic savings (as % of GDP)	21
<b>Nutrition</b>		<b>Balance of Payments (USD million)</b>	
Daily calorie supply per capita, 1997 2/	1 970	Merchandise exports 2001 1/	3 205
Malnutrition prevalence, height for age (% of children under 5) 2001 3/	52 a/	Merchandise imports 2001 1/	2 260
Malnutrition prevalence, weight for age (% of children under 5) 2001 3/	46 a/	Balance of merchandise trade	945
<b>Health</b>		Current account balances (USD million)	
Health expenditure, total (as % of GDP) 2001 1/	5 a/	before official transfers 2001 1/	n/a
Physicians (per thousand people) 2001 1/	0 a/	after official transfers 2001 1/	1 107
Population using improved water sources (%) 2000 3/	69	Foreign direct investment, net 2001 1/	n/a
Population with access to essential drugs (%) 1999 3/	50-79	<b>Government Finance</b>	
Population using adequate sanitation facilities (%) 2000 3/	38	Overall budget balance (including grants) (as % of GDP) 2001 1/	-3 a/
<b>Agriculture and Food</b>		Total expenditure (% of GDP) 2001 1/	27 a/
Food imports (% of merchandise imports) 2001 1/	35 a/	Total external debt (USD million) 2001 1/	4 954
Fertilizer consumption (hundreds of grams per ha of arable land) 2000 1/	122	Present value of debt (as % of GNI) 2001 1/	41
Food production index (1989-91=100) 2001 1/	136	Total debt service (% of exports of goods and services) 2001 1/	5
Cereal yield (kg per ha) 2001 1/	1 085	Lending interest rate (%) 2001 1/	18
<b>Land Use</b>		Deposit interest rate (%) 2001 1/	13
Arable land as % of land area 2000 1/	3		
Forest area as % of total land area 2000 1/	1		
Irrigated land as % of cropland 2000 1/	30		

a/ Data are for years or periods other than those specified.

1/ World Bank, *World Development Indicators* database CD ROM 2003

2/ UNDP, *Human Development Report*, 2000

3/ UNDP, *Human Development Report*, 2003

### PREVIOUS IFAD FINANCING IN YEMEN

Project Name	Initiating Institution	Cooperating Institution	Lending Terms	Board Approval	Loan Effectiveness	Current Closing Date	Loan/Grant Acronym	Denominated Currency	Approved Loan/Grant Amount	Disbursement (as % of approved amount)
Tihama Development Project III (Wadi Mawr)	World Bank: IDA	World Bank: IDA	HC	26 Mar 79	29 Feb 80	30 Sep 88	L - I - 13 - YE	SDR	9300000	1
Southern Uplands Rural Development Project Phase II	World Bank: IDA	World Bank: IDA	HC	17 Sep 80	23 Jun 81	31 Dec 85	L - I - 46 - YA	SDR	10600000	1
Agricultural Support Services Project	IFAD	AFESD	HC	05 Dec 80	14 May 81	30 Jun 87	L - I - 60 - YD	SDR	7700000	0.99
Wadi Beihan Agricultural Development Project	World Bank: IDA	World Bank: IDA	HC	08 Sep 81	16 Apr 82	31 Dec 88	L - I - 68 - YD	SDR	4900000	0.99
Agricultural Research and Development Project	World Bank: IDA	World Bank: IDA	HC	15 Sep 82	01 Dec 83	31 Dec 91	L - I - 105 - YA	SDR	5250000	0.93
Third Fisheries Development Project	World Bank: IDA	World Bank: IDA	HC	15 Sep 82	25 Feb 83	30 Jun 89	L - I - 106 - YD	SDR	4450000	1
Central Highlands Agricultural Development Project	World Bank: IDA	World Bank: IDA	HC	12 Sep 84	02 May 85	31 Dec 92	L - I - 156 - YA	SDR	3900000	0.72
Southern Regional Agricultural Development Project	World Bank: IDA	World Bank: IDA	HC	29 Apr 87	03 Jun 88	31 Dec 96	L - I - 202 - YA	SDR	2000000	0.91
Eastern Regional Agricultural Development Project	IFAD	AFESD	HC	15 Sep 88	22 Sep 89	30 Jun 98	L - I - 228 - YD	SDR	8100000	0.89
Agricultural Credit Project	IFAD	AFESD	HC	07 Dec 89	28 Mar 91	30 Dec 98	L - I - 253 - YA	SDR	11750000	1
Fourth Fisheries Development Project	World Bank: IDA	World Bank: IDA	HC	02 Oct 90	07 Aug 92	30 Jun 99	L - I - 269 - YR	SDR	5000000	0.51
Tihama Environment Protection Project	IFAD	UNOPS	HC	07 Apr 93	21 Nov 95	30 Jun 03	L - I - 330 - YR	SDR	7050000	0.99
Southern Governorates Rural Development Project	World Bank: IDA	World Bank: IDA	HC	11 Sep 97	01 Jul 98	31 Dec 05	L - I - 454 - YE	SDR	8150000	0.7
Raymah Area Development Project	IFAD	UNOPS	HC	04 Dec 97	10 Jul 98	30 Jun 06	L - I - 456 - YE	SDR	8750000	0.53
Al-Mahara Rural Development Project	IFAD	UNOPS	HC	09 Dec 99	26 Jul 00	31 Mar 08	L - I - 528 - YE	SDR	8900000	0.3
Dhamar Participating Rural Development Project	IFAD	AFESD	HC	05 Sep 02	18 Jun 04		L - I - 594 - YE	SDR	10900000	

