

The 2001 Programme

At its Twenty-Fourth Session in February 2001 the Governing Council approved a document entitled Partnerships for Eradicating Rural Poverty – Report of the Consultation to Review the Adequacy of the Resources Available to IFAD 2000-2002. The document contains a plan of action for improvement of the Fund's operations with respect to project portfolio performance and impact assessment, knowledge management, policy and institutional environment and strategic partnerships.



Following an IFAD review, considerable progress has been achieved in improving project portfolio performance and impact assessment. With regard to portfolio performance, the review led to the publication in April of a workshop report on *Participatory Approaches for an Impact-Oriented Project Cycle*, followed by the introduction in June of a Unified Design Document and Key File. Key changes envisaged include: allocation of more resources to the early stages of project design; a stronger role for project development teams, especially with reference to knowledge management and cross-regional exchanges of experience; greater flexibility in project design and implementation; a greater catalytic role in communicating the importance of impact achievement; more proactive partnerships in project development and implementation; incorporation of more and better learning features such as knowledge management and monitoring and evaluation (M&E); and redefinition of the role of cooperating institutions. The Unified Design Document and Key File links logical framework analyses, poverty and target-group diagnoses, analytical and institutional diagnosis of project partners, a matrix of stakeholder roles, and a summary of other donor operations and partnerships in the project areas.

Measures to improve impact assessment have included the drafting of a new methodology for impact evaluation and *Managing for Impact in Rural Development – A Guide for Project M&E*, developed by IFAD project managers in collaboration with national and international partners during a workshop in October. The new methodology should achieve a better evaluation and analysis of impact, produce a consolidated account of the achievements and performance of completed projects, and provide clear indications of IFAD's contribution to the Millennium Development Goals through the projects. Based on the *Rural Poverty Report 2001* and the *Strategic Framework for IFAD 2002-2006*, it includes standardized indicators for physical, financial and human assets, social capital and people's empowerment, food security, environment and common-resource bases, and institutional policy and regulatory frameworks. The methodology will provide the basis for an annual report by the Fund on impact assessment and development effectiveness beginning in 2003. The guide is the response to a consensus in IFAD on a need to develop new and more practical guidelines for better M&E at the project level. Production involved a core learning partnership of IFAD staff and representatives from cooperating institutions, visits to 30 projects in 16 countries and a two-day workshop to allow key stakeholders to discuss the first draft. The prototype guide is to be field-tested in 2002 and customized to reflect regional diversity.

In 2001 in-house impact-assessment training was extended to the field-level through a technical assistance grant for the Programme to Promote Impact Orientation during Project-Cycle Management. Moreover, all project implementation workshops held during the year focused on impact assessment.

box 6

> Evaluation of IFAD's Capacity as a Promoter of Replicable Innovations

An important aspect of the Fund's catalytic role in poverty reduction is its ability to identify, validate and promote relevant, replicable innovations. The plan of action recommended that, as a first step, the Fund should "Develop methodology and evaluate IFAD's capacity as a promoter of replicable innovations in rural poverty reduction in cooperation with other partners." This evaluation was finalized during 2001 with cofinancing from the Swiss Agency for Development and Cooperation and the Finnish International Development Agency. It found that successful innovative approaches:

- > follow a structured process with clear sequential stages;
- > address a widely shared need of the poor;
- > build on what exists in terms of traditional knowledge, technologies, practice and cultural and social norms;
- > present advantages clear to farmers and quickly visible rewards;
- > involve costs that are tolerable financially, socially and in terms of labour requirements;
- > promote relatively simple innovations unlikely to arouse distrust;
- > propose well-tested innovations to reduce uncertainty and risk;
- > build on exchange of farmers' knowledge within a project area and among regions;
- > use a flexible project design approach and make adjustments as needed during implementation; and
- > enjoy an enabling policy environment and effective partnerships.

The cross-cutting issues of participation, institutional development, pro-poor policies, the environment, household food security and gender are being incorporated more fully into Fund-financed projects. For example, anthropometric measures of malnutrition and gender-disaggregated indicators have been introduced on a pilot basis to provide precise, quantitative monitoring of project impact. In addition, project portfolio reviews of performance and impact have been sharpened through a refined project status report, newly developed country portfolio issues sheets and new guidelines for project completion reports.

