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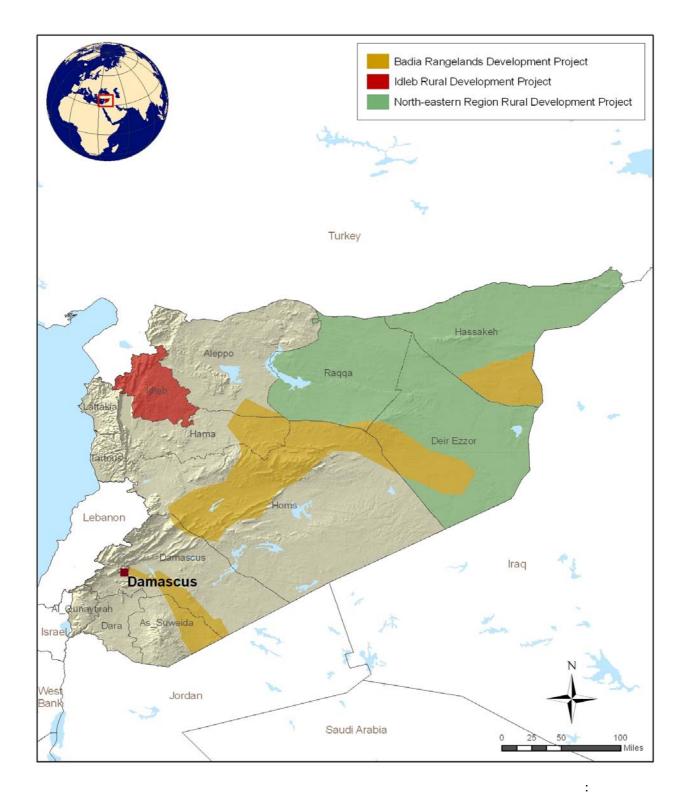
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COSOP consultation process

 A RB-COSOP CPMT has been established, consisting of a mixture of 17 members (in-house 8 from PN, PT and PD) and in-country (10 from the Ministry of Agriculture and Agrarian Reform, Ministry of Irrigation, State Planning Commission, ICARDA, ACSAD, and free lance consultants). The Minister of Agriculture and Agrarian Reform himself endorsed the RB-COSOP recommendations throughout the consultation process. His Deputy played an active role in the establishment of the strategic directions of the COSOP and the preparation of the projects' Concept Notes.

- 2. COSOP preparation was initiated with two studies. The first related to livestock development constraints and opportunities (2006); the other was a rural poverty profile (2008). Preparation of the results-based COSOP also largely benefited from the findings of the project completion reports on the Jebel Al-Hoss Agricultural Development Project (2007) and the Coastal Midlands Agricultural Development Project (2008).
- 3. Continuous consultations were held with relevant, in-country stakeholders and donors with regard to the strategic directions of the COSOP and the project pipeline.
- 4. Secondary data was collected, together with related documents prepared by government agencies and other donors.
- 5. The PBAS was updated on the basis of sector and portfolio performance and evolving policy and institutional changes in the country.
- 6. Concept notes were prepared on the two pipeline projects.
- 7. Reviews were held (both in-house and in-country). In-country validation workshop took place on 13 July 2009 at the Ministry of Agriculture and Agrarian Reform in Damascus. All RB-COSOP recommendations were endorsed by country stakeholders and partners.

Throughout COSOP preparation, substantial use was made of the following references:

- Syria Country Programme Evaluation, OE, IFAD 2000
- Syria COSOP, IFAD, 2001
- Syria Rural Poverty Assessment and Mapping, IFAD, 2006
- Syria Livestock sub-sector constraints and opportunities, IFAD 2006
- Syria Jebel Al-Hoss Agricultural Development project, Project Completion Report, IFAD, 2007
- Syria Coastal Midlands Agricultural Development project, Project Completion Report, IFAD, 2008
- Syria Rural Poverty Profile, IFAD, 2008
- Selected IFAD policy papers on rural finance, rural enterprises development, targeting, private sector partnership, etc.
- Poverty in Syria 1996-2004: Diagnosis and pro-poor policy considerations, UNDP 2005
- Syria Human Development Report, Statistical Update, UNDP 2008
- National Agricultural Policy Centre, 2007. State of Food and Agriculture in Syria
- Syria Tenth Five Year Plan 2006-2010
- Strategic Framework of IFAD 2007-2010
- Syria GEF Country Portfolio Evaluation March 2009
- Syria Agriculture Towards the Social Market, the World Bank, Oct 2008
- Syria Agriculture and Irrigation Aide Memoire World Bank, Sep 2008