### LOGICAL FRAMEWORK

Goal	Performance Questions and Target Indicators	Monitoring Mechanism and Information Sources	Assumptions
<p>Sustainable and equitable growth in rural living standards and greater livelihood security for economically vulnerable households in Al-Dhala through better management of the resource base, leading to enhanced income-generating opportunities</p>	<p>Performance questions</p> <ul style="list-style-type: none"> <li>• How has the purchasing power and ownership of assets of target-group households changed?</li> <li>• For whom has livelihood security changed and in what ways?</li> <li>• How have interventions affected workloads, role and well-being of different household members (women, men, young, old)?</li> <li>• How equitably have different social and economic groups benefited from the project's interventions?</li> </ul> <p>Target indicators</p> <ul style="list-style-type: none"> <li>• Poverty headcount reduced with rise in household productivity and incomes</li> <li>• Prevalence of chronic malnutrition among children aged less than five years reduced</li> <li>• Equal livelihood improvements for men and women and for woman- and man-headed households</li> </ul>	<ul style="list-style-type: none"> <li>• PMU Management Information System (MIS)</li> <li>• Periodic government socio-economic and poverty studies, health/welfare surveys</li> <li>• Rapid nutrition surveys at benchmark, mid-term and completion evaluations</li> <li>• Project baseline and repeater surveys, farm and community surveys and case studies</li> <li>• Project records of group formation and minutes/reports of their activities</li> </ul>	<ul style="list-style-type: none"> <li>• Macroeconomic policies and political factors favour continued market liberalization and economic growth</li> <li>• Productive capacity of natural resources is not adversely affected by demands of population growth</li> <li>• People and institutions have the capacity to adapt</li> </ul>