A Knowledge-Management Facilitation and Support Unit was established and a KM strategy drafted. The strategy aims to make IFAD a globally recognized knowledge institution for rural poverty-related topics, and to increase the efficiency of IFAD's operations by strengthening KM practices throughout the institution. Internal working groups examined conceptual and operational aspects of KM and have recommended that: (i) the Fund should focus the content of its KM efforts on a limited number of technical areas. They should be linked to IFAD's strategic framework and field operations, have relevance to reducing rural poverty and an innovative character, and permit the Fund to make significant contributions to the worldwide knowledge base; and (ii) knowledge-sharing should be included as one of the core competencies of IFAD staff.

Ongoing KM initiatives include the regional electronic networks of FIDAMERICA (Latin America and the Caribbean) and ENRAP (Asia and the Pacific), as well as the more recently established FIDAFRIQUE (western and central Africa).

Profiles, brief evaluations of 500-700 words, are being developed by OE, while another form, Insights, is designed to focus on one key lesson and conclusion emerging from thematic or country programme evaluations. Insights will eventually be the principal knowledge element in the computerized Evaluation Knowledge System (EKSYST), currently being revamped and upgraded. In addition, an evaluation help desk is being set up to respond to electronic, telephone and written queries.

The Fund's Technical Unit has continued to foster the development and dissemination of 'pro-poor' technologies through the production of Technical Advisory Notes and Knowledge Notes. The former introduce pro-poor technologies to a wider development community, and the latter help the design of projects by detailing technical options, validated through community-based participatory research, that may provide replicable solutions.

IFAD has developed a conceptual framework for **institutional analysis and policy dialogue** in order to achieve greater influence of pro-poor policies and to establish institutions that serve and represent the poor. The framework is derived from the practical experience of projects financed by IFAD. Its main themes are rural finance, decentralization and community-based development, service delivery, land tenure, and management of natural resources, especially water and rangeland.

The identification of areas and opportunities for policy dialogue has been strengthened through the use of country strategic opportunities papers (COSOPs), which are the basic management documents articulating IFAD-financed programmes in Member States. COSOPs are increasingly being elaborated through in-country workshops and other forums in order to ensure the involvement and representation of all potential stakeholders and beneficiaries.



Country-programme and thematic evaluations also contribute to policy dialogue and the formulation of COSOPs. Their concluding stage is the organization of round-table workshops at the national or regional level to discuss key recommendations, lessons learned and policy issues emerging from the evaluation under consideration. These policy issues can be quite diverse. In Viet Nam, for example, they related to rural financial organization and management, gender and decentralization, while in Sri Lanka they covered targeting and institutional arrangements for social mobilization. The Syria country portfolio evaluation workshop discussed the policy implications – arising from IFAD’s experience in the country – of a national poverty-reduction strategy, civil society and development, gender, rural financial services, environmental impact assessment, agricultural diversification and marketing, and water-resource development and management.

Finally, **strategic partnerships** are being realized at project, national and international levels. IFAD has joined in multi-stakeholder partnerships in several countries and in various forms – including the United Nations Development Assistance Framework (UNDAF), the Comprehensive Development Framework – and also with the World Bank in the development of poverty-reduction strategy papers. A new IFAD/World Bank partnership initiative, which focuses primarily on policy dialogue, advocacy and country-specific operations, has been discussed at the senior management level.



As one example of **partnerships with intergovernmental agencies**, IFAD took part in the Third United Nations Conference on the Least Developed Countries (LDC-III), held in Brussels in May, emphasizing its belief that rural poverty eradication should be the main focus of development efforts for LDCs. The Fund also participated in selected high-level events regarding the Millennium Development Goals and Indicators, for example the United Nations (UN)/World Bank/International Monetary Fund (IMF)/OECD forum. The three Rome-based food agencies, IFAD, the Food and Agriculture Organization of the United Nations (FAO) and the World Food Programme (WFP), collaborated in developing a common agenda for presentation to the United Nations International Conference on Financing for Development. In addition, the heads of the three agencies presented the fourth edition of the joint publication *Working Together to Fight Hunger and Poverty* at the FAO Conference in November. IFAD concern for the links between HIV/AIDS and rural poverty was marked by the Fund's participation in the special session of the UN General Assembly on HIV/AIDS in June and the conclusion of a memorandum of understanding between IFAD and the Secretariat of the Joint United Nations Programme on HIV/AIDS (UNAIDS) in September. The two agencies will collaborate in identifying and promoting best practices to mitigate the impact of the epidemic, particularly on the rural poor. Finally, IFAD has discussed further possibilities for cooperation with the League of Arab States and the OPEC Fund.