Country economic background

Land area (km2 thousand) 2006 1/	184	GNI per capita (US\$) 2007 1/	1 760	
Total population (million) 2007 1/	19.9	GDP per capita growth (annual per cent) 2007 1/	4	
Population density (people per km2) 2006 1/	106	Inflation, consumer prices (annual per cent) 2007 1/	4.2	
Local currency	SP	Exchange rate: US\$ 1 =	49.5	
Social Indicators		Economic Indicators		
Population (average annual population growth rate) 2001-	2.7	Economic Indicators		
2007 1/		GDP (US\$ billion) 2007 1/	38.1	
Crude birth rate (per thousand people) 2006 1/	27	GDP growth (annual per cent) 1/		
Crude death rate (per thousand people) 2006 1/	3	2000	2.7	
Infant mortality rate (per thousand live births) 2007 1/	12	2006	6.6	
Life expectancy at birth (years) 2007 1/	74			
		Sectoral distribution of GDP 2007 1/		
Number of rural poor (million) (estimate) 3/	5.4	per cent agriculture	20.4	
Poor as per cent of total rural population 3/	56	per cent industry	31.6	
Total labour force (million) 2006 1/	7.91	per cent manufacturing	7.8	
Female labour force as per cent of total 2006 1/	31	per cent services	48.0	
Education		Consumption 2007 1/		
		General government final consumption		
School enrolment, primary (per cent gross) 2007 1/	126	expenditure (as per cent of GDP)	11.6	
Adult literature at 151 2007 1/	01	Household final consumption expenditure, etc. (as	70.6	
Adult literacy rate (percentage of pop. 15+) 2007 1/	81	per cent of GDP) Gross domestic savings (as per cent of GDP)	70.6 20	
Nutrition		Gross domestic savings (as per cent of GDP)	20	
Daily calorie supply per capita	n/a	Balance of Payments (US\$ million)		
Malnutrition prevalence, height for age (per cent of children		Bulance of Layments (654 million)		
under 5) 2006 2/	19	Merchandise exports 2007 1/	14 309	
Malnutrition prevalence, weight for age (per cent of children				
under 5) 2006 2/	7	Merchandise imports 2007 1/	13 635	
		Balance of merchandise trade	674	
Health	,	(10t III)		
Health expenditure, total (as per cent of GDP) 2006 1/	n/a 1	Current account balances (US\$ million)	015	
Physicians (per thousand people) Population using improved water sources (per cent) 2004 2/	1 93	before official transfers 2007 1/ after official transfers 2006 1/	915 920	
Population with access to essential drugs (per cent) 2/	n/a	Foreign direct investment, net 2006 1/	600	
Population using adequate sanitation facilities (per cent)	II/ a	Totelgit direct investment, het 2000 1/	000	
2004 2/	90			
		Government Finance		
Agriculture and Food		Cash surplus/deficit (as per cent of GDP) 2007 1/	-5.1	
Food imports (per cent of merchandise imports) 2006 1/	13	Total expenditure (per cent of GDP) 2006 1/	n/a	
Fertilizer consumption (hundreds of grams per ha of arable				
land) 2006 1/	n/a	Total external debt (US\$ billion) 2006 1/	6.5	
Food production index (1999-01=100) 2006 1/	119	Present value of debt (as per cent of GNI) 2006 1/	19.4	
Cereal yield (kg per ha) 2006 1/	L 765	Total debt service (per cent of GNI) 2007 1/	1.3	
Land Use		Lending interest rate (per cent) 2006 1/	n/a	
	n/2	Deposit interest rate (per cent) 2006 1/	n/a	
Arable land as per cent of land area 2006 1/	n/a	Deposit interest rate (per cent) 2000 1/	, -	
Arable land as per cent of land area 2006 1/ Forest area as per cent of total land area 2006 1/	n/a	Deposit interest rate (per cent) 2000 1/	, ۵	

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

^{1/} World Bank, World Development Indicators – Country at the Glance 2008. 2/ UNDP, Human Development Report, 2007/2008 3/ IFAD, Rural Poverty Assessment and Mapping, 2006

COSOP results management framework

Country Strategy Alignment		Key Results for COSC)P	COSOP Institutional, Policy Objectives
Poverty Reduction Strategy: Tenth Five-Year Plan: Chapter 7, Agriculture/Irrigation	Strategic objectives (SOs)	Outcome that COSOP is expected to influence *	Milestone indicators showing progress towards SO*	
1.1 Ensure food security, create jobs, and enhance social stability in the rural areas. 1.2 Introduce modern irrigation techniques to 50 per cent of lands currently irrigated by old methods and improve water-use efficiency by 80 per cent. Chapter 15, Drinking water and sanitation 1.3 Provide potable water to 93% of rural population 1.4 Recovery rates for maintenance of drinking water supply	SO1: Promote sustainable access of poor households to land and water resources.	1.1. About 50 % of farmers (of which 20 % are women) under NERRDP and AKRBIDP diversify, and introduce fodder and high-value crops by end of COSOP period; 1.2. About 50 % of farmers (of which 20 % are women) under NERRDP and AKRBIP adopt modern irrigation systems by COSOP end; 1.3 Both animal production and the incomes of producers' (30 % are women) in ILDP area increased by 80%.	1.1 At least 50 % of target households under IFAD-funded projects trained in new technologies, including irrigation, by mid term and 100 % by COSOP end; 1.2 Adaptive research trials and demonstrations established on farmers' fields; 1.3 At least 50 % of livestock owners trained in improved feeding, management and breeding practices by mid term and 100 % by COSOP end.	1.1 Adaptation strategies are responsive to rural small producers' needs; 1.2 Licensing system removed and retail price controls relaxed; 1.3 Same as 3.1 below.
2 (a) Improve access by the poor to credit, including microfinance, to enhance productivity and incomes; 2 (b) Encourage private initiative and innovation; promote development and competitiveness of SMEs.	SO2: Promote sustainable rural financial services and pro-poor rural SMEs.	2.1. About 50 % of SMEs access credit annually; 2.2. About 50 % of SMEs report improved profitability and increases in employment; 2.3. About 50 % of value chains attain financial viability by COSOP end; 2.4 About 80 % of MFI/sanduqs established in IRDP and NERRDP survive after 3 years and become sustainable.	2.1 About 50 % of target communities and SMEs have access to credit and skills improvement by mid-term and 100 % by COSOP end; 2.2 Five sanduqs established annually under IRDP and NERRDP (baseline: 15 sanduqs in 2008); 2.3 About 50 % of trained beneficiaries (of which 30 % are women) under NERRDP and AKRBIDP engage in IGAs.	2.1 MFIs/sanduqs grouped into associations and apex MFI; 2.2 Sanduqs transformed into legal entities; 2.3. MFIs/sanduqs authorized to charge market-based interest rates.
3. Highest priority accorded to participatory poverty-alleviation projects that bring about benefits to a large segment of the poor and disadvantaged.	SO3: Strengthen the capacity of the rural poor and their organizations.	3.1 About 75 % of the WUAs established collect membership fees and implement modern irrigation technologies; 3.2 About 50 % of CAPs under IRDP, NERRDP and AKRBIDP implemented by midterm and 100 % by COSOP end.	3.1 At least 20 WUAs established under NERRDP by COSOP end (baseline: 9 in 2009); 3.3 At least 50 % of participating communities by mid-term and 100 per cent by COSOP end form community development committees and prepare CAPs (baseline: 112 CAPs in 2008).	3.1 capacity of public (research, extension, veterinary and gender) and civil society (NGOs) service providers strengthened through technical assistance and training.