## LOGICAL FRAMEWORK (CONTINUED)

Component 1: Land and Water Management										
Component Purpose	Performance Questions	Intended Outputs	Output Indicators	Intended Outcomes	Outcome/Impact Indicators	Monitoring Mechanism	Intended Activities	Key Inputs	Costs	Assumptions
Natural resources (land and water) regenerated and utilized in a sustainable and equitable manner	<ul style="list-style-type: none"> <li>How equitably have different social and economic groups benefited from the project's drinking-water, irrigation and land-management interventions?</li> <li>What measures have been adopted to ensure sustainability of the schemes and how successful have they been? How have women been involved in planning and managing drinking-water schemes and how have they benefited?</li> </ul>	Drinking-water supply enhanced primarily for poor households	<ul style="list-style-type: none"> <li>No. of drinking-water supply schemes implemented</li> <li>No. of households (HH) benefited</li> </ul>	<ul style="list-style-type: none"> <li>Improved health conditions of communities</li> <li>Women's time released for more productive activities</li> <li>Girls' time released to pursue education</li> </ul>	<ul style="list-style-type: none"> <li>Reduction in incidence of diarrhoeal and other diseases</li> <li>Increased involvement of women in income-generating activities</li> <li>Increased enrolment of girls</li> </ul>	<ul style="list-style-type: none"> <li>PMU MIS</li> <li>Periodic impact assessments</li> </ul>	<ul style="list-style-type: none"> <li>Construction of water-supply schemes with community participation</li> <li>Establishment and capacity-building of water users' associations (WUAs)</li> <li>Health-awareness campaigns related to water utilization</li> </ul>	<ul style="list-style-type: none"> <li>Funds for implementing drinking-water schemes</li> <li>Formation of WUAs</li> <li>Training of WUAs in operation &amp; maintenance (O&amp;M) of schemes</li> <li>Training in hygiene and improved water-utilization practices</li> </ul>	USD 7.0 million	<ul style="list-style-type: none"> <li>Community social conscience allows for provision for the poor</li> <li>Communities are willing and able to participate in funding, implementation and O&amp;M</li> </ul>
		New irrigation facilities provided and water utilization improved	<ul style="list-style-type: none"> <li>No. of irrigation facilities implemented</li> <li>Expansion of irrigated area</li> <li>No. of farmers benefited</li> </ul>	<ul style="list-style-type: none"> <li>Enhanced productivity of crops and gross margins</li> <li>Enhanced family incomes</li> <li>Savings in irrigation water, leading to expansion of irrigated area</li> </ul>	<ul style="list-style-type: none"> <li>Changes in cropping patterns</li> <li>Crop diversification</li> <li>Increase in yields</li> <li>Increase in family incomes</li> </ul>	<ul style="list-style-type: none"> <li>PMU MIS</li> <li>Periodic impact assessments</li> </ul>	<ul style="list-style-type: none"> <li>Construction of small-scale, surface irrigation infrastructure</li> <li>Demonstrations of water-saving irrigation techniques for coffee and vegetables</li> </ul>	<ul style="list-style-type: none"> <li>Funds for construction of irrigation infrastructure</li> <li>Formation of WUAs</li> <li>Training of WUAs in O&amp;M</li> <li>Training in improved water management</li> </ul>	USD 1.2 million	<ul style="list-style-type: none"> <li>Sound technical solutions are identified</li> <li>Community solutions to avoid use of irrigation for <i>qat</i> cultivation are found</li> <li>Active involvement by farmer groups is sustained</li> </ul>
		Environmental and conservation groups supported and environmental rehabilitation and protection works implemented, including terrace rehabilitation, catchment-area protection and reforestation	<ul style="list-style-type: none"> <li>No. of community groups formed</li> <li>Lengths/areas of terraces repaired (private and community)</li> <li>Km<sup>2</sup> of catchment areas of dams protected</li> <li>Area of trees planted and maintained (terraces and catchment area)</li> </ul>	<ul style="list-style-type: none"> <li>Reduction in soil erosion</li> <li>Reduction in siltation in dam reservoirs</li> <li>Abandoned terraces restored to productive use</li> </ul>	<ul style="list-style-type: none"> <li>Area of terraces restored to crop cultivation</li> <li>Increase in farm incomes</li> <li>Increase in fodder and fuelwood from terraces and catchment area</li> </ul>	<ul style="list-style-type: none"> <li>PMU MIS</li> <li>Ongoing evaluation of panel of households</li> <li>Community records</li> <li>Periodic impact assessments</li> </ul>	<ul style="list-style-type: none"> <li>Terrace rehabilitation works</li> <li>Construction of soil-conservation structures in catchment area of dams</li> <li>Afforestation in catchment area of dams</li> </ul>	<ul style="list-style-type: none"> <li>Funds for rehabilitation of terraces and for construction of soil-conservation works</li> <li>Funds for purchase of seedlings for afforestation</li> </ul>		<ul style="list-style-type: none"> <li>Communities and individuals are willing to contribute as required to the cost of the investment</li> </ul>

## LOGICAL FRAMEWORK (CONTINUED)

Component 2: Agriculture and Livelihood Development										
Sub-component: Livestock production and veterinary support										
Component Purpose	Performance Questions	Intended Outputs	Output Indicators	Intended Outcomes	Outcome/Impact Indicators	Monitoring Mechanism	Intended Activities	Key Inputs	Costs	Assumptions
Farming households are equipped and supported to enhance output of agricultural and livestock products and to pursue other income-earning opportunities	<ul style="list-style-type: none"> <li>How have the levels of production, diversity and productivity of agriculture changed for project households?</li> <li>What innovations have been recommended, to what extent have they been adopted and to what effect?</li> <li>How have farmer groups and village extension workers influenced the adoption of improved farming practices?</li> <li>In what way has the performance of agricultural research and extension systems changed?</li> <li>How has access of the poor and women to credit improved?</li> </ul>	Appropriate livestock management systems are made available to livestock owners and access to veterinary services is improved	<ul style="list-style-type: none"> <li>No. of village animal-health workers (VAHWs) (men &amp; women) and women veterinary assistants trained and sustained</li> <li>No. of private veterinary practices established and sustained</li> <li>No. of reported disease outbreaks</li> <li>No. of animals vaccinated</li> <li>No. of men &amp; women trained as village livestock extension workers (VLELs)</li> <li>No. of farmers (men &amp; women) participating in demonstrations and livestock improvement programmes</li> <li>No. of farmers adopting improved feeding and livestock management practices</li> <li>No. of farmers implementing selection programme for productive traits (men/women)</li> </ul>	<ul style="list-style-type: none"> <li>Veterinary services are more widely available to farmers</li> <li>Reduction in mortality, particularly of small ruminants, through better disease-control procedures</li> <li>Women have opportunity to train as veterinary assistants</li> <li>Productivity of livestock has increased</li> <li>Communities have ready access to basic technical advice</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable network of veterinary services accessible to farmers</li> <li>% reduction in livestock mortality from epidemic diseases</li> <li>Increase in livestock productivity</li> <li>Farmers more willing to invest in livestock improvements</li> <li>Increased livestock holdings by poor farmers</li> </ul>	<ul style="list-style-type: none"> <li>PMU MIS</li> <li>Periodic impact assessments</li> </ul>	<ul style="list-style-type: none"> <li>Improved access of farmers to veterinary care</li> <li>Support for feed improvement, improved animal-husbandry practices and upgrading of genetic stock to improve livestock productivity</li> </ul>	<ul style="list-style-type: none"> <li>Training of 200 VAHWs and 200 VLELs</li> <li>Establishment of 4 private veterinary practices</li> <li>Establishment of 2 epidemiology units and field laboratory for improved disease control</li> <li>Preventive vaccination campaigns</li> <li>Demonstrations of improved feeding and animal husbandry practices</li> <li>Promotion of improved sire selection and sire exchange</li> <li>Demonstrations of fattening and other income-generating activities, e.g. cheese production</li> <li>Farmer training</li> </ul>	USD 1.7 million	<ul style="list-style-type: none"> <li>Diseases controlled and confidence of livestock owners restored to stimulate interest in investment in livestock improvement</li> <li>Farmers are willing to pay for veterinary services to make private veterinary businesses profitable</li> <li>VAHW services are maintained</li> <li>Sound opportunities exist for income diversification</li> </ul>

