REGIONAL ACTIVITIES

In 2002 IFAD's five regional divisions aligned their efforts to achieve the objectives of the strategic framework and the regional strategies.

Africa I Division: Western and Central Africa

24 countries: Benin, Burkina Faso, Cameroon, Cape Verde, Central African Republic, Chad, Congo, Côte d'Ivoire, D.R. Congo, Equatorial Guinea, Gabon, Gambia, The, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Mauritania, Niger, Nigeria, Sao Tome and Principe, Senegal, Sierra Leone and Togo

Strengthening the capacity of the rural poor and their organizations is a central element in all projects approved in 2002 for the region. The Cameroon Community Development Support Project, for example, will help develop the social capital of the rural poor in an area covering both the forest and Sahelian zones of the country. This will be done through support to grass-roots organizations and local development institutions, promotion of functional literacy, and establishment of participatory planning processes for local development, in which traditionally marginalized groups can have an effective voice. The Niger Project for the Promotion of Local Initiative for Development in Aguié, which is a second-phase operation, seeks to consolidate innovative first phase accomplishments by further strengthening consultation and decentralized decision-making processes between rural communities and public and private service providers.

A key feature of the Nigeria Community-Based Natural Resource Management Programme – Niger Delta is to ensure that poor people's organizations have a greater say in the planning and use of public resources within a decentralized administrative context. The programme seeks to build capacity at village, subdistrict and district levels, enhancing pro-poor allocation of public resources and responsiveness of service providers to poor clientele. A history of strained relations among the federal and state governments, oil companies and the local population makes the project area especially challenging. Conflict-resolution mechanisms are key elements of the project's consultation and decision-making processes.

In many parts of the region, population pressure has intensified on land and water resources, often resulting in alarming levels of natural resource degradation. The division concentrates on *improving equitable access to productive natural resources* in these areas by supporting the generation and dissemination of improved agricultural and natural resource technologies. This in turn allows sustainable intensification, as well as diversification of on and off-farm income sources. The Niger Project for the Promotion of Local Initiative for Development in Aguié and the above-mentioned Niger Delta programme are promoting rehabilitation and environmentally sound use of the natural resource base, while simultaneously fostering sustainable improvements in the livelihoods of the extremely poor. The Guinea Sustainable Agriculture Development Project in the Forest Region provides technical and financial assistance for: community restructuring; increasing agricultural productivity and environmental protection through microprojects; rehabilitating wells and feeder roads; developing a system for distributing agricultural inputs and providing financial services to rural poor people; and financing agricultural advice and action research. Each of these programmes takes a highly participatory, community-based, natural-resources-management approach to environmentally sound alternative economic activities, such as fish farming, small animal husbandry, vegetable growing or handicrafts.

Efforts to raise agricultural productivity can only be effective if they are linked to an appreciation of market potential. The demographic trends already mentioned increase incentives for intensification and thus provide opportunities to the poor to *increase access to financial services and markets*. The Ghana Rural Enterprises Project – Phase II will improve the incomes and living conditions of the rural poor by creating employment, including self-employment, and generating additional income. More specifically, it will seek to increase the productivity, product quality and output of rural, non-agricultural micro- and small enterprises and, indirectly, stimulate agricultural productivity.

The Mauritania Maghama Improved Flood Recession Farming Project – Phase II seeks to improve income opportunities of the poorest groups by helping them exploit the large agricultural potential developed during the first phase, and identify and benefit from existing opportunities. It will provide technical and managerial know-how, facilitate access to markets and promote the emergence of sustainable local financial services.

The year saw extensive *policy dialogue and partnership-building* to forge a common vision of the way forward in the struggle against rural poverty. To validate and finalize IFAD's regional strategy, subregional seminars were held in West Africa (Dakar, Senegal, in January) and in central Africa (Yaounde, Cameroon, in May). A regional strategy action plan was produced by an implementation workshop in Cotonou, Benin, in October. Each of these events brought together more than 100 participants from the region, including project staff, government officials, donor agency and cooperating institution officials, and representatives of regional organizations, NGOs and farmers' organizations. IFAD also contributed to facilitating stronger involvement of key stakeholders in elaboration of the agricultural component of the New Partnership for Africa's Development (NEPAD) through its support of a workshop by the Network of West African Farmers' Organizations that led to the issuance of a proposal by farmers. As a result, farmers' organizations will now be more systematically consulted on future NEPAD orientations and activities. Support was also given to several West African intergovernmental organizations to prepare a contribution to NEPAD sectoral development for a workshop in Dakar on 30-31 July. The meeting reviewed the action plan for the agricultural component of NEPAD and the latest draft FAO proposal for agricultural-sector development. Participants developed a logical framework for NEPAD activities in the sector, and the Permanent Interstate Committee for Drought Control in the Sahel agreed to prepare a strategic document based on workshop results. The Economic Community of West African States announced that it would organize a forum with West African country representatives, civil society and donors to improve and validate the proposal.

IFAD approved enhanced Debt Initiative programmes for Burkina Faso, Ghana and Sierra Leone. Since the problem of arrears must be addressed before an HIPC initiative can be launched, the Fund held talks with the Governments of the Central African Republic and the Democratic Republic of The Congo and the Bretton Woods agencies. It was agreed that arrears settlement must be worked out within a comprehensive framework, rather than through a piecemeal approach. As a result of this dialogue, an arrears settlement agreement was reached in December with the authorities of the Democratic Republic of The Congo and will be submitted to the IFAD Executive Board during 2003.

In recent years, conflict and HIV/AIDS have emerged as major threats to livelihood systems of rural people in the region. Under a grant from Italy for an IFAD Post-Conflict Assistance Programme for Western and Central Africa, activities were initiated in The Congo, the Democratic Republic of The Congo and Sierra Leone. These initiatives support resumption of agricultural production through distribution of essential agricultural inputs, particularly seed and tools, to improve the food-security situation in war-affected areas. They are based on strengthened development planning and logistical capacity of indigenous NGOs as well as collaboration with other United Nations agencies. HIV/AIDS mitigation activities are being regularly integrated into IFAD-assisted projects using extensive existing project outreach to rural poor community groups and households, for example in Benin and Côte d'Ivoire, in complementary partnerships with specialized donor agencies and NGOs.

Finally, the Fund's Executive Board approved a TAG for the second phase of the FIDAFRIQUE network. The overall goal of FIDAFRIQUE II is to improve the impact of IFAD-funded projects in western and central Africa through the generation and dissemination of information on rural development and poverty reduction. Its target group consists of IFAD project managers and staff, regional stakeholder networks and grass-roots-level representatives of the rural poor and farmers' organizations. The programme will develop information management capacity and products that will directly or indirectly contribute to poverty reduction in the region through agricultural and rural development.

Africa II Division: Eastern and Southern Africa

21 countries: Angola, Botswana, Burundi, Comoros, Eritrea, Ethiopia, Kenya, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Rwanda, Seychelles, South Africa, Swaziland, Tanzania, United Republic of, Uganda, Zambia and Zimbabwe

This year the regional programme was implemented under difficult conditions. Southern Africa suffered drought and the threat of famine, international market conditions are impoverishing farmers and governments alike in eastern Africa, and HIV/AIDS continues to devastate many rural communities. Yet there are positive examples of smallholder development and institution-building, and throughout much of the region the trend towards more open and transparent government continued.

The division presented its regional strategy and regional poverty assessment in February, elaborating its plan for pursuing IFAD's strategic framework in eastern and southern Africa. Alignment of both new and ongoing programmes within the regional strategy gathered pace throughout the year. Five new programmes were approved by the Executive Board. The Gash Barka Livestock and Agricultural Development Project in Eritrea was approved in April, under the rubric of *land and water* management and a *Rural Financial Services* Programme for Uganda in September. The Smallholder Cash and Export Crops Development Project in Rwanda, under the division's market linkage strategic thrust and the Mount Kenya East Pilot Project for *Natural Resource Management*, cofinanced with GEF, were approved in December.

Significant advances were made with regard to *women's access to land* under projects in the United Republic of Tanzania, and the division also began cautiously approaching the issue of land access in Uganda, in collaboration with the International Land Coalition, formerly the Popular Coalition.

During 2002 the division developed a programme, supported by the Government of Germany, to mitigate the impact of *HIV/AIDS* by ensuring that IFAD's interventions support strategies and activities for HIV/AIDS prevention, mitigation and adaptation and by providing a basis for policy and institutional dialogue in these areas.

With regard to *managing for impact*, the division has been experimenting with forms of field representation in Madagascar, Mozambique and Uganda and has been strengthening the capacities of programme/project coordinators and local implementation partners – "enabling the enablers". This work includes local and district-level participatory planning and evaluation training, run by the International Labour Organization management training courses, and annual IFAD/United Nations Office for Project Services (UNOPS) implementation workshops. Many of the activities have been organized around the thrusts of the regional strategy; this has served to bring together stakeholders with similar areas of interest and provide them with an opportunity to share experience and learn from each other. There is serious investment in baseline surveys, use of logical frameworks in planning by project units, and close collaboration with beneficiaries, e.g. in Rwanda, Tanzania and Uganda.

In common with the rest of the Fund, the division sought catalytic impact through *partnerships and policy dialogue*. It assisted NEPAD's Agricultural Secretariat in defining its strategic and operational priorities, supported the Southern African Development Community (SADC) Hub in partnership with GM, and was in contact with SADC's Food, Agricultural and Natural Resources Policy Analysis Network. Partnerships with many governments in the region were excellent, as evidenced by invitations to IFAD to play key sectoral roles, and by the extraordinary attendance of high-level officials at IFAD's Regional Workshop on Poverty Reduction and Rural Development, held in Dar-es-Salaam, United Republic of Tanzania, in May.

Policy dialogue with governments was also pursued through programme/project development and implementation, primarily on specific sectoral or subsectoral issues. The division became more involved in the PRSP process and used Italian Trust Fund financing for a support programme focusing on those priority countries that have not yet adequately dealt with rural development issues, but are interested in doing so.

With respect to partnerships with civil society, the division organized an IFAD/NGO consultation in May in Nairobi, Kenya, on Civil Society in Rural Development and Poverty Alleviation in Eastern and Southern Africa, using Italian supplementary funds. This workshop was the first IFAD/NGO consultation of its type in the region. A number of new NGO-implemented projects, financed under the IFAD/NGO Extended Cooperation Programme, were also approved during the year to realize the themes of the regional strategy. They included ProFOOD, an Africare initiative promoting the production and utilization of drought-resistant crops, and a Pilot Market Linkage Project, under the Southern Alliance for Indigenous Resources, both in Zimbabwe; a financial services project implemented by Mennonite Economic Development Associates in the United Republic of Tanzania; and an income-generating project under the Association comorienne des techniciens et infirmiers vétérinaires in The Comoros. Finally, the division is developing closer partnerships with the private sector. For example, in a first for the division, the Third World Information Network Ltd. – a Fair-trade company – has come into the Smallholder Cash and Export Crops Development Project in Rwanda as a technical partner.

Asia and the Pacific Division

30 countries: Afghanistan, Bangladesh, Bhutan, Cambodia, China, Cook Islands, D.P.R. Korea, Fiji, India, Indonesia, Iran, Kazakhstan, Kyrgyzstan, Laos, Malaysia, Maldives, Mongolia, Myanmar, Nepal, Pakistan, Papua New Guinea, Philippines, Republic of Korea, Samoa, Solomon Islands, Sri Lanka, Tajikistan, Thailand, Tonga and Viet Nam

In the course of the year, the division has held a number of meetings to disseminate and discuss the Fund's strategic framework and regional strategy with governments and other key partners and stakeholders. These have included: a round-table meeting during the Twenty-Fifth Session of the Governing Council in Rome on 20 February, attended by senior policy makers from China, India, Japan and The Philippines, among others, and an NGO representative from Indonesia; two symposia gathering policy-makers and development practitioners from eastern and South-East Asia (in Medan, Indonesia, in September), and from southern Asia (in Chennai, India, in December); a subregional workshop in Bhutan in May; a workshop in Pakistan in September; a stakeholder workshop and subsequent high-level meeting in Colombo, Sri Lanka, in October; and endorsement by the Government of Viet Nam, international donors and civil society through a videoconference, also in October.

The division has continued to strengthen the bargaining power of the institutions of the region's poor, concentrated among women, indigenous peoples, the landless and marginal farmers in the uplands and mountains, selected coastal areas and semi-arid plains. Participatory development and implementation of rural poverty-reduction programmes is an integral part of operations. All five projects approved in 2002 (China, India, Indonesia, Laos and Mongolia) strongly emphasize the involvement of beneficiaries in decision-making and promote the establishment of community-based institutions representative of the poor. The new project in Orissa, India, targeting tribals and other marginalized populations, contributes to the development of responsive local institutions through participatory approaches. These combine sustainable natural resource management with promotion of savings and credit groups, based on IFAD's successful experiences in the states of Maharashtra and Assam.

In the provinces of Ningxia and Shanxi in China, IFAD's new project will further the promotion of village development plans, which have now become part of the national policy of the Poverty Alleviation Office through the support of IFAD and other donors. The Oudomxai Community Initiatives Support Project in Laos focuses on support to ethnic groups and their organizations in the upland areas in the second poorest province, through participatory approaches to social and economic development and natural resource management. The project also follows a decentralized approach by strengthening the capacity of villages as the basic implementing units, as well as the capacity of service providers and local institutions in service delivery to the poor. One significant innovation is the development of a school dormitory programme that provides facilities and skills training to school children from remote and poor villages inhabited by ethnic minorities.

Other examples of innovative institutional strengthening among the poor include: decentralized planning in the Second Eastern Zone Agricultural Programme in Bhutan; participatory impact monitoring and evaluation in the North-East Sichuan and Qinghai/Haidong Integrated Agricultural Development Project in China, which has convinced the Provincial Government of Haidong of the importance of integrating participatory impact monitoring into M&E systems; group formation in the North-Eastern Region Community Resource Management Project for Upland Areas in India; the coalition for the poor, composed of 17 NGOs, the Government, ICRAF and IFAD, which is the foundation of the Post-Crisis Programme for Participatory Integrated Development in Rainfed Areas in Indonesia; self-management boards in the Agricultural Resources Conservation and Development Project in Quang Binh Province, Viet Nam; and livestock and rangeland management committees in Mongolia. Women's development needs and interests have been notably addressed by the National Microfinance Support Programme in India and the proposed Community Development Programme in Pakistan, in Azad Jammu and Kashmir, where the division organized a gender workshop as part of the Japanese-funded Gender Programme for Asia. Positive experiences with these initiatives have influenced local and national policy environments, opening up opportunities for their replication and general institutionalization.

Enhancing access to natural resources and technology is a basic thrust of all IFAD-assisted projects in the region, by virtue of the fact that the majority of the rural poor eke out a living from agriculture, especially in the less-favoured areas where IFAD concentrates its efforts. Land is the most critical asset for the poor as it constitutes collateral for borrowing, provides incentives to make long-term investments in agricultural production and enhances their social status. However, land tenure is at the same time a highly political issue and represents the biggest obstacle to poverty reduction. IFAD has supported national efforts to increase access to land, especially for women. The Hills Leasehold Forestry and Forage Development Project pioneered the concept of leasehold forestry in Nepal. Support to land reform in favour of the poor is also being provided in Kyrgyzstan and Sri Lanka in collaboration with other donors. In line with IFAD's regional strategy, which emphasizes non-timber forest products (NTFPs) as a source of income in upland areas, sustainable development and marketing of NTFPs by the rural poor is being profitably supported in Bhutan and Laos.

With regard to *increasing access to financial services and markets*, support to microfinance as a means for rural poverty reduction dates back to the late seventies. Currently, the Agricultural Development Support Project to *Seila* is the first external loan-financed programme in Cambodia to support the Rural Development Bank in wholesaling credit to qualified MFIs and NGOs. The Maharashtra Rural Credit Project in India has so far reached 65 636 households below the poverty line.