^{*}Baseline, milestone and outcome indicators to be quantified following COSOP approval and monitored annually to make appropriate adjustments, as needed; **IRDP**, Idleb Rural Development Project; **NERRDP**, North Eastern Region Rural Development Project; **AKRBIDP**, Al-Khabour River Basin Irrigation Development Project; **ILDP**, Integrated Livestock Development Project; **CAP**, community action plan.

Previous COSOP results management framework

COSOP Strategic Objectives	STATUS AT COSOP DESIGN	STATUS AT COSOP COMPLETION	LESSONS LEARNED
Strategic Objective No. 1 protection of the environment, with special emphasis on conservation of natural resources: soil, water and rangelands	Need to involve the target group in development and management of the resources through participatory approach. Need to develop rainfed and surface-water-dependent agriculture and expand and conserve the resource base to the benefit of the poor and improve their production, productivity and, ultimately, incomes.	The on-going Badia Rangelands Development Project, the Idleb Rural Development Project and more recently the North Eastern Region Rural Development Project are primarily concerned with improving community capacity to organize and manage its own development, as well as provide community members with technical and managerial capacity.	Optimisation of the use of water resources is an essential measure for agricultural development and continued increase of production. To mitigate depletion of ground water resources, modern irrigation techniques should be implemented in irrigated areas.
Strategic Objective No. 2 Poverty reduction, with special emphasis on social and economic empowerment of the rural poor, including women.	Need to use participatory approaches to address felt needs and ensure the commitment of communities to sustainable solutions. Need to promote off-farm income generation through skill improvement, microfinance, and SMEs for men and women. Need to improve the living conditions of the poor by supporting basic services such as literacy, access to safe water, rural roads, etc.	The just-completed Coastal Midlands and Jebel Al-Hoss Agricultural Development Projects have substantially contributed to asset formation through de-rocking and development of 51,000 ha of land. The North Eastern region Rural Development project, declared effective in March 2008, promotes establishment and empowerment of Farmers Marketing Associations and partnership with private exporters. Herders Associations, Village Development Committees, Water Users associations and Village-based Microfinance organisations have been established and empowered for a better natural resources management and access to markets and microfinance.	Limited access to markets results in low prices, consumption-oriented production and low household incomes. There is need to strengthen linkages between producers and collectors / processors/marketers to ensure regularity of market access, value added products and best possible prices.
Strategic Objective N° 3 Institutional building with special emphasis on the public institutions providing support to the rural sector	Need to build the capacity of services providers, such as extension and research through training and technical assistance. Ongoing IFAD-supported projects: Jebel Al-Hoss Agricultural Development Project Coastal/Midland Agricultural Development Project Badia Rangelands Development Project Proposed projects: Idleb Rural Development Project North Eastern region Rural Development Project	Capacity building of the service providers has been supported through training, technical assistance, equipment and networking. These resulted in better adoption by farmers of new varieties for barley, wheat and lentils, apple and olives. Closed projects: Jebel Al-Hoss Agricultural Development Project Coastal/Midland Agricultural Development Project Ongoing projects: Badia Rangelands Development Project Idleb Rural Development Project North Eastern region Rural Development Project	To increase women's access to resources, the provision of extension services, training and other services should be carried out by deploying women staff to ensure that targeted poor women in the community are effectively contacted and engaged in project activities. Success in gender mainstreaming also requires strong commitment to project management through significant training among staff and service providers.

Pipeline projects

Two projects have been submitted by the Government of Syria for IFAD consideration, with priority to be given to the Integrated Livestock Development Project.

