IFAD
INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT
Evaluation Committee – Twenty-seventh Session
Rome, 22 February 2001

SYRIAN ARAB REPUBLIC
COUNTRY PROGRAMME EVALUATION
EXECUTIVE SUMMARY
# TABLE OF CONTENTS

Abbreviations and Acronyms ii  
Maps iii  

I. BACKGROUND AND RATIONALE 1  

II. THE MACROECONOMIC AND SECTORAL CONTEXT 1  

III. IFAD STRATEGY AND OPERATIONS 3  

IV. IMPLEMENTATION EXPERIENCE AND ISSUES 5  
   A. Farming Systems 5  
   B. Rural Credit 8  
   C. Socio-Economic Aspects 10  
   D. Organization and Management 13  

V. IMPACT OF THE PORTFOLIO TO DATE 15  

VI. SUSTAINABILITY OF BENEFITS 19  

VII. STRATEGIC LESSONS AND RECOMMENDATIONS 20  
   A. Sharper Poverty Focus 20  
   B. Participation, Gender Aspects and the Involvement of NGOs 21  
   C. Pro-Poor Credit Policy 22  
   D. Environmental Considerations 22  
   E. The Sustainability of Farming Systems 23  
   F. Decentralization and the Enabling Environment 23  

VIII. SUMMARY AREAS FOR POLICY DIALOGUE 24  

IX. OPERATIONAL RECOMMENDATIONS 25
ABBREVIATIONS AND ACRONYMS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACSAD</td>
<td>Arab Centre for Studies of Arid Zones and Dry Lands</td>
</tr>
<tr>
<td>AFESD</td>
<td>Arab Fund for Economic and Social Development</td>
</tr>
<tr>
<td>ASZ</td>
<td>Agricultural Settlements Zone</td>
</tr>
<tr>
<td>BRDP</td>
<td>Badia Rangelands Development Project</td>
</tr>
<tr>
<td>CAB</td>
<td>Cooperative Agricultural Bank</td>
</tr>
<tr>
<td>CI</td>
<td>Cooperating Institution</td>
</tr>
<tr>
<td>CMADP</td>
<td>Coastal Midlands Agricultural Development Project</td>
</tr>
<tr>
<td>COSOP</td>
<td>Country Strategic Opportunities Paper</td>
</tr>
<tr>
<td>CPE</td>
<td>Country Portfolio Evaluation</td>
</tr>
<tr>
<td>ESCWA</td>
<td>Economic and Social Commission for West Asia</td>
</tr>
<tr>
<td>FAO</td>
<td>Food and Agriculture Organization</td>
</tr>
<tr>
<td>GUP</td>
<td>General Union of Peasants</td>
</tr>
<tr>
<td>GUW</td>
<td>General Union of Women</td>
</tr>
<tr>
<td>ICARDA</td>
<td>International Centre for Agricultural Research in Dry Areas</td>
</tr>
<tr>
<td>IGA</td>
<td>Income-generating activity</td>
</tr>
<tr>
<td>JHADP</td>
<td>Jebel Al-Hoss Agricultural Development Project</td>
</tr>
<tr>
<td>MAAR</td>
<td>Ministry of Agriculture and Agrarian Reform</td>
</tr>
<tr>
<td>M&amp;E</td>
<td>Monitoring and Evaluation</td>
</tr>
<tr>
<td>NGO</td>
<td>Non-Governmental Organization</td>
</tr>
<tr>
<td>OE</td>
<td>Office of Evaluation and Studies</td>
</tr>
<tr>
<td>PMU</td>
<td>Project Management Unit</td>
</tr>
<tr>
<td>PN</td>
<td>Near East and North Africa Division</td>
</tr>
<tr>
<td>SCGIM</td>
<td>Strategy-Cum-General-Identification Mission</td>
</tr>
<tr>
<td>SRADP I</td>
<td>Southern Region Agricultural Development Project, Phase I</td>
</tr>
<tr>
<td>SRADP II</td>
<td>Southern Region Agricultural Development Project, Phase II</td>
</tr>
<tr>
<td>TA</td>
<td>Technical Assistance</td>
</tr>
<tr>
<td>UNDP</td>
<td>United Nations Development Programme</td>
</tr>
<tr>
<td>UNICEF</td>
<td>United Nations Children’s Fund</td>
</tr>
<tr>
<td>WHO</td>
<td>World Health Organization</td>
</tr>
<tr>
<td>WID</td>
<td>Women-in-Development</td>
</tr>
</tbody>
</table>
Map 2

SYRIAN ARAB REPUBLIC
SYRIAN ARAB REPUBLIC

COUNTRY PROGRAMME EVALUATION

EXECUTIVE SUMMARY

I. BACKGROUND AND RATIONALE

1. The IFAD Near East and North Africa Division (PN) is planning to prepare a new country strategic opportunities paper (COSOP) for Syria in 2001 to launch a new programming cycle. The division requested the Office of Evaluation and Studies (OE) to undertake a country portfolio evaluation (CPE) as a prelude to the strategy formulation process. The purpose of this CPE is to assess the Syria/IFAD cooperation experience and derive strategic and operational directions for the future and present portfolio of projects.

2. Cooperation between Syria and IFAD started in 1982. Since then, the Fund has financed five projects in Syria, with a total cost of USD 360 million, of which IFAD loans amount to USD 80 million. Cofinanciers have been the Arab Fund for Economic and Social Development (AFESD) (USD 145 million), the World Bank (USD 10 million), the United Nations Development Programme (UNDP) (USD 2 million) and the Government of Syria (USD 83 million). AFESD is the cofinancier and cooperating institution (CI) for the four ongoing projects, and the World Bank was the CI for the first, and the only closed, project.

3. Closely following the new approach to evaluation, the CPE consisted of an assessment with partners of the progress and impact of the portfolio. In the preparatory stage, a background paper was completed on available project design, implementation, evaluation and policy documents. This served as a starting point for the CPE. Next, a brief field reconnaissance mission visited Syria to discuss with partners their expectations, priorities, desired focus and modus operandi of the CPE. The results of this were compiled in an approach paper that included specification of the main CPE issues, methodology, mission composition and the core learning partnership (CLP).

4. Fielded during May/June 2000, the CPE mission traveled extensively in all five project areas and used participatory methodology to assess portfolio achievements. The mission concluded its fieldwork with a national-level evaluation workshop designed to allow participants to discuss the preliminary findings with a wide range of partners, including IFAD staff from OE and PN, CI staff, government and project staff, community-based organizations, non-governmental organizations (NGOs) and donors/partners. The results of the workshop directed the main emphasis of the CPE report. The completion agreement is expected to be finalized at the CPE round-table workshop, to be held in Damascus during the first half of 2001 with the participation of evaluation committee members.

II. THE MACROECONOMIC AND SECTORAL CONTEXT

The Macroeconomic Framework

5. For the last three decades, the economy of Syria has operated under a socialist-style system of centralized planning. Since the late eighties, however, the Government started implementing a gradual liberalization programme, which has produced dividends. Growth in most of the nineties was impressive, averaging more than 7% a year, which led to a real improvement in per capita income. This is mainly attributed to large increases in agricultural and industrial production, the discovery and

---

1 Central Bureau of Statistics (CBS).
exploration of oil, and remittances from Syrians working in Gulf countries. Conditions in the late nineties, however, were less favourable, and growth slowed to 2.5% in 1997. The 1999-2000 oil price increases improved the economic situation, and, in 2000, the country is likely to register an increase in export earnings as well as in growth rate, despite the severe droughts experienced these past two years. The inflation rate was estimated by UNDP at 2.2% in 1998.

6. The population of Syria in 2000 was approximately 17 million, increasing at 3.3% per annum. The rural population accounts for about 50% of the total, but the urbanization rate is increasing. In 1994, almost half the population was 14 years old or younger, leading to a high dependency ratio. Life expectancy at birth has increased remarkably, from 50 years in 1960 to 67 years in 1995, basically as a result of improved access to better health services and mothers’ education. As per UNDP and Food and Agriculture Organization (FAO) data, the food security situation has improved significantly since the mid-seventies. There has been a significant increase in the adult literacy rate over the last three decades (from 40% in 1970 to 89% in 1994), and in the provision of basic health services (from 70% to 90% of the population). Gross domestic product (GDP) per head in 2000 is estimated at USD 1 022.

The Agricultural Sector and Policies

7. The agricultural sector contributes about 25% of GDP, generates about 20% of non-oil exports and is a major source of raw materials for the processing industries. The major field crops grown are wheat, barley, cotton, sugar beet, tobacco and lentils, and the main fruits are olives, grapes, apples, almonds, pistachios and citrus. Although just about one third of cultivated land is irrigated, about two thirds on average of total crop production originates in irrigated agriculture. Livestock contribute around 37% of agricultural GDP, but this is subject to large fluctuations as a result of drought and other natural calamities.