A recent study undertaken by the National Institute of Bank Management reported that more than 90% have increased their food consumption and overall incomes have increased by over 40%. The innovative livestock and vegetable credit model introduced in the Arhangai Rural Poverty-Alleviation Project in Arhangai and Huvsgul provinces in Mongolia has resulted in two-fold increases in the income of beneficiaries from livestock production and 1.4-fold increases from vegetable production. The experiences of this project provided the basis for the design of the new Rural Poverty-Reduction Programme approved this year. The Rural Microenterprise Finance Project in The Philippines, jointly financed with the Asian Development Bank (AsDB), has attracted a high number of participating Grameen Bank approach replicators, increasing competition to attain clients and thus leading to deeper outreach to the poor. The project has played a significant role in providing microfinance services to the poor based on a market-driven and commercial approach, and has effectively shown that it is possible for the poor to become financially independent entrepreneurs.

As for *market linkages*, the Third Rural Infrastructure Development Project in Bangladesh, cofinanced with AsDB, has developed a major, rural road network and growth-centre markets, including specific areas designated for women entrepreneurs. An impact assessment carried out in February indicated that before the project only 11% of local people reported easy access to employment, while 69% now claim such access. For women, in the 'before' project scenario, 71% claimed poor employment opportunities. This figure is now only 1%. The Matale Regional Economic Advancement Project in Sri Lanka promotes small/microenterprise through linkages with private-sector commercial agricultural production and marketing.

Policy dialogue by the division, in association with the programmes and projects financed by IFAD, has contributed to: replication of community-based participatory development and gender mainstreaming in Pakistan; decentralization in Cambodia; replication of leasehold forestry in 16 new districts of Nepal; transfer of land titles in Nepal to *kamaiya* households (i.e. of formerly bonded labourers); innovative national-level microfinance policies under the USD 134 million National Microfinance Support Programme in India; establishment of 40 000 rural credit cooperative (RCC) offices in China; and replication of Fund approaches and methods in Viet Nam. The division has been involved to a greater or lesser extent in the PRSP processes of Cambodia, Laos, Mongolia and Viet Nam.

Finally, the division is working in *partnership* with various international and regional institutions, many of whom belong to the CGIAR system, in order to develop *participatory action-research* programmes. These programmes aim to enhance the resource management capacities of the poor through improved access to relevant technological options. They include community-based fisheries management (International Center for Living Acquatic Resources Management – ICLARM), flood-prone area rice production (International Rice Research Institute – IRRI), natural resource management in mountain areas (International Centre on Integrated Mountain Development – ICIMOD), agroforestry (ICRAF) and testing of institutional mechanisms for recognizing and rewarding IFAD target groups for the environmental services they provide (International Development Research Centre – IDRC). The programme with IRRI has been particularly successful, a full spectrum of *boro* (dry-season) and deepwater rice and rice-cropping system technologies has been tested and packaged for dissemination in Bangladesh, India and Viet Nam. Also, rice genotypes are now available for tidal, non-saline areas of Bangladesh and saline areas of Sri Lanka. The TAG to ICRAF supported development of an extension and farmer-organization approach to promoting a conservation farming technology called “Landcare” in upland Northern Mindanao. The second phase of the TAG to IDRC for Electronic Networking for Rural Asia/Pacific (ENRAP) was approved this year. It aims to increase access to appropriate information and communication technology and, in remote rural areas, build capacity for a more active role in markets through increased availability of production, research, and market information. Two other TAGs are successfully increasing marketing of poor farmers’ production of bamboo and rattan and of coconut.

Latin America and the Caribbean Division

32 countries: Antigua and Barbuda, Argentina, Barbados, Belize, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominica, Dominican Republic, Ecuador, El Salvador, Grenada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Saint Christopher and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, Trinidad and Tobago, Uruguay and Venezuela

Guided by the strategic framework and its regional strategy, the division initiated a number of actions to strengthen the operational capacity of ongoing projects throughout the region. These initiatives related, inter alia, to co-implementation, rural finance, market access and gender aspects. All of the projects and programmes approved by the Executive Board in 2002 are closely aligned to IFAD’s strategic framework.

As part of the division’s contribution to *strengthening the capacity of the rural poor and their organizations*, in April the Seventy-Fifth Session of the Executive Board approved a TAG to the International Farming Systems Research Methodology Network (RIMISP) for the FIDAMERICA Network – Phase III. The programme’s overall aim is to improve the effectiveness and efficiency of poverty-reduction initiatives by providing networked stakeholders, especially civil-society organizations but also government and the private sector, with easy, low-cost access to relevant, high-quality documentation and appropriate analyses, concepts, approaches, methods and tools.

The Regional Programme in Support of the Indigenous People of the Amazon Basin (PRAIA), which is assisted by the Fund, held its Fourth Inter-Agency Meeting in Bolivia in May. Under PRAIA, beneficiaries are directly responsibile for preparing and managing their own development initiatives. The Fund has been able to attract 56% of the cost of PRAIA's second phase, and USD 2 million have been transferred to indigenous communities over the two phases. The programme's approach of placing respect for and support to local culture and identity at centre stage is now being replicated by other institutions in the Amazon basin. In July PRAIA published a book, *Experiencia Viva*, on indigenous development initiatives in the Amazon basin and the tropical forests of Latin America, and in August a representative of PRAIA attended the WSSD in Johannesburg. In addition, a project approved by the Seventy-Seventh Session of the Executive Board for Peru, Market Strengthening and Livelihood Diversification in the Southern Highlands Project, will help peasant communities upgrade their physical resources while recognizing their knowledge and local culture and rewarding achievements.

The Seventy-Fifth Session of the Executive Board in April 2002 approved a TAG to the Inter-American Institute for Cooperation on Agriculture (IICA) in support of the Rural Microenterprise Support Programme in Latin America and the Caribbean (PROMER) – Phase II. This programme aims to *improve equitable access to productive natural resources and technology* through better strategies and methodologies and through specific instruments for strengthening existing rural small and microenterprises and creating new ones. In particular, it will improve their competitive capacity in geographical areas covered by IFAD projects through an integrated set of services, including training, information, specialized technical assistance, knowledge-management efforts and the promotion of microentrepreneurial organizations. On July 24-25, the programme for Servicios Técnicos para el Desarrollo Rural (SETEDER) held its start-up workshop in Tegucigalpa, Honduras, with the staff of IFAD projects in Central America. This new programme supports private providers of technical assistance to IFAD-assisted projects through a TAG awarded to the Tropical Agricultural Research and Training Centre (CATIE). It is expected to improve equitable access to appropriate technologies by rural poor farmers.

Increasing access to financial services and markets by rural poor people continues to be an important component of regional strategy. IFAD is supporting the Forum for Rural Finance for Latin America and the Caribbean (FORO LAC FR), which is composed of eleven MFI networks in nine countries (Bolivia, Ecuador, El Salvador, Guatemala, Haiti, Mexico, Nicaragua, Panama and Peru). It serves 189 MFIs reaching nearly 900 000 clients, with a combined portfolio of some USD 340 million. IFAD assistance is helping the forum in three key areas: tailoring financial services to the needs of the rural poor; providing constructive policy advocacy to governments so that regulatory frameworks supportive of rural microfinance can be established; and developing methodologies for MFIs to channel remittance flows into the region for poverty outreach. IFAD organized a meeting, 26-30 May, with the Comunidades Unidas Salvadoreñas (CUS) and the Foundation SHARE to explore a potential investment project using remittances to El Salvador from the United States, from 'hometown associations' and others. The proposal is the result of an initial meeting involving CUS at the World Bank in Washington, D.C., in November 2001. A subsequent seminar in Los Angeles, United States, 25-27 October, was organized by IFAD and attended by representatives of Salvadoran associations in the United States. Its purpose was to discuss various strategies and specific cofinancing mechanisms between IFAD and both the Organización El Rescate and the Communities of Direct Help to El Salvador (Comunidades de Ayuda Directa a El Salvador) for joint investment projects in rural areas of El Salvador. Finally, the division participated in the Microcredit Summit +5 in New York in November.

The economic history of the region means that the division is particularly alert to the benefits and vulnerabilities of *increasing market linkage* for the poor. For example, globalization, with its effects on food markets, poses new challenges to farmers, governments and international organizations aiming to reduce rural poverty. It imposes high standards on agricultural producers and subjects them to the volatility of prices in international markets. At the same time, it opens new opportunities for small producers whose products have a comparative advantage. To benefit from these new markets, small producers must overcome a number of constraints, such as lack of technical know-how, scarce storage and processing facilities, inadequate market information, complex certification processes and insufficient financing. It is also important to have supportive government policies that promote the development of this sector. These factors are particularly crucial to the rural poor. In this context, IFAD's Office of Evaluation and Studies organized an international workshop in collaboration with the division on the Adoption of Organic Production among Small Farmers in Latin America: Opportunities and Challenges (Rome, 11-12 September). Its purpose was to present the results of a thematic study on organic agriculture by small farmers in six countries (Argentina, Costa Rica, the Dominican Republic, El Salvador, Guatemala and Mexico). Major themes were: (i) the impact of organic production on small farmers; (ii) problems in the transition to organic production; (iii) management of the certification process; (iv) marketing of organic products; and (v) the role of institutions.

The developing of links with the Fair-trade movement has continued, and in particular with the International Federation for Alternative Trade (IFAT). During the year, the division participated in discussions on market access at IFAT regional meetings in Cuba, Ghana and Indonesia. Lastly, with the Overseas Development Institute (ODI), it organized a workshop entitled Promoting Market Access for Small Rural Producers from Developing Countries: Lessons from Successful Experiences (London, United Kingdom, 29 November). These meetings are part of a joint effort by IFAD, IFAT and ODI to reach a better understanding of the main obstacles small rural producers face in accessing markets, and international markets in particular, and the best policies and instruments to overcome them. The projects approved for the Dominican Republic and Haiti also focus on supporting long-term market-oriented activities at the community, local and national level, with special attention given to the sustainable management of natural resources.

The division has sought to promote the interests and address the needs of the regional poor through *policy dialogue and partnership*, including: rural poverty-reduction initiatives with the World Bank in Central America; development with indigenous populations in partnership with IDB and other development organizations; rural development policy work with academic institutions and NGOs; and rural financial services with FAO in the context of the Regional Unit for Technical Assistance (RUTA) in Central America. An example of the priority given to promoting catalytic effect is the support approved for FORO LAC FR, mentioned above. The division attended the annual meeting of the Board of Directors of IDB at Fortaleza, Brazil, in March. In Santiago, Chile, in May, it participated with DFID in the Sustainable Livelihoods Workshop and organized a Strategy Development Workshop. It also remains active in the Inter-Agency Group on Rural Development in Latin America and the Caribbean, an organization that includes the Economic Commission for Latin America and the Caribbean (ECLAC), FAO, GTZ, IDB, IFAD, IICA and the World Bank. The latest meeting took place in Panama in November.

On July 9-10, RUTA held its annual meeting at IFAD in Rome, with the participation of delegates from the Council for Agricultural Development in Central America (Consejo Agropecuario Centroamericano, CAC), DFID, FAO, IDB, IFAD and the World Bank. The division organized a workshop in October, with IDB, in which regional experts discussed aspects of decentralization. Special attention was given to the 'territorial' approach to rural development, which questions the importance given to sectoral policies at the local level and calls for a more integrated approach by the

various sectoral institutions. In the interests of increasing *impact*, the division held a regional coordination meeting in December in Honduras, attended by representatives of the main IFAD-assisted programmes: FIDAMERICA, the Programme for Strengthening the Regional Capacity for Monitoring and Evaluation of Rural Poverty-Alleviation Projects in Latin America and the Caribbean (PREVAL), the Regional Programme to Consolidate Gender-Mainstreaming Strategies in IFAD-Financed Projects of Latin America and the Caribbean (PROGENDER), PROMER, RUTA, the Rural Financial Services Support Programme (SERFIRURAL) and SETEDER. This meeting helped increase the effectiveness of these programmes in support of IFAD projects with the rural poor.

In 2002 the division continued strengthening the regional capacity for *monitoring, evaluation, impact assessment and institutional learning*. In October, PREVAL and RUTA held an intensive workshop on monitoring and evaluation in El Salvador, with the participation of staff from IFAD projects in Central America and the Dominican Republic. The workshop consisted of oral presentations by regional experts in monitoring and evaluation, group discussions, and practical exercises to verify the process of learning by participants. The Spanish version of *Managing for Impact in Rural Development – A Guide for Project M&E* was presented and discussed during the meeting. In addition, after five years of work in *gender mainstreaming*, in conjunction with PROMER the division conducted a participatory evaluation and impact assessment in Panama in December with beneficiaries from several countries. The exercise was financed through Japanese supplementary funds.

Near East and North Africa Division

31 countries: Albania, Algeria, Armenia, Azerbaijan, Bosnia and Herzegovina, Croatia, Cyprus, Djibouti, Egypt, Georgia, Iraq, Israel, Jordan, Kuwait, Lebanon, Libyan Arab Jamahiriya, Malta, Morocco, Oman, Qatar, Republic of Moldova, Romania, Saudi Arabia, Somalia, Sudan, Syria, The Former Yugoslav Republic of Macedonia, Tunisia, Turkey, United Arab Emirates and Yemen

The countries covered by the division include traditional borrowers of the Near East and North Africa (NENA) region plus transition countries in central and eastern Europe and the newly independent states (CEN). Loan and grant projects approved in the NENA and CEN regions in 2002 focused on applying IFAD’s strategic framework and the respective regional strategies.

In order to *strengthen the capacity of the rural poor and their organizations*, the new projects in the division are promoting development of rural poor communities by forming village development councils, farmer associations, cooperatives and other locally-based groups. For example, one of the major components of Egypt’s West Noubaria Rural Development Project is community organization and development. This component will be implemented through participatory planning and development processes, promotion of a sense of community and self-reliance, and the construction of community infrastructure (including social infrastructure), to be identified through a consultative process in the villages. In the Dhamar Participatory Rural Development Project in Yemen, the community development component will support: (i) participatory planning and community institution-building to help communities prioritize their development needs, formulate village development plans, and establish and/or strengthen community groups engaged in project implementation; (ii) literacy and life-skills training, especially for women and girls, aimed at creating income-generating opportunities; and (iii) community infrastructure – e.g. drinking water supplies, schools, improved access roads and health facilities – for which communities will be required to contribute, in cash and/or kind, and to form management committees.

A key element in empowering the rural poor is *giving women and men equal access to resources and services* and improving gender equity in project participation and development planning. The division is currently implementing a programme of action to reach rural women in the NENA region. During this first year of implementation, the programme involved eight ongoing projects in Morocco, The Sudan, Syria and Yemen. It intervened at two levels: strengthening project activities implemented in favour of women and enhancing working conditions of the women development teams in each project. For the CEN region, a grant was approved to fund a programme on gender mainstreaming in central and eastern Europe. This gender programme started with a two-day workshop held in Rome in December, in which representatives from targeted CEN countries were invited to discuss the programme's plan of action. The aim of these gender-mainstreaming programmes is to ensure that project activities reach women and men on an equal and participatory basis.

To *improve equitable access to productive natural resources and technology*, the division has emphasized participatory natural resource management and the development and promotion of improved technologies for marginal and dryland areas. Improved water and soil management is a priority due to the increasing threat of water scarcity and land degradation. A key element of the division's support to natural resources management is the establishment of users' associations for rangelands (e.g. in Morocco and Tunisia) and water (e.g. in Egypt and Yemen). In Tunisia's Agro-pastoral Development and Local Initiatives Promotion Programme for the South-East, pasture management and community development will rely on agricultural development groups set up in each socio-territorial unit. The programme will finance the progressive introduction of pasture rotation, planting of drought-security fodder-tree reserves, and pasture reseeding. In Yemen, the Dhamar Participatory Rural Development Project will support an irrigation development facility to finance small dams and piped conveyance systems, water-harvesting structures, and catchment area management; the establishment of water users' associations for operation and maintenance; and improved groundwater use. The Second Matruh Resource Management Project in Egypt will adopt an integrated natural resource management approach: (i) a major programme for water harvesting and storage and watershed management; (ii) rangeland management and rehabilitation based on the establishment of pilot grazing-management units; and (iii) a biodiversity conservation programme funded by GEF grant financing.