A significant contribution to coalition-building and to capacity- and institution-building among the poor comes through IFAD's **partnerships with non-governmental and civil-society organizations**. By the end of 2001 the Fund was working with 760 NGOs. Of these, 34% operate in Asia and the Pacific, 23% in Latin America and the Caribbean, 16% in eastern and southern Africa, 17% in western and central Africa and 9% in the Near East and north Africa. In the countries of western and central Africa, IFAD/NGO collaboration has concentrated on decentralized local development (Cape Verde, Guinea), community infrastructure (Chad, Mali), and sustainable agricultural development and rural financial services, with particular emphasis on the needs of women and youth (Sao Tome, Senegal and Togo). In eastern and southern Africa, NGOs have been important partners in promoting the development of farmer-to-market linkages. In Asia, NGO-based partnerships and multi-stakeholder coalitions are the back-bone of IFAD-supported interventions to empower marginalized upland and indigenous populations, especially the women members. Similarly, IFAD/NGO cooperation in Latin America and Caribbean has been particularly successful in strengthening the socio-economic position of indigenous peoples and women through more equitable access to markets. In north Africa and the Near East, IFAD/NGO partnerships have focused on improving the situation of rural women through microfinance services and training. The grant ceiling for any single allocation under the IFAD/NGO Extended Cooperation Programme (ECP) was raised this year from USD 75 000 to USD 100 000, and total financing for 2001 stands at USD 1.6 million.



The **Popular Coalition to Eradicate Hunger and Poverty**, housed at IFAD, is a unique instance of partnership development among diverse stakeholders – government, civil society and intergovernmental organizations. It is directed towards empowering the poor through increasing their access to land and other productive resources. The Coalition's Empowerment Facility became fully operational in 2001, with 13 approved projects. These include land-conflict resolution in Guatemala, regularization of communal land in Ecuador, community information campaigns to improve natural resource management in Madagascar, improved water management and increased marketing opportunities for fishermen and -women in India, and a marketing body for natural products in South Africa. The year also saw the completion of the first phase of an Agrarian Reform Knowledge Network – involving 8 regional and 23 national nodes for exchanging information on agrarian reform – that will help citizens' organizations negotiate their property rights more effectively. A Women's Resource Access Programme (WRAP) was launched; it draws directly on the views, experiences and knowledge of rural poor women in order to demonstrate the importance of land and other productive resources to their livelihoods and food security. The Coalition also presented papers at various global forums, including two at the Asian Development Bank's (AsDB) first Asia and Pacific Forum, highlighting the importance of access to assets, and IFAD's experience and the lessons learned in building multi-stakeholder consortia.

In technology, IFAD continues to promote **partnerships in research for development**. It chairs the Support Group of the Global Forum on Agricultural Research (GFAR), which was established on the Fund's initiative in 1996 and brings together seven key constituencies: developing-country national agricultural research systems, advanced research institutions, NGOs, international agricultural research centres, farmers' organizations, the private sector and the donor community. In October, IFAD hosted a technical workshop with GFAR on Methodologies, Organization and Management of Global Partnership Programmes.

In the same month, the Fund became a cosponsor of the Consultative Group on International Agricultural Research (CGIAR) and a member of its first Executive Council. IFAD has helped orient CGIAR's mandate and the content and process of its research towards issues of relevance to the rural poor.

Livestock and rangeland systems are essential to many of the world's poor. The Fund is an active member of the Interagency Meeting on Livestock Research and Development and attended the second meeting of the Institute for Laboratory Animal Research (ILAR) in August. The aim of ILAR is to develop a consensus and modus operandi for coordinated support to livestock research. In addition, a Livestock and Rangeland Knowledge Base section is now available on the IFAD website. It is a product of the Fund's Thematic Group on Community-Based Management of Natural Resources and is based on case studies from IFAD-financed projects in support of pastoralists, agro-pastoralists and smallholders.