8. Broad-based land reform and the nationalization of larger commercial farms have transferred ownership of much of the land to the rural peasantry. At present the farming sector is more or less dominated by smallholder agriculture. For planning and policy purposes the country is divided into five agricultural settlements zones (ASZs), based on a number of variables of which the most important are annual precipitation and altitude. Rainfall varies from 600 mm per year in the higher areas of ASZ 1 to under 100 mm in the extensive dryland areas of ASZ 5. The average size of holdings in ASZs 1 and 2 is about 5 ha (much smaller for irrigated areas); this increases in ASZs 3 and 4, but in ASZ 5, where the extensive rangelands are state property, holding sizes are very small and concentrated around oases.

9. The Government’s agricultural policy stresses the production of adequate food to meet the expanding needs resulting from high population growth and urbanization. During the seventies and most of the eighties, the explicitly stated goal was that of food self-sufficiency. With its liberalization policies, the Government is increasingly focusing on food security rather than on food self-sufficiency, and emphasising production incentives, gradual liberalization of international trade and a more favourable climate for private investment. It has gradually relaxed control in several areas, including cropping choice, output pricing, access to imported inputs, distribution of fertilizers, improved seeds and livestock breeds, exchange rates and marketing arrangements. Nevertheless, there still exists a degree of support for wheat production (and a few other crops) in order to maintain a desirable level of domestic production and support for the consumers of selected basic staples. Land reclamation and intensification have been important elements of the Government’s agricultural policy. Between 1985 and 1998, the production of wheat, barley, olives and red meat increased by 240%, 117%, 424% and 168%, respectively. These increases reflect mostly increased productivity, as cultivated areas have not increased proportionately.
Rural Poverty

10. Annual per capita income in rural areas is estimated at two thirds of the national average. Education facilities, particularly beyond the elementary level, are limited in remote rural areas and the Badia. Access to health services is also much lower in rural areas. While systematic and detailed data on rural poverty are not available, it is recognized that the main contributing factors to poverty are: (i) small farm holdings shared by large rural households (per capita landholding is less than 0.2 ha); (ii) low production potential of land (low fertility, soil erosion, high rockiness, desert land, highly fragmented holdings); (iii) low and unreliable rainfall; (iv) removal or degradation of natural vegetation; and; (v) limited employment opportunities. The survival strategies for the rural poor include off-season employment as casual labourers (in the urban areas and on private or state farms); temporary migration of part or all of the family (mainly to Lebanon); the movement of nomadic tribes or clans to sites adjacent to irrigation schemes to ensure adequate feed supplies for their flocks, especially in drought years; and remittances from family members working abroad.

Gender Aspects of Rural Poverty

11. There are a number of socio-economic factors that make rural women more exposed than men to poverty. Women play a major role in agriculture in Syria. Forty-five per cent of farm family labour is provided by unpaid females (100% for the care of animals). However, women’s control of agricultural resources is low (land, only 5%, animals, about 7%-8%, and agricultural machinery, 1%). The adult literacy rate is much lower for rural women than the national average. Lack of control over land hinders women’s access to equipment, credit and other services. Women play only small roles in marketing and have limited decision-making power within the household, including in the disposal of family income. While the law recognizes the right of women to inherit, women are often culturally pressured to waive their right to land inheritance in favour of their brothers or male offspring. Given the extensive out-migration of males, it is probable that there is a sizeable number of de facto female heads of households, but reliable statistics are not available.

Donor Support

12. Syria used to receive economic and financial assistance from the Soviet Union and the Eastern Bloc. It is estimated that about half of the country’s outstanding external debt is with the Russian Federation, while the World Bank is also owed large accumulations of arrears. Recently the Government resumed payments to the World Bank. A poverty alleviation strategy is being compiled with the assistance of UNDP to establish a future framework for donor assistance. In addition to IFAD, regional financial institutions such as AFESD, the Islamic Development Bank (IsDB) and the European Union have continued to support economic development in Syria. Bilateral support from France, Germany, Italy and Japan, among others, has been steadily increasing.

III. IFAD STRATEGY AND OPERATIONS

IFAD Strategy

13. IFAD operations in Syria have been guided by the strategy prepared by the Strategy-Cum-General Identification Mission (SCGIM) in 1992. The SCGIM’s strategy had five key objectives: (i) to raise the productivity of land and labour; (ii) to utilise resources better and protect the environment; (iii) to improve income and raise the standards of living of the target groups; (iv) to increase local employment and reduce urban migration; and (v) to halt marginalization in areas subject to environmental deterioration. Three target groups were described as: (i) small and vulnerable farmers

2 1994 Agricultural Survey
in semi-arid and arid plains and upland dryland farm areas; (ii) Bedouin herders who experienced loss of sheep due to drought, and (iii) small mixed farm households in the irrigated or high rainfall areas.

14. The strategy was multidimensional. First, a geographical dimension gave priority to the east and north-central parts, the semi-arid areas and the remote and upland locations. Second, a thematic dimension was aimed at improving dryland farming, enhancing traditional sheep-rearing, protecting the environment, supporting small-scale irrigation and providing support for women’s development through income-generating activities (IGAs). Third, a human resource dimension called for the active involvement of local organizations and groups and gave prominence to women during all stages of the project cycle. Fourth, an economic management dimension was designed to support liberalization and decentralization policies and upgrade data-collecting and statistical services. Overall, the strategy was all embracing, describing a desirable wide spectrum for IFAD/government collaboration rather than identifying specific areas for IFAD support within the overall framework of the Government’s development policies.

IFAD Operations

15. The Fund’s first intervention in Syria, preceding strategy development, was the first phase of the Southern Region Agricultural Development Project (SRADP-I) cofinanced with the World Bank. On the basis of lessons learned from this project, and following the strategy’s directions, four additional projects were developed. These are: SRADP-II, the Jebel Al-Hoss Agricultural Development Project (JHADP), the Coastal Midlands Agricultural Development Project (CMADP) and the Badia Rangelands Development Project (BRDP).

16. The main intervention funded in the first four projects had been land reclamation through de-rocking by heavy equipment. This has been mostly concentrated in ASZs 1 and 2. These four projects are designed to reach 110 600 households and de-rock 166 000 ha of land. They also include limited support for adaptive research and extension, and women’s programmes based on the provision of literacy and skills training and the promotion of IGAs through credit. The last approved project and the only one without de-rocking, BRDP, aims to address the deteriorating Badia rangelands, improving the livelihoods of 16 800 nomadic and semi-nomadic herders by introducing a participatory rangeland management system and rehabilitating pastureland in ASZ 5.

17. The total area that will be de-rocked with IFAD support is large enough to make a significant contribution to the Government’s objectives of increasing production and food security. The four land reclamation projects helped to realize the geographical and thematic dimension of IFAD’s strategy, while the project in the Badia extended the activities to the rangelands to support environmental rehabilitation. Projects addressed individually some aspects of human resource development and supported decentralization. Except for in JHADP, IFAD has not fully addressed the problems of small landholders in semi-arid and arid environments (ASZs 3 and 4), although farmers in these areas were identified by the SCGIM as potential beneficiaries who would perhaps be the most deserving. Some of the key parameters of the projects are summarized in Table 1.

---

3 In fact, they will de-rock more land and reach more households than originally planned. The table gives updated estimates.

4 The Government’s overall target for de-rocking is 0.8 million ha: the present portfolio could directly account for about 25% of this area, but the machinery supplied will continue operating for many years after project closures.
Table 1. Summary of key parameters from the IFAD portfolio

<table>
<thead>
<tr>
<th>Projects</th>
<th>Approval date</th>
<th>Effective-ness</th>
<th>Project cost</th>
<th>IFAD loan</th>
<th>Benefiting households</th>
<th>De-rocking % of total project cost</th>
<th>Planned reclam.</th>
<th>Actual reclam.</th>
</tr>
</thead>
<tbody>
<tr>
<td>SRADP-I</td>
<td>31.03.82</td>
<td>23.05.83</td>
<td>65.6</td>
<td>8.7</td>
<td>10 000</td>
<td>38</td>
<td>32 000</td>
<td>37 000</td>
</tr>
<tr>
<td>SRADP-II</td>
<td>09.09.92</td>
<td>10.03.93</td>
<td>42.3</td>
<td>18.0</td>
<td>17 600</td>
<td>54</td>
<td>32 000</td>
<td>46 400</td>
</tr>
<tr>
<td>JAHADP</td>
<td>06.09.94</td>
<td>19.01.95</td>
<td>29.1</td>
<td>11.9</td>
<td>14 000</td>
<td>66</td>
<td>22 000</td>
<td>400</td>
</tr>
<tr>
<td>CMADP</td>
<td>06.12.95</td>
<td>07.07.96</td>
<td>117.1</td>
<td>20.4</td>
<td>69 000</td>
<td>84</td>
<td>80 000</td>
<td>-</td>
</tr>
<tr>
<td>BRDP</td>
<td>23.04.98</td>
<td>21.12.98</td>
<td>104.9</td>
<td>20.2</td>
<td>16 800</td>
<td>0</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Portfolio</td>
<td>359.0</td>
<td>79.2</td>
<td>127 400</td>
<td>46</td>
<td>166 600</td>
<td>83 800</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: SRADP-I cost as estimated at appraisal. IFAD loan and land de-rocked are actual figures.