### LOGICAL FRAMEWORK (CONTINUED)

Component 2: Agriculture and Livelihood Development (continued)										
Sub-component: Range management										
Component Purpose	Performance Questions	Intended Outputs	Output Indicators	Intended Outcomes	Outcome/Impact Indicators	Monitoring Mechanism	Intended Activities	Key Inputs	Costs	Assumptions
See above	See above	Traditional range-management procedures revived and replicated and degraded areas of rangeland protected and rehabilitated	<ul style="list-style-type: none"> <li>• No. of grazing-management groups adopting improved rangeland management practices and area of rangeland affected (ha)</li> <li>• No. and area of protected range areas established and maintained</li> <li>• Area of rangeland reseeded and replanted</li> </ul>	<ul style="list-style-type: none"> <li>• Increased productivity of rangeland</li> <li>• Increased winter feed reserves</li> <li>• Restored biodiversity and increased biomass output</li> <li>• Protection of threatened species and provision of seed supply for re-establishing biodiversity of rangeland</li> <li>• Accessible supply of seedlings for reforestation</li> </ul>	<ul style="list-style-type: none"> <li>• Increase in rangeland productivity and carrying capacity</li> <li>• Reduction in weight loss of animals due to greater winter feed reserves</li> </ul>	<ul style="list-style-type: none"> <li>• PMU MIS</li> <li>• Periodic impact assessments</li> </ul>	<ul style="list-style-type: none"> <li>• Mapping and surveys of condition of rangeland to define appropriate regeneration strategy</li> <li>• Promotion of improved grazing management systems</li> <li>• Regeneration of degraded areas of rangeland</li> <li>• In-situ germplasm protection for threatened rangeland species</li> </ul>	<ul style="list-style-type: none"> <li>• Contracting of AREA for rangeland surveys and monitoring</li> <li>• Establishment of 30 pilot grazing-management areas</li> <li>• Establishment of 30 protected range areas</li> <li>• Reseeding and replanting of degraded areas of rangeland with indigenous fodder trees, shrubs, herbs and grasses</li> <li>• Establishment of 100 community nurseries</li> <li>• Ten person-months of technical assistance (TA) for livestock and rangeland adviser</li> </ul>	USD 0.6 million	<ul style="list-style-type: none"> <li>• Communities are sufficiently cohesive and disciplined to respect rangeland improvements and reforestation efforts</li> </ul>

