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#### **President's report**

Proposed grant under the countryspecific grants window to the Republic of Iraq for the

Improved Livelihoods of Small Producers in Iraq through Integrated Pest Management and Organic Fertilization Programme

Executive Board — Ninety-second Session Rome, 11-13 December 2007

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 recommendation for the proposed grant under the country-specific grants window to the Republic of Iraq for the Improved Livelihoods of Small Producers in Iraq through Integrated Pest Management and Organic Fertilization Programme, as contained in page 2, paragraph 7.

# Proposed grant under the country-specific grants window to the Republic of Iraq for the Improved Livelihoods of Small Producers in Iraq through Integrated Pest Management and Organic Fertilization Programme

I submit the following report and recommendation on a proposed grant under the country-specific grants window to the Republic of Iraq in the amount of US\$1.185 million.

#### Part I - Introduction

- 1. This report recommends the provision of IFAD support to the proposed programme in the Republic of Iraq.
- 2. The document of the grant for approval by the Executive Board is contained in the annex to this report: Improved Livelihoods of Small Producers in Iraq through Integrated Pest Management and Organic Fertilization Programme.
- 3. The objectives and content of the programme are in line with the evolving strategic objectives of IFAD and the policy and criteria of IFAD's grant programme.
- 4. The overarching strategic objectives that drive the IFAD Policy for Grant Financing, which was approved by the Executive Board in December 2003, are:
  - (a) Promoting pro-poor research on innovative approaches and technological options to enhance field-level impact; and/or
  - (b) Building pro-poor capacities of partner institutions, including community-based organizations and NGOs.
- Deriving from these objectives and those of the IFAD Strategic Framework 2007-2010, the specific aims of IFAD's grant support relate to: (a) the Fund's target groups and their household food-security strategies, with particular reference to groups in remote and marginalized agroecological areas; (b) technologies that build on traditional local/indigenous knowledge systems, are gender-responsive, and enhance and diversify the productive potential of resource-poor farming systems by improving on- and off-farm productivity and by addressing production bottlenecks; (c) access to productive assets (land and water, a broad range of rural financial services, labour and technology); (d) the sustainable and productive management of natural resources, including sustainable utilization and conservation of such resources; (e) a policy framework at both the local and the national level that provides the rural poor with a conducive incentive structure to improve their productivity and reduce their dependence on transfers; (f) access to transparent and competitive input/product markets and making these work for the poor primary producers involved in remunerative small and medium-sized enterprises and value chains; and (q) an institutional framework within which institutions – formal and informal, public- and private-sector, local and national alike – can provide services to the economically vulnerable, according to their comparative advantage. Within this framework, IFAD's grant financing supports commodity-based approaches for selftargeting among the rural poor. Finally, IFAD's grant programme fosters the establishment and strengthening of networks for pro-poor knowledge generation and exchange, which in turn enhances the Fund's own capacity to establish longterm strategic linkages with its development partners and to multiply the effect of its grant-financed research and capacity-building programmes.
- 6. The proposed grant responds to the foregoing strategic objectives. The programme will contribute to IFAD's overarching goal of empowering rural men and women to achieve higher incomes and improved food security. It will address IFAD's strategic objective of ensuring that poor rural small farmers (men and women) have better

and more sustainable access to natural resources by testing and disseminating improved agricultural technologies and effective support services.

#### Part II - Recommendation

7. I recommend that the Executive Board approve the proposed grant in terms of the following resolution:

RESOLVED: that the Fund, in order to finance, in part, the Improved Livelihoods of Small Producers in Iraq through Integrated Pest Management and Organic Fertilization Programme, shall make a grant not exceeding one million one hundred and eighty-five thousand United States dollars (US\$1.185 million) to the Republic of Iraq for a four-year programme upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board herein.

Lennart Båge President

## Improved Livelihoods of Small Producers in Iraq through Integrated Pest Management and Organic Fertilization Programme

#### I. Background

- Iraq covers a total area of 437,000 km<sup>2</sup>, of which the land area is 432,000 km<sup>2</sup>. It has an estimated population of 26 million (July 2005) and a population growth rate of 2.7 per cent. The country has limited natural resources, particularly arable land and water. The situation is aggravated by increasing soil salinity and deteriorating water quality. Current estimates put the area of cultivable land between 5 and 8 million hectares, of which only around 3.5 million hectares are cultivated. Crop production is the major source of income for 74 per cent of farmers in Iraq, while 15 per cent depend on livestock enterprises and 11 per cent on mixed crop and livestock enterprises. Rainfed farming, concentrated mainly in northern Iraq, is classified into three rainfall zones: high rainfall areas (more than 450 mm); moderate rainfall areas (350-450 mm); and low rainfall areas (200-350 mm). The low rainfall areas account for nearly 70 per cent of the rainfed arable land and are predominantly under a barley- and forage legume-based system. The moderate rainfall areas, representing 25 per cent of the rainfed area, are largely mixed wheatand barley-based systems with some supplemental irrigation. The high rainfall areas, representing 5 per cent, are under field crops, especially wheat and chickpeas, and fruit trees. In central and southern Iraq, where agriculture depends mainly on irrigation from the Tigris and Euphrates rivers and their tributaries, date palm is cultivated on approximately 150,000 hectares, making Iraq one of the world's leading date producers. In the central provinces, fruit trees, mainly citrus, are interplanted in date palm orchards, and vegetables, mainly tomatoes and potatoes, are important irrigated crops.
- 2. Crop productivity has deteriorated in recent years, negatively affected, among others, by inappropriate practices (such as continuous mono-cropping of cereals) and pervasive pests and diseases. The inclusion of legumes in rotations is still limited, and there is scope to expand the cultivation of food legumes (chickpea and lentils) in wheat rotations and forage legumes in barley-based systems. This would serve as a means to sustain cereal production through nitrogen fixation, diversify production and increase food security. Date palms are an integral component of the farming systems of central and southern Iraq. Dates and their products contribute importantly to household income and are a valuable source of nutrition. The number of trees has halved during recent years, and constraints to production include drought, salinization, ageing of trees, diseases and genetic erosion.