Disbursements

18. Up to November 2000, the record of disbursements for the IFAD portfolio had been disappointing. The closed project, SRADP-I, had disbursed only about 48% of total allocated funds. The four remaining projects had disbursement rates of 48%, 37%, 12% and 5%, respectively. The main reason was the delay in procurement, particularly of heavy machinery and equipment for land reclamation. The equipment procurement issue was resolved in early 2000, and orders have been placed. IFAD Funds Status for November 2000 shows these commitments. For SRADP-II alone this will take the disbursement rate to 78%.

IV. IMPLEMENTATION EXPERIENCE AND ISSUES

A. Farming Systems

Land Reclamation

19. In much of the arable land in Syria a high proportion of rocks of various size and depth has both limited the planting area and dictated the techniques of cultivation. This has been one of the most difficult constraints on small farmers. Therefore, the agricultural development strategy of the Government, supported by IFAD and other donors, embraced large-scale de-rocking as a mechanism for expanding cultivable land and productivity.

20. At the time of the CPE, 83 800 ha of de-rocking (50% of appraisal targets) had been completed. Because of procurement delays, much of this has been accomplished with old machinery, especially in SRADP-II. De-rocking achievements in this project alone surpassed the appraisal target by 44%. This clearly demonstrated that Syrian mechanics and engineers had the skills and managerial capability to keep much of the heavy machinery fleet operational well past its nominal economic life. Hence, the new fleets provided can be expected to continue de-rocking for many years.

21. The technical methodology of de-rocking has proved very successful, and operations have been undertaken to a high standard. After de-rocking, fields can be planted, depending on the rainfall, with various crops such as wheat and barley, pulse crops such as chickpeas, and fruit trees such as olives and apples. Agricultural operations are greatly facilitated, with positive effects on productivity. Beneficiaries of de-rocking activities are fully informed about the project arrangements and credit

5 This low level of final disbursement is mainly caused by the cancellation of the World Bank loan.
facilities available during the process of land development. Meetings are held prior to land development to explain the programme and discuss the farmers’ rights and responsibilities.

Bulldozers clear fertile land covered with volcanic rock

22. The positive impact of de-rocking has been clearly demonstrated (Section V). In particular, benefits were derived on small farms where farmers had been converted from extremely poor workers and employees in neighbouring areas or in other sectors (inside the country and abroad) to active farmers residing on their own land, and with good incomes. Orchards have been established on around 50% of de-rocked land, which has enhanced olive and fruit production and improved the balance between annual and tree cropping.

An olive grove on fertile land cleared by the project (SRADP-II).

23. Although the planting of fruit trees is actively promoted, many beneficiaries prefer to grow annual instead of tree crops, which can result in soil erosion and can decrease water-retention capacity. The most important reasons for this are: (i) the farmer’s need for immediate cash from the sale of annual crops in a readily available market (guaranteed by government marketing policies), as compared with his having to wait for three to five years to start earning from fruit trees; (ii) the requirement of a large outlay of capital and technical knowledge for the planting of fruit trees; and (iii) the need for alternative sources of income before fruit trees start to produce. In addition, while de-rocking was associated with a significant increase in yields across crops, these yields are still below potential. Improvement can be expected through the upgrading of technical training for beneficiaries and staff.
The CPE was also concerned about the extent of monocropping (the dominance of a single species) on many farms. This can lead to the spread of disease and may endanger economic benefits and sustainability. An emerging issue for increased orchard production is marketing, but good potential exists for expansion.

24. While de-rocking has contributed substantially to increased crop production and farm income, three issues have emerged concerning potential environmental impact, targeting/area selection and the distribution of benefits from de-rocking. These will be dealt with in the following sections of the executive summary.

Livestock

25. Apart from BRDP, in which all components revolve around extensive livestock development, livestock interventions in the other projects are limited in scope, with only partial integration into the overall project objectives and strategies. In most cases, livestock development is seen solely from the genetic side through providing high-performing breeds, while fodder availability, feeding and nutrition aspects are left to the decision of individual farmers. Quantitative and qualitative feed shortage is reflected in low average production parameters for all species and breeds. Extension activities for livestock have not been as effective as those for crop production.

The Effects of Drought

26. As a result of the severe drought in 1999/2000, flock sizes may have been reduced by up to 80% in the case of smallholders who were not members of cooperatives, and by around 50% in sheep-breeding cooperatives. Even though not all the effects of the drought have yet materialized, many worrying signs were evident by mid-2000: (i) extremely low livestock prices; (ii) extremely low milk production; and (iii) a more than fourfold increase in rental costs of stubble and fallow (in ASZs 1 to 4). The drought has slowed the rate of implementation of livestock components in the portfolio, particularly for the Badia project.

Extension Activities

27. All projects include strengthening the existing extension services to intensify and upgrade agricultural production technology and practices. IFAD-supported projects (particularly SRDP-II) have promoted a revised approach to service provision based on problem analysis at the farm level and the establishment of village groups. This is resulting in a more responsive service (see paragraph 40). Where de-rocking operations have taken place, most farmers considered that the extension services provided very useful information and assistance for field and tree crops. However, overall potential outreach has been considerably curtailed because of lack of transport and the uneven distribution of extension units throughout various zones in favour of ASZs 1 and 2.

28. Overall, the extension services are well staffed (and sometimes overstaffed) and are performing a valuable role in realizing the potential of the investments in de-rocking. However, a number of constraints relating to sustainability of the farming system (sections VI and VII) are still to be addressed. The technical packages promoted are suitable over all, but there is potential for improving productivity through improved technology generated by the extensive network of research stations and national/international research institutions (e.g., the International Centre for Agricultural Research in Dry Areas (ICARDA) and the Arab Centre for Studies of Arid Zones and Dry Lands (ACSAD)), and by reinforcing the participatory dimension of extension, research and on-farm trials.
Water Resource Development

29. Three of the ongoing projects (CMADP, JHADP and BRDP) have packages for water-supply development, the overall objectives of which are to provide water for human consumption and/or agricultural purposes (supplementary irrigation, livestock watering). However, CMADP is the only project in which water resource activities have so far been substantially implemented. On balance, both the scope and scale of interventions in the present projects are appropriate, but they may not be so when demand for water grows. There is also concern for the lack of organization and effective involvement of beneficiaries in the management of the water resources developed by the projects. In addition, techniques of run-off water harvesting seem to be more efficiently used in areas where water is already available (ASZs 1 and 2) rather than in those areas where use of this technique would be more justified (ASZs 3 and 4). In general, there is a need to incorporate measures to encourage both run-off water harvesting and the more efficient on-farm use of irrigation water, which is presently very low.

B. Rural Credit

Cooperative Agricultural Bank

30. The Syrian banking system consists of the Central Bank of Syria and five state-owned specialized banks, of which the Cooperative Agricultural Bank (CAB) is responsible for providing credit to the agriculture and rural sectors. CAB is not a conventional agricultural bank but rather a government institution that carries out public-sector credit policies. Any Syrian national who operates land and/or raises animals for agricultural purposes, and is not a defaulter in the repayment of a previous loan, can access CAB credit either through his/her cooperative or directly. The commonly prevailing interest rates are 4% for cooperatives and 5.5% for private farmers. The lending rates, if not negative in real terms,\(^6\) are low and not adequate to cover all costs of credit dispensation. Low interest rates on CAB loans are perhaps now the only important tool available to the Government for passing on subsidies to agricultural producers.

31. With the exception of SRADP-I, where both CAB and AFESD finance the credit components, credit funds for the projects are fully covered from CAB regular resources. In SRADP, CMADP and JHADP, CAB is responsible for providing credit for land reclamation, annual crop and fruit tree planting on de-rocked land, and the purchase of livestock, farm equipment and machinery. These loans are intended for participating farmers, rural women and disadvantaged/landless rural men. Under BRDP, CAB credit is for assisting herders and women with livestock production and other small-scale IGAs.

32. Through IFAD/Government policy dialogue, CAB has entered into formal agreements with the Ministry of Agriculture and Agrarian Reform (MAAR), the main implementing agency, to relax a number of its normal terms and conditions to ensure an increased flow of credit to project beneficiaries. One important relaxation is land collateral; two personal guarantors or a farmer cooperative can now guarantee loans.

Credit Disbursements

33. Experience with credit comes mostly from SRADP-II. Achievements have been highly satisfactory. Between 1995 (when disbursements started) and 1999, SRADP-II disbursed a total of

---

\(^6\) It is difficult to estimate the annual rate of price changes or inflation because of lack of published data on prices. The inflation rate for 1998 was estimated by UNDP at 2.2%.
6,737 loans for livestock production and other IGAs. These loans have amounted to 359 million Syrian pounds (SYP) (USD 7.8 million), which is 91% of the design target. This is in addition to payments to about 70% of the farmer beneficiaries for land reclamation costs on credit. About 54% of these loans were for IGAs for rural women. CMADP is the only other project in which credit activities have started, and then only from the beginning of 2000. Up to June 2000, 353 loans, worth SYP 7.9 million (USD 172,000), had been disbursed.