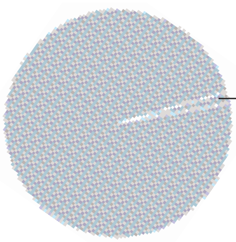
Increasing access to financial services and markets is another important element of the new projects in the division. For example, Djibouti's Microfinance and Microenterprise Development Project is entirely focused on enhancing access to financial and business development services in rural, peri-urban and urban areas through the development of up to ten savings and credit associations owned and managed by beneficiaries. The programme will emphasize the most vulnerable groups, i.e. women and the unemployed. In Syria, the Idleb Rural Development Project will establish a microfinance facility for a wide range of potential income-generating production, processing and marketing opportunities suitable for investment by smallholders and rural women. The project will establish village *sanduqs*, the equivalent of rotating savings and credit associations, as alternative financial institutions with flexible and creative lending methods. The new projects in Egypt, Tunisia and Yemen also include components to provide technical assistance in marketing, market information, rural financial services and microenterprise development.

Although conditions vary greatly from country to country in the CEN region, farmers across the region have realized that access to markets, credit, fertilizer, appropriate technologies and other assets are critical to success in the new economy. These services were once provided by the state, but now no longer exist or are inappropriate to the needs of newly privatized smallholder agriculture. As a result, the division's regional strategy for CEN focuses on long-term institutional development and support for new market linkages. In particular, IFAD is seeking to link the producer to the market by using a series of instruments that vary according to the commodity produced. During the past year, the division has initiated an agricultural comparative-advantage and marketing study in three countries in order to provide recommendations for enhancing the competitiveness and marketing of key commodities produced by the rural poor and informing ongoing and future investments.

In terms of *policy dialogue*, the division continued to lead by example through the projects it supports and by getting involved, when possible, in national poverty strategies. For example, in January 2002, the division organized a two-day workshop in The Sudan to discuss the country strategy for rural poverty reduction with national and international stakeholders. The results of the workshop were incorporated into preparation of the COSOP. Policy dialogue is also being initiated with regard to the promotion of microfinance and rural financial services, decentralization, and financial and administrative autonomy of local community-based organizations (such as water users' associations) in several NENA and CEN countries. Policy dialogue regarding gender mainstreaming and greater advocacy for rural women's groups is becoming an integral part of many projects, supported by capacity-building and training activities by IFAD's gender-mainstreaming programmes.

In 2002, besides continuing *partnership-building* with traditional cofinanciers (such as the World Bank, OPEC Fund, AFESD, IsDB, etc.), the division emphasized development of collaborative, innovative relationships for cofinancing with bilateral donors and non-traditional partners. For example, several initiatives involve AAAID as a private investor to sustain post-project benefits in the areas of agro-processing and post-harvest activities. In Morocco, the opportunity for AAAID to invest in meat-processing and distribution facilities is being treated as an explicit component in the formulation of the second phase of the Morocco Livestock and Pasture Development Project in the Eastern Region. IFAD has also built an innovative financing relationship with the Italian Government. A recently signed agreement between the Governments of Egypt and Italy allows the exchange of part of Egypt's official external debt with Italy for use in financing FAO, IFAD and WFP projects dealing with poverty reduction and food security. The West Noubaria Rural Development Project is the first IFAD project benefiting from this new financing arrangement. The Italian Government has also approved the cofinancing of ongoing IFAD-funded projects in Bosnia and Herzegovina and in The Former Yugoslav Republic of Macedonia.

CHART 1
Projects approved in 2002: Direct Beneficiaries [a]



a/ Based on data in project appraisal reports. Where the count of households is reported, rather than that of individuals, the latter is estimated by applying an average of five persons to each household.

ASSURING IMPACT

IFAD managed its project portfolio so as to maintain overall size while emphasizing quality and impact.

Portfolio Management

Grant funds approved for Accelerated Project Performance and Other Implementation Support were used to assist governments in preparing comprehensive project completion reports and to provide focused short-term support at the project level. Participatory workshops were held at all levels – project, country, subregion and region – to promote knowledge-sharing and problem-solving in the areas of project management, supervision and cross-cutting issues such as gender. The practice of preparing a logical framework, unified design document and key file for each new project continued. The use of these standardized tools, which have been fully adapted to IFAD's specific approach and requirements, should greatly facilitate rational and efficient project implementation and the monitoring and measuring of results. The adaptations to regional requirements of the M&E guide prepared in 2001 were launched, with translation into IFAD's official languages and selected local languages and dissemination through training workshops and testing activities in selected projects (see "Measuring results and impact", under Evaluation below).

Internal review processes have continued to be an important tool in proactive portfolio management. Throughout implementation, periodic progress reporting by ongoing projects, regular supervision and follow-up missions, as well as midterm reviews, provide quantitative and qualitative information on project progress and results that is summarized in periodic project status reports. Aspects related to policy issues, partnership-building and knowledge-sharing are reported in country issues sheets, which have become an integral part of portfolio review. Moreover, the annual Progress Report on the Project Portfolio, presented to the Executive Board, is increasingly reflecting IFAD's emphasis on results and the impact orientation of the portfolio.

Project Supervision and Cooperating Institutions

IFAD's active portfolio at the end of 2002 (Table 1) comprised 203 projects supervised by nine cooperating institutions. Among them, UNOPS increased its share to 56.4% (114 projects) as compared to 55.0% at the end of 2001. Of the 15 projects that IFAD was authorized to supervise by its governing bodies, one has already closed, having disbursed 100% of the allocated funds. Increasing experience is being gained through this pilot experience, which permits IFAD staff to directly supervise projects, provide implementation support and participate in the related learning cycle. Preliminary results are promising, as illustrated by reduced delays in the processing of disbursements, more regular follow-up and supervision activities, and an enhanced IFAD contribution to problem-solving and policy dialogue in the countries concerned.

Evaluation

The Office of Evaluation and Studies (OE) is the IFAD division with lead responsibility for assuring quality control and impact by learning through evaluation. During 2002, it completed thirteen evaluations including eight project, two corporate-level, two thematic and one country portfolio evaluation. The office also initiated a further thirteen evaluations, including five project, four thematic, three country portfolio and one corporate-level evaluation. In undertaking these exercises, it focused on three areas: innovation in agriculture, measuring results and impact, and administrative and technical support to the External Review of the Results and Impact of IFAD Operations.

TABLE 1
IFAD Cooperating Institutions Entrusted with Loan Administration and Project Supervision, Regular Programme and Special Programme for Africa

	Projects at end 2000		Projects at end 2001		Projects at end 2002	
COOPERATING INSTITUTIONS	Number	%	Number	%	Number	%
African Development Bank (AfDB)	5	2.5	3	1.4	2	1.0
Arab Fund for Economic and Social Development (AFESD)	14	7.0	11	5.3	11	5.4
Asian Development Bank (AsDB)	6	3.0	6	2.9	4	2.0
Central American Bank of Economic Integration (BCIE)	4	2.0	4	1.9	4	2.0
West African Development Bank (BOAD)	9	4.5	11	5.3	11	5.4
Andean Development Corporation (CAF)	15	7.5	14	6.7	13	6.4
Caribbean Development Bank (CDB)	4	2.0	4	1.9	5	2.5
Inter-American Development Bank (IDB)	1	0.5				
United Nations Office for Project Services (UNOPS)	104	52.3	115	55.0	114	56.4
World Bank (International Bank for Reconstruction and Development/ International Development Association)	24	12.1	27	12.9	25	12.4
Supervised directly by IFAD	13	6.5	14	6.7	14	6.9
Total	199	100.0	209	100.0	203	100.0

Reference year for projects relates to loan effectiveness.

Figures refer to approved projects that have not been completed for each year-period.

Innovation in agriculture. In this area, OE was involved in two thematic evaluations, a review, and an evaluation of an aspect of the TAG programme. The thematic evaluation of *organic agriculture in Latin America* studied smallholder organic farming in six Latin American countries. An international workshop was held in Rome in September to validate the conclusions of the study and suggest ideas for future development initiatives with an organic agriculture component. The findings of the evaluation and workshop point to the viability of organic agriculture for smallholder projects, provided that the heterogeneity of small farmers is considered. It concluded that IFAD support could be directed to: financing certification and extra labour requirements during the transition period; providing training and instruments for disseminating information to small farmers; developing capacity-building of farmers' associations, especially regarding access to local markets; and engaging in policy dialogue on land tenure and the value of organic agriculture.

The objectives of the thematic evaluation on *local knowledge and innovations in IFAD-assisted projects in Asia*, initiated in 2002, are to document and assess the use of local knowledge and innovations and to formulate insights and concrete recommendations for their better application in ongoing and future activities. Eight project case studies involving detailed fieldwork have been undertaken in seven countries (Cambodia, China, India, Nepal, The Philippines, Sri Lanka and Viet Nam) to determine, inter alia, the opportunities and constraints at each stage of the project cycle to the use of local knowledge and farmer innovations. Furthermore, in collaboration with the Society for Research and Initiatives for Sustainable Technologies and Institutions, an Indian NGO, an international contest was organized among rural people in all ongoing IFAD-supported projects in Asia to identify good practices and innovations at the grass-roots level.

OE also began a review of *innovative approaches in Peru*. This review is analysing the innovative and successful approaches followed and replicated in Peru over the past ten years to determine the potential for scaling up and replication elsewhere. Innovations include: supporting the development of private extension services for smallholders, promoting sustainable community development based on traditional know-how and technologies, and creating service centres and hubs for poor farmers living in surrounding areas.

Finally, OE conducted an evaluation of IFAD's *Technical Assistance Grants Programme for Agricultural Research (AR/TAGs)*. The importance of agricultural research for rural poverty reduction has been recognized by IFAD since its inception and is explicitly mentioned in the Fund's Lending Policies and Criteria. From 1979 to 2001, the programme allocated a total of USD 171.5 million for 199 grants to IARCs and, through them, to NARS. Recipients have customarily been CGIAR and non-CGIAR centres. The evaluation found that IFAD has played a strong advocacy role in redirecting the focus of the CGIAR system towards poverty-focused research, taken the lead in opening up new research areas, and continued to play a pro-poor advocacy role in a number of international forums related to agricultural research. One example is the Fund's role in the creation, orientation and subsequent international support of GFAR. The AR/TAG programme has also had a positive impact on institutional capacity, at least in the short term and particularly at the NARS level. Indeed, almost all IFAD-financed TAGs have been engaged in NARS capacity-building. The evaluation also identified areas that need strengthening and recommended: (i) enhancing the focus of the programme by developing a research strategy for IFAD; (ii) strengthening the contribution of grant-financed research to the IFAD investment programme; (iii) enhancing the poverty and institutional impact of the programme; (iv) enhancing policy dialogue and advocacy to reinforce IFAD's global innovative role in agriculture research; (v) assessing the institutional spread of programme resources; and (vi) reviewing resources available to the programme for enhancing effectiveness and efficiency.

Measuring results and impact. Contributions by OE during the year to measuring results and impact have included publication of a practical guide entitled *Managing for Impact in Rural Development – A Guide for Project M&E* and development and application of a *new methodological framework for evaluation*. The guide is targeted primarily at managers, M&E officers and implementation partners of IFAD-supported projects, with the objective of enhancing the effectiveness of M&E systems at the project level, including their capacity to measure impact and results. The guide has been published in English, translated into the three other official languages of IFAD, and distributed to all Programme Management Department divisions, partners at the country level and other development actors. Since the guide per se may not automatically lead to better M&E systems, OE has initiated a process of sensitization and customization in the Fund's Western and Central Africa and Asia and the Pacific regions. This process defines the overall strategy for dissemination, introduction and sustainable application of the guide among projects and partners in the regions. It includes, inter alia, regional workshops to launch the guide, fine-tune it according to regional specificities, and train project managers, consultants, government counterparts and other development stakeholders in its use. Measurement of progress in gender equality and regular disaggregation of M&E data by gender are cross-cutting concerns. In addition, OE undertook a survey to identify institutions and resource persons in the Asia and the Pacific region that can provide M&E assistance to IFAD-supported projects.

The objectives of the new methodological framework for evaluation are to: (i) better measure and evaluate impact at project completion; (ii) produce a consolidated picture of the results, impact and performance of a group of completed projects evaluated during a given year; and (iii) synthesize learning from evaluations. The methodology consists of a set of common evaluation criteria, including impact on rural poverty. The framework involves a unified definition of impact based on six domains of the livelihoods of the rural poor and three overarching factors – sustainability, innovation and scaling up. The six domains of impact cover: physical and financial assets; human assets; social capital and empowerment, including gender equity; food security; environment; and institutions and policies. Quantitative and qualitative indicators have been developed for each of these domains. IFAD has started applying the framework in all its project evaluations. The use of common criteria will ensure that impact is systematically assessed and that results are comparable across projects, and will permit a consolidated overview to be presented in annual reports on IFAD's impact and development effectiveness. This new type of report – to be issued first in 2003 – will complement the annual Progress Report on the Project Portfolio, produced by the Programme Management Department, and will provide IFAD management and the Executive Board with a consolidated picture of results, impact achievement and effectiveness, as well as a summary of lessons learned from the project evaluations undertaken during the reporting year.

External Review of Results and Impact of IFAD Operations. OE contributed to the review by defining the governance, identifying the members and consultants for the exercise, and acting as Secretariat to the External Review Team. The review was requested at the First Session of the Consultation on the Sixth Replenishment of IFAD's Resources in February as input to the replenishment deliberations. Its mandate was to report on the results and impact achieved by IFAD-supported operations and the recently established methodologies and processes for assessing the results and impact of IFAD-supported projects, as well as other changes introduced to enhance IFAD's focus on results. The External Review Team focused its work on ten countries (Armenia, El Salvador, Ghana, India, Mauritania, Peru, Syria, the United Republic of Tanzania, Viet Nam and Zambia), interviewed IFAD staff and partners, and visited four of the countries (Armenia, Ghana, India and Peru). Field visits generally confirmed the findings and deepened the insights from a review of documents prepared by IFAD and its partners.

In its main conclusions, the review noted that IFAD is charged with the exclusive and specific mandate of combating rural poverty, which is unique among international financial institutions. It concluded that the Fund has acquired considerable expertise and comparative advantage in this area. Further, IFAD has made direct and indirect contributions to achieving the Millennium Development Goals of eradicating poverty and hunger, promoting gender equality and empowering women, and ensuring environmental sustainability. It has also demonstrated that sustainable rural poverty reduction depends on the enabling of beneficiaries to build their capacities in ways that allow them to own the projects. Another area of strength found by the review was the consistent recognition of the importance of natural resource management by the Fund. There was acknowledgement, as well, that IFAD has promoted some widely recognized innovations, for example in microfinance, soil and water conservation, water users' associations, self-help groups and various forms of partnership, and has often engaged successfully in policy dialogue with governments and other partners. At the same time, the review expressed concerns regarding sustainability of the benefits, monitoring at the project level and sufficiency of the Fund's presence in the field, but also recognized that these issues were under active consideration by IFAD. The results of the review were presented and discussed at the Third Session of the Consultation in July.

IFAD'S OPERATIONS IN 2002

Twenty-five new projects and 85 grants were approved in 2002.

The Project Portfolio and Lending Trends

Twenty-five new projects were approved in 2002, financed through IFAD loans totalling USD 365.9 million[7] (Table 3). One of these projects was financed exclusively through grant resources equivalent to about USD 3.0 million. The total cost of these projects is estimated at USD 814.6 million, of which USD 155.7 million will be provided by external financiers and USD 289.9 million by financiers in the recipient countries – primarily governments.

The total project portfolio consists of 628 projects distributed among 115 recipients (114 countries and Gaza and the West Bank) for a total of USD 7 669.1 million in loans and an additional USD 442.6 million in grants. Governments and other financing sources in the recipient countries – including project beneficiaries – have contributed USD 7 912.1 million to these projects. Another USD 6 565.4 million came from external cofinanciers, of which bilateral donors contributed USD 1124.3 million, multilateral donors USD 5 222.6 million and various international and northern NGOs USD 30.2 million.