A. Integrated Livestock Development Project

- 1. Geographic area and target group. Livestock is an important subsector of agriculture in Syria. Sheep account for 75 per cent of all animal units and are present throughout the country, overwhelmingly so in Deir-Ezzor, Hassakeh, Halab, Raqqa, Homs and Hama. About 80 per cent of all sheep belong to some 70,000 households owning 1-100 animals. Cattle represent 19 per cent of total animal units and 85 per cent are to be found in units of 1-5 animals in some 56,000 households. The project will be focused on most rural areas of Syria, where there is a high concentration of poverty and livestock is an important source of income. The main target group would comprise about 130,000 households in all, made up of (i) landless and poor sheep and goat owners having up to 100 animals; and (ii) poor, small cattle owners owning up to five cows. Special efforts would be made to ensure the widespread inclusion of women, who are major actors in livestock production.
- Justification and rationale. The livestock subsector plays a significant role in Syria's economy. In 2006, it provided 37.1 per cent of the total value of agricultural production, with sheep accounting for 16 per cent of all agricultural exports. The private sector dominates the livestock subsector and has almost complete control over production, pricing and marketing. The target group's poverty is attributable to a number of factors, including: low productivity of livestock; lack of off-farm employment or underemployment; lack of credit; lack of adequate production support services; and limited access to markets. Smallholders use all the little land they have for growing cash crops, without sufficient cultivation of fodder for livestock. More specifically, the most significant constraints facing the livestock sector include: (i) low animal productivity because of low genetic potential of indigenous livestock populations and the low-input low-output animal husbandry practices of most livestock owners; (ii) shortage of animal feed, water and grazing areas; (iii) high incidence of disease; (iv) low-quality livestock products; (v) high cost and poor quality of inputs; (vi) poor rural infrastructure, mainly the road network, which adversely affects marketing; (vii) inadequate technical support from MAAR; and (viii) lack of infrastructure/facilities for value addition, particularly dairies for the processing of milk, and slaughterhouses.
- 3. The rationale for the project is to address the above constraints and help target households to achieve sustainably improved standards of living through economic and social empowerment (higher incomes, greater food security).
- 4. **Key project objectives.** All key project objectives closely relate to the COSOP's strategic objectives. The overall objective would be to help poor rural men and women to generate sustainable increases in household incomes through development of small-scale, private-sector, market-oriented livestock production and marketing. Specific objectives would be to: (i) strengthen technical support, e.g. livestock research, extension and veterinary services to help livestock keepers increase their production levels through improved feeding and stock management, increased fodder production and better quality of produce; (ii) provide livestock keepers with access to credit for on- and off-farm investments (complementary income-earning opportunities); (iii) develop and improve market links (especially for dairy products, meat and skins), including construction of essential market-linking infrastructure; and (v) raise the productivity and standards of livestock enterprises through disease-control measures and adoption of quality standards (such as the

Hazard Analysis and Critical Control Point) as a prerequisite for accessing highly competitive markets.

- 5. **Ownership, harmonization and alignment.** The project is fully consistent with the Government's Tenth FYP inasmuch as it would focus on poor rural people who depend on livestock for their livelihoods, and make good use of the country's natural resources. It would also complement ongoing IFAD-funded operations in the rural sector (BRDP, IRDP and NERRDP) and replicate community development experiences recognized as innovative and successful in the Syrian context, e.g. farmer and herder associations and VDCs established and empowered for better natural resources management, access to markets and microfinance.
- 6. **Components and activities.** Likely project components would include:
 - (a) Livestock development through improved extension, veterinary services and gender advice to smallholder farmers (training of beneficiaries, participatory adaptive research and demonstrations) in order to (i) step up the productivity (genetic make-up) of sheep, goats and cattle while preserving the positive attributes of indigenous breeds; (ii) increase feed production (fodder and pasture), including conservation of feed (forage, hay, silage, etc.), and improve animal feeding; (iii) raise the quality of livestock products by improving milking techniques and prevention/treatment of mastitis and other diseases; and (iv) ensure access to credit for the purpose of enlarging flocks/herds, construction/rehabilitation of barns/sheds, purchase of farm machinery, implements and inputs;
 - (b) Strengthening the capacity of technical service providers, e.g. livestock research, extension, veterinary and gender units with TA and training to enable them to introduce appropriate modern technology to livestock keepers;
 - (c) Strengthening marketing and market links through technical and credit support for the (i) establishment/strengthening of milk, meat and tannery chains, e.g. dairies, slaughterhouses and tanneries; (ii) formation of producer associations to link producers with markets (dairy, meat and skin value-chains), exploit economies of scale and increase their bargaining power; and (iii) construction of market-linking community infrastructure such as feeder roads, improved water supply and rural markets, as a way of enhancing market links;
 - (d) Rural financial services, including microfinance (development of self-managed village-based *sanduqs*), for the provision of credit to farmers for on- and off-farm development, including income generation, and for supporting SME development, providing backward/forward links to support livestock producers; and
 - (e) Project management.
- 7. **Costs and financing.** Total project costs are estimated at roughly US\$ 50 million. External financing would be provided by IFAD and other cofinanciers such as OFID and AFESD. IFAD contribution would be based on PBAS allocation for the cycle 2010-2012, i.e. around US\$ 30 million.
- 8. **Organization and management.** MAAR would be responsible for overall coordination and for project operations. A project steering committee (PSC), chaired by the Minister for Agriculture or his representative, would be established for overall coordination of project activities and to provide policy guidance. The project would be implemented by a central project directorate, headed by a project director, through a provincial project directorate unit in each governorate. This type of management structure, applied in all IFAD-supported projects, has proved to be efficient and sustainable.
- 9. **M&E indicators.** A management information system, consistent with IFAD's Guidelines for Project Monitoring and Evaluation, would be established to assess the rate of implementation and performance against planned targets and objectives, as set out by project design and reflected in the annual work programmes and budgets

(AWP/Bs). A set of key monitoring indicators reflecting the requirements of the Results and Impact Management System (RIMS) would be developed for the various types of project activities. Three surveys, e.g. baseline, at project mid term and at completion, would be conducted to provide data for evaluating the project's impact on the beneficiaries. Targeting will be monitored systematically throughout project implementation and through direct IFAD supervision.

10. **Risks.** Major risks, for which mitigation measures would need to be devised, include: (i) increased competition from imports that could undermine the profitability of local dairies in the event they are unable to develop niche markets; and (ii) drought and acute environmental stress.