34. Excluding credit for land reclamation, livestock production (cattle and sheep-fattening and sheep/goat-rearing) accounted for 44% of the total loans under SRADP-II, followed by loans for dairy cows and milking machines (38%) and women’s off-farm IGAs (16%). The balance (2%) went for poultry and beekeeping. Under CMADP, women’s off-farm and home-based IGAs occupied second place above dairy cows and milking machines.

35. Overall, the design of the credit activities supported under the four ongoing IFAD-assisted projects is appropriate, and appreciated by recipients, especially women. Proper use of credit is ensured through supervision by extension staff, and timely loan repayments by intensive CAB staff contact with borrowers. To reinforce this system and further reduce risks, CAB and project authorities
adhere closely to the policy of lending in kind. The following problems, however, need further attention: (i) the linkages between the credit activities and the core land development components are relatively weak, i.e., the interventions are not mutually reinforcing (see paragraph 36); (ii) no explicit targeting mechanisms are in place to direct credit towards asset-less poor or destitute rural women and no efforts are devoted to building up a ‘small loans guarantee fund’ to encourage CAB to incorporate these rural disadvantaged in its lending programme; (iii) no attention has been given to savings promotion; and (iv) despite design stipulation, the credit line is not so far operating as a revolving fund.

C. Socio-Economic Aspects

Targeting

36. In practice, priority targeting of the poorest rural households has proven more difficult to achieve in Syria than in many other countries. This is partly because of the scant data available on poor rural households and partly because of the nature of the portfolio’s emphasis. For de-rocking, technical and economic considerations can preclude the adherence to targeting criteria. De-rocking areas are selected on the basis of applications from villages. Attempts are made to give priority to the poorer villages, but selections are governed by technical and logistical considerations (such as the most suitable and easiest areas to de-rock and the accessibility for heavy equipment) rather than by the size of beneficiaries’ holdings and income levels. Hence, de-rocked areas consist of mixed landholdings, and the operation does not always reach the poorest. In some instances, the selection may also be influenced by local power structures. In terms of credit, the targeting was not to reach the poorest (men and women) but rather the ‘productive poor’. Credit is not used effectively to make up for the difficulties encountered in targeting de-rocking.

37. Nevertheless, the trend in design and implementation towards targeting the poor and women is encouraging. For example, while in SRADP targeting for land reclamation was identified as a weakness, in that poorest groups were not singled out, in CMADP priority for land reclamation activities is being given to households headed by women. Additional difficulties in targeting the poor during implementation include: the absence of the usual group-based targeting approach and support by non-governmental organizations (NGOs), unspecified targeting mechanisms, and insufficient emphasis on targeting during project supervision and by monitoring and evaluation (M&E) systems.

Participation

38. Participation has been an uphill battle in the present portfolio (although, the future is promising). First, there is no custom in Syria of intended beneficiaries participating in the design of government programmes. This has resulted in a passive beneficiary attitude and acquiescence to the status quo. Second, government field staff, such as agricultural extension agents, are not accustomed to performing their roles in a way that encourages active participation by area farmers. Third, there are few group or civil-society mechanisms for channelling the participation of farmers or women; nor are there NGOs to mobilize and support the process at the village level. Recently, some donors began to support a number of promising community-based participatory approaches in rural areas (paragraph 79-82).

39. With the exception of BRDP, none of the project designs include well-defined mechanisms for beneficiary participation, although, as described below, some of these mechanisms are being introduced during implementation. Project staff were generally not keen to consult farmers on issues related to project activities. The belief was that conflicts of interest would create a difficult situation and affect the sustainability of services provided. In one project, staff asserted that advice from participants was out of question because of the deep conflicts among various spring water users. In addition, the design of the first four projects adopted a centralized approach, placing the responsibility
for their implementation firmly in the hands of project management and the central MAAR and its provincial arms. The existing popular organizations, the General Union of Peasants (GUP) and the General Union of Women (GUW), are politically based associations, each with a specific mandate. As such, they were included as possible project facilitators in the design of some projects. During implementation, GUP facilitated provisions of some services (de-rocking and credit) and GUW provided trainers from its experienced staff.

40. SRADP-II took an important leap into using participatory approaches by setting up informal groups (organized by topics such as fruit trees, field crops, livestock, women’s activities) of around 15 farmers each to communicate with extension officers on, among other issues, the incidence and severity of particular local problems. Subsequent projects have become more ambitious in their participation goals, but it is still too early to see results. Under JHADP, women’s participation in development activities is expected to promote women’s involvement in community affairs, while CMADP is to identify beneficiaries on the basis of their expressed needs and to include participation in land-clearing, tree planting and village water supplies. So far, BRDP has placed the strongest emphasis on participation, and the project aims at demonstrating a replicable participatory approach to natural resource management, with the participation of herders in planning, implementation and monitoring. For the first time in the Syria portfolio, an NGO (based in Amman, Jordan) is involved in the Badia project to promote community participation.

Gender

41. Gender issues have received increasing attention in the Syria portfolio. Women-in-Development (WID) programmes included the following components: (i) provision of medium-term credit; (ii) facilitation of educational awareness and acquisition of new skills that would enhance self-esteem and income-generation; and (iii) inclusion of small-scale livestock interventions aimed at increasing household income and family nutrition. The programmes proved to be popular among and empowering to women, particularly for those women who undertook IGAs based on livestock, but potential exists for improvement.

A large number of women have benefited and are benefiting from the wide variety of training courses provided by the projects. In SRADP-I, a reported 4,705 women benefited from home visits by the extension services specifically targeting them. SRADP-II’s WID programme targeted 60,000 women with agricultural extension, demonstrations of new techniques, literacy courses, skill and project management training and credit for land development, agricultural inputs and IGAs. Other projects are less advanced in their implementation of WID activities; partly because of logistic constraints on the availability and mobility of trainers.
42. Many of these skills training courses, however, are not well linked either to the activities proposed under the credit programme or to marketing outlets (particularly for sewing and knitting). This will limit the profitability of the activities and the prospects for income-generation. Most of those who attend the literacy courses and other skills training activities are younger women, between 15 and 25 years old. For many, the attraction seems to be the opportunity for social skills enhancement rather than for undertaking IGAs. Literacy courses are particularly sought after, as many young women have received limited education. However, there are indications that the training programmes have bypassed married women, who cannot afford the time to participate. Some of the older women also indicated that they were not even aware of the project or its activities, and others stressed that training programmes were not coordinated with the seasonal demands of women’s fieldwork.

Women attend a literacy course offered by IFAD projects.

43. The need for microfinance for on and off-farm IGAs have proved crucial for women. However, some obstacles need to be addressed: (i) credit in kind limited the choice of borrowers in terms of quality and price and delayed credit delivery; (ii) credit has not been sufficiently geared to the poorest women, as CAB does not provide cash to cover operational expenses; and (iii) the relaxation of the collateral requirement to two guarantors improved access, but not to the extent required.

44. Overall, projects are still addressing women needs mainly through relatively small and separate components rather than through an integrated focus on gender issues. These components’ linkage to other project activities is not well articulated, which makes them appear as add-ons to project design. This is illustrated by the fact that the project management units (PMUs) in all projects maintain the WID unit as a separate entity. In addition, most M&E reports are not gender sensitive. With the exception of WID activities, all other data and reports were presented without reference to gender-differential roles. There have been attempts to mainstream gender concerns in extension, credit and even in one project (CMADP), land development. Success has so far been hampered partly by institutional and cultural constraints, and in some instances by lack of a comprehensive appreciation of gender issues during design and implementation.
D. Organization and Management

45. The design for project management incorporated a number of features aimed at (i) increasing the autonomy of project management in a relatively centralized economic administration, (ii) expediting decision-making and processing in order that IFAD might respond swiftly to field conditions, and (iii) integrating some services using existing institutions such as agricultural extension for improvement of farm practices and for rural women’s development, including IGAs. This is a measure mainly for enhancing future sustainability of project activities and benefits.

Decentralization

46. MAAR has the responsibility for implementing all IFAD-supported projects. To enhance autonomy, independent project management units were created and subsequently given the status of directorates. The PMUs are headed by a project director. Though this measure puts the project on par with other directorates in MAAR, the institutional setup, especially in terms of finance, does not guarantee the desired level of autonomy. Some aspects of the projects are implemented through existing governorate-level units, e.g. extension and the women’s programmes, while others, e.g. land reclamation (de-rocking), are undertaken by units established under the projects. This arrangement has helped to strengthen governorate units, resulting somewhat in the promotion of decentralized structures. This, at least in principle, was further strengthened by the establishment of project implementation units in each governorate for the multi governorate projects. In reality, most of the decisions related to the field operations are made by the concerned project director. The policy-level decisions, and most of the operational decisions, are subject to ministerial financial approvals. Nonetheless, the projects have contributed to supporting the Government’s gradual policy of decentralization.