#### II. Rationale and relevance to IFAD

3. Agriculture plays an essential role in Iraq's food security and employs more than 40 per cent of Iraqis. The country was once almost self-sufficient in many agricultural commodities, but years of war and sanctions, followed by the current political situation, have led to the serious deterioration of all sectors of the Iraqi economy, especially agriculture – with drastic negative effects on agriculture productivity, food security and the livelihoods of farm communities. Iraq is facing food and feed deficits, especially in cereals. There is a current shortage of an estimated 2.3 million tons of wheat. Efforts to achieve sustainable agricultural and rural development are a high priority in the development agenda of the Iraqi Government. A report issued by the Food and Agriculture Organization of the United Nations<sup>1</sup> attributed the very low levels of crop production to input shortages, lack of

<sup>&</sup>lt;sup>1</sup> FAO, "Towards Sustainable Agricultural Development in Iraq: The Transition from Relief, Rehabilitation and Reconstruction to Development", 2003.

extension and research services, degradation of the natural resource base, increased disease and pest infestations and limited adoption by farmers of improved practices.

- 4. Increased pest and disease infestation has been recognized as one of the most challenging constraints facing Iraqi agriculture and affecting food security. In northern Iraq, transboundary diseases and insect pests have been a major factor in limiting wheat production. Previously, the Government relied on aerial spraying of pesticides a practice potentially detrimental to the environment. However, the limited supply and high price of pesticides are currently resulting in severe pest infestations on major crops.
- 5. Another important problem facing both cereal and date palm production systems is the deterioration in the physical and chemical condition of soils due to salinization, loss of organic matter and soil compaction. This, coupled with the low use of fertilizers, has impacted negatively on the productivity of all crops grown under both rainfed and irrigated conditions. The current centralized pest control measures are inefficient because subsidies and political pressure influence the choice of pesticide. The overall policy and institutional framework is not conducive to the adoption of improved practices by small farmers.
- 6. In addition to constraints relating to crop protection and soil fertility, there are important institutional constraints. The capacities of the Ministry of Agriculture have deteriorated remarkably over the past two decades. There is a need to build its capacities, particularly with respect to extension services, which are essential for enhancing the capacity of small poor producers to adopt improved practices.
- 7. In its efforts to further agricultural development and improve the livelihoods of small farmers in Iraq, the Ministry of Agriculture has identified two key priority areas for immediate intervention: integrated pest management (IPM) and soil fertility improvement. In view of its comparative advantage, IFAD was identified by the Ministry as a potential partner.
- 8. The programme will contribute to three areas of high priority for sustainable agricultural development by: (i) promoting integrated management of major pests and diseases; (ii) increasing organic fertilization within the rainfed cropping systems of northern Iraq and the date palm production systems in southern and central Iraq; and (iii) assisting the Government in developing enabling policy and institutional options by contributing to the identification of policy and institutional constraints.
- 9. The programme will target poor small-scale Iraqi farmers who rely mainly on agriculture for their livelihoods. Because they have almost no other livelihood options, they are among the most disadvantaged and vulnerable population groups in the country. This group is central to IFAD's corporate strategy, which focuses on extremely poor rural people.
- 10. The programme will be the first major IFAD intervention in Iraq to address constraints facing poor agricultural producers. It will provide IFAD with an entry point for establishing institutional partnerships aimed at reducing rural poverty.

#### III. The proposed programme

- 11. The overall goal of the programme is to improve livelihoods and empower small farmers by promoting sustainable agricultural production systems in Iraq and building the capacities of local communities and agricultural development institutions.
- 12. The programme will have a four-year duration and will comprise three components:
  - Enhancing the capacity of small producers to increase production;
  - Building institutional capacities for extension and adaptive research; and

 Contributing to the development of enabling policies and institutional options for effective adoption of improved technology packages.