B. Al Khabour River Basin Irrigation Development Project

- 11. **Geographic area and target group.** The proposed project area is located in the Governorates of Hassakeh, Deir Ezzor and Raqqa in north-eastern Syria, covering an area of 70,000 ha. The original Khabour River Basin Irrigation Project, using conjunctive surface and groundwater, was implemented from the early-1980s to mid-1990s. Some 90-95 per cent of the region is shown as cultivated areas. Key crops are wheat and cotton, followed, to a lesser extent, by fruit and vegetables. Although the Al Khabour river basin provides a large part of the nation's food (especially wheat), raw material for processing and commodities and animals for export, the target area is still among the poorest in the country. Poverty is widespread, albeit to varying degrees, owing to low levels of production and productivity, small irrigated holdings, deterioration of soil quality and salinization, and high population density with accompanying high pressure on resources. The main target group would consist of poor smallholders and landless people, tenant farmers, rural women and unemployed men, women and youths, comprising about 60 per cent of rural households in the project area.
- 12. Water would be supplied from the Tigris River through an integrated inter-basin water transfer system initiated with April 2002 legislation to meet the needs of the project. Investments would be implemented in two phases:
 - (a) Phase I: (i) Tigris pumping plant (around 60 m³/s with t.d.h. around 50-60m); (ii) penstocks (around 800m); (iii) tunnel (around 25 km long with 6 m diameter); (iv) small dams and operation reservoirs; and (v) main canals and related structures (230 km) to be cofinanced by the World Bank, AFESD; Kuwait Fund and OFID. Implementation would take some two-to-three years.
 - (b) Phase II: implementation of the proposed Al Khabour Basin Irrigation Development Project to be cofinanced by IFAD, once the first phase has been completed.
- 13. **Justification and rationale.** The region has been severely affected by climate change. As a result, rainfed agriculture has failed twice (in 2006 and 2007) and surface irrigation is running short of water. The current situation is seen as dramatic or even catastrophic. The original regulated river run-off, equivalent to 50-60 m³/s, is now almost zero, all of the dams have been depleted, and there has been a complete crop failure over the last two years. Current production relies only on 6 m³/s pumped from groundwater, the aquifers of which are severely threatened and depleted by overexploitation from Turkey and within Syria. The river ceased to flow in 2001 and has never resumed. Given the high abstraction rate and consequent depletion, the lifespan of the aquifers will not last more than ten years. As a result, poverty, urban migration and food insecurity are now major concerns.
- 14. The rationale for the project is to restore the productive agricultural base and enhance agricultural productivity. This would allow poor households to produce more of their own food as well as a surplus for sale, thereby improving their incomes and giving them access to food markets.

15. **Key project objectives.** All key project objectives are closely related to the COSOP's strategic objectives. The overall objective would be to improve the socio-economic well-being of poorer rural households in the project area through support to earn greater cash and non-cash incomes from their farms and from off-farm sources. Specific objectives would be: (i) optimal management and rational use of water resources for irrigation; (ii) establishment of rural community organizations with sustainable resource management and commercial operations; (iii) ensuring farmers have access to effective, relevant advisory services; and (iv) private-sector investments to create employment and boost incomes. The emphasis would be on developing irrigated agriculture (advanced on-farm irrigation technologies) with a concomitant reduction in the percentage of land irrigated by non-renewable or unlicensed wells, diversification towards high-value crops, improved management of natural resources (soil, water and rangelands) and livestock production within an integrated rural development approach.

- 16. **Ownership, harmonization and alignment.** The project would be fully consistent with the FYP and in harmony with its recent commitment of large resources for development of the Eastern Region. It would complement the ongoing IFAD-supported NERRDP and replicate community development experiences recognized as innovative and successful in the Syrian context, e.g. WUAs, farmer associations and VDCs established and empowered for better natural resources management, access to markets and microfinance. By the time the ongoing NERRDP has reached mid term implementation stage, the lessons learned from it would feed into the design of this new project.
- 17. **Components and activities.** Likely project components would include:
 - (a) Irrigation development, through improved extension and gender advice to farmers (training of beneficiaries, participatory adaptive research and demonstrations): (i) install, operate and maintain modern on-farm irrigation technology to improve efficiency, reduce the demand for water and increase agricultural production and thereby farmers' incomes; and (ii) irrigation technology enhancement through strengthening research on modern irrigation and drainage systems, water management practices, water quality and other related issues;
 - (b) Community empowerment, to: (i) organize and manage their own development and provide community members with needed technical and managerial capacity to improve their living standards; (ii) formation of WUAs to help private water users (both men and women) participate in the planning, design and installation of modernized on-farm irrigation systems and to be responsible for their operation, maintenance and management; and (iii) formation of marketing associations to link producers with markets (commodity value-chains), exploit economies of scale and increase their bargaining power;
 - (c) Strengthen the capacity of technical service providers, i.e. extension agents, subject-matter and gender specialists through TA and training to enable them to develop and introduce modern/appropriate technologies to farmers for changing cropping patterns and upgrading farm management;
 - (d) Rural financial services, including microfinance (development of self-managed village-based sanduqs), for the provision of credit to farmers, the landless, youths and rural women for on- and off-farm development, including income generation, and for supporting SME development and providing backward/forward links to support producers; and
 - (e) Project management.
- 18. **Costs and financing.** Total project costs are not yet known. External financing would be provided by IFAD and other cofinanciers such as OFID and AFESD.