47. A positive aspect enhancing sustainability of projects is the full dependence on the extension services of the MAAR and its provincial directorates. This close association – whereby the project provides the necessary resources while the corresponding extension department provides the technical packages and the professionals to implement project-related programmes – has contributed to institutional strengthening and the sustainability of project benefits.
Counterpart Funding

48. This has not been limiting in any of the IFAD-supported projects. Coordination is adequate in all the projects, and elaborate coordination mechanisms exist, including coordination committees at the central, governorate and project levels. Most coordination at the field level, however, is through direct contact among field units (including the extension units), CAB branches, and other technical departments (such as the Department of Irrigation and Water Use).

Procurement

49. Lengthy bureaucratic procedures proved to be a major hindrance to international procurement (not only of vehicles and heavy machinery and equipment but also smaller items such as sewing machines, motorcycles and communication equipments). These and other lengthy procedures led to extended procurement delays, which presented the most important managerial problem during programme implementation. This was the primary reason for the very low disbursement rate of all projects. This rate is expected to improve dramatically, however, following the recent contract awards.

Institutional Support: Technical Assistance (TA) and Staff Training

50. TA programmes provided a useful mechanism for filling skills gaps and providing on-the-job training. So far, SRADP-II has fully implemented its TA programme; other programmes are just starting. For SRADP-II, TA was funded by means of a UNDP grant and contracted to FAO, while TA programmes in JHADP, CMADP and BRDP are working in close collaboration with UNDP, FAO and ACSAD. The CPE found that the way the TA programmes are being implemented is exceptionally beneficial for the projects. This is because the stakeholders are able to modify the programmes during implementation to meet actual needs, the project management contributes to the selection of consultants and TA progress and results are actively monitored by a tri-partite committee specially established for this purpose.

51. All the projects include local and overseas staff training, in a wide spectrum of relevant subjects. Training activities for CMADP and JHADP are still in their early stages, but the management of these projects indicated that arrangements similar to those of SRADP-II (which have proved successful) will be adopted. Training in Syria benefited from the presence of ICARDA and ACSAD. In addition to project staff, relevant MAAR staff at the provincial and district levels benefited from project training. BRDP is utilizing the Co-operative for Assistance and Relief Everywhere (CARE) in its local training activities (the training programme is also associated with FAO, which is experimenting with the training of beneficiary representatives as development facilitators). The CPE concluded that the training programmes for staff and beneficiaries were proving an important and sustainable aspect of project achievements, which should increase individual and institutional capabilities. An important aspect to be strengthened in the future is training in participatory approaches and methodologies.

Supervision

52. In its role as cooperating institution for IFAD’s four ongoing projects in Syria, AFESD has sent four field supervision missions to Syria since 1995. Their reports adequately list and analyse quantitative achievements and project performance relative to physical input and output. They do not, however, strategically assess quality and effectiveness, or the implications of operational decisions on the target group and project objectives. It is not evident that the supervision process has provided the needed implementation support to the projects. In addition, the time periods separating one mission from the next have had an impact on the effectiveness of supervision. To support project implementation, IFAD has fielded a number of follow-up missions to address specific implementation issues.
Monitoring and Evaluation

53. In all the projects, separate M&E units have been established under the authority of each project director. The M&E units have been successful in establishing systems for the continual monitoring and reporting of project activities: information is collected in collaboration with field extension workers, field working groups and other implementation officers. The indicators monitored have largely been related to physical achievement of planned activities (for example, the primary indicator used for assessing de-rocking activities has been plan fulfilment measured in terms of land area cleared of rocks). This information is useful for monitoring the progress of implementation, but progress made in achieving the project objectives and reaching the target group is not adequately considered or integrated into periodic M&E activities.º

54. Assessment of project effects and impact has been undertaken only to a limited extent and has not considered gender (except that regarding women’s programmes), social issues or poverty reduction. Further, the resources required for assessment surveys are not allocated. Training activities to develop M&E have had a positive effect on all IFAD projects and have led to improvements in the M&E systems. One result has been that M&E officers now better appreciate the role they should play in assessing project results and supporting project implementation. Except for those in SRADP-II, the number of staff vehicles and computers for provincial monitoring officers is a matter of concern. Participatory monitoring and evaluation would require extensive training for all concerned.

V. IMPACT OF THE PORTFOLIO TO DATE

Incremental Benefits from Land and Crop Development

55. In terms of the Government’s objectives of increasing agricultural production and food security, especially in rainfed areas, and halting migration to the towns, de-rocking has been an unmitigated success. It is difficult to conceive of an investment in agriculture that could have had a more dramatic effect – and is possibly on par with providing irrigation to dry areas. The increase in areas planted with apple and olive trees nationally reported by MAAR during the implementation period of the present portfolio amounts to just over 104 000 ha. Of this, IFAD-supported projects have contributed about 40%. For individual farmers, de-rocking significantly increases the area available for planting; even if allowances are made for the lines and piles of rocks left behind, a farmer can see the area available for planting double as a result of rock removal. In addition, de-rocking permits easier ploughing and seedbed preparation and increases water infiltration and retention. Following de-rocking, the value of the land multiplies. However, there are some signs that de-rocking may be having some adverse environmental effects, which could affect the sustainability of benefits (see paragraphs 59 and 84).

º To assist in this area, the CPE prepared a series of impact indicators for the consideration of the M&E officers.
56. Evaluation estimates (SRADP II) suggest that land reclamation has resulted in increased production and yields of field and tree crops. Wheat yields after reclamation were estimated at 30% more than those pre-project, giving a net incremental income of SYP 7200 (USD 156) per ha. It should be noted that these yield increases are still below appraisal targets. For fruit trees, given present performance levels, incremental annual incomes of up to SYP 70,000 per ha (USD 1522) at full development can be expected. In neither case did farmers report any difficulties in repaying the loans from CAB for de-rocking; often these loans were repaid in the first year. Not surprisingly, farmer reactions to de-rocking activities have been overwhelmingly positive.

**Distributional Impact**

57. Shares in the benefits described above will be obtained by farmers in direct proportion to the size of their landholdings. Hence, those farmers with more land will obtain greater increases in incomes, and as land values rise, this will result in greater wealth disparities. In addition, because larger farmers are often more capable of taking advantage of technical and marketing opportunities, the long-term effects of de-rocking will in all likelihood favour this group. The current system of uniform subsidies for land development has not taken into consideration this distributional aspect.
Environmental Impact of De-Rocking

58. The CPE has found that possible environmental impact from de-rocking is not being given adequate attention. De-rocking may encourage such factors as increased surface erosion and, possibly, changes to the hydrogeology caused by alterations in run-off patterns. The CPE found that some farmers were reporting that rocks were reappearing in their fields. This can be explained by the loss of topsoil, implying the occurrence of erosion, especially on sloping terrain. De-rocking in some fragile soil may also lead to degradation. Some evidence of this exists from the hillsides of Sweida Quneitra and Jebel Al Hoss. If no action is taken to address this, the very significant benefits obtained from de-rocking cannot be considered permanent. Other changes may also be occurring, such as alteration to the floral habitat and a reduction in the variety of the natural fauna; the extent of such changes and their associated impacts are at present unknown because they have not been assessed. Longer-term effects are likely to include not only intensified land use, but also increased population density: these changes are likely to be beneficial, but their extent and impact will remain unknown unless action is taken quickly to establish a monitoring mechanism. Environmental considerations were an important feature of the IFAD strategy drawn up in 1992 (paragraph 13).

Incremental Benefits from Livestock

59. A series of livestock models reflecting local practices prepared by the evaluation confirmed the very satisfactory incomes obtainable from livestock activities in comparison with other IGAs, partly explaining these activities’ popularity. In addition, many beneficiaries managed to increase the size of their flocks or herds, either through the purchase of additional animals or by retaining offspring. In the case of dairying, loan repayments made in the first three years meant that there was no short-term profit from this activity, but thereafter earnings were reportedly high. Poultry was not seen as a major activity for income-generation but was reported as providing useful additions to the family food supply.

Institutional Impact: Extension and Training

60. Farmers (and staff) appreciated the project-provided extension and training and found it to be useful and relevant. The CPE found evidence of improving yield levels of field and tree crops and greater uptake of technology. For example the use of improved varieties of wheat had increased from 0 to 26% on rainfed land, nearly all plantings of apples were of new varieties, and nitrogen use had increased by about 50% since 1990, and phosphate by 33%. The participatory extension approach initiated through SRADP-II is making a lasting impact, and being replicated by other projects. For BRDP, the participatory approach to training has already produced a better understanding and reinforcement of trust between herders and officials as well as the shifting of beneficiaries’ attitudes from passive recipients to active participants. The changes in approach to extension and training as a result of projects activities are promising and have set an upward trend for participatory approaches. These elements combined have had no doubt a positive impact on the institutional capacity of MAAR.