**LOGICAL FRAMEWORK (CONTINUED)**

<b>Component 2: Agriculture and Livelihood Development (continued)</b>										
<b>Sub-component: Apiculture development</b>										
<b>Component Purpose</b>	<b>Performance Questions</b>	<b>Intended Outputs</b>	<b>Output Indicators</b>	<b>Intended Outcomes</b>	<b>Outcome/Impact Indicators</b>	<b>Monitoring Mechanism</b>	<b>Intended Activities</b>	<b>Key Inputs</b>	<b>Costs</b>	<b>Assumptions</b>
See above	See above	Modern bee-keeping technology adopted for production, processing and marketing, and management skills of beekeepers improved	<ul style="list-style-type: none"> <li>No. of beekeepers adopting improved hives</li> <li>No. of improved hives in operation</li> <li>No. of queen bees produced/sold for stocking hives</li> <li>Increase in production from improved hives</li> <li>Reduction in disease incidence</li> <li>Quantity of honey processed by Bee-keepers' Association</li> </ul>	<ul style="list-style-type: none"> <li>Apiculture transformed from low-productivity traditional industry to modern industry using improved hives and processing technology</li> <li>Beekeepers have access to high-quality, disease-tolerant, local bees bred for high-production traits</li> <li>Reduction in disease incidence</li> <li>High-quality honey produced due to improved processing and quality-control procedures</li> <li>Exploitation of high-value hive products</li> <li>Significant increase in income from apiculture</li> <li>Bee-keepers Association established as effective support service for bee-keepers</li> </ul>	<ul style="list-style-type: none"> <li>Income of small-scale bee-keepers has increased significantly</li> <li>Quality of honey improved</li> <li>Higher prices obtained due to production of higher-quality honey</li> <li>New markets found</li> </ul>	<ul style="list-style-type: none"> <li>PMU MIS</li> <li>Ongoing evaluation of panel of households</li> <li>Community records</li> <li>Periodic impact assessments</li> </ul>	<ul style="list-style-type: none"> <li>Diagnostic studies for augmenting honey production</li> <li>Disease investigation and control</li> <li>Promotion of improved hive and processing technology</li> <li>Establishment of queen bee rearing to improve quality of bees</li> <li>Establishment of quality-control facilities</li> </ul>	<ul style="list-style-type: none"> <li>Survey of bee flora availability</li> <li>Diagnostic study of production constraints</li> <li>Establishment of disease-control laboratory</li> <li>Introduction of improved hives</li> <li>Establishment of 2 queen bee rearing stations</li> <li>Establishment of modern honey-processing centre, including facilities for processing of high-value hive products, e.g. royal jelly</li> <li>Establishment of quality-control laboratory</li> <li>Establishment of collection centres and development of new markets</li> </ul>	USD 0.6 million	<ul style="list-style-type: none"> <li>Diseases controlled to give beekeepers incentive to invest in improved technology</li> <li>Bee-keepers Association is motivated and competent to take lead in transformation of apiculture into a modern industry</li> <li>Bee-keepers are able to break into new international markets</li> </ul>

**LOGICAL FRAMEWORK (CONTINUED)**

Component 2: Agriculture and Livelihood Development (continued)										
Sub-component: Crop production										
Component Purpose	Performance Questions	Intended Outputs	Output Indicators	Intended Outcomes	Outcome/Impact Indicators	Monitoring Mechanism	Intended Activities	Key Inputs	Costs	Assumptions
See above	See above	Increased incomes for small farmers through adoption of improved technology for rainfed and irrigated crops and a move to higher-value crops such as coffee, protected agriculture and fruit trees	<ul style="list-style-type: none"> <li>No. of village livestock extension leaders (VCEs) trained and serving communities</li> <li>No. of on-farm adaptive research trials</li> <li>No. of crop demonstrations implemented</li> <li>No. of farmers adopting improved crop-husbandry practices and new activities for annual and perennial crops</li> </ul>	<ul style="list-style-type: none"> <li>Productivity of agriculture increased</li> <li>Cereal production made more secure through promotion of drought-tolerant varieties</li> <li>Access to seed of drought-tolerant varieties assured for poor farmers</li> <li>Opportunities identified for diversification into more remunerative crops</li> </ul>	<ul style="list-style-type: none"> <li>Production more secure in drought years</li> <li>Increased production and incomes for small farmers</li> <li>Percentage of farmers adopting improved technologies</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing evaluation of household panel</li> </ul>	<ul style="list-style-type: none"> <li>Participatory on-farm research programme</li> <li>Establishment of community-based technical support structure for farmers</li> <li>Knowledge dissemination of improved varieties and cultural practices</li> <li>Promotion of adoption of high-value crops, e.g. coffee, protected agriculture, etc.</li> <li>Promotion of improved on-farm water management for coffee producers</li> </ul>	<ul style="list-style-type: none"> <li>Training of 200 VCEs</li> <li>Contracting AREA for the execution of on-farm adaptive research trials in collaboration with ICRISAT</li> <li>Demonstrations of improved varieties and cultural practices</li> <li>Demonstrations of improved coffee management and modern on-farm water-management techniques, e.g. drip irrigation</li> <li>Establishment of community-managed seed banks</li> <li>Training of farmers</li> </ul>	USD 0.7 million	<ul style="list-style-type: none"> <li>Sound investment opportunities occur for income diversification</li> </ul>