19. **Organization and management.** MAAR would be responsible for overall coordination and for project operations related to on-farm irrigation development, agricultural productivity enhancement and marketing. The Ministry of Irrigation would be responsible for all aspects of the project's attention to management of water resources above the farm level. A PSC, chaired by the Minister for Agriculture or his representative, would be established for overall coordination of project activities and to provide policy guidance. The project would be implemented by a central project directorate headed by a project director.

- 20. **M&E indicators.** A management information system, consistent with IFAD's Guidelines for Project Monitoring and Evaluation, would be established to assess the rate of implementation and performance against planned targets and objectives, as set out by project design and reflected in the AWP/Bs. A set of key monitoring indicators reflecting RIMS requirements would be developed for the various project activities. Three surveys, e.g. baseline, at project mid term and at completion, would be conducted to provide data for evaluating the project impact's on beneficiaries. Targeting would be monitored systematically throughout project implementation and through direct IFAD supervision.
- 21. Risks. Major risks, for which mitigation measures would need to be devised, include: (i) weak enforcement of the Water Law; (ii) drought and acute environmental stress, (iii) limited cooperation between the Ministry of Agriculture and the Ministry of Irrigation on water management development and management, and (iv) limited cooperation between the Ministry of Agriculture and Ministry of Irrigation on one hand and the Ministry of Environment on the other on climate change and environmental issues.
- 22. Another risk is related to project phasing. As mentioned in Para 12 (b), the second phase of the project, which is identified for IFAD consideration, is contingent on completion of the first phase. Although unlikely, there is some risk that the latter phase does not materialise as planned. In such event, the RB-COSOP would align itself with government priorities and another project would be identified for IFAD consideration.

Key file 1: Rural poverty and agricultural/rural sector issues

Priority Areas	Affected Group	Major Issues	Actions Needed
Low productivity of irrigated agriculture	All farmers, but especially smaller fragmented farms	 Poor irrigation practices and high rate of water losses; Declining groundwater levels; Insufficient data and lack of appropriate hydrogeological and groundwater information system; Poor groundwater management; excessive and unsustainable overexploitation; Limited farmer skills in modern irrigation techniques; Poor maintenance of on-farm irrigation equipment; Lack of specialized farmer groups in irrigation and water management. 	 Promotion of advanced on-farm irrigation systems and water conservation technologies; Provision of TA and support to water users for design and installation of on-farm modern irrigation systems; Encourage water users, under the tertiary canals/groundwater wells/springs, to establish WUAs; Support for groundwater studies and hydro geological surveys; Support for development of a water resources information system for water basins.
Range management, soil and water conservation	Smallholder farmers and livestock holders	 Recurrent droughts and degradation of grazing resources for livestock; Excessive use of Badea River and overgrazing of natural vegetation; Soil erosion and declining soil fertility; Drought and low soil fertility resulting in infrequent harvests on rainfed land. Inappropriate land use and management of land and water resources. 	 Investment in natural resource (soil, water and rangelands) development and management; Enforcement of environmental impact assessments at the design stage, mid term and at completion of programmes and projects. Adoption of land-use planning and participatory approach; Environmental education for, and awareness-raising of, rural communities; Supporting sustainable income generating activities to reduce resource over-exploitation. Introduction of climate change-related adaptation measures.
Employment opportunities	All disadvantaged rural poor, particularly landless men, youth and women	 Holdings insufficient to sustain families; Little off-farm employment opportunities in rural areas Workforce under-skilled, less educated, severely under employed and lower paid; Low income keeps them in poverty. 	 Off-farm SME development/creation with resulting increase in jobs and family income; Improve education and skills of under-skilled workforce; Availability of capital for micro-and small enterprises; Availability of non-financial business services.
Agricultural research and extension service	Smallholder farmers and livestock holders	 Focus of research and extension not farmer-led; Lack of farmer confidence in the extension services because of its enforcement role with respect to fines and production planning; Poor cropping techniques and limited use of improved technologies for cultivation of non-strategic crops; Minimal attention to farm operating margins in farm advisory services. 	 Intensify demand-led research and extension effort; Build extension capacities to promote community-driven development, crop diversification, marketing and value addition; Create job opportunities outside farm; Encourage, foster and support farmer enterprise groups; Separate the extension and enforcement roles of the Extension Service.

Key file 1: Rural poverty and agricultural/ rural sector issues - (cont'd)

Priority Areas	Affected Group	Major Issues	Actions Needed
Weak market linkages for non-strategic crops and livestock production	Smallholder farmers, and livestock holders	 Limited skills among government and farmers to identify market opportunities; Lack of clear signals for price, quality and quantity of rural produce; Poorly developed supply-chain services and private markets; Limited market infrastructure (collection, processing, cold storage, rural roads); Limited crops diversification; Lack of skills in post-harvest storage, value-adding and agro-processing activities; Weak bargaining position and negotiating skills of farmers. 	 Identify opportunities for expansion of markets, for local sale and for export; Development of network of rural business service providers, capable of supplying range of services; Help farmers to organize themselves into marketing groups, engage with supply-chain entities and improve bargaining position; Diversification into higher-value crops, the market for which is not controlled by the monopolies; Promote on- and off-farm SMEs and farmer skills, including post-harvest, value-adding and agro-processing; Generate and disseminate timely market information; Develop market infrastructure.
Gender mainstreaming	Poor rural women and men	 Higher illiteracy rates; Large family size; Lack of income-generating activities. 	 Literacy and skills training; Gender mainstreaming of project activities; Greater access of rural women to financial services and provision of gender-friendly technologies; Ensure women's representation and participation in farmer-based organizations and cooperatives.
Access to rural microfinance	Smallholder farmers and Bedouin herders, rural women, landless poor and unemployed youth	Rigid and inappropriate collateral requirements; Reluctance of commercial banks to extend credit to small farmers; Limited supply of microfinance.	Improve the business and investment climate for on- and off-farm SMEs; Medium- and long-term on-lending funds to be made available for production and investment into small holders and SMEs; Promote microfinance through involvement of financial intermediaries, such as MFIs, commercial banks and NGOs; Promote more innovative financial products to be offered by banks to overcome collateral difficulties.