7/ IFAD loans are denominated in SDR (an International Monetary Fund (IMF)-defined unit of account). Figures shown in the *Annual Report* are the United States dollar equivalents, converted into SDR at the time of loan approvals.

TABLE 2
IFAD at a Glance, 1978-2002

		1978-1991	1992	1993
Operational Activities [a, b]				
Loan approvals				
Number of projects		313	24	32
Amount of loans	*USD million*	3 479.8	298.0	338.8
Grant approvals				
Number		354	31	45
Amount	*USD million*	168.5	8.2	14.4
Total IFAD loan and grant operations [a]	*USD million*	3 648.3	306.3	353.2
Cofinancing [c]	*USD million*	3 949.0	93.3	292.7
Multilateral		3 228.9	78.1	244.7
Bilateral		708.1	4.8	40.4
NGO		8.5	3.9	0.5
Foreign private sector				
Domestic contributions	*USD million*	4 991.7	149.8	208.8
Total project cost [d]	*USD million*	12 443.3	541.1	840.2
Project enumeration				
Number of effective projects under implementation			150	157
Number of projects completed		132	24	23
Number of projects in pipeline			110	127
Number of approved projects initiated by IFAD		217	23	26
Number of recipient borrowers		95	96	101
Loan Disbursements	*USD million*	1 919.0	158.6	193.7
Loan Repayments	*USD million*	228.3	77.7	81.7
General Reserve				
– at end of period	*USD million*	80.0	85.0	90.0
Membership and Administration				
Member states – at end of period		145	147	150
Professional staff – at end of period [e]		111	118	105
Operating expenses	*USD million*		52.2	47.9
– Provision for after-service medical benefits	*USD million*			

[a] Amounts as originally approved. Excludes fully cancelled projects.

[b] Figures for 1986-95 include the Special Programme for Africa (SPA).

[c] The total does not correspond to the breakdown as it includes amounts of proposed cofinancing for which sources have not yet been confirmed.

[d] Includes project component grants but not non-project-related technical assistance grants.

[e] Approved positions (excluding those of the President and Vice-President). Six general service posts were converted to professional posts, thus the overall staffing levels remain unchanged from 1998 to 2002.

IFAD loans are denominated in SDR (a unit of account defined by the International Monetary Fund). However, for the reader's convenience, the tables show lending figures in USD equivalents, converted at the time of loan approval.

Any discrepancy in totals in all tables is due to rounding of figures.

1994	1995	1996	1997	1998	1999	2000	2001	2002	1978-2002
28	33	32	30	29	30	27	25	25	628
349.3	391.7	395.1	397.7	407.9	432.7	409.0	403.1	365.9	7669.1
71	132	212	258	110	124	120	106	85	1 648
16.8	23.6	28.3	35.4	30.2	29.6	32.8	30.8	23.9	442.6
366.1	415.3	423.4	433.1	438.1	462.3	441.8	433.9	389.8	8 111.7
122.4	261.4	286.5	448.5	293.0	116.8	276.0	270.3	155.7	6 565.4
91.3	215.8	250.7	323.8	249.7	89.2	151.3	203.1	96.0	5 222.6
30.1	45.7	19.0	109.4	20.2	20.9	57.7	16.9	51.2	1 124.3
0.9		1.5	9.3	2.7	2.5	0.1	0.4		30.2
								7.2	7.2
184.4	262.7	309.2	338.5	319.8	207.5	326.7	323.1	289.9	7 912.1
656.0	915.9	994.8	1 187.4	1 021.5	757.8	1 012.5	996.8	814.6	22 181.9
168	186	190	188	204	211	199	206	203	
14	13	27	29	19	23	33	25	27	389
131	107	98	94	89	68	60	54	56	
25	28	27	21	24	28	25	24	24	492
104	107	111	113	114	115	115	115	115	115
185.2	193.7	261.9	259.8	298.9	284.0	285.1	299.6	267.3	4 606.8
89.1	110.0	110.7	115.6	123.4	133.2	132.9	128.0	126.8	1 457.4
95.0	95.0	95.0	95.0	95.0	95.0	95.0	95.0	95.0	
157	158	158	160	161	161	161	162	162	
107	111	126	126	126	132	132	132	132	
47.7	49.7	50.7	50.5	52.2	52.9	47.1	49.9	40.3	
					2.6	4.3	4.3	7.9	

Regional[8] and Priority Country Lending

The largest share of 2002 lending went to Africa, 36.1%, with 19.3% to the western and central region and 16.8% to eastern and southern Africa (Chart 2 and Table 4). Asia and the Pacific received 26.5%, Latin America and the Caribbean 14.1% and the Near East and North Africa 23.3%, well above the past average for the region.

TABLE 3
Summary of Grant Financing under the Regular Programme and Special Programme for Africa, 1978-2002

	1978-90	1991-2002	2002	1978-2002	%
Projects and Project Component					
Amount	23.5	8.9	–	32.4	7.3
Number of grants	34	6	–	40	
Project Preparation/Project Development Fund [a b]					
Amount	19.5	69.9	–	89.4	20.2
Number of grants	117	504	–	621	
Research					
Amount	92.8	69.7	7.9	162.5	36.7
Number of grants	121	85	15.0	206	
Research CGIAR					
Amount	64.8	45.1	7.2	109.9	67.6
Number of grants	89	48	6	137	
Research Non-CGIAR					
Amount	28.0	24.6	0.8	52.6	32.4
Number of grants	32	37	9	69	
Training and Other					
Amount	21.4	98.2	13.5	119.6	27.0
Number of grants	23	272	40	295	
Special Operations Facility [b]					
Amount	4.8	13.3	–	18.1	4.1
Number of grants	24	161	–	185	
Environmental Assessment [b]					
Amount	–	4.2	–	4.2	0.9
Number of grants	–	52	–	52	
IFAD/NGO Extended Cooperation Programme					
Amount [c]	0.5	15.9	2.5	16.5	3.7
Number of grants [c]	10	239	30	249	
Total Amount [d]	162.5	280.1	23.9	442.6	100.0
Total Number of Grants [d, e]	329	1 319	85	1 648	

[a] The Project Development Fund was established in 1995 to cover the costs of project formulation. Prior to 1995, part of such costs was covered under the Preparation Grants facility.

[b] These grants are no longer part of the regular grant programme but covered under the Programme Development Financing Facility.

[c] Including the cost of IFAD/NGO Consultation and Advisory Group meetings.

[d] During the period 1986-95, 86 grants were approved for a total of USD 24.1 million under the Special Programme for Africa.

[e] The total number of grants shown in this table differs for past years from that shown in earlier *Annual Reports* as the result of the review of past records of grant approvals.

8/ See pages 39, 42, 44, 48, 52 for a list of countries by administrative region.

CHART 2
Regional Distribution of Loans Approved in 2002

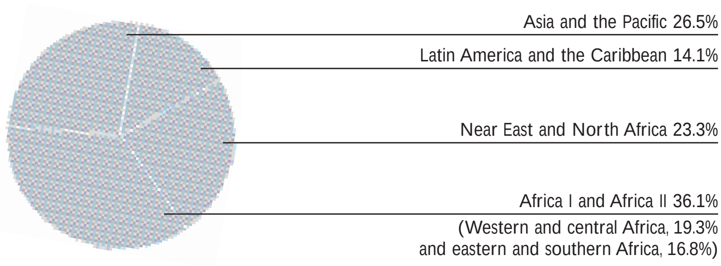


TABLE 4
IFAD Projects by Region under the Regular Programme and Special Programme for Africa, 1978-2002
(amounts in USD Million)

	1978-91	1992-2002	2002	%	1978-2002	%
Africa I: Western and Central Africa						
Total	654.7	689.1	70.6	19.3	1 343.8	17.5
Regular programme	501.4	647.9	70.6		1 149.3	
Number of projects [a]	60	59	6		119	
Special Programme for Africa	153.3	41.2	–		194.5	
Number of projects [b]	15	4	–		19	
Recipient borrowers [c]	24	24	24		24	
Africa II: Eastern and Southern Africa						
Total	556.5	791.0	61.4	16.8	1 347.5	17.6
Regular programme	460.5	740.5	61.4		1 201.1	
Number of projects [a]	45	58	4		103	
Special Programme for Africa	96.0	50.5	–		146.5	
Number of projects [b]	7	5	–		12	
Recipient borrowers [c]	18	20	20		20	
Asia and the Pacific						
Regular programme	1 236.2	1240.4	97.1	26.5	2 476.6	32.3
Number of projects [a]	82	76	5		158	
Recipient borrowers [c]	16	21	21		21	
Latin America and the Caribbean						
Regular programme	492.1	726.6	51.7	14.1	1 218.7	15.9
Number of projects [a]	55	55	3		110	
Recipient borrowers [c]	25	28	28		28	
Near East and North Africa [d]						
Total	540.3	742.1	85.1	23.3	1 282.4	16.7
Regular programme	520.8	725.4	85.1		1 246.2	
Number of projects [a]	46	57	7		103	
Special Programme for Africa	19.6	16.7	–		36.2	
Number of projects [b]	3	1	–		4	
Recipient borrowers [c]	12	22	22		22	
Total IFAD Loans	3 479.8	4 189.3	365.9	100.0	7 669.1	100.0
Regular programme	3 211.0	4 080.9	365.9		7 291.9	
Special Programme for Africa	268.8	108.4	–		377.2	
Total Number of Projects	313	315	25		628	
Regular programme	288	305	25		593	
Special Programme for Africa	25	10	–		35	
Total Recipient Borrowers [c]	95	115	115		115	

[a] Includes projects financed by grants.
[b] Projects financed by loans/grants from both the Regular Programme and the Special Programme for Africa (12 in all) are counted only under the Regular Programme.
[c] Includes countries or territories that have projects financed by grants as of the end of the period.
[d] This region includes countries in the former Soviet Union, eastern Europe and central Asia.

The 2002 projects were concentrated even more heavily than usual in top priority areas for IFAD. Over 80% of new lending was to low-income food-deficit countries – as defined by FAO – and 35% to the United Nations-defined least-developed countries (Chart 3 and Table 5).

CHART 3
Lending to Priority Countries, 1990-2002
(USD Million)

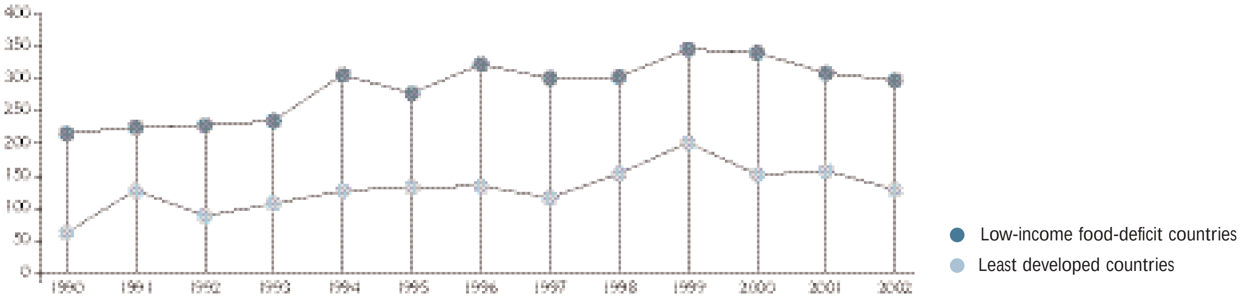


TABLE 5
Summary of IFAD Project Lending in Priority Countries under the Regular Programme and Special Programme for Africa, 1978-2002
(amounts in USD Million)

	1978-91	%	1991-2002	%	2002	%	1978-2002	%	Number of Countries[c]		
									In Group	IFAD Members	With IFAD Project
Least developed countries (LDCs)[a]											
Amount	1 481.1	42.6	1 496.5	35.7	130.0	35.5	2 977.7	38.8			
Number of projects	159		129		10		288		49	46	44
Low-income food-deficit countries[b]											
Amount	2 816.6	80.9	3 256.1	77.7	298.7	81.6	6 072.7	79.2			
Number of projects	249		241		20		490		82	77	75
All IFAD projects	3 479.8		4 189.3		365.9		7 669.1				
Total number of projects	313		315		25		628				

[a] The United Nations has classified 49 countries as "least developed countries" on the basis of the following criteria: low income, low literacy rate and low share of manufacturing in total output. The countries are: Afghanistan, Angola, Bangladesh, Benin, Bhutan, Burkina Faso, Burundi, Cambodia, Cape Verde, Central African Republic, Chad, Comoros, D.R. Congo, Djibouti, Equatorial Guinea, Eritrea, Ethiopia, Gambia, The, Guinea, Guinea-Bissau, Haiti, Kiribati, Laos, Lesotho, Liberia, Madagascar, Malawi, Maldives, Mali, Mauritania, Mozambique, Myanmar, Nepal, Niger, Rwanda, Samoa, Sao Tome and Principe, Senegal, Sierra Leone, Solomon Islands, Somalia, Sudan, Tanzania, United Republic of, Togo, Tuvalu, Uganda, Vanuatu, Yemen and Zambia.

N.B. Kiribati, Tuvalu and Vanuatu are not Members of IFAD.

[b] FAO has identified 82 countries as low-income food-deficit countries: Afghanistan, Albania, Angola, Armenia, Azerbaijan, Bangladesh, Benin, Bhutan, Bolivia, Bosnia and Herzegovina, Burkina Faso, Burundi, Cambodia, Cameroon, Cape Verde, Central African Republic, Chad, China,Comoros, Congo, D.R. Congo, Côte d'Ivoire, Cuba, Djibouti, Ecuador, Egypt, Equatorial Guinea, Eritrea, Ethiopia, Gambia, The, Georgia, Ghana, Guatemala, Guinea, Guinea-Bissau, Haiti, Honduras, India, Indonesia, Kenya, Kiribati, D.P.R. Korea, Kyrgyzstan, Laos, Lesotho, Liberia, Madagascar, Malawi, Maldives, Mali, Mauritania, Mongolia, Morocco, Mozambique, Nepal, Nicaragua, Niger, Nigeria, Pakistan, Papua New Guinea, Philippines, Rwanda, Samoa, Sao Tome and Principe, Senegal, Sierra Leone, Solomon Islands, Somalia, Sri Lanka, Sudan, Swaziland, Syria, Tajikistan, Tanzania, United Republic of, the Former Jugoslav Republic of Macedonia, Togo, Turkmenistan, Tuvalu, Uzbekistan, Vanuatu, Yemen and Zambia.

N.B. Kiribati, Turkmenistan, Tuvalu, Uzbekistan and Vanuatu are not Members of IFAD.

[c] Some countries belong to more than one group, and thus there are overlaps in the group numbers.

Allocation of Lending by Lending Terms [9]

The bulk of IFAD's lending is on highly concessional terms [10], loans that have a grant element of over two thirds of their face value. In 2002 highly concessional loans represented 78.2% of the year's total lending (Table 6). Another 8.5% were intermediate loans and the remaining 13.3% ordinary-term loans.

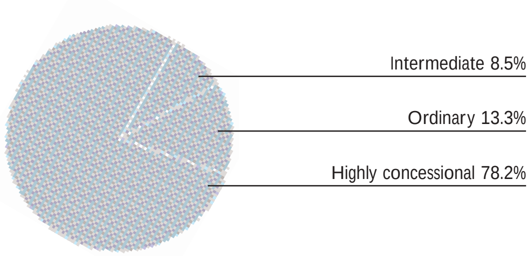
TABLE 6
Summary of IFAD Loans by Lending Terms under the Regular Programme, 1978-2002 [a]
(amounts in USD Million)

	1978-91	%	1991-2002	%	2002	%	1978-2002	%
Highly concessional								
Amount	2 007.5	62.5	2 996.8	73.4	286.0	78.2	5 004.3	68.6
Number of loans	181		225		19		406	
Intermediate								
Amount	884.4	27.5	621.4	15.2	31.2	8.5	1 505.8	20.6
Number of loans	80		46		2		126	
Ordinary								
Amount	319.1	9.9	462.8	11.3	48.7	13.3	781.9	10.7
Number of loans	28		32		3		60	
Total amount	3 211.0	100	4 080.9	100	365.9	100.0	7 291.9	100
Total number of loans [b]	289		303		24		592	

[a] SPA loans are not included in this table. Such loans were provided on highly concessional terms to the Africa and the Near East and North Africa regions.