## LOGICAL FRAMEWORK (CONTINUED)

Component 2: Agriculture and Livelihood Development (continued)										
Sub-component: Microfinance development										
Component Purpose	Performance Questions	Intended Outputs	Output Indicators	Intended Outcomes	Outcome/Impact Indicators	Monitoring Mechanism	Intended Activities	Key Inputs	Costs	Assumptions
See above	See above	Greater access to credit and savings services through innovative financial service-delivery mechanisms linked to sustainable sources of finance	<ul style="list-style-type: none"> <li>No. of community credit funds (CCFs) formed and trained</li> <li>Percentage of CCFs operating successfully</li> <li>Members (men/women) as percentage of eligible community members</li> <li>No. of CCFs linked to CACB</li> <li>No., volume of loans and average size of loans disbursed by CCFs (by purpose, men/women)</li> <li>Portfolio in arrears (purpose, men/women)</li> <li>Portfolio at risk (purpose, men/women)</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable microfinance network established, supplying appropriate financial services to its members</li> <li>CCFs are linked into the mainstream financial system, ensuring continued access to credit</li> </ul>	<ul style="list-style-type: none"> <li>Percentage of poor households that increased their income and wealth</li> <li>Percentage of women that have borrowed and increased their income and wealth</li> <li>Percentage of CCFs operating successfully</li> </ul>	<ul style="list-style-type: none"> <li>PMU MIS</li> <li>Periodic impact assessment</li> </ul>	<ul style="list-style-type: none"> <li>Sensitization of communities to concept of CCFs</li> <li>Recruitment of technical assistance</li> <li>Establishment of CCFs</li> <li>Design of systems to build CCF institutional capacity</li> <li>Capacity-building of CCFs in microfinance management</li> <li>Systematization of working relationship between the project and CACB</li> <li>Linkage of CCFs to CACB</li> </ul>	<ul style="list-style-type: none"> <li>Regional technical assistance in microfinance</li> <li>Funds for technical support</li> <li>Funds for credit line to CACB</li> <li>Start-up support to CCFs</li> <li>Capacity-building of CCFs</li> <li>Support to CACB</li> </ul>	USD 3.4 million	<ul style="list-style-type: none"> <li>Appropriate enabling environment for microfinance established</li> <li>Community commitment to assist the poor and give priority to the poor and women in loan access</li> <li>Community associations (Cas) have ability to understand and implement management system and are committed to following the rules and regulations</li> <li>CACB offers attractive collateral terms</li> <li>CACB able to process loan applications, appraisal, loan delivery and recovery promptly and efficiently</li> </ul>
Sub-component: Non-farm employment										
Farm households equipped and supported to enhance output of agricultural and livestock products and to pursue other income-generating opportunities		Greater access to more secure, remunerative employment, helping to enhance household incomes	<ul style="list-style-type: none"> <li>No. of students (men and women) trained, by skill and by formal courses and apprenticeships</li> <li>No. of students (men and women) completing the training</li> <li>No. of students (men and women) finding employment or self-employment</li> </ul>	<ul style="list-style-type: none"> <li>Trainees are equipped to pursue better income-earning opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Percentage of trainee households that increase their income and wealth</li> <li>Percentage of trainee households finding that income from wage labour is now more secure</li> </ul>	<ul style="list-style-type: none"> <li>PMU MIS</li> <li>Periodic impact assessment</li> </ul>	<ul style="list-style-type: none"> <li>Access to formal courses or apprenticeships to acquire skills in a range of trades</li> </ul>	<ul style="list-style-type: none"> <li>Funding of tuition fees and/or living expenses for students attending vocational training courses or participating in an apprenticeship scheme</li> <li>Funding additional support for women to provide safe accommodation for women students</li> </ul>	USD 0.1 million	<ul style="list-style-type: none"> <li>Sufficient no. of students, particularly women, with requisite educational qualifications can be found</li> <li>Families are willing to allow their daughters to participate in this training</li> <li>Trainees are able to find jobs after training</li> </ul>