Key file 2: Organizations matrix (strengths, weaknesses, opportunities and threats [SWOT] analysis)

Institution	Strengths	Weaknesses	Opportunities/ Threats	Remarks
Ministry of Agriculture and Agrarian Reform	 Strong ownership and dedication to agricultural development National and large field presence; Good project implementation experience; Good discipline for implementation of instructions; Organized to address gender issues. 	 Overstaffing; Top-down attitude of most staff; Limited understanding of requirements of market economy; Limited community development skills and participatory processes; Extension service focused on enforcement of plans and penalization of farmers. 	 Decision-makers ready and willing to speed up reforms and modernization of public offices, and to adopt participatory approaches; Decision to separate enforcement from extension has been made but not yet implemented; Difficulty in downsizing public offices and re-orienting extension services. 	
Ministry of Irrigation	 Highly qualified technical staff; National and large field presence; High technical competence. 	Limited resources and political will to control over-extraction of groundwatrer; Limited skill for participatory irrigation management and formation of WUAs.	New water laws provide additional legal instruments to better control and manage water resources; Political pressure at the local level and inability to execute stringent groundwater management measures.	
SPC (Prime Minister's Office)	 Increased ownership and dedication to poverty alleviation National policy decision and development planning mandate; Ensures liaison with donor community; Responsible for overall coordination of all external assistance. 	 Limited presence in the field; Limited authority over line ministries, particularly at field level; Lack of operational capacity to ensure adequate M&E of agreed indicators; Slow capacity-building process to handle transition to market economy. 	 Transformation from state-controlled central planning to market-oriented economy; Strong commitment by the Prime Minister's Office to manage external assistance and coordinate inflows of development assistance. 	
Ministry of Local Administration & Environment	Comprehensive mandate and legal base for environment and natural resources management.	 Poor technical competence; Weak field presence; Limited budget to respond to new legislative framework. 	 Mandate and priority for sustainable development; Challenging state of the environment; Membership of international conventions and donor support. 	

Key file 2: Organizations matrix (strengths, weaknesses, opportunities and threats [SWOT] analysis) – (cont'd)

Institution	Strengths	Weaknesses	Opportunities/Threats	Remarks
Agricultural Cooperative Bank	 Mandate to work with farmers and rural businesses; Widest banking outlet in Syria. 	 Funding entirely dependent on Government; limited flexibility and sustainability of operations; Lending based on government policies to increase production outputs and not on economic opportunities; Stringent collateral requirements that render lending inaccessible to poor and rural women. 	Government's willingness to reform ACB; but process of reform, capacity-building, and reorientation of banking operations is low; High demand for micro, small and medium size loans in rural areas.	;
Agricultural cooperatives	Large membership; Ability to access services and inputs at subsidized rates.	 Strong control by Government; Limited participatory approach; Strong control by relatively large producers; Limited representation of small producers and women in management. 	Willingness to adoption of participatory approach and to participate in rural and community development activities.	
General Union of Women General Union of Farmers	Strong connection to Government for rights advocacy; Large presence in the field.	High dependence on Government; Limited participatory approaches.	Willingness to adopt participatory approaches and participate in rural and community development activities; Limited representation of small producers and women in community resources management.	
National NGOs	Legal base for establishment framed; Strong government support for capacity-building.	Limited number of local NGOs; Limited exposure and cooperation with international NGOs; Lengthy procedures for establishment.	Increased government recognition of NGOs role in community development; Possibilities of building on localized NGO activities; Loan funding to NGOs possible.	

Key file 3: Complementary donor initiative/partnership potential

Donor/Agency	Nature of Project/Programme	Project/Programme Coverage	Status	Complementarity/ Synergy Potential
	Regional development planning; institution-building.	Eastern Region: development of regional plan and establishment of regional authority.	Ongoing	Highly complementary
UNDP	Support for Business Innovation and Development Centre; capacity- building and TA for local entrepreneurs.	Deir Ezzor Governorate: marketing, feasibility studies; business development and technical needs.	Ongoing	Complementary
UNDP/GEF	Sustainable land management.	Eastern Region: coordination and scaling up of land management activities in rangeland management and irrigation.	Proposed pipeline	Highly complementary
UNDP/JICA	Rural community development and microfinance.	Jebel Al-Hoss: promotion and development of community-based microfinance.	Completed	Lessons learned
JICA	Water resources management; Water supply and urban water distribution projects	Brada-Awaj and Coastal basins, including strengthening and building up capacity of WRIC; development of modernized water resources information systems in each region and at the national level.	Ongoing	High synergy – water resources information system can be adjusted, upgraded and used in Eastern Region.
	Development of efficient irrigation techniques and extension.	Nationwide; water use efficiency; on-farm water management methods; capacity- building and training.	Ongoing	Highly complementary to on-farm irrigation promoted in Eastern Region.
World Food Programme	Support to small farmers and herders on marginal and degraded land.	Ten governorates with focus on Badea and adjacent lands.	Ongoing	High synergy
	TA and capacity-building	Formulation of the National Programme for Food Security.	• ongoing	High synergy
FAO	Agropolis: ALGHAB Programme Development	ALGHAB area.	Formulation	Lessons learned
FAO/Italian Cooperation	Institutional development of organic agriculture.	Nationwide: TA and support for sustainable development of organic farming.	Ongoing	Complementary
Italian Cooperation	Support to establishment of microfinance.	Nationwide.	• pipeline	synergy and complementarity