With regard to **gender issues**, the Gender Task Force for Projects and Programmes has been an important means of communication and cross-fertilization of experience. Half of the year's projects systematically identify measures to empower women socially and economically, with particular emphasis on women's organizations, savings and credit. The Government of Japan has financed an ongoing study on women and microfinance in sub-Saharan Africa and the Near East and north Africa, a project on gender mainstreaming in Asia and the Pacific, and the establishment of a Gender and Household Food Security (HFS) section on the IFAD website. The section includes *HFS and Gender Memory Checks for Programme and Project Design* and over one hundred Learning Notes on these topics, drawn from IFAD's field research in all regions.

In the **environmental and natural resource management** sectors, the Global Environmental Facility (GEF) approved IFAD as an executing agency in May. A memorandum of understanding was concluded to facilitate the development of an IFAD/GEF portfolio of projects. In October, IFAD's President addressed the High-Level Special Segment of the Fifth Conference of the Parties (COP-5) to the United Nations Convention to Combat Desertification (CCD). The Fund is providing assistance for the preparation of national action programmes and subregional programmes in support of the CCD. IFAD awarded a grant of USD 1.3 million to the Global Mechanism of the CCD to support the development and implementation of action programmes and related initiatives. During the year, it also awarded an anti-desertification grant to the United Republic of Tanzania and environmental assessment grants to Benin, Indonesia and Tunisia. An in-house review of IFAD-supported projects involving the environment and natural-resource-management improvements showed that positive impact is augmented by: community-based natural resource management approaches; clear and assured land rights; and demand-driven technologies complementary to indigenous knowledge, skills and collaborative systems.

IFAD's **private-sector strategy** centres on capital markets and the corporate sector. The Governing Council approved a framework for market-based cofinancing of IFAD projects and programmes that allows the Fund to support recipient governments' access to capital markets for the purpose of financing activities linked to IFAD projects. The Fund is also collaborating with Deutsche Bank's Microcredit Development Fund, which provides guarantees to microfinance institutions operating in IFAD project areas, allowing them to access resources from local commercial banks. In the corporate sector, collaboration with Syngenta in Mali has led to some 2 000 farmers benefiting from an input distribution system for millet-seed treatment packages. Cooperation with Croplife Latin America has allowed poor farmers to improve their management of crop-protection products in the Dominican Republic, El Salvador, Guatemala and Panama.

IFAD's Operations in 2001

> **Table 2**
IFAD at a Glance, 1978-2001

		1978-1990	1991	1992
Operational Activities^{a, b}				
Loan Approvals				
Number of projects		291	22	24
Amount of loans	<i>USD million</i>	3 204.4	275.6	298.0
Grants				
Number		329	25	31
Amount	<i>USD million</i>	162.5	6.0	8.2
Total IFAD Loan and Grant Operations^a	<i>USD million</i>	3 366.9	281.6	306.3
Cofinancing^c				
	<i>USD million</i>	3 843.4	94.5	93.3
Multilateral		3 144.3	73.4	78.1
Bilateral		687.9	20.3	4.8
NGO		7.7	0.8	3.9
Foreign private sector				
Domestic Contribution	<i>USD million</i>	4 861.7	129.6	149.8
Total Project Cost^d	<i>USD million</i>	11 932.4	499.7	541.1
Project Enumeration				
Number of effective projects under implementation		148	150	157
Number of projects completed		115	17	24
Number of projects in pipeline			98	110
Number of approved projects initiated by IFAD		195	22	23
Number of recipient borrowers		93	95	96
Loan Disbursements^e	<i>USD million</i>	1 746.7	172.3	158.6
Loan Repayments^e	<i>USD million</i>	159.1	69.2	77.7
General Reserve				
– at end of period	<i>USD million</i>	75.0	80.0	85.0
Membership and Administration				
Member States – at end of period		143	145	147
Professional Staff – at end of period ^f		94	111	118
Operating Expenses	<i>USD million</i>		48.5	52.2
– Provision for After-Service Medical Benefits	<i>USD million</i>			

^a Amounts as originally approved.

^b 1986-95 figures 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 The figures have been restated in US dollars and have been adjusted to reflect the exchange rates prevailing at the end of the period.

^f 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 2001.

IFAD loans are denominated in SDR (a unit of account defined by IMF).

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.