[b] A project may be financed through more than one loan or through a grant, and thus the number of loans may differ from the number of projects shown in other tables.

CHART 4
IFAD Loans Approved in 2002 by Lending Terms



9/ These lending terms refer to loans made by IFAD to borrowing countries and have no bearing on the terms and conditions placed on credit lines offered through the projects.

10/ IFAD provides loans on three different types of lending terms: highly concessional loans are free of interest but bear a service charge of 0.75% per annum and are repaid over 40 years; intermediate loans carry an interest rate per annum equivalent to 50% of the variable reference interest rate and are repaid over 20 years; ordinary loans carry an interest rate equivalent to 100% of the variable reference interest rate and are repaid over 15-18 years.

As a share of IFAD's cumulative lending portfolio, highly concessional loans now represent 68.6%, somewhat higher than the two-thirds target set out in the *Lending Policies and Criteria* of IFAD.

In terms of regional distribution, 90.4% of lending to Africa was on highly concessional terms (Table 7), followed by Asia and the Pacific with 80.5%. In Latin America and the Caribbean and the Near East and North Africa, where recipients on average are relatively higher-income countries, lending tends to be on less concessional terms.

Disbursements

Cumulative disbursements on loans under the Regular Programme amounted to USD 4 310.5 million (73.3% of commitment) at the end of 2002, compared to USD 4 048.4 million (72% of commitment) disbursed at the end of 2001 (Tables 8 and 9).

Under the Special Programme for Africa, cumulative disbursements at the end of 2002 were USD 303.7 million (94.3% of commitment), compared to USD 298.5 million (90.9% of commitment) at the end of 2001.

In 2002, total disbursements for loans under the Regular Programme and Special Programme for Africa were USD 263.4 million (4.4% of commitment) and USD 5.4 million (1.8% of commitment) respectively.

TABLE 7
Summary of Loans by Region and Lending Terms under the Regular Programme, 1978-2002[a]
(amounts in USD Million)

	Africa	%	Asia and the Pacific	%	Latin America and the Caribbean	%	Near East and North Africa	%	Total	%
Highly concessional										
Amount	2 125.6	90.4	1 994.1	80.5	288.8	23.7	595.8	47.8	5 004.3	68.6
Percentage of highly concessional loans	42.5		39.8		5.8		11.9		100.0	
Number of loans	197		129		25		55		406	
Intermediate										
Amount	208.1	8.9	482.6	19.5	399.9	32.8	415.2	33.3	1 505.8	20.6
Percentage of intermediate loans	13.8		32.0		26.6		27.6		100.0	
Number of loans	21		30		46		29		126	
Ordinary										
Amount	16.7	0.7	–	–	529.9	43.5	235.2	18.9	781.9	10.7
Percentage of ordinary loans	2.1		–		67.8		30.1		100.0	
Number of loans	3		–		39		18		60	
Total amount	2 350.4	100.0	2 476.6	100.0	1 218.7	100.0	1 246.2	100.0	7 291.9	100.0
Percentage of total IFAD lending	32.2		34.0		16.7		17.1		100.0	
Total number of loans[b]	221		159		110		102		592	

[a] SPA loans are not included in this table. Such loans were provided on highly concessional terms to the Africa and the Near East and North Africa regions.
[b] A project may be financed through more than one loan or through a grant, and thus the number of loans may differ from the number of projects shown in other tables.

TABLE 8
Annual Loan Disbursement by Region under the Regular Programme, 1979–2002
(amounts in USD Million)

	1979-1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	1979-2002
Africa I	245.9	23.5	23.4	26.0	25.8	27.8	34.2	34.2	30.4	36.0	33.0	34.5	574.5
Africa II	275.2	22.0	24.7	25.0	27.2	28.9	24.9	37.9	30.7	40.2	54.1	46.9	637.5
Asia and the Pacific	786.7	49.9	51.4	55.5	62.7	88.4	94.8	95.7	86.2	83.0	97.9	86.1	1 637.7
Latin America and the Caribbean	265.3	13.1	28.6	30.7	29.7	35.7	45.3	50.4	53.2	51.0	63.1	51.4	717.5
Near East and North Africa[a]	294.4	27.0	36.0	25.7	19.5	38.9	28.9	55.5	70.2	59.7	43.2	44.5	743.3
Total	1 867.6	135.4	164.1	163.0	164.9	219.7	228.2	273.7	270.7	269.8	291.3	263.4	4 310.5

[a] This region includes countries in the former Soviet Union, eastern Europe and central Asia.
Source: Loans and Grants System (LGS).

TABLE 9
Loan Disbursement by Region and Lending Terms under the Regular Programme, 1979–2002
(amounts in USD Million)

	Highly Concessional	Intermediate	Ordinary	Total
Africa I				
Amount	501.8	60.3	12.4	574.5
Percentage of effective commitment	65.8	100.0	100.0	68.7
Africa II				
Amount	567.7	68.6	1.2	637.5
Percentage of effective commitment	64.6	8.6	100.0	66.4
Asia and the Pacific				
Amount	1 273.9	363.8	–	1 637.7
Percentage of effective commitment	77.4	95.9	–	80.9
Latin America and the Caribbean				
Amount	151.0	307.7	258.8	717.5
Percentage of effective commitment	55.7	83.8	66.7	70.0
Near East and North Africa[a]				
Amount	371.5	231.1	140.7	743.3
Percentage of effective commitment	70.1	67.7	83.6	71.4
Total	2 865.9	1 031.5	413.1	4 310.5
Total percentage of effective commitment	70.1	84.0	72.4	73.2

[a] This region includes countries in the former Soviet Union, eastern Europe and central Asia.
Source: Loans and Grants System (LGS).

Cofinancing of IFAD Projects

Of the 25 projects approved in 2002, 24 were designed and initiated by IFAD (Table 10). Of these, 17 received external cofinancing of USD 138.4 million (21.9% of their cost), and domestic contributions – from recipient governments or other local sources[11] – for another USD 241.6 million, or 38.2% of their cost. The remaining seven IFAD-initiated projects were financed by IFAD (75.5%) and domestic sources (24.5%).

Of the USD 2 347.7 million contributed over the years to IFAD-initiated projects by external cofinanciers, the bulk was from multilateral donors, 71.5%, followed by bilateral donors with 21.8% (Chart 5). A relatively new development is involvement of the private sector in development financing. In the case of IFAD-initiated projects, such financing now amounts to USD 7.2 million, or 0.3% of total cofinancing for these projects.

The major multilateral cofinanciers were IBRD of the World Bank Group, with USD 259.9 million, and AFESD with USD 224.5 milllion (Chart 6). Together they represent 29% of total multilateral cofinancing of USD 1 687.8 million. Of the bilateral donors, Germany is foremost, with USD 81.6 million, followed by the United Kingdom, with USD 74.1 million – 16.0% and 14.5% respectively of total bilateral cofinancing of IFAD-initiated projects (Chart 7).

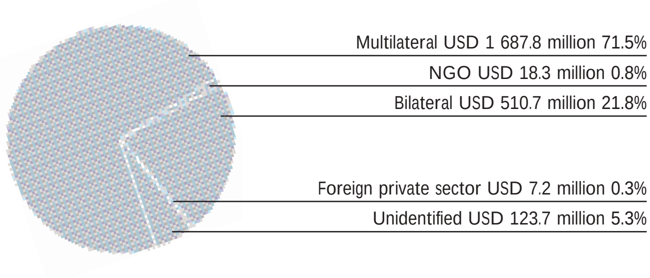
TABLE 10
Cofinancing of IFAD Projects under the Regular Programme and Special Programme for Africa, 1978-2002
(amounts in USD Million)

	1978-91	%	1992-2002	%	2002	%	1978-2002	%
Projects initiated by cooperating institutions								
IFAD [a]	1 034.0	14.8	434.6	18.4	12.7	28.3	1 468.5	15.7
Cofinanced [b]	2 853.8	40.9	1 363.9	57.7	17.4	38.8	4 217.7	45.1
Domestic	3 094.6	44.3	564.0	23.9	14.7	32.9	3 658.5	39.2
Total [b]	6 982.3	100.0	2 362.5	100.0	44.8	100.0	9 344.8	100.0
Number of projects	96		40		1		136	
IFAD-initiated and cofinanced projects								
IFAD [a]	1 367.1	38.2	2 457.6	46.3	252.7	39.9	3 824.6	43.1
Cofinanced [b]	1 095.2	30.6	1 252.5	23.6	138.4	21.9	2 347.7	26.4
Domestic	1 113.5	31.1	1 597.7	30.1	241.6	38.2	2 711.2	30.5
Total [b]	3 575.7	100.0	5 307.8	100.0	632.6	100.0	8 883.5	100.0
Number of projects	134		184		17		318	
IFAD-initiated and exclusively financed projects								
IFAD [a]	1 101.6	58.4	1 309.7	63.3	103.6	75.5	2 411.3	61.0
Domestic	783.7	41.6	758.6	36.7	33.6	24.5	1 542.3	39.0
Total [b]	1 885.3	100.0	2 068.3	100.0	137.2	100.0	3 953.6	100.0
Number of projects	83		91		7		174	
All projects								
IFAD [a]	3 502.7	28.1	4 201.8	43.1	368.9	45.3	7 704.4	34.7
Cofinanced [b]	3 949.0	31.7	2 616.4	26.9	155.7	19.1	6 565.4	29.6
Domestic	4 991.7	40.1	2 920.4	30.0	289.9	35.6	7 912.1	35.7
Total [b]	12 443.3	100.0	9 738.5	100.0	814.6	100.0	22 181.9	100.0
Number of Projects	313		315		25		628	

[a] IFAD amount includes grants for project components.
[b] Includes cofinancing for which sources have not yet been confirmed.

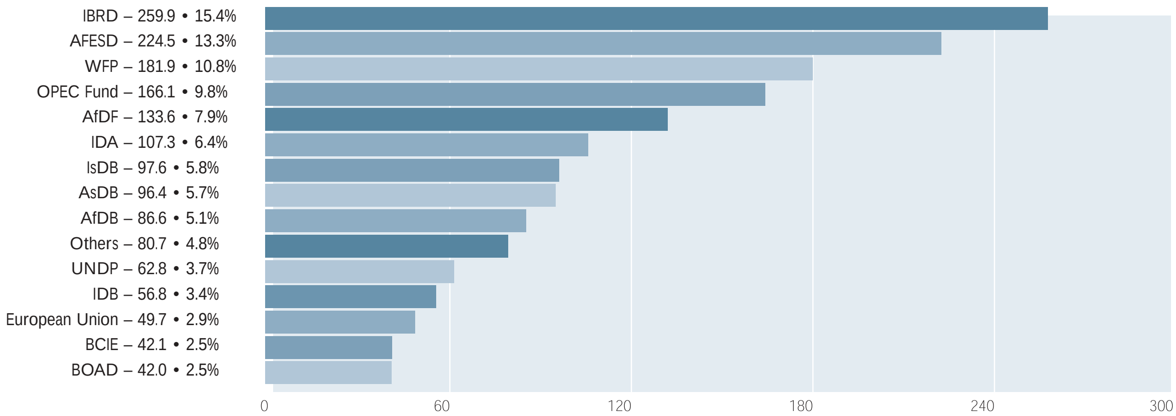
11/ Domestic resources include USD 30.1 million mobilized through the Italian Debt Swap Initiative for the West Noubaria Rural Development Project in Egypt.

CHART 5
Cofinancing of IFAD-Initiated Projects under the Regular Programme and Special Programme for Africa, 1978-2002



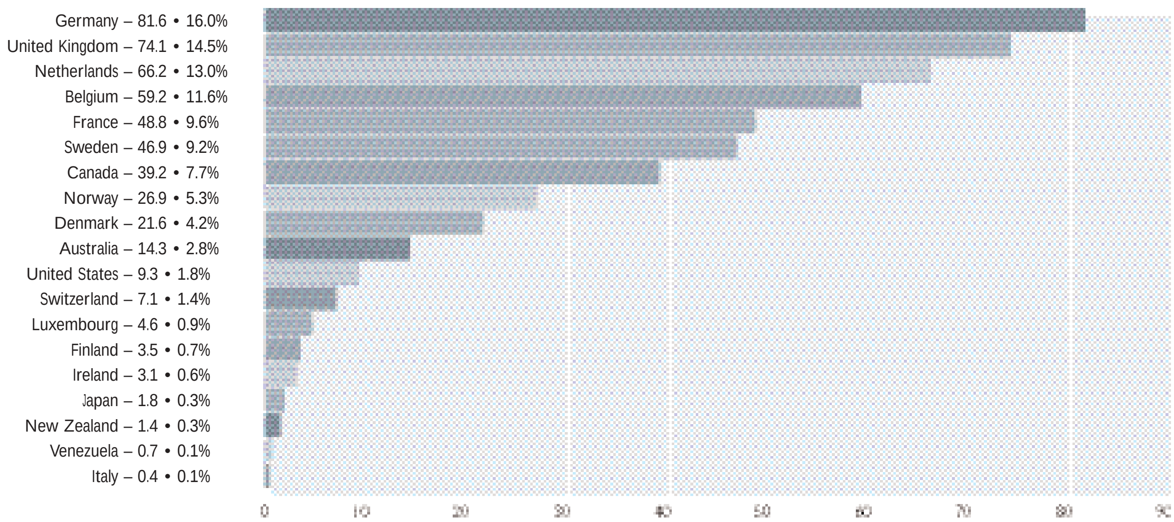
The amounts and percentages shown here represent the shares of total cofinancing of USD 2 347.7 million.

CHART 6
Cofinancing of IFAD-Initiated Projects by Multilateral Donors under the Regular Programme and Special Programme for Africa, 1978-2002
(amounts in USD Million)



The amounts and percentages shown here represent the share of each multilateral in total multilateral cofinancing of USD 1,687.8 million.
Other cofinanciers include: AAAID, Africa Fund, CAF, CDB, FAO, GEF, IICA, UNCDF, UNDCP, UNFDAC, UNFPA, UNICEF and UNIFEM.