Institutional Impact: Credit

61. The present portfolio has had a major impact on the lending policies of CAB, in that CAB has relaxed its credit terms, and enshrined these changes in formal agreements. The changes affect loan ceilings, the acceptance of guarantors instead of collateral, and extension to the repayment periods. In total, these are very significant institutional changes and have opened the way for collateral free lending and facilitated an increased flow of credit for IGAs. In addition, these policy changes

---

8 Mid-term evaluation of SRADP-II.
demonstrate a *de facto* recognition by the Government of the poverty situation in the rural areas. This should pave the way to a more comprehensive understanding of the causes, effects and distribution of poverty.

**Policy Impact**

62. From the two preceding paragraphs, it can be seen that the present portfolio has affected the approach to some development activities of both MAAR and CAB. As a result, the design of BRDP was able to be far more participatory than that of the earlier projects. In addition, with the establishment of the new Gender and Development Division in MAAR, which is intended to mainstream gender issues, an overall shift in the acknowledgement of and approach to poverty alleviation in rural areas is emerging. The present portfolio can fairly claim to have had an impact in influencing this evolution of policy in MAAR. This is an aspect that has to be built upon in the new generation of projects.

**Targeting the Poor**

63. In the present portfolio there have been progressively stronger attempts to reach the poor. In the earlier projects, targeting was heavily influenced by technical criteria for the selection of land for de-rocking, which overshadowed the selection of farmers on the basis of poverty. In the newer projects, area assessments are being used for selection based on estimated levels of income and other social indicators. In the design of these later projects, more attention is also given to mechanisms for achieving community participation (especially in BRDP).

64. Overall, there is now a better understanding of realistic methods of targeting, and project efforts have been rewarded by a greater acceptance of the need to direct benefits to the poor and involve them in all stages of the development process. The need is to build on this process, first, by obtaining a deeper understanding of the nature, causes and effects of poverty at the community and household levels, and second, by promoting grass-roots initiatives that can respond to poverty interventions.

**Beneficiary Participation**

65. While examples of beneficiary participation do exist, so far they are very limited, and there is no established role for beneficiaries as yet. Apart from the experience with the politically associated trade unions (GUP/GUW), which are avenues for implementing government policy, group formation in Syria is in its infancy. Experience in the formation of groups for economic enterprises is especially lacking. Despite this, the implementation environment now seems to be more conducive to beneficiary groups and the definition of much greater participation for these groups in development activities. The present portfolio has played a role in this process. The Government is now ready to accept the principle of beneficiary participation stemming from self-motivated specific interest groups, such as credit or de-rocking, provided these groups still link to the existing institutions, e.g., CAB and GUP, for service provision. A number of donors have been experimenting with the group approach, with promising results (paragraph 79-82).

**Gender Issues**

66. During CPE field visits, it was clear that the impact of project lending had helped to develop entrepreneurial skills among rural women, and to enhance their economic status and their role in family decision-making. The most notable impact was for those women who were undertaking IGAs based on livestock. More might have been achieved if marketing information and business opportunities had been made available, if training had been directed more to remunerative IGAs and

---

10 UNDP is also to assist the Government in the development of a poverty alleviation strategy.
small project management skills and if savings had been promoted. Poorer women could have benefited more if the provision of working capital to cover operational expenses had been included in credit delivery. Although the relaxation of collateral to two guarantors has improved the situation, it is still a major obstacle for the poorest groups.

VI. SUSTAINABILITY OF BENEFITS

67. The CPE identified a number of issues that raise concerns relating to sustainability of benefits. For the poorer target groups, the continuation of the flow of benefits for a reasonable time is a pre-requisite to lifting them out of the poverty trap. There is therefore a need for sustainability issues to be addressed during the preparation of exit strategies for each of the projects; the sooner these are addressed the more secure will be the outcome.

Land and Crop Development

68. Apart from the environmental considerations that could affect de-rocked areas, sustainability implies the preservation of soil fertility through good soil and crop practices, including crop rotations, and a good enterprise mix. Farmers need to be made aware that the intensification of their existing farming practices that is made possible with de-rocking could lead to increased risks from pests and diseases. There is a need to promote mixed farming practices, including adequate crop rotations, to counter this risk. It is also desirable that small farmers, particularly given the high risk involved in rainfed farming, make their businesses more robust by spreading the sources of their farm incomes, thus making their farms less susceptible to crop failures and price fluctuations.

Livestock

69. For the present projects centred on de-rocking, sustainability of livestock activities will depend on the integration of fodder crops into the settled farming systems. At the moment, inadequate quantities of animal feed are being produced. An incentive/price framework and appropriate input delivery mechanisms are required to encourage production. For the Badia, not only do feed resources need to be improved but also herders need to have adequate access to this feed. Balancing access to resources with livestock numbers is the key to sustainability. For herders, this means establishing a network of
user rights, so that conflicts are avoided and resources are not overused. Such systems rely on local agreements between individuals and groups, which evolve into traditions. BRDP needs to explore how such mechanisms can be developed.

**Water Resource Development**

70. Project designs in the present portfolio have considered only narrowly the development of water resources, and have not considered the overall strategic nature of water in Syria. To sustain any type of agricultural development, Syria has no option but to optimize the use of scarce water resources. Increasing the efficiency in water application in ASZs 1, 2, 3 and 4 is essential if production is to continue increasing. It would be prudent to consider ranking crops on the basis of units of water used per unit of output, so that more water-efficient crops could be promoted. For environmental sustainability in the Badia, establishment of permanent water points needs to be carefully investigated and absolutely linked with the availability of fodder resources – all within an adequate natural resource management plan.

**Income-Generating Activities**

71. Not all activities promoted as income-generating are profitable: project objectives are undermined when activities do not clearly have the purpose of increasing household incomes, and hence helping to alleviate poverty. For sustainability, more assistance is required to enable beneficiaries to make informed choices in the identification of their preferred IGAs, combined with their having a better understanding of the business skills required.

**Rural Credit**

72. There are three aspects in the rural credit programme that need to be considered to improve sustainability. The first is the declining repayment rate, which in 1998 was just 75%. (CAB staff suggested that this was a factor of the then current drought.) Such high default rates limit the potential expansion of the credit programme and erode CAB’s institutional capacity. The second aspect of the rural credit programme that needs to be considered is that CAB personnel, and not project extension staff exclusively, need to be involved in the collection, scrutiny and appraisal of loan applications and post-credit supervision of loans. This is essential for ensuring that CAB is committed to the timely recovery of loans and is able to continue credit provision after the closure of the project. The third factor for sustainability is that principal repayments of project loans need to be recycled through a revolving fund. This is to ensure that loans are available under the same terms and conditions agreed upon for project lending, at least until all investments necessary for achieving the project-generated benefits have been made.

**VII. STRATEGIC LESSONS AND RECOMMENDATIONS**

73. The CPE has identified six key areas as being crucial in the development of IFAD and the Government’s strategic approach to rural poverty alleviation. The second set of recommendations (section IX) is operational and mostly intended for the present portfolio of projects.

**A. Sharper Poverty Focus**

74. There have been progressively stronger attempts in the present portfolio to direct project interventions towards the poor. This can be deduced from the increasing emphasis placed on activities complementary to the core de-rocking components that lend themselves to better targeting. Also helping to direct project interventions towards the poor is the tacit acknowledgement by the Government of rural poverty, probably best illustrated by the relaxation of the official lending terms of CAB in order to reach the poor. Despite this, the main intervention adopted so far, de-rocking, does
not in practice allow for clear targeting of the poor and may have consequences for income and wealth distribution. In addition, the complementary and supporting project activities aimed at women remain relatively limited and are not specifically targeted to the poorest.

Knowledge about Rural Poverty

75. An important conclusion of the CPE is that, while significant progress had been made in institutionalizing the need to support the poorer sectors of the rural communities, scope still remains for improving the poverty focus of IFAD and the Government’s future strategic approach. The problem in the present portfolio is to a great extent related to the continued lack of knowledge of the poverty situation. **If rural poverty alleviation is to be enhanced, the CPE recommends that, while examining its future intervention strategy for Syria in the upcoming COSOP, IFAD give the highest possible priority to the question of defining the causes of rural poverty and the identification of the poorer sectors. Strategically, it is recommended that IFAD contribute to the ongoing development of the Government’s poverty reduction strategy, possibly by means of a comprehensive study on the causes, extent and depth of rural poverty.** In the present portfolio mostly IFAD-supported interventions have so far been in ASZs 1 and 2 for de-rocking, ASZ 4 (JHADP) and are now starting in ASZ 5, for the Badia. This leaves out ASZs 3 and 4, where there are also thought to be pockets of poverty. A poverty study should also consider the geographic spread of rural poverty.