**LOGICAL FRAMEWORK (CONTINUED)**

<b>Component 3: Community Development</b>										
<b>Sub-component: Capacity-building of communities</b>										
<b>Component Purpose</b>	<b>Performance Questions</b>	<b>Intended Outputs</b>	<b>Output Indicators</b>	<b>Intended Outcomes</b>	<b>Outcome/Impact Indicators</b>	<b>Monitoring Mechanism</b>	<b>Intended Activities</b>	<b>Key Inputs</b>	<b>Costs</b>	<b>Assumptions</b>
Communities, including women and the poor, empowered to participate in, and gain benefit from, community-based development planning and implementation, and institutional capacity is developed to support them in this process	<ul style="list-style-type: none"> <li>How successful have community associations and farmer/women's groups been in forming partnerships with the poor to formulate and implement development plans?</li> <li>How far have women genuinely been involved in the processes, and what has been the impact on their status in the family and community?</li> <li>How successful have community associations been at becoming self-reliant and able to pursue development initiatives on their own?</li> </ul>	Existing community organizations strengthened and new organizations formed and trained to plan and manage their own development initiatives	<ul style="list-style-type: none"> <li>No. of community associations (CAs), sectoral committees and activity groups (men/women) active, trained and rendered viable</li> <li>No. of officers/members (men/women) trained and proficient</li> <li>No. of community action plans (CAPs) and annual work plans (AWPs) submitted to PMU</li> <li>No. of activities implemented in relation to total activities planned in CAP and AWP</li> <li>No. of women's activities included in AWP and implemented as percentage of total activities</li> </ul>	<ul style="list-style-type: none"> <li>Communities take responsibility and ownership of their own development</li> <li>Communities have acquired planning and management skills</li> <li>Women and the poor are actively involved in decision-making and in implementation and management</li> <li>Increased equity between men and women in development</li> </ul>	<ul style="list-style-type: none"> <li>No. of community initiatives and partnership arrangements with other agencies organized independently of the project</li> <li>Community associations, specific committees and activity groups are managing their affairs effectively</li> <li>Women and the poor are active participants in the management of community affairs</li> </ul>	<ul style="list-style-type: none"> <li>PMU MIS</li> <li>Periodic impact assessments</li> </ul>	<ul style="list-style-type: none"> <li>Strengthening existing CAs and forming new ones</li> <li>Elaboration of CAPs through participatory planning process</li> <li>Capacity-building of CAs, sectoral committees and activity/interest groups for managing implementation of CAPs</li> </ul>	<ul style="list-style-type: none"> <li>Poverty analysis to assist in selection of communities and identification of target group</li> <li>Deployment of community facilitators to mobilize communities</li> <li>Assistance from the Social and Technical Mobilization Team (STMT) members in formulation of CAPs</li> <li>Training of key members of CA executive committee</li> <li>30 person-months of regional gender and development adviser</li> </ul>	USD 1.0 million	<ul style="list-style-type: none"> <li>Community associations willing to develop partnerships with poor and involve poor in decision-making</li> <li>Communities remain committed and support is maintained</li> </ul>

**LOGICAL FRAMEWORK (CONTINUED)**

Component 3: Community Development (continued)										
Sub-component: Strengthening of women's development capacity										
Component Purpose	Performance Questions	Intended Outputs	Output Indicators	Intended Outcomes	Outcome/Impact Indicators	Monitoring Mechanism	Intended Activities	Key Inputs	Costs	Assumptions
		Women are empowered through participation in literacy and life-skills training and involvement in income-generating activities, and their lives are improved through access to new technologies	<ul style="list-style-type: none"> <li>No. of women starting and completing literacy and life-skills training</li> <li>No. of women adopting labour-saving technologies</li> <li>No. of women adopting nutrition-related activities</li> <li>No. of women implementing health recommendations</li> <li>No. of women engaging in income-generating activities</li> </ul>	<ul style="list-style-type: none"> <li>Women participate more fully in planning and management of development activities</li> <li>Women have acquired the necessary literacy and management skills</li> <li>Time and effort spent in routine domestic chores have been reduced</li> <li>Women are more engaged in income-generating activities and have acquired new skills</li> <li>Health and nutrition of families have improved</li> </ul>	<ul style="list-style-type: none"> <li>Women can read and write</li> <li>Women have made progress in participating in community affairs and are occupying decision-making posts and participating actively in development committees</li> <li>More equitable partnerships between men and women have developed at the household level</li> <li>Time saved and reduction in women's drudgery</li> <li>Increased women's skills and knowledge and contribution to household income</li> </ul>	<ul style="list-style-type: none"> <li>PMU MIS</li> <li>Periodic impact assessments</li> <li>CA documents</li> <li>STMT reports</li> </ul>	<ul style="list-style-type: none"> <li>Literacy and life-skills classes for women</li> <li>Development of women's skills for income generation and business management</li> <li>Introduction of labour-saving tools and new technology</li> </ul>	<ul style="list-style-type: none"> <li>Provision of 200 literacy and life-skills courses</li> <li>Development of post-literacy materials</li> <li>Provision of skills and business management training</li> <li>Demonstrations and training in labour-saving appropriate technology</li> <li>Establishment of nutrition gardens</li> <li>Training in health awareness</li> <li>Management training of women's committee members</li> </ul>	USD 0.8 million	<ul style="list-style-type: none"> <li>Women are allowed to participate in the development process</li> <li>Strong women come forward as leaders and role models</li> <li>Market conditions provide opportunities for women's income-generating activities</li> <li>Adequate trainers/teachers can be found that are able to work with women</li> </ul>