1993	1994	1995	1996	1997	1998	1999	2000	2001	1978-2001
32	28	33	32	30	29	30	27	25	603
338.8	349.3	391.7	395.1	397.7	407.9	432.7	409.0	403.1	7 303.3
45	71	132	212	258	110	124	120	106	1 563
14.4	16.8	23.6	28.3	35.4	30.2	29.6	32.8	30.8	418.7
353.2	366.1	415.3	423.4	433.1	438.1	462.3	441.8	433.9	7 722.0
292.7	122.4	272.4	286.5	448.5	293.0	116.8	276.0	270.3	6 409.6
244.7	91.3	226.8	250.7	323.8	249.7	89.2	151.3	203.1	5 126.3
40.4	30.1	45.7	19.0	109.4	20.2	20.9	57.7	16.9	1 073.3
0.5	0.9		1.5	9.3	2.7	2.5	0.1	0.4	30.2
								7.2	7.2
208.8	184.4	262.7	309.2	338.5	319.8	207.5	326.7	323.1	7 621.8
840.2	656.0	926.9	994.8	1 187.4	1 021.5	757.8	1 012.5	996.8	21 367.1
168	186	190	188	204	211	199	206		
23	14	13	27	29	19	23	33	25	362
127	131	107	98	94	89	68	60		
26	25	28	27	21	24	28	25	24	468
101	104	107	111	113	114	115	115	115	115
193.7	185.2	193.7	261.9	259.8	298.9	284.0	285.1	299.6	4 339.5
81.7	89.1	110.0	110.7	115.6	123.4	133.2	132.9	128.0	1 202.6
90.0	95.0	95.0	95.0	95.0	95.0	95.0	95.0	95.0	
150	157	158	158	160	161	161	161	162	
105	107	111	126	126	126	132	132	132	
47.9	47.7	49.7	50.7	50.5	52.2	52.9	47.1	49.9	
						2.6	4.3	4.3	

The Project Portfolio and Lending Trends

Twenty-five new projects were approved in 2001, financed through IFAD loans equivalent to USD 403.1 million (Table 2) and another USD 30.8 million in grants (Table 3). The total cost of these projects is estimated at USD 996.8 million, of which USD 270.3 million will be provided by other external financiers and USD 323.1 million by financiers in the recipient countries – primarily the governments.

During 2001, 25 projects were completed, thus the number of effective projects at the end of the year was 206, in line with the corporate strategy objective of maintaining a trim and well-monitored portfolio.

> **Table 3**
Summary of Grant Financing under the Regular Programme
and the Special Programme for Africa, 1978-2001
(amounts in USD million)

	1978-90	1991-2001	2001	1978-2001	%
Projects and Project Component					
Amount	23.5	8.9	0.4	32.4	7.7%
Number of Grants	34	6	1	40	
Project Preparation/Project Development Fund^a					
Amount	19.5	69.9	8.2	89.4	21.3%
Number of Grants	117	504	20	621	
Research					
Amount	92.8	61.8	7.2	154.6	36.9%
Number of Grants	121	70	6.0	191	
Research CGIAR					
Amount	64.8	37.9	5.7	102.7	66.5%
Number of Grants	89	42	5	131	
Research Non-CGIAR					
Amount	28.0	23.9	1.4	51.9	33.5%
Number of Grants	32	28	1	60	
Training and Other					
Amount	21.4	84.7	12.0	106.1	25.3%
Number of Grants	23	232	40	255	
Special Operations Facility					
Amount	4.8	13.3	1.3	18.1	4.3%
Number of Grants	24	161	16	185	
Environmental Assessment					
Amount	0.0	4.2	0.2	4.2	1.0%
Number of Grants	0	52	3	52	
IFAD/NGO ECP					
Amount ^b	0.5	13.4	1.6	14.0	3.3%
Number of Grants ^b	10	209	20	219	
Total Amount^c	162.5	256.2	30.8	418.7	100.0%
Total Number of Grants^{c, d}	329	1 234	106	1 563	

^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 Including the cost of IFAD/NGO Consultation and Advisory Group meetings.

^c During the period 1986-95, 86 grants were approved for a total of USD 24.1 million under SPA.

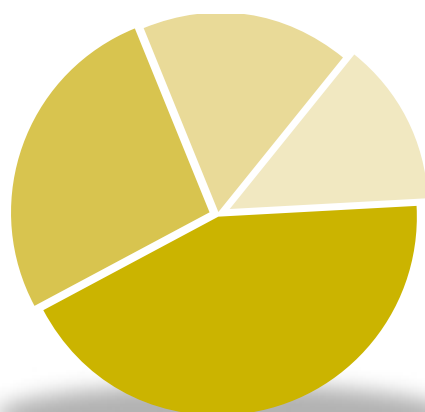
^d The total number of grants shown in this table differs for past years from that shown in earlier Annual Reports as the result of the review of past records of grant approvals.