Distributional Implication of Land Reclamation

76. There is no doubt that land reclamation has been a formidable method of meeting the Government’s aims in agricultural development and poverty reduction. Its success has partly relied on the uniform subsidization of the use of the expensive heavy equipment required, so that farmers are estimated to be paying no more than one third of the actual cost of operations. However, de-rocking benefits only those who have land. Asset-less poor have not benefited from this major intervention. In addition, to a certain extent, the nature of the de-rocking precludes poverty targeting. Identification of land areas for development is (and to an extent must remain) dominated by economic and technical considerations. Almost inevitably, this will result in some inequities in benefit distribution, based on differentiation in landholdings. The result may well be wider inequalities in asset and income distribution. **A future IFAD strategy of cooperation with the Government should give adequate consideration to distributional aspects of agricultural policies by negotiating a more progressive subsidization policy in favour of the poor, and by placing systematically stronger emphasis on (and giving more resources to) activities that can be better targeted to the poor.**

B. Participation, Gender Aspects and the Involvement of NGOs

77. The CPE concluded that, apart from a few exceptions, there was limited evidence of support for the development of grass-roots organizations that would allow the rural poor to express their own needs and actively participate in and sustain the development process. Beneficiaries have been keen to participate as individuals in de-rocking and IGAs, but this type of involvement does not create the structured platform from which the rural poor can drive forward their own development.

78. Recent experience of IFAD and other United Nations agencies in initiating pilot community-based participation (the United Nations Children’s Fund (UNICEF), the World Health Organization (WHO), FAO and the Economic and Social Commission for West Asia (ESCWA)) indicates that the Government has become more receptive to the concept of participatory development. **The CPE recommends that support to long-term approaches for self-reliant and participatory development, in partnership with other donors, become a main thrust of IFAD’s strategy.** The capacity of MAAR in this area is uncertain; IFAD needs to incorporate training in participatory approaches, to be provided, perhaps through NGOs, to staff (at various levels) and beneficiaries.
Analysis of the institutional framework and other requirements for providing an enabling environment for such approaches should also be undertaken.

79. In addition, there is considerable scope for, and potential benefits from, a more comprehensive approach in defining the gender aspects and supporting activities that would increase women’s access to resources. At the moment, the approach is more piecemeal. MAAR, assisted by FAO, has recently established a Gender and Development Unit to mainstream the development of rural women. As part of the new strategy, IFAD should consider supporting this unit as an institutional strengthening measure for enhancing gender mainstreaming in its future projects.

C. A Pro-Poor Credit Policy

81. A number of structured initiatives for the provision of microcredit and savings, linked with groups and traditional community-based activities, is being built up with support from other donors. For example, the UNICEF and WHO Healthy Villages Programme, or the UNDP-assisted Rural Community Development at Jebel Al-Hoss.

82. To take full advantage of this situation, the CPE recommends that IFAD build on the current momentum and adopt a strategy that will lead to a broadening of credit outreach through the use of alternative mechanisms for credit delivery to target the poorest in partnership with other donors. Given the flexibility already demonstrated by CAB in the current portfolio, these mechanisms might be promoted through CAB as part of the Government’s poverty alleviation measures. Such measures should ultimately be aimed at the longer term, so that when groups promoted through NGOs/United Nations agencies initiatives are ready to ‘graduate’ to borrowing from the formal sector, a suitable mechanism will be in place. In the shorter run, the formation and training of credit (and other) groups within the new pipeline of projects should be supported.

83. The overall strategy being suggested is based on emerging experience from the present portfolio, whereby groups of beneficiaries are formed and trained, and then linked to responsive government services, which channel project resources. The best example of this is in extension, where the extension officers in SRADP have formed farmer groups, and these same officers facilitate access to credit through CAB, while the GUP facilitates access to inputs.

D. Environmental Considerations

84. Results of land reclamation are location specific, though the technique of de-rocking is the same. Its specificity relates to the prevalent farming practice, patterns of land use, and ecological and environmental conditions. Environmental issues were not given sufficient attention in the design and implementation of the present portfolio. This is a concern for long-term sustainability of benefits. Mention is made above (section V) of the possible environmental effects in de-rocked areas. It is recommended that IFAD’s future approach give more prominence to environmental factors. Any decision regarding future involvement of IFAD in land reclamation through de-rocking should be preceded by a full-scale environmental assessment within SRADP-I and II, and location-specific assessments for each new area (see Operational Recommendations, paragraph 94). At the same time, the CPE recommends a strategy that seeks to assist MAAR in optimising and ensuring longer-term production from de-rocked areas. Such a strategy would need to address also the sustainability of farming systems (see below).
E. The Sustainability of Farming Systems

85. Although land development activities provide a rapid method of increasing production, they can also affect the sustainability of the farming systems they are meant to enhance. This is not only because of possible environmental impact, but also because, in order to realize the benefits of the capital investment in de-rocking, there is a need to intensify production methods and to ensure that farmers are able to sell their produce. Issues involved are livestock feed, output diversification and marketing, and water resources.

Livestock Feed

86. The bottleneck in the development of the livestock sector is shortage of feed. Present production levels of feed cannot sustain the present livestock populations, which also makes them very susceptible to natural disasters, such as drought. The present subsidies on livestock feed encourage unsustainable increases in livestock numbers. One possible strategic measure to be considered is the total liberalization of animal feed imports, production and marketing. Such a measure may induce an initial increase in feed prices, but it would also reduce subsidy payments, rationalize demand, and stimulate forage production in the medium to long run.

Output Diversification and Marketing

87. A second issue that could affect the sustainability of farming systems in reclaimed land is that the range of outputs is too narrow and could eventually endanger benefits generated by the project interventions. A limited range of outputs is also risky for small farmers in rainfed areas, as it increases their vulnerability to economic fluctuations. Meanwhile, expected increases in apple production will no doubt require expansion of market outlets. There is an urgent and strategic need to address crop diversification and processing and to support the Government in its current endeavour to strengthen marketing policies and outlets. The intention should be to develop new strategies and pro-active programmes in order to promote the development of a dynamic price and marketing policy for agricultural products. This policy should include the requirements for storage, processing, grading and packaging in order to ensure access to export markets where this is appropriate. Extension services and messages should be reoriented accordingly.

Water Issues

88. Finally, efficiency in water use is an essential measure of sustainability, but at present, application inefficiencies at the farm are the largest proportion of total water losses. While the present interventions pay some attention to water issues, there is a need to place consistent and stronger emphasis on water conservation, harvesting and management. This dimension should be considered as one of the main strategic thrusts of IFAD’s future approach in Syria. Locally accepted solutions for rehabilitation, conservation and community management of water resources should be addressed urgently. Modern irrigation techniques that can save water and increase the efficiency of use could also be extended, especially where irrigation is based on underground water.

F. Decentralization and the Enabling Environment

89. IFAD strategy supports the principle of decentralization of government as a means of giving community-based institutions more say in the development process and of moving decision-making closer to the people. At present in Syria, management and direction are still highly centralized. With the more participatory approach proposed for the new pipeline, the devolving of authority, at all levels, becomes more necessary. For the ongoing portfolio it is unlikely that much change can
be achieved, but the CPE recommends that this aspect be fully explored in future deliberations between the Government and IFAD.

90. To support this process, project designs in the new portfolio should pay particular attention to the needs for institutional strengthening in the more devolved structures, including training in participation for project management and other staff expected to implement these approaches. **It may also be appropriate to include community development officers in all project management units, reporting to the project directors.** In order to formalize the role of beneficiaries in the new portfolio, consideration should also be given to the introduction of participatory monitoring and evaluation, and to the introduction of joint staff/beneficiary annual workshops for the formulation of the outline of the annual work programmes.

**VIII. SUMMARY AREAS FOR POLICY DIALOGUE**

91. In summary, the CPE recommends the following specific areas for policy dialogue with the Government for inclusion in the forthcoming COSOP:

- **Sharper poverty focus.** There is a need for a comprehensive and wide-ranging poverty study to define the causes, characteristics, consequences and locations of the rural poor and to identify ways in which they can best be reached. This study should also have a geographic dimension, relevant to the various ASZs, in order to ensure that interventions can be well directed to poverty pockets and poorer households. The COSOP should prepare draft terms of reference for such a study as a joint IFAD/Government undertaking.

- **Policy adjustment.** Minimizing undesirable distributional effects of interventions is an important area for policy dialogue. This includes emphasis on cost-recovery designed on a sliding scale to benefit the most those with the least resources. Those with more assets should be required to make greater contributions. This would cover de-rocking, access to other resources and the provision of services.

- **Support for land reclamation.** The new IFAD strategy should primarily support efforts to remove constraints on production, processing and marketing for the poor. Land development activities will continue to be supported by the Government, with equipment recently procured. IFAD’s involvement in this subsector should be less prominent. If undertaken, the strategy should necessarily be associated with appropriate environmental assessments, soil and other conservation measures and cost-recovery mechanisms. It is crucial that IFAD undertake a dialogue with the Government to assign appropriate weight to environmental issues in the new strategy. The COSOP needs to provide a clear statement to this effect. In addition, IFAD should find ways of assisting MAAR in addressing environmental issues in the present portfolio (see Operational Recommendations, section IX).