**LOGICAL FRAMEWORK (CONTINUED)**

<b>Component 4: Institutional Support and Project Management</b>										
<b>Sub-component: Institutional support for re-structuring of Governorate Agricultural Office (GAO)</b>										
<b>Component Purpose</b>	<b>Performance Questions</b>	<b>Intended Outputs</b>	<b>Output Indicators</b>	<b>Intended Outcomes</b>	<b>Outcome/Impact Indicators</b>	<b>Monitoring Mechanism</b>	<b>Intended Activities</b>	<b>Key Inputs</b>	<b>Costs</b>	<b>Assumptions</b>
Project managed effectively and capacity of GAO to support agricultural development on sustainable basis enhanced	<ul style="list-style-type: none"> <li>In what way has the performance of GAO changed and how likely is it to be sustained after project completion?</li> <li>How effectively has project management used monitoring and evaluation information to refine project design and implementation modalities?</li> <li>What use has project management made of feedback gained from beneficiaries?</li> </ul>	GAO restructured to be able to effectively manage implementation of project activities, including financial control	<ul style="list-style-type: none"> <li>New organizational structure and organigramme for GAO prepared</li> <li>Roles and responsibilities for each department prepared</li> <li>Job descriptions for all staff prepared</li> <li>Manual of management procedures prepared</li> <li>Training needs assessed and training plan developed, together with implementation plan</li> <li>Training of GAO staff</li> <li>Construction and equipping of GAO and district offices</li> </ul>	<ul style="list-style-type: none"> <li>GAO strengthened to sustainably support agricultural development in Al-Dhala</li> </ul>	<ul style="list-style-type: none"> <li>GAO efficient and effectively managed</li> <li>Farmers in Al-Dhala benefit from effective and efficient support services</li> </ul>	<ul style="list-style-type: none"> <li>PMU MIS</li> <li>Periodic impact assessments</li> </ul>	<ul style="list-style-type: none"> <li>Institutional analysis and restructuring of GAO</li> <li>Provision of essential infrastructure for GAO in Al-Dhala</li> <li>Capacity-building of GAO staff</li> <li>Support for project management</li> </ul>	<ul style="list-style-type: none"> <li>Six person-months of international TA for agricultural institutions specialist</li> <li>Construction of new office building for GOA and some district offices</li> <li>Provision of furniture, equipment and 2 vehicles</li> <li>Training of GAO staff in technical and managerial skills</li> </ul>	USD 0.6 million	<ul style="list-style-type: none"> <li>Political will for the restructuring</li> </ul>

**LOGICAL FRAMEWORK (CONTINUED)**

<b>Component 4: Institutional Support and Project Management (continued)</b>										
<b>Sub-component: Project management</b>										
<b>Component Purpose</b>	<b>Performance Questions</b>	<b>Intended Outputs</b>	<b>Output Indicators</b>	<b>Intended Outcomes</b>	<b>Outcome/Impact Indicators</b>	<b>Monitoring Mechanism</b>	<b>Intended Activities</b>	<b>Key Inputs</b>	<b>Costs</b>	<b>Assumptions</b>
See above	See above	Project effectively managed	<ul style="list-style-type: none"> <li>Annual work plans and budgets (AWP/Bs) are prepared on time</li> <li>Annual review workshops are held</li> <li>Monitoring and progress reports prepared on time</li> <li>Accounts and audit reports prepared on time</li> </ul>	<ul style="list-style-type: none"> <li>Efficiently managed project, delivering effective development to project beneficiaries</li> </ul>	<ul style="list-style-type: none"> <li>Beneficiaries express satisfaction with the services and support received from the project</li> <li>M&amp;E information used to refine project design</li> </ul>	<ul style="list-style-type: none"> <li>PMU MIS</li> <li>Periodic impact assessments</li> <li>Annual review workshops</li> </ul>	<ul style="list-style-type: none"> <li>Planning and coordination of project activities</li> <li>Preparation of AWP/B</li> <li>Disbursement of funds and maintenance of accounts</li> <li>Monitoring and evaluation</li> </ul>	<ul style="list-style-type: none"> <li>Recruitment of project staff</li> <li>Procurement of furniture, equipment and 5 vehicles</li> <li>Two person-months of regional M&amp;E specialist input</li> <li>Three person-months of GIS specialist</li> <li>Six person-months of unspecified regional technical assistance</li> <li>Training of PMU staff in management skills</li> <li>Orientation, start-up and annual review and planning workshops</li> <li>Overseas study tours for key PMU staff</li> <li>Design and operation of M&amp;E system including GIS-based RIMS</li> <li>Contracting of specialist agency for baseline surveys and ongoing impact evaluation</li> <li>Contracting of specialist agency for process documentation and knowledge management</li> </ul>	USD 1.9 million	<ul style="list-style-type: none"> <li>Good candidates are recruited</li> <li>Positive attitude of staff</li> <li>No inordinate delay in funding</li> </ul>

# PROJECT ORGANIZATIONAL STRUCTURE