Key file 3: Complementary donor initiative/partnership potential – (CONT'D)

Donor/Agency	Nature Of Project/Project	Project/Project Coverage	Status	Complementarity/Synergy Potential
GTZ	TA for efficient use of water in irrigation and drinking water supply systems.	Nationwide for irrigation and cities of Aleppo and Damascus for drinking water supply.	Ongoing.	• Synergy
	Participatory range management	BRDP in nine governorates, cofinanced with IFAD.	Ongoing.	High synergy, lessons learned are of value for expansion of activities in future.
AFESD	Rural, agriculture and livestock development, community-based development, and microfinance; participatory land reclamation, soil conservation and water harvesting.	IRDP, cofinanced with IFAD	Ongoing.	 High synergy; approaches to community development and soil and water conservation. Lessons learned are valuable to the Eastern Region Project.
EI	Institution-building	 National: upgrading the capacity of central government bodies to conduct policies in line with liberalization of economy; achieving efficient banking and monetary system, and market-oriented economy. 	Ongoing.	Low to medium synergy
EU	Human resources development: modernization of vocational education and training.	National; establishment of vocational education and training system; to be used in support of the private sector with SMEs and restructuring of the public enterprise sector.	Ongoing.	Medium synergy
World Bank	Technical Assistance	Thematic analysis on reform of agriculture and irrigation sectors.	Ongoing	High synergy
Spanish Agency for International Cooperation	Rural development.	Raqqa Governorate, micro-credit and rural TA.	Potential	Medium to high synergy.
OFID	Community empowerment; farm productivity raising; natural resources management and irrigation; SME development.	NERRDP (cofinanced with IFAD). Three governorates: Hassakeh, Deir Ezzor and Raqqa.	Ongoing	High synergy
ICARDA	Research and TA	Agriculture, water management, livestock development, value chain and HMAPs	Ongoing	High synergy
ACSAD	Research and TA	Agriculture, water management, livestock development.	Ongoing	High synergy
ICBA	Research	Saline and marginal water.	• ongoing	High synergy

Key file 4: Target group identification, priority issues and potential response

Typology	Poverty Levels And Causes	Coping Actions	Priority Needs	COSOP Response
Small farmers and Bedouin herders	 High dependence ratios with large families and many dependants; Poor nutritional status; Low adult literacy rates; High fertility rates; Limited productive and household assets; Limited holding size; Limited and untimely availability of irrigation water; Depletion of groundwater resources; Limited use of improved cropping practices; Limited access to markets; Limited opportunities to diversity livelihoods into non-farm activities. 	Men and women work as casual labourers locally; Temporary labour migration to neighbouring countries; Public works projects for cash, food or vouchers; Sale of assets, including livestock; Support from relatives; Informal credit from friends and input suppliers.	Technical packages/training; Improved access to land and other productive resources (especially water); Better access to rural finance and markets; Institutional support to users and/or producer associations; Better access to off-farm income opportunities.	 Promotion of demand-driven, propoor research and extension, with more emphasis on non-strategic crops and crop-livestock integration; Promotion and support for improved on-farm, efficient water irrigation technologies; and promotion of water saving mechanisms and users' associations; Strengthening capabilities for improved groundwater management; Promotion of microfinance through best practices and pilot initiatives; SME development; Environmental awareness training.
Small livestock owners	 Insufficient fodder production due to drought; Risk of livestock losses from disease and drought; Inappropriate research and extension systems; Limited market access. 	Work as casual labour locally; Labour migration to neighbouring countries; Sale of animals and other assets; Loans from relatives and traders.	 Drought-resistant fodder varieties for animal consumption; Pro-poor research and extension and training; Better access to rural finance and off-farm income-generating opportunities; Better access to cultivable land and water. 	 Environmental awareness; Introduction of drought-resistant seed varieties and species; Better extension for crops and livestock; Technical training for off-farm activities; Promotion of micro finance; Empowerment of community-based associations.

Key file 4: Target group identification, priority issues and potential response – (CONT'D)

Typology	Poverty Levels And Causes	Coping Actions	Priority Needs	COSOP Response
Landless and unemployed youth	Low levels of literacy; Limited job opportunities; Limited possibilities for starting their own businesses due to lack of capital.	Work as casual labour locally; Labour migration to neighbouring countries; Sale of animals and other assets; Loans from relatives and traders.	Better income-earning opportunities; Training in management and technical skills; Access to financial and non-financial business services.	 Promotion of SMEs; Technical training for off-farm income-generating activities; Skill and basic management training; Promotion of microfinance through best practices and pilot initiatives.
Rural women	Low levels of literacy; Limited opportunities for income generating activities; Lack of access to assets, mainly land; Low level of skills; Low pay for activities.	Sale of assets including livestock; Support from relatives; Casual labour in agriculture, mostly in cotton harvesting locally and in vegetable crops in southern Syria.	Literacy and skills training; Better access to rural finance and markets; Empowerment and better representation in local associations; Income-generating activities.	 Literacy and skills training; Management training and capacity-building for community participation; Empowerment through community participation and establishment of producers' and other groups; Access to financial and non-financial business development services; Promotion of microfinance for on- and off-farm IGAs, particularly for livestock; Promotion of women's groups.