- **Policy framework to enhance sustainability.** The strategy needs to highlight the importance of policy dialogue with and support to MAAR to focus on the question of the sustainability of farming systems in de-rocked areas and elsewhere. This requires the development of policies and measure for addressing the issues of animal feed, crop diversification, processing and marketing and the efficiency of water use.

- **Water resources.** As a crucial consideration of sustainability, the future strategy needs to give higher priority to the efficiency and sustainability of water resource utilization. The COSOP needs to investigate the present circumstances and define with the Government an approach for the new pipeline, giving this subsector a more prominent place in IFAD-supported interventions.
• **Rural financial services.** IFAD should continue to support CAB, which has shown itself to be responsive to providing credit to the poor. However, there is a need to devise a mechanism for broadening the outreach of credit for the poorest groups. This mechanism will probably require additional support to CAB; this support needs to be specified. In addition, group formation (for credit and other activities) should be promoted as a means of receiving the credit resources, but the exact mechanisms to do this need to be developed on the basis of current donors’ initiatives and agreed upon with the Government so that a common approach can be adopted for all new projects.

• **Participation.** Building on the present project experience, the policy dialogue should seek to define ways of extending the long-term benefits of self-reliant and participatory development to both government and people. This will probably require the definition of a role for intermediaries (e.g., NGOs) skilled in social mobilization and participation (for training and support to beneficiary groups and project staff). The process needs to be linked to the provision of services from government and semi-government agencies (such as GUP and GUW). Realistic objectives for this mechanism will need to be defined with the Government. Processes involved will need to be specified, and possibly linked with NGOs known to IFAD and the Government and already working successfully in the region.

• **Gender.** As part of the dialogue for a new strategy and pipeline of projects, IFAD should consider supporting the new strategy for gender developed by MAAR, and balancing this with specific funding in each project that relates directly to the mainstreaming of gender issues.

• **Decentralization.** The findings for the present portfolio are that the implementation of projects could be improved if additional decentralization of government services were provided. Support for decentralization of government services should be included as a strategic element for policy dialogue. Practical and acceptable ways to do this need to be explored. The identification of the institutional strengthening necessary for this is of crucial importance. Practical methods of ensuring beneficiary participation can play a significant part in the implementation of the new projects.

92. In addition, the CPE suggests that IFAD and the Government consider the impact of extending the policy dialogue to include other donors in order that they might investigate the possibilities of collaborating, cofinancing and ensuring that participatory and community-based approaches are complementary and consistent. Adaptation and expansion of replicable development models piloted under other donor financing, which use community-based, participatory and poverty-targeted approaches, should be a prime target.\(^{11}\)

IX. OPERATIONAL RECOMMENDATIONS

93. This section presents some of the key operational recommendations of the CPE for the ongoing and future project portfolio; the full set of recommendations can be found in Chapter IX of the main report.

94. **Perform environmental assessment for de-rocking areas.** A special team should be formed in MAAR (with international support if needed) to undertake a full evaluation of the countrywide experience of land reclamation. The main objectives of the evaluation should be: (i) to review the technical aspects of de-rocking and assess the risk of soil erosion in various agro-ecologies (and define appropriate mitigation measures); (ii) to look at the effects on the water balance in general,

\(^{11}\) Examples are the UNICEF/WHO/Ministry of Health Healthy Villages Programme, and the ESCWA Community Development and Participation Project (more details are in the main report).
including underground water recharge; (iii) to evaluate the impact on farming systems, and particularly on the livestock subsector; and (iv) to assess the impact on local flora and fauna.

95. **Assess utilization of de-rocked land.** While more land continues to be developed through de-rocking, the CPE visited sites that were poorly utilized and/or partly abandoned. While drought can be a major factor, this situation needs to be investigated so that project staff can better understand the reasons for poor use. If the reclamation is found to be deficient, projects should consider giving priority to the rehabilitation of such land. (SRADP-II should urgently consider doing so.)

96. **Introduce de-rocking charges.** Consideration should be given to introducing a sliding scale of charges related to the amount of land de-rocked in the ongoing projects.

97. **Investigate efficiency of water use.** As there is a particular problem with the depletion of groundwater, projects that include the possibility of irrigation should also promote modern irrigation techniques that can save water and increase the efficiency of water use. To emphasize the efficiency of water use to farmers and planners, a scale could be derived to compare the water utilization in the production of various crops. Crops could then be ranked according to their relative efficiency of water use to guide policy-makers.

98. **Investigate production activities in ASZs 3 and 4.** Some of the most disadvantaged areas in Syria are found in ASZs 3 and 4. To define the potential for these areas, further investigations should be undertaken in conjunction with regional organizations (e.g., ICARDA and ACSAD) that are knowledgeable about the technology appropriate for conditions in these zones. In both areas, farming systems are based mainly on the monocropping of cereals, linked with livestock production. Actual yields of most crops are far below potential. In ASZ 3 it would be possible to consider the development of cereal cropping mainly through diversification of activities and improvement of production techniques. For ASZ 4, it would be more beneficial to develop linkages between cropping and livestock production systems. The inclusion of fodder cropping and some semi-intensive livestock production systems could also be considered.

99. **Provide training in rangeland management.** The CPE notes a shortage of range management specialists in Syria, but rangeland development and management will be a major growth area for the future. To address this need it is recommended that priority be given to providing training at all levels for rangeland management.

100. **Promote savings.** Savings mobilization offers advantages of consumption smoothing and provides a source of funds in times of emergencies for low-income clients. As part of the project-supported credit programmes, savings schemes should be introduced to foster and institutionalize the savings habit among project beneficiaries.

101. **Provide marketing support.** Consideration should be given to providing marketing support, in particular for perishable produce such as milk, dairy products and fruits. Where appropriate, this would include processing, and provisions for investments in storage, processing and transportation.

102. **Ensure sustainability.** For the credit operations, CAB branch staff should begin to be associated with the staff of extension units in the processing and appraisal of loan applications, and during post-credit supervision visits. This is not only to facilitate eventual recovery of loans, but also to ensure post-project sustainability of credit operations.

103. **Improve selection of IGAs.** Where women expected income from IGAs and took out loans for expensive equipment, the CPE found that credit sometimes became a liability that risked deepening the women’s poverty, rather than the reverse. This was particularly the case when marketing prospects were not studied and/or clarified. Hence, some IGAs (e.g., sewing, knitting) have not contributed to
the achievement of the poverty alleviation objectives of the projects. The recommendation is to revise the identification, analysis and promotion of women’s IGAs so that there is more assurance that the IGAs promoted will be profitable. Training for socially oriented activities should also be revisited and possibly scaled down, while training for basic business skills and marketing of IGA products should be expanded.

104. **Provide adequate information.** If individuals are encouraged to take credit for inherently risky activities, and all small businesses have a degree of risk, then they must be fully involved and informed. If not, then the responsibility lies heavily with the project staff. A key role for the projects must therefore be the supply of adequate information for decision-making to household members applying for loans.

105. **Enhance village-level leadership training.** The formation and training of village-level groups and committees should be an important aspect of participatory capacity development under ongoing and future IFAD projects. Training used under ECSWA (administrative skills and cooperatives management) and under the Healthy Villages Programme (training in participatory approaches) can be adapted to IFAD projects and replicated.

106. **Use technical assistance to address identified constraints.** In general, the technical assistance programmes are being very well implemented, and are having significant impact. This use of resources should now be directed towards some of the more basic constraints identified. This applies particularly to socioeconomic issues: for example, training in participatory techniques, the identification of suitable IGAs and preparation of business plans for these and marketing constraints.

107. **Upgrade the M&E Units.** The position of M&E units should be reconsidered. The head of the M&E unit, if suitably experienced, should be assigned as an adviser to the project director in planning, implementation and strategy formation. At the province level, specific monitoring units should be established that are solely responsible for M&E and planning, and that should not be involved in implementation of project activities. The overall intention is to upgrade and strengthen the M&E function.

108. **Train staff.** There is an urgent need to upgrade and increase the training of staff in the newer projects, CMADP, JHADP and BRDP. These projects should utilize the experience of SRADP in the training of drivers of heavy machinery and mechanics. Training in computer skills, monitoring and evaluation, and finance should also be intensified.

109. **Improve contents of progress reports.** In addition to providing physical descriptions, the M&E units should seek to make some form of qualitative assessments of the implementation experience. The CPE recommends that progress reports aim to provide more information on who has access to project services and inputs, beneficiary reactions to project interventions and the performance of credit provided under the project.

110. **Hold workshops for consolidating M&E systems.** The CPE concluded that it would be beneficial to the projects if a series of workshops were arranged to compare M&E systems. The purpose would initially be to help establish report formats, to streamline activities and to develop standard procedures. The projects would also benefit from assistance in selecting the most appropriate indicators that were both informative and easy to collect. Consideration should be given to the establishment of a central coordinating M&E unit in MAAR.