President’s memorandum

Syrian Arab Republic

North-eastern Region Rural Development Project
(Loan No. 721-SY)

Modifications to the supervision arrangements

For: Approval
Note to Executive Board Directors

This document is submitted for approval by the Executive Board.

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**Recommendation for approval**

The Executive Board is invited to approve the direct supervision by IFAD of the North-eastern Region Rural Development Project.
President’s memorandum

North-eastern Region Rural Development Project (Loan No. 721-SY)

Modifications to the supervision arrangements

1. At its ninetieth session in April 2007, the Executive Board approved a loan of SDR 13.38 million (equivalent to approximately US$20.1 million), on highly concessional terms, to the Syrian Arab Republic to help finance the North-eastern Region Rural Development Project. The overall project goal is to contribute to poverty reduction and improved livelihoods of the target population in the project area. This objective will be achieved through (i) rural community organizations with sustainable resource management and commercial operations; (ii) optimal management and rational use of water resources for irrigation; (iii) farmers’ access to effective and relevant advisory services; and (iv) private-sector investments creating employment and boosting incomes.

2. Originally, it was established that the loan should be administered by the United Nations Office for Project Services as IFAD’s cooperating institution. However, on 19 September 2007, the Government formally requested that IFAD consider the direct supervision modality for this project. The project has a broad focus on institution-building, empowerment of the rural poor, and support to policy change in areas related to natural resources management, water governance, rural microfinance, micro and small enterprises, and participatory community development. These strategic areas are innovative in the Syrian context and will require increasingly intensive project supervision and follow-up.

3. Moreover, compared with supervision by a cooperating institution, direct supervision has greater potential to contribute to better development effectiveness at the project level and, at the same time, allows more attention to be paid to IFAD’s broader objectives at the country programme level.