CHART 7
Cofinancing of IFAD-Initiated Projects by Donor Member States (Bilateral) under the Regular Programme and Special Programme for Africa, 1978-2002
(amounts in USD Million)



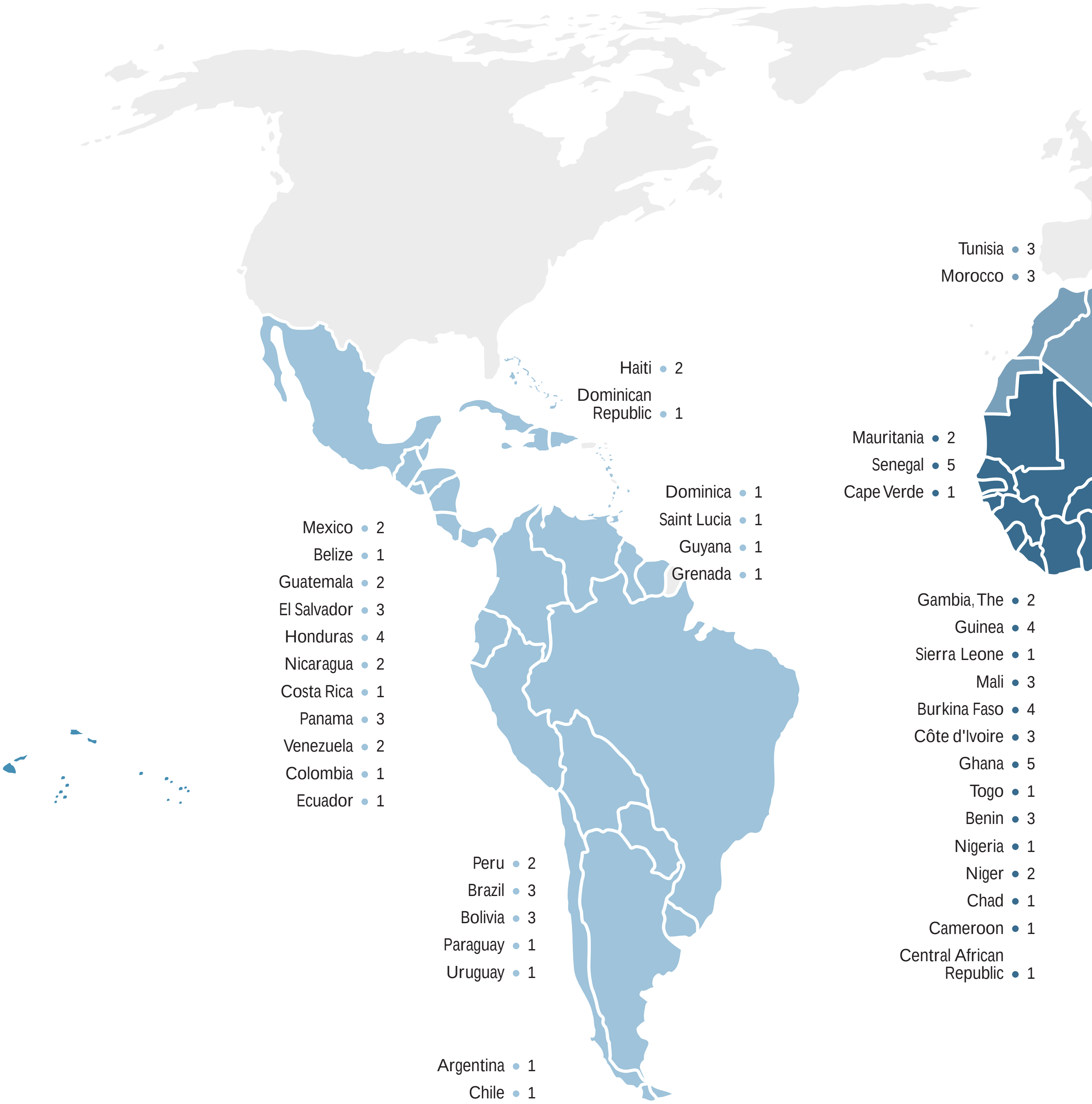
The amounts and percentages shown here represent the share of each bilateral in total bilateral cofinancing of USD 510.7 million.

Number of Effective Projects and Programmes by Country and Region, 2002

203 Projects
92 Countries and Gaza and the West Bank

Africa I
Western and Central Africa
40 Projects
17 Countries

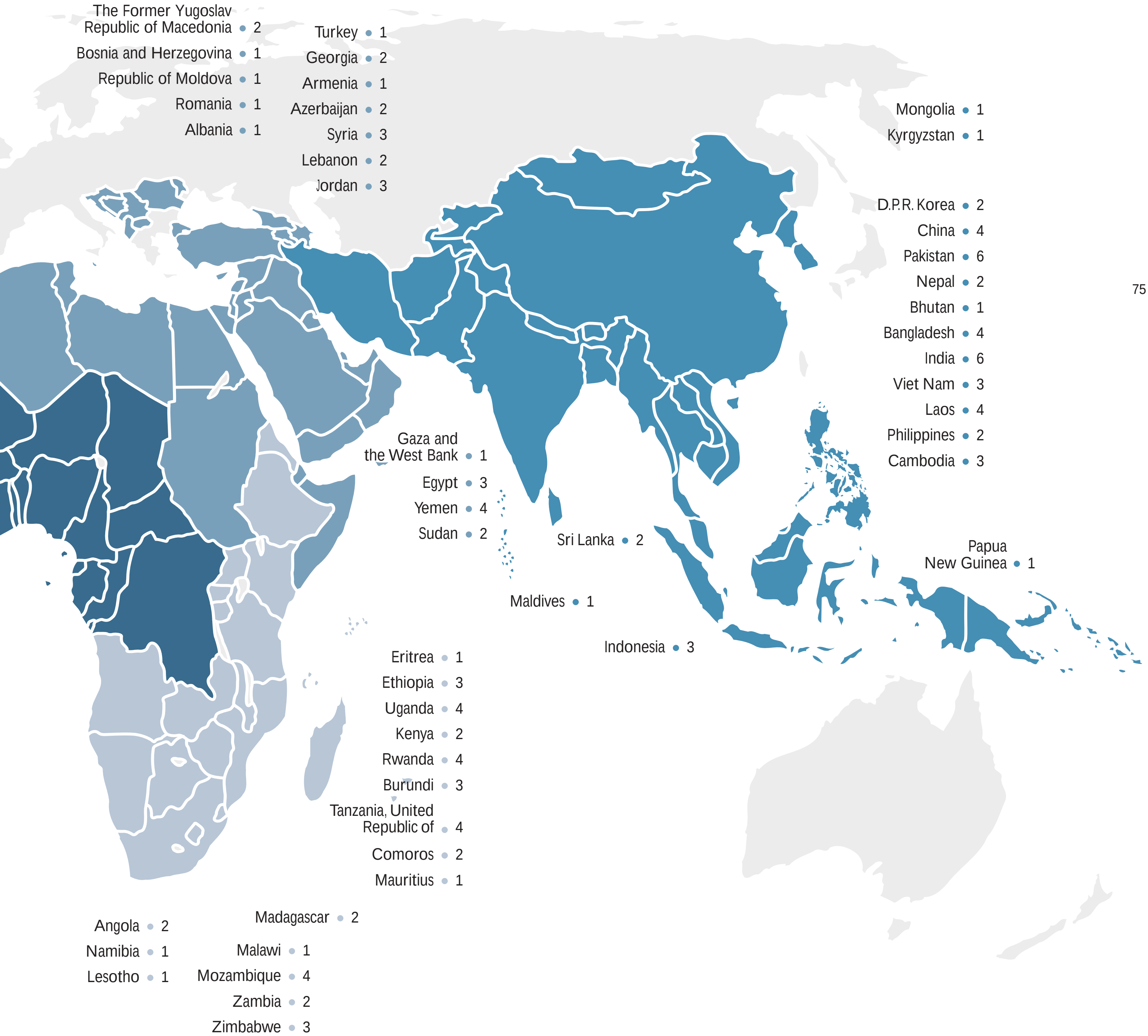
Africa II
Eastern and Southern Africa
40 Projects
17 Countries

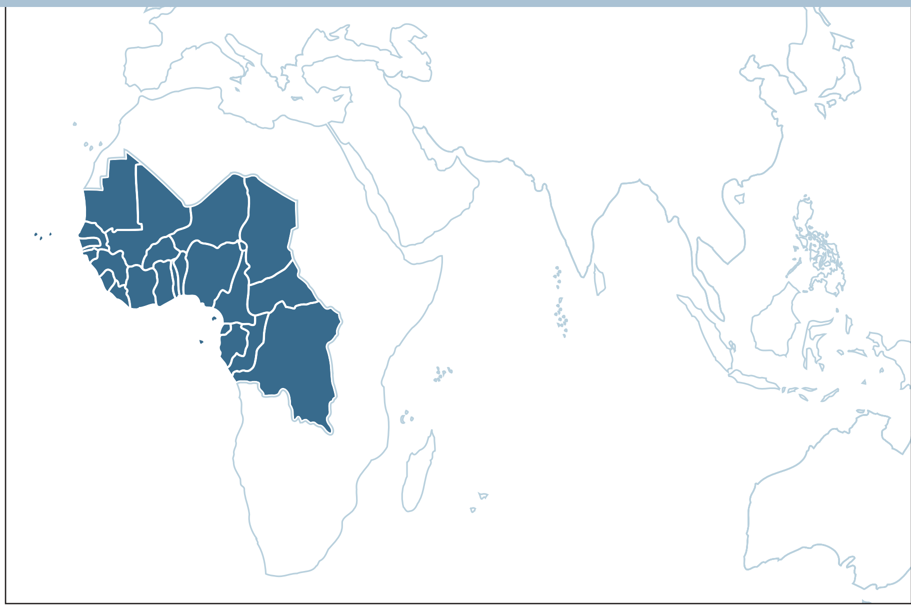


Asia and the Pacific
46 Projects
17 Countries

Latin America and the Caribbean
41 Projects
24 Countries

Near East and North Africa
36 Projects
17 Countries and Gaza and the West Bank





WESTERN AND CENTRAL AFRICA

Cameroon

Community Development Support Project

The overall project goal is to promote sustainable socio-economic development of the poorest rural populations by raising their incomes and enhancing food security. The project will achieve this goal at the community level by strengthening the community's capacity to meet its own development needs. Special focus will be placed on addressing the development constraints of the poorest rural groups, particularly women. Specific project objectives include: (i) strengthening the capacities both of the communities and of private and public support and service providers; (ii) enhancing access by rural groups, including women, to resources, assets and services; and (iii) promoting income-generating activities for the rural poor.

Loan amount: SDR 9.5 million (approximately USD 11.8 million) on highly concessional terms.

Total project costs: estimated at USD 18.3 million, of which beneficiaries will provide USD 1.8 million, national Government USD 984 000, and domestic financing institutions USD 3.8 million.

Cooperating institution: UNOPS

Ghana

Rural Enterprises Project – Phase II

The project goal is to reduce poverty and improve the living conditions and incomes of the rural poor, with emphasis on women and vulnerable groups, through increased self- and wage-employment. The specific objective is to build up a competitive rural micro- and small enterprise (MSE) sector, supported by relevant, easily accessible and sustainable quality services. The project aims to create a more-enabling environment; stimulate the establishment and expansion of self-employment and microenterprise, mainly through business and technical skills development; strengthen MSE production techniques and management practices; enhance the quality, design and packaging of the goods and services produced by rural MSEs; improve the marketing of MSE products; introduce environmentally friendly production techniques; increase MSE access to working capital and investments funds; and empower trade associations and client organizations. Building on the experience and lessons learned from REP-I, the project will have an eight-year investment period. It will support approximately 60 000 MSE ventures in 65 districts and the creation of about 110 000 new jobs.

Loan amount: SDR 8.5 million (approximately USD 11.2 million) on highly concessional terms.

Total project costs: estimated at USD 29.3 million, of which beneficiaries will provide USD 2.4 million, the African Development Fund USD 10.0 million, local government USD 1.8 million, national Government USD 3.7 million, and domestic financing institutions USD 181 200.

Cooperating institution: UNOPS

Guinea

Sustainable Agriculture Development Project in the Forest Region

The overall objective of the project is to improve the incomes and living conditions of rural poor people in the forest region through the organization of rural communities and villages, with a view to ensuring sustainable agricultural development. Specific objectives are to: empower the target population, their organizations and participating institutions so that they may achieve sustainable levels of agricultural development; increase agricultural productivity and diversify income sources sustainably; and improve access of rural poor people to financial services.

Loan amount: SDR 9.4 million (approximately USD 12.5 million) on highly concessional terms.

Total project costs: estimated at USD 15.5 million, of which beneficiaries will provide USD 1.2 million and the national Government USD 1.9 million.

Cooperating institution: UNOPS

Mauritania

Maghama Improved Flood Recession Farming Project – Phase II

The overall policy goal of the project is to contribute to achieving the country's PRSP objectives of reducing the incidence and severity of rural poverty, and improving the human development indicators and institutional capacity of rural populations. Development objectives are to: build the capacity of beneficiary organizations to plan, implement, manage and evaluate activities and programmes most beneficial to their members; raise the incomes of the rural poor, in particular those of the most vulnerable groups, small farmers, women and young people; improve the living conditions of the rural poor by increasing access to basic infrastructure and services; and enhance the sustainability of the natural resource base.

Loan amount: SDR 7.6 million (approximately USD 10.1 million) on highly concessional terms.

Total project costs: estimated at USD 11.5 million, of which beneficiaries will provide USD 170 000 and the national Government USD 1.2 million.

Cooperating institution: UNOPS

Niger

Project for the Promotion of Local Initiative for Development in Aguié

Loan amount: SDR 7.6 million (approximately USD 10.0 million) on highly concessional terms.

Total project costs: estimated at USD 17.6 million, of which beneficiaries will provide USD 1.2 million, BSF.JP USD 3.8 million, and national Government USD 2.6 million.

Cooperating institution: UNOPS

The overall development goal is to improve the incomes and living standards of the poor in Aguié, with special emphasis on women and young adults. The specific objective is to strengthen target-group capacity – through a local development process – to identify and implement technical, economic or organizational innovations and initiatives that could reduce their poverty or vulnerability, or improve their food security. In pursuit of this objective, the project will work closely with beneficiaries to: identify, analyse, fine-tune and disseminate local innovations; create and consolidate rural entities and organizations to enable local dialogue, decision-making and implementation of initiatives; enable individuals and groups to design and implement their own microprojects; and strengthen local service-delivery capacity, public and private, to respond to the needs and demands of the target group.

Nigeria

Community-Based Natural Resource Management Programme – Niger Delta

Loan amount: SDR 11.4 million (approximately USD 15.0 million) on highly concessional terms.

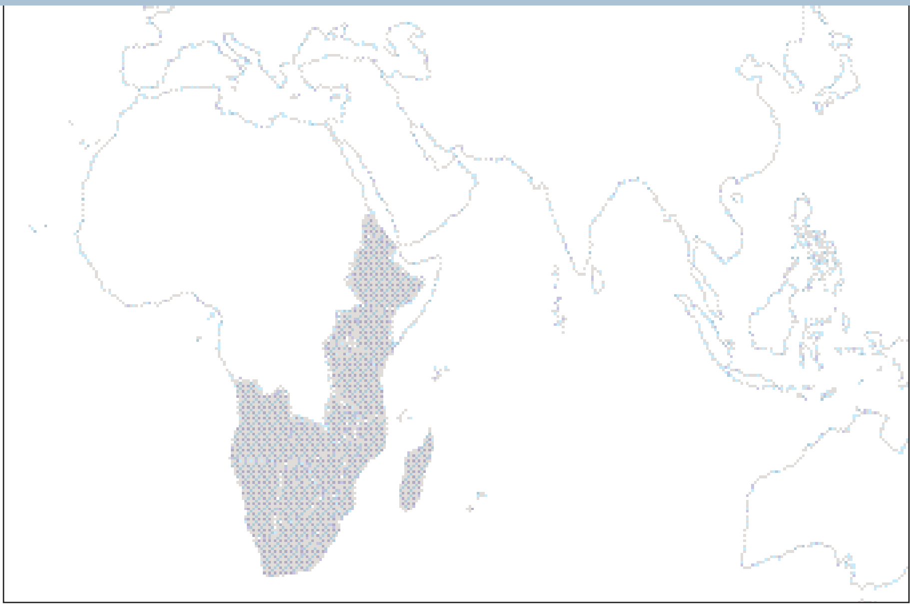
Total project costs: estimated at USD 82.2 million, of which beneficiaries will provide USD 4.4 million, local government USD 40.2 million, and national Government USD 18.8 million, with USD 3.8 million from other sources.

Cooperating institution: International Development Association (IDA)

The goal of the programme is to develop the standard of living and quality of life for at least 400 000 rural poor people in the states of the Niger Delta, with emphasis on women, who are among the most vulnerable. The programme also targets rural youth in order to help improve their productive opportunities and channel their energies into natural resource management and the development of sustainable livelihoods. Specific objectives are to: (i) empower the targeted most-vulnerable beneficiaries to participate effectively in development activities that focus on sustainable rural livelihoods, natural resource management and village-level community infrastructure; and (ii) support activity-based interventions selected by the poor, through flexible financing from the Community Development Fund. The programme will also emphasize capacity-building of federal, interstate and local government institutions, building on the decentralized administrative system. Lastly, it will consolidate partnerships among donors, NGOs, community-based organizations and other agencies.