The total project portfolio consists of 603 projects distributed among 115 recipient countries and territories for a total amount of USD 7 303.3 million in loans and an additional USD 418.7 million in grants. Governments and other financing sources in the recipient countries – including project beneficiaries – contributed USD 7 621.8 million to these projects. Another USD 6 409.6 million came from external cofinanciers, of which bilateral donors contributed USD 1 073.3 million, multilateral donors USD 5 126.3 million and various international and northern NGOs USD 30.2 million.

Regional and Priority Country Lending

The largest share of lending in 2001 went to Africa, with 18.2% to the western and central region and 24.9% to eastern and southern Africa (Chart 2 and Table 4). Asia and the Pacific received 26.6%, Latin America and the Caribbean 17.2% and the Near East and North Africa 13.1%.

> CHART 2
Regional Distribution of Loans, 2001



- Africa I and II 43.1%
(Western and Central Africa, 18.2%
and Eastern and Southern Africa, 24.9%)
- Asia and the Pacific 26.6%
- Latin America and the Caribbean 17.2%
- Near East and North Africa 13.1%

> **Table 4**
IFAD Projects by Region under the Regular Programme
and the Special Programme for Africa, 1978-2001
(amounts in USD million)

	1978-90	1991-2001	2001	%	1978-2001	%
Africa I: Western and Central Africa						
Total	569.3	704.0	73.5	18.2%	1 273.3	17.4%
Regular Programme	443.0	635.8	73.5		1 078.8	
Number of Projects ^a	55	58	5		113	
Special Programme for Africa	126.3	68.2	0.0		194.5	
Number of Projects ^b	13	6	0		19	
Recipient Borrowers ^c	22	24	24		24	
Africa II: Eastern and Southern Africa						
Total	525.3	760.7	100.5	24.9%	1 286.1	17.6%
Regular Programme	433.1	706.5	100.5		1 139.6	
Number of Projects ^a	42	57	6		99	
Special Programme for Africa	92.2	54.2	0.0		146.5	
Number of Projects ^b	7	5	0		12	
Recipient Borrowers ^c	16	20	20		20	
Asia and the Pacific						
Regular Programme	1 134.8	1 244.7	107.1	26.6%	2 379.5	32.6%
Number of Projects ^a	76	77	6		153	
Recipient Borrowers ^c	16	21	21		21	
Latin America and the Caribbean						
Regular Programme	446.5	720.7	69.2	17.2%	1 167.2	16.0%
Number of Projects ^a	50	57	4		107	
Recipient Borrowers ^c	22	28	28		28	
Near East and North Africa^d						
Total	528.5	668.8	52.9	13.1%	1 197.3	16.4%
Regular Programme	508.9	652.2	52.9		1 161.1	
Number of Projects ^a	45	51	4		96	
Special Programme for Africa	19.6	16.7	0.0		36.2	
Number of Projects ^b	3	1	0		4	
Recipient Borrowers ^c	12	22	22		22	
Total IFAD Loans	3 204.4	4 099.0	403.1	100.0%	7 303.3	100.0%
Regular Programme	2 966.3	3 959.9	403.1		6 926.2	
Special Programme for Africa	238.1	139.1	0.0		377.2	
Total Number of Projects	291	312	25		603	
Regular Programme	268	300	25		568	
Special Programme for Africa	23	12	0		35	
Total Recipient Borrowers^c	88	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 Central and Eastern Europe and the Newly Independent States of the former Soviet Union.

Three quarters of IFAD financing went to countries with food-security problems, with almost 40% going to the least developed countries (Chart 3 and Table 5).