#### IV. Expected outputs and benefits

- 13. The programme's expected outputs are the following:
  - Cost-efficient and sustainable technological packages for IPM, organic fertilization and mini-dosing of inorganic fertilization tested, refined and adopted by farmers;
  - Capacities of small farmers in IPM, organic fertilization and mini-dosing of inorganic fertilization enhanced through multidisciplinary and participatory approaches to research and farmers' field schools;
  - Institutional capacities of national agricultural research systems staff built and adaptive research and extension in IPM and organic fertilization research improved through training and the use of multidisciplinary and participatory approaches and farmers' field schools;
  - Enabling policies and institutional options identified for effective adoption of improved technology packages; and
  - Mechanism for effective adoption of improved technology packages promoted.

#### V. Implementation arrangements

- 14. The Ministry of Agriculture will be the grant recipient and will have overall responsibility for programme implementation. It will sign a subsidiary agreement with the International Center for Agricultural Research in the Dry Areas (ICARDA), acceptable to IFAD, prior to programme start. IFAD funds will be channelled to the Ministry through ICARDA based on annual work plans and budgets, jointly prepared by ICARDA and the Ministry and approved by IFAD. The programme governing structure will consist of two interrelated bodies: the programme steering committee and the programme technical committee.
- 15. The Minister for Agriculture will nominate a national coordinator who will be responsible for overall programme coordination, and three site coordinators for activities in the three pilot areas, in the north, south and centre of Iraq. ICARDA will manage and coordinate programme activities relating to technology transfer, human resources development, capacity-building and adaptive research through a subsidiary agreement with the Ministry of Agriculture. ICARDA will be involved through its headquarters in Aleppo, Syrian Arab Republic, and its regional office in Amman, Jordan, and will be responsible for all logistical and administrative organization and liaison with the Iraqi national programme.
- 16. Given the security situation in Iraq, the programme will be implemented in rural areas of the country, which are much safer than urban areas. The active involvement of the agricultural directorates and extension offices at the provincial level will be sought: this is a proven tactic for reducing the travel burdens of scientists in Baghdad and therefore minimizing security risks. Furthermore, the programme will be implemented within Iraq by well-trained Iraqi scientists and experienced agents with the full support of ICARDA.

#### VI. Indicative programme costs and financing

17. The total programme cost is US\$2.635 million over four years. The sources of financing are IFAD (US\$1.185 million – 45 per cent), ICARDA (US\$445,600 – 17 per cent) and Iraq (US\$1.004 million – 38 per cent).

#### Summary of budget and financing plan

(United States dollars)

	Cofinancing			
Cost Category	IFAD	ICARDA	Iraq	Total
Personnel	306 000	384 000	684 000	1 374 000
Short-term consultants	70 000			70 000
Research equipment and supplies	335 000		240 000	575 000
International travel	32 000			32 000
Local travel	32 000			32 000
Training, workshop and conferences	175 000			175 000
Communications, publications and networking	32 000			32 000
Technical and steering committee meetings	40 000			40 000
Indirect costs	163 000	61 600	80 000	304 600
Total	1 185 000	445 600	1 004 000	2 634 600

### Appendix

#### Results-based logical framework

Narrative Summary	Objectively Verifiable Indicators	Means of Verification	Assumptions
<b>GOAL:</b> Sustainable agricultural production systems are adopted and livelihoods of small farmers are improved	Sustained increases in agricultural production     Improved rural incomes and household food security	National agricultural production and income statistics	Adaptation and replication of programme activities in additional areas and production systems     Enabling national development strategies and policy environment     Stabilized security situation
<b>PURPOSE:</b> Small farmers' productivity from date palm and cereal-food legume-based production systems is increased	<ul> <li>Number of farmers increasing income through improved agricultural productivity</li> <li>Average percentage increase in income among participating farmers</li> <li>Increased productivity of targeted production systems</li> <li>Measurable increase in the area where farmers use improved technologies</li> </ul>	<ul> <li>Programme         completion report</li> <li>Supervision reviews</li> <li>Impact assessments</li> <li>National programme         plans</li> </ul>	<ul> <li>Adaptation and replication of programme activities in additional areas</li> <li>Adoption of improved sustainable practices by small farmers</li> <li>Adequate policy incentives in place to encourage farmers to participate</li> </ul>
OUTPUTS:			
1. Cost-efficient and sustainable technological packages for IPM and organic fertilization tested, verified and adopted by farmers	Number of farmers adopting IPM and organic agriculture by year 4 Percentage increase in date palm yields by year 4 Percentage increase in wheat and food legume yields by year 4 Reduction in pest infestation in targeted communities by year 4	Mid-term review and programme completion report     Programme monitoring and progress reports     Impact assessments	
2. Enabling policies and institutional options developed for effective adoption of improved technology packages	Number of farmers adopting IPM and organic agriculture by year 4     Number of policy recommendations implemented	Policy and institutional review report	
3. Enhanced capacities of small farmers, research and extension staff and institutions	<ul> <li>Number of national agricultural research systems (NARS) trained in specialized courses</li> <li>Number of NARS involved in strategic and adaptive research</li> <li>Recommendations and other promotion materials published and made available to NARS and farmers</li> <li>Number of FFS established</li> <li>Number of field demonstration events</li> <li>Number of farmers participating in demonstration and training events</li> </ul>	Programme monitoring and progress reports	