Summary of IFAD Financing in the Region

Six projects in western and central Africa were approved and four were completed in 2002. The new projects approved were for Cameroon, Ghana, Guinea, Mauritania, Niger and Nigeria, for a total of USD 70.6 million. By the end of 2002, IFAD was financing an effective portfolio of 40 projects in 17 borrower countries for a total value of USD 465.8 million financed by IFAD and a total of USD 471.9 million financed by other external sources, borrower governments and beneficiaries. Principal cofinancing partners in the region include the African Development Fund (AfDF), AfDB, AFESD, Germany, Denmark, Belgium, The Netherlands, the OPEC Fund, BOAD and the World Bank/IDA. Cooperating institutions in the region are AfDB, AFESD, BOAD, UNOPS and the World Bank/IDA.



EASTERN AND SOUTHERN AFRICA

Eritrea

Gash Barka Livestock and Agricultural Development Project

The goal of the project is to reduce poverty in the targeted population through locally determined investments in livestock and crop production and improved social services. The objectives are that poor households in the project area: (i) have an increased capacity to use services available from government and other sources to support their initiatives and priorities for social and economic development; (ii) sustain increased food production, reduced food insecurity and higher farm incomes from improvements in their livestock and crop-production activities; and (iii) enjoy sustained improvement in their health status. The project will: mobilize and strengthen the communities and their organizations through participatory processes for the planning, implementation and monitoring of project activities; enable government agencies to respond to community priorities in a decentralized, transparent and accountable manner; increase awareness and use in the project area of ways to improve smallholder farming systems; and improve community access to safe drinking water and community-based, public health services.

Loan amount: SDR 8.1 million (approximately USD 10.0 million) on highly concessional terms.

Total project costs: estimated at USD 16.1 million, of which beneficiaries will provide USD 1.3 million, BSF.JP USD 3.5 million, and national Government USD 1.4 million.

Cooperating institution: UNOPS

Kenya

Mount Kenya East Pilot Project for Natural Resource Management

The overall goal of the project is to contribute to poverty reduction by promoting a more effective use of natural resources and improved agricultural practices. An intermediate objective is to enhance the equitable use of these resources, with particular focus on environmental conservation. Specific objectives are to: (i) introduce on and off-farm environmental conservation and rehabilitation practices in the areas adjacent to rivers and trust lands, focusing on soil erosion control; (ii) bring about improvements in river water management in order to increase dry-season base flow and reduce sediment loads and pollution; (iii) raise household income through improved marketing of agricultural and natural-resource-based products; and (iv) strengthen governance at the local level for better land use and water management.

Loan amount: SDR 12.7 million (approximately USD 16.7 million) on highly concessional terms.

Total project costs: estimated at USD 25.7 million, of which beneficiaries will provide USD 2.3 million, national Government USD 1.8 million, and GEF USD 4.9 million.

Cooperating institution: UNOPS

Rwanda

Smallholder Cash and Export Crops Development Project

Loan amount: SDR 12.3 million (approximately USD 16.3 million) on highly concessional terms.

Total project costs: estimated at USD 25.1 million, of which beneficiaries will provide USD 637 900, the Arab Bank for the Economic Development of Africa (BADEA) USD 5.7 million, national Government USD 1.9 million, and domestic financing institutions USD 637 500.

Cooperating institution: UNOPS

The project design is simple, focused and has the following objectives: (i) introduce mechanisms that secure the maximum increase in growers' prices compatible with financially sound processing and marketing; (ii) maximize the quality and value of coffee and tea products sold on the international market; (iii) develop efficient and democratically managed primary cooperative societies of coffee and tea growers, and secure their full participation and empowerment in the processing and marketing enterprise; (iv) facilitate the participation of poor women heads of households in coffee and tea development activities; (v) develop efficient, cost-effective and financially sustainable processing and marketing enterprises in the private sector, ultimately controlled by the primary cooperative societies; and (vi) promote the diversification of the cash and export crops produced by small and microenterprises and smallholder cooperatives, with particular attention to women and very poor households.

Uganda

Rural Financial Services Programme

Loan amount: SDR 13.9 million (approximately USD 18.4 million) on highly concessional terms.

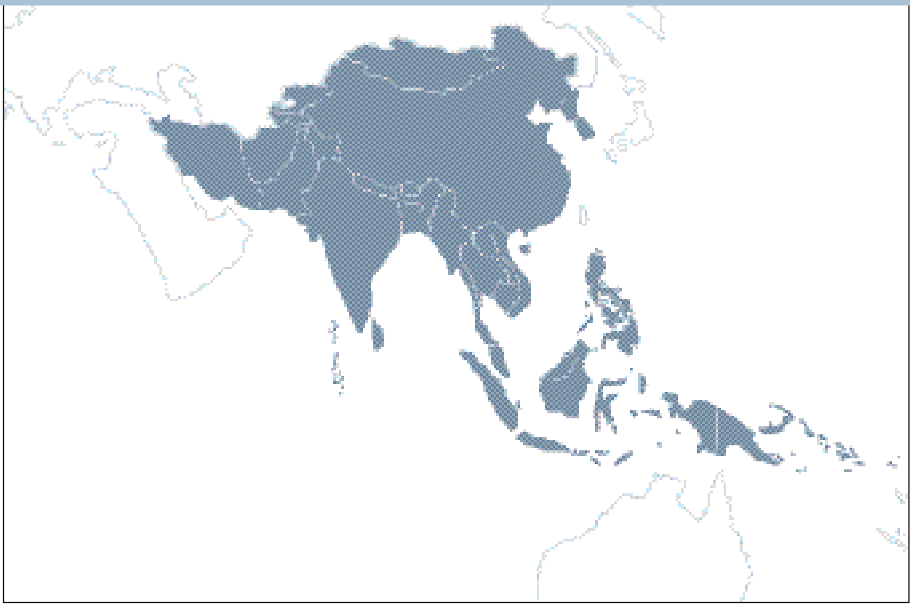
Total project costs: estimated at USD 24.5 million, of which beneficiaries will provide USD 352 827, national Government USD 1.1 million, and domestic financing institutions USD 4.6 million.

Cooperating institution: IDA

The programme aims to create a healthy and extensive rural finance system that would, in turn, offer rural populations and households the opportunity for higher and more stable income, and thus reduce poverty. More specifically, the programme will: (i) fill existing gaps in the support currently available to the microfinance subsector in order to enhance the quality of rural financial services and render them viable, with high-quality portfolios; (ii) facilitate the expansion of sustainable financial services to reach substantially more of the country's rural population; (iii) extend financial services to areas that have been poorly served; and (iv) help potential clientele of rural MFIs become increasingly business-oriented.

Summary of IFAD Financing in the Region

Four projects in eastern and southern Africa were approved and seven were completed in 2002. The new projects approved were for Eritrea, Kenya, Rwanda and Uganda, for a total of USD 61.4 million. By the end of 2002, IFAD was financing an effective portfolio of 40 projects in 17 borrower countries for a total value of USD 525.1 million financed by IFAD and a total of USD 468.8 million financed by other external sources, borrower governments and beneficiaries. Principal cofinancing partners in the region include AfDF, Denmark, Belgium, The Netherlands, Norway, the OPEC Fund, WFP and the World Bank/IDA. Cooperating institutions in the region are AfDB, UNOPS and the World Bank/IDA.



ASIA AND THE PACIFIC

China

Environment Conservation and Poverty-Reduction Programme in Ningxia and Shanxi

The goal of the programme is sustainable and equitable poverty reduction for 300 000 vulnerable rural households living in an environment with limited and deteriorating natural resources. The objective is to achieve a sustainable increase in productive capacity, both on and off-farm, and to offer households increased access to economic and social resources, including financial services, education, health and social networks. Specific programme outputs will be: (i) provision of more farmer-, gender- and poverty-responsive extension services, with poor farmers as demonstrators; (ii) land and land use improved through increased investment in irrigation for 208 000 mu (1 mu equals 0.066 ha) and improvements in dryland agriculture for about 480 000 mu; (iii) environmental management and desertification control strengthened for about 300 000 mu; (iv) financial services of rural credit cooperatives dispensing investment and seasonal loans, and sensitive to poverty and gender issues, with lending substantially increased to poor women and men; (v) social service facilities in health and education upgraded, including 547 village schools and a large adult literacy programme for 31 000 trainees; (vi) women's support programmes, implemented particularly by skills training for about 45 000 trainees; (vii) a construction, rehabilitation and maintenance programme implemented for rural infrastructure; and (viii) participatory and gender-sensitive village development plans established and operational.

Loan amount: SDR 22.0 million (approximately USD 29.0 million) on highly concessional terms.

Total project costs: estimated at USD 90.3 million, of which beneficiaries will provide USD 7.1 million, national Government USD 46.9 million, and WFP USD 7.3 million.

Cooperating institution: UNOPS

Loan amount: SDR 16.1 million (approximately USD 20.0 million) on highly concessional terms.

Total project costs: estimated at USD 91.2 million, of which beneficiaries will provide USD 8.9 million, local government USD 9.6 million, domestic financing institutions USD 376 000, DFID USD 40.0 million, and WFP USD 12.3 million.

Cooperating institution: UNOPS

India

Orissa Tribal Empowerment and Livelihoods Programme

The purpose of the programme is to ensure that the livelihoods and food security of poor tribal households are sustainably improved by promoting more efficient, equitable, self-managed and sustainable exploitation of the natural resources at their disposal, and by developing off-farm/non-farm enterprises.

Loan amount: SDR 15.1 million (approximately USD 20.0 million) on highly concessional terms.

Total project costs: estimated at USD 26.5 million, of which beneficiaries will provide USD 886 287 and national Government USD 5.6 million.

Cooperating institution: UNOPS

Indonesia

East Kalimantan Local Communities Empowerment Programme

The overall goal of the programme is to improve the social and economic well-being of the poorest local communities in East Kalimantan. Specific objectives include: (i) empowering local communities through the development of strong self-sustaining village institutions with improved access to and control over productive resources; (ii) facilitating provision of the technical and financial resources required for community-based economic development; (iii) increasing access to and quality of village education and health services, and improving village infrastructure; (iv) developing the institutional systems necessary for registration by the Government of village claims over traditional lands; and (v) establishing effective programme management services.

Loan amount: SDR 10.8 million (approximately USD 13.4 million) on highly concessional terms.

Total project costs: estimated at USD 21.1 million, of which beneficiaries will provide USD 539 000, national Government USD 3.7 million, Luxembourg USD 1.8 million, and WFP USD 1.8 million.

Cooperating institution: UNOPS

Laos

Oudomxai Community Initiatives Support Project

The project’s overall goal is sustained reduction in poverty and improvement of the economic and social conditions of the targeted population. Specific objectives are increased income, food security and returns to land and labour based on sustainable farming practices, natural resource management and improved living standards. The expected outputs will be: (i) communities and their organizations mobilized and strengthened through participatory and gender-sensitive development, with government agencies and other service providers able to respond to men and women farmers’ needs as expressed during the participatory planning process; (ii) increased awareness of alternatives to shifting cultivation and opium production and of ways to improve upland farming systems and natural resource management, and subsequent adoption of improved methods for a sustained increase in farm production and income; (iii) improved access to sustainable and gender-sensitive rural financial services; (iv) improved access to irrigation, safe drinking water, a school dormitory programme and road communications; and (v) a functioning system of decentralized and participatory development, with planning, financing and implementation established and project services delivered to the target group in a participatory, sustainable and timely manner.

Mongolia

Rural Poverty-Reduction Programme

The long-term goal of the programme is to achieve sustainable and equitable poverty reduction for about 80 000 vulnerable rural households living in an environment of increasingly degraded natural resources. The overall objective is to achieve a sustainable increase in productive capacity for herders, cultivators and the general population and to offer increased access to economic and social resources, including education, health and social networks. The expected outputs of programme activities will be: (i) rangeland management systems strengthened and herder resilience to natural calamities improved; (ii) livestock support services strengthened and emergency funds established for severe winters; (iii) poverty- and gender-sensitive livestock and crop extension service established and training programme implemented; (iv) support to income-generating activities (IGA) established; about 77 IGA promotion centres created; training and inputs provided to about 18 000 vegetable producers; IGA training effected for about 8 400 non-agricultural households; (v) poverty- and gender-sensitive rural financial services established and about 10 500 loans, together with training, extended to herder and non-herder households; (vi) rural social services sustainably improved: women's-association training programmes implemented for all women-headed households, and rural schools and health centres rehabilitated and staff trained; and (vii) beneficiary-responsive management institutions established at all levels in the programme area.

Loan amount: SDR 11.2 million (approximately USD 14.8 million) on highly concessional terms.

Total project costs: estimated at USD 19.1 million, of which national Government will provide USD 2.7 million and domestic financing institutions USD 1.6 million.

Cooperating institution: UNOPS

Summary of IFAD Financing in the Region

Five projects in Asia and the Pacific were approved and ten were completed in 2002. The new projects approved were for China, India, Indonesia, Laos and Mongolia, for a total of USD 97.1 million. By the end of 2002, IFAD was financing an effective portfolio of 46 projects in 17 borrower countries for a total value of USD 729.8 million financed by IFAD and a total of USD 1 028.2 million financed by other external sources, borrower governments and beneficiaries. Principal cofinancing partners in the region include AsDB, Australia, Japan, the United Kingdom, UNDP, WFP, and the World Bank/IDA. Cooperating institutions in the region are AsDB, UNOPS and the World Bank/IDA.

LATIN AMERICA AND THE CARIBBEAN

Dominican Republic

Social and Economic Development Programme for Vulnerable Populations in the Border Provinces

The programme's general strategy and rationale is framed by the Government's current rural-development and poverty-reduction policies and priorities, as well as by IFAD's strategic framework and country strategy and operational guidelines, as presented in the programme design matrix. The programme strategy is based on a holistic approach to the improvement of human and social capital, as well as to economic development of the target population. The overall objective is to empower the organizations of the rural poor living along the border to escape from poverty, exclusion and discrimination through a comprehensive and environmentally sustainable socio-economic development programme. The specific objectives are to: (i) generate effective participation and decision-making capabilities among beneficiary grass-roots organizations and in social and economic development processes at the local level; (ii) bring about significant and sustainable improvement in the income-generation capacity of the target population, accompanied by higher returns to wage labour; (iii) improve beneficiaries' living conditions and social infrastructure; (iv) strengthen the current decentralization, poverty-reduction and regional development policies, strategies and operational tools of the Government and particularly the Oficina Nacional de Planificación; and (v) strengthen partnerships with selected trade organizations to stimulate sustainable and profitable markets.

Loan amount: SDR 10.6 million (approximately USD 14.0 million) on ordinary terms.

Total project costs: estimated at USD 24.0 million, of which beneficiaries will provide USD 1.0 million, national Government USD 4.0 million, and the OPEC Fund USD 5.0 million.

Cooperating institution: UNOPS

Haiti

Productive Initiatives Support Programme in Rural Areas

The programme goal is to contribute to rural poverty reduction through sustainable increases in incomes, enhancement of food security at the household level, particularly among the poorest, and sustainable management of natural resources. Specific objectives are to: (i) strengthen local and national capacity for grass-roots-level planning, social and economic development management, microproject conception and implementation, and absorption of rural financing; (ii) support productive initiatives identified and prioritized by the communities, as well as cross-sectoral activities adding value to these initiatives through reduction of commercial transaction costs, better access to market information, appropriate technologies and promotion of the development of rural microenterprises; and (iii) facilitate sustainable access to financial services for rural poor households, particularly women, the landless and young people.

Loan amount: SDR 17.4 million (approximately USD 21.7 million) on highly concessional terms.

Total project costs: estimated at USD 28.1 million, of which beneficiaries will provide USD 4.3 million, and the national Government USD 2.1 million (USD 337 000 from the Fund for Economic and Social Assistance).

Cooperating institution: UNOPS

Peru

Market Strengthening and Livelihood Diversification in the Southern Highlands Project

The project will reinforce IFAD's strategy for poverty reduction in Latin America and the Caribbean, which is aimed at enabling the rural poor. This will be achieved by targeting, strengthening and empowering rural poor people's institutions; implementing demand-driven participatory methodologies; grasping market opportunities; and furthering sustainable agricultural production and use of natural resources. The project aims to enhance the human, natural, physical, financial and social assets of men and women engaged in small-scale, on and off-farm activities in the southern highlands, as a means of improving their livelihoods and promoting income-generating opportunities. This will involve: (i) improving beneficiaries' natural resources; (ii) increasing their access to markets; and (iii) classifying and building on their knowledge. The project is expected to result in greater trade in goods and services, more availability of financial services, and knowledge-sharing and asset-building.

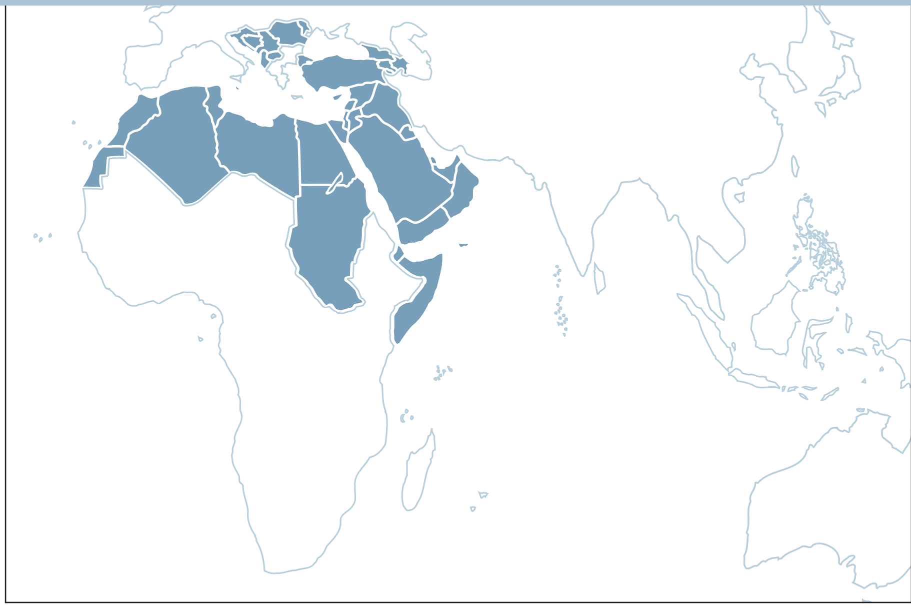
Loan amount: SDR 12.1 million (approximately USD 16.0 million) on ordinary terms.

Total project costs: estimated at USD 21.7 million, of which beneficiaries will provide USD 4.6 million and national Government USD 1.2 million.

Cooperating institution: CAF

Summary of IFAD Financing in the Region

Three projects in Latin America and the Caribbean were approved and two were completed in 2002. The new projects approved were for the Dominican Republic, Haiti and Peru, for a total of USD 51.7 million. By the end of 2002, IFAD was financing an effective portfolio of 41 projects in 24 borrower countries for a total value of USD 531.8 million financed by IFAD and a total of USD 449.1 million financed by other external sources, borrower governments and beneficiaries. Principal cofinancing partners in the region include BCIE, IDB, France, Switzerland, the OPEC Fund, the World Bank/IBRD and the World Bank/IDA. Cooperating institutions in the region are BCIE, CAF, CDB, UNOPS, the World Bank/IBRD and the World Bank/IDA.



NEAR EAST AND NORTH AFRICA

Loan amount: SDR 2.8 million (approximately USD 3.6 million) on highly concessional terms.

Total project costs: estimated at USD 3.9 million, of which beneficiaries will provide USD 79 000 and national Government USD 170 000, with USD 101 000 from other sources.

Cooperating institution: UNOPS

Djibouti

Microfinance and Microenterprise Development Project

The aim of the project is to reduce poverty throughout Djibouti by increasing the incomes of poor households through enhanced access to financial and business development services in rural, peri-urban and urban areas. Its main objectives are to: (i) establish a sustainable network of savings and credit associations that would provide financial services to beneficiaries; (ii) develop sustainable non-financial services and market-based business development services; (iii) develop and adopt a national microfinance and microenterprise strategy and legal framework; and (iv) strengthen and diversify a range of income-generating activities for the target group.

Loan amount: SDR 14.6 million (approximately USD 18.5 million) on intermediate terms.

Total project costs: estimated at USD 54.8 million, of which beneficiaries will provide USD 202 000, FAO USD 400 000, the Italian Debt Swap (IDS) facility USD 30.1 million, and national Government USD 5.5 million.

Cooperating institution: UNOPS

Egypt

West Noubaria Rural Development Project

The overall project goal is to enhance the livelihoods of the target population through increased and sustainable economic activity and greater social self-reliance. The overall goal will be achieved through: (i) attainment of social cohesion and a sense of community in the villages; (ii) reliable and equitable access to the support services essential to economic and social well-being; (iii) diversified and profitable farming based on more-efficient water use; (iv) establishment of self-sustaining arrangements for the provision of accessible and effective credit services; and (v) a diversified and strengthened local economy contributing to nationwide economic advancement.

Egypt

Second Matruh Resource Management Project

While MRMP-I was conceived primarily as a natural resource management project, the overarching goal of MRMP-II is to improve the welfare of the more disadvantaged rural people and contribute to poverty reduction through the conservation, rehabilitation and sustainable utilization of the natural resources available. To achieve this, the project will: (i) assist communities, including women and the poor, in organizing themselves to participate in community-based planning and implementation of development activities; (ii) help communities conserve, rehabilitate and sustainably use and manage the natural resource base through developing appropriate community-based institutional mechanisms; (iii) improve sustainable smallholder agricultural and livestock production and promote demand-driven non-farm income-generating activities, mainly targeting women, and provide improved access to technical, financial and commercial services and market linkages; and (iv) improve access to markets and key social services.

Loan amount: SDR 9.6 million (approximately USD 12.7 million) on intermediate terms.

Total project costs: estimated at USD 44.8 million, of which beneficiaries will provide USD 4.4 million, national Government USD 10.4 million, IDA USD 12.2 million, and GEF USD 5.2 million.

Cooperating institution: IBRD

Gaza and the West Bank

Rehabilitation and Development Project

The overall project goal is to improve the living conditions and livelihood opportunities of rural Palestinian communities by meeting their immediate needs while contributing to their longer-term development. This goal will be achieved by: (i) restoring access to essential social and physical infrastructure and services through infrastructure rehabilitation and expansion; (ii) providing immediate income through employment generated by the rehabilitation and expansion; and (iii) promoting opportunities for target group access to the resources needed to improve their income-earning opportunities.

Loan amount: USD 3.0 million to be allocated over a period of three years.

Total project costs: estimated at USD 10.0 million, of which the Credit Risk Fund under the Gaza Strip and Jericho Relief and Development Programme will provide USD 400 000, and AAAID USD 500 000, with USD 4.6 million to be determined.

Cooperating institution: the project will be supervised directly by IFAD.

Syria

Idleb Rural Development Project

The principal objectives of the project are to improve the food security and income levels of the target group of farmers and rural women by expanding the area of arable land, improving access to water, and introducing more-efficient farming and water management practices for the sustainable use of land and water resources.

Loan amount: SDR 13.3 million (approximately USD 17.6 million) on highly concessional terms.

Total project costs: estimated at USD 46.2 million, of which beneficiaries will provide USD 5.5 million, AFESD USD 18.2 million, national Government USD 3.6 million, and UNDP USD 1.3 million.

Cooperating institution: AFESD

Loan amount: SDR 14.1 million (approximately USD 18.7 million) on ordinary terms.

Total project costs: estimated at USD 44.3 million, of which beneficiaries will provide USD 1.7 million, national Government USD 16.1 million, the OPEC Fund USD 7.0 million, and domestic financing institutions USD 790 000.

Cooperating institution: UNOPS

Tunisia

Agropastoral Development and Local Initiatives Promotion Programme for the South-East

The programme objectives are to: (i) support the rehabilitation and sustainable management of natural pastures and improve the most valid part of agriculture; and (ii) promote local initiatives for small-scale income-generating activities in agriculture and in other areas, such as crafts, services and eco-tourism, which will mainly address the needs of women and young people.

Yemen

Dhamar Participatory Rural Development Project

The overall goal of the project is to enhance the food security of subsistence farmers, raise family incomes, and improve the living conditions and development participation of small farm households and village communities in Dhamar Governorate. To that end, the project will: (i) empower communities, including women and the poor, to mobilize and organize themselves in order to participate in and benefit from development planning and project execution; (ii) remove critical physical, infrastructural and social constraints to productivity and advancement; and (iii) equip and support farming households, with a view to increasing their output, to enable them to secure basic food supplies, produce marketable surpluses and pursue income-generating opportunities.

Loan amount: SDR 10.9 million (approximately USD 14.0 million) on highly concessional terms.

Total project costs: estimated at USD 22.7 million, of which beneficiaries will provide USD 628 680, national Government USD 1.5 million, The Netherlands USD 2.2 million, and WFP USD 4.4 million.

Cooperating institution: AFESD

Summary of IFAD Financing in the Region

Seven projects in the Near East and North Africa were approved and three were completed in 2002. The new projects approved were for Djibouti, Egypt, Gaza and the West Bank, Syria, Tunisia and Yemen, for a total of USD 88.0 million. By the end of 2002, IFAD was financing an effective portfolio of 36 projects in 17 borrower countries and Gaza and the West Bank for a total value of USD 487.6 million financed by IFAD and a total of USD 850.3 million financed by other external sources, borrower governments and beneficiaries. Principal cofinancing partners in the region include AFESD, IsDB, France, the United States, Switzerland, Germany, the OPEC Fund, the World Bank/IBRD and the World Bank/IDA. Cooperating institutions in the region are AFESD, UNOPS, the World Bank/IBRD and the World Bank/IDA.

IFAD grants have been awarded to support six agricultural research and training programmes implemented through CGIAR centres:

- a grant of USD 1.2 million through the International Center for Agricultural Research in the Dry Areas (ICARDA), to support a Programme for Enhancing Food Security in the Nile Valley and Red Sea Region: Technology Generation and Dissemination for Sustainable Production of Cereals and Cool-Season Food Legumes. The programme will improve food security and farm-household incomes in Egypt, Ethiopia, The Sudan and Yemen through development and transfer of improved technologies to enhance the productivity and yield stability of cereals and food legumes;
- a grant of USD 1.5 million through the International Centre for Tropical Agriculture (CIAT), to support a Programme for Integrated Upland Agriculture Development Using Participatory Approaches in China, Laos and Viet Nam. The strategic goal of the programme is to improve livelihood systems of resource-poor farmers in steep upland areas of China, Laos and Viet Nam through technical and institutional innovations as a contribution to reducing poverty in indigenous and marginalized rural communities;
- a grant of USD 1.1 million through the International Livestock Research Institute (ILRI), to support a Programme for Small-Ruminant Health – Improved Livelihood and Market Opportunities for Poor Farmers in the Near East and North Africa Region. The aim of the programme is to improve poor farmers' livelihoods through improved small-ruminant health and production;
- a grant of USD 1.0 million through the International Institute of Tropical Agriculture (IITA), to support a Programme for the Development and Application of Sustainable Integrated-Pest-Management (IPM) Technologies for the Management of Cassava Pests and Diseases in Sub-Saharan Africa. The programme will implement existing technologies, while developing new ones for the management of the major pests and diseases that continue to plague cassava in sub-Saharan Africa. The programme will continue to implement classical biological control of the cassava green mite and to enhance national capacity in biological control;
- a grant of USD 1.5 million through the International Rice Research Institute (IRRI) and the International Centre for Maize and Wheat Improvement (CIMMYT), to support a Multistakeholder Programme to Accelerate Technology Adoption to Improve Rural Livelihoods in the Rainfed Gangetic Plains. The overall goal of the programme is to reduce rural poverty by improving farmer livelihoods through sustainable gains in the productivity and diversity of rainfed environments in the Indo-Gangetic plains; and

- a grant of USD 931 000 through the International Food Policy Research Institute (IFPRI), for Empowering the Rural Poor under Volatile Policy Environments in the Near East and North Africa Region. The goal is to assist the NENA region in bringing about changes in institutions, policies and regulations that will promote good local governance and empowerment of the rural poor.

IFAD grants have also been awarded to support agricultural research through non-CGIAR centres:

- Nine grants for a total amount of USD 762 000 have been awarded for: an agricultural research strategy in Asia and the Pacific; participatory action research in Cameroon, India and West Africa; sustainable cropping technologies for small farmers in tropical Brazil; and microcredit targeting tools.

IFAD has awarded a number of TAGs during the year for other research and technical assistance.

Forty grants were awarded under this category for a total amount of USD 13.5 million of which USD 2.1 million were allocated to strengthen the capacity of the rural poor and their organizations, conferences and studies; and USD 11.4 million for the following projects and programmes:

- a grant of USD 1.0 million through the Food and Agriculture Organization of the United Nations (FAO), to support the Marine Resources Management Programme in the Red Sea. The long-term objective is to achieve regional legislation for sustainable marine resource management and assessments in the Red Sea area in order to ensure that resources are adequate to preserve the livelihoods earned through artisanal fishing;
- a grant of USD 1.5 million has been awarded to the United Nations Office for Project Services (UNOPS) for the FIDAFRIQUE II Programme: Creating a Regional Information Network in Western and Central Africa. The programme's purpose is to enable IFAD-funded regional projects and their partners to become more effective in documenting, sharing and using information about good practices in rural development, poverty reduction and project implementation, primarily through electronic media;
- a grant of USD 1.5 million to the Food and Agriculture Organization of the United Nations (FAO) for the Rural Knowledge Network Pilot Project for East Africa. The project will focus on two areas: (i) shaping the content of existing technical information to respond to farmers' needs; and (ii) delivering content in a form that is usable by local service providers such as NGOs, community-based organizations (CBOs), local extension agents and, during the final year of the grant, farmers themselves;
- a grant of USD 1.0 million to the International Development Research Centre (IDRC) for the Programme for Electronic Networking for Rural Asia/Pacific (ENRAP) Projects – Phase II. The specific objective of ENRAP II is to improve the impact of IFAD-funded projects on the livelihoods of rural poor communities in the Asia and the Pacific region by strengthening and deepening networking and knowledge-sharing at all levels;

- a grant of USD 913 000 to the International Farming Systems Research Methodology Network (RIMISP) to support the FIDAMERICA Network – Phase III, a network of IFAD-supported projects and programmes in Latin America and the Caribbean. As envisaged in IFAD's strategic framework, the Fund needs to become a knowledge organization and to build on its role as an innovator through a process of mutual learning and lesson-sharing with other stakeholders active in the field. The programme's general objective will be to promote and facilitate communication and learning processes in order to improve the effectiveness and efficiency of poverty-reduction initiatives supported by IFAD in Latin America and the Caribbean;
- a grant of USD 587 000 to the Inter-American Institute for Cooperation on Agriculture (IICA) for the Rural Microenterprise Support Programme in Latin America and the Caribbean (PROMER) – Phase II. The programme will improve the competitive capacity of rural small and microenterprises located in geographical areas covered by IFAD projects through an integrated set of services, including training, information, specialized technical assistance, knowledge-management efforts and the promotion of profitable microentrepreneurial organizations;
- a grant of USD 600 000 to the Popular Coalition to Eradicate Hunger and Poverty in Support of its Global Programmes, Activities and Services. The grant will support the formal implementation of the Coalition's Executive Council and governance structure; activate and provide for the management of the next phase of the knowledge network; administer projects of the Community Empowerment Facility and the country relationships involved; provide for implementation of the Common Platform on Access to Land; and strengthen communications for disseminating knowledge, lessons learned and network news to Coalition partners;
- a grant of USD 1.3 million to the Global Mechanism of the United Nations Convention to Combat Desertification in those Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa (CCD) to Support the Development and Implementation of Action Programmes and Related Initiatives – Second Instalment. The grant will be used to leverage additional funds, enabling the Global Mechanism to respond to a growing number of requests from governments, intergovernmental organizations, NGOs and CBOs; and
- a grant of USD 3.0 million for the Rehabilitation and Development Project in Gaza and the West Bank (see Summary of 2002 Projects and Programmes).