> **CHART 3**
Lending to Priority Countries, 1990-2001
(amounts in USD million)



> **Table 5**
Summary of IFAD Project Lending in Priority Countries under the Regular Programme and the Special Programme for Africa, 1978-2001
(amounts in USD million)

	1978-90	%	1991-2001	%	2001	%	1978-2001	%	Number of Countries ^c		
									In Group	IFAD Members	With IFAD Project
Least Developed Countries (LDCs)^a											
Amount	1 322.0	41.3%	1 424.2	34.7%	158.7	39.4%	2 746.2	37.6%			
Number of Projects	145		123		10		268		48	45	43
Low-Income Food-Deficit Countries^b											
Amount	2 591.2	80.9%	3 182.8	77.6%	307.7	76.3%	5 774.0	79.1%			
Number of Projects	232		238		19		470		82	77	75
All IFAD Projects	3 204.2		4 099.0		403.1		7 303.2				
Total Number of Projects	291		312		25		603				

^a The United Nations has classified 48 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, 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.

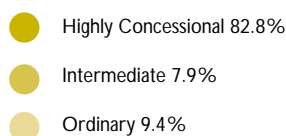
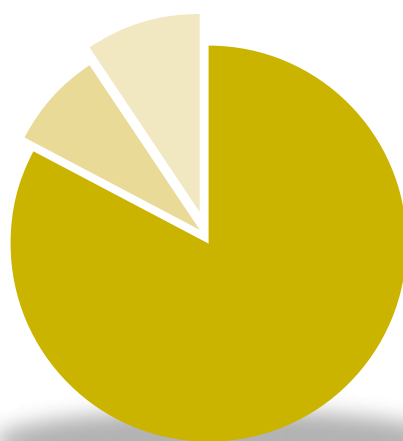
^b FAO has identified 82 countries as low-income food-deficit countries: Afghanistan, Albania, Angola, Armenia, Azerbaijan, Bangladesh, Benin, Bhutan, Bolivia, Bosnia and Herzegovina, Burkina Faso, Burundi, Cambodia, Cameroon, Cape Verde, Central African Republic, Chad, China, Comoros, Congo, D.R. Congo, 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, The Former Yugoslav Republic of Macedonia, 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, 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 ²

The bulk of IFAD's lending is on highly concessional terms ³, i.e. loans that have a grant element of over two thirds of their face value. In 2001 highly concessional loans represented 82.8% of the year's total lending (Chart 4 and Table 6).

> **CHART 4**
IFAD Loans by Lending Terms, 2001



> **Table 6**
Summary of IFAD Loans by Lending Terms under the Regular Programme, 1978-2001 ^a
(amounts in USD million)

	1978-90	%	1990-2001	%	2001	%	1978-2001	%
Highly Concessional								
Amount	1 850.8	62.4%	2 867.5	72.4%	333.6	82.8%	4 718.3	68.1%
Number of Loans	169		218		20		387	
Intermediate								
Amount	828.4	27.9%	646.3	16.3%	31.7	7.9%	1 474.7	21.3%
Number of Loans	75		49		3		124	
Ordinary								
Amount	287.1	9.7%	446.0	11.3%	37.8	9.4%	733.1	10.6%
Number of Loans	25		32		2		57	
Total Amount	2 966.3	100%	3 959.9	100%	403.1	100.0%	6 926.2	100%
Total Number of Loans ^b	269		299		25		568	

^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.

² 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.

³ IFAD provides loans on three different types of lending terms: highly concessional loans, which are free of interest but bear a service charge of 0.75% per annum and have a maturity period of 40 years, including a grace period of ten years; intermediate loans, which carry a variable reference interest rate equivalent to 50% of the interest charged on World Bank loans and have a maturity period of 20 years, including a grace period of five years; and ordinary loans, which carry a variable reference interest rate equal to that charged by the World Bank and a maturity period of 15-18 years, including a grace period of three years.

As a share of IFAD's cumulative lending portfolio, highly concessional loans now represent just over two thirds of total loans under the Regular Programme – the target set out in the *Lending Policies and Criteria* of IFAD.

In terms of regional distribution, Africa received by far the majority of its loans, 89.9%, on highly concessional terms (Table 7), followed by Asia and the Pacific with 79.7%. 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.

> **Table 7**
Summary of Loans by Region and by Lending Terms under the Regular Programme, 1978-2001^a
(amounts in USD million)

	Africa	%	Asia and the Pacific	%	Latin America and the Caribbean	%	Near East and North Africa	%	Total	%
Highly Concessional Loans										
Amount	1 993.6	89.9%	1 897.0	79.7%	267.1	22.9%	560.6	48.3%	4 718.3	68.1%
Percentage of Highly Concessional Loans	42.3%		40.2%		5.7%		11.9%		100.0%	
Number of Loans	187		124		24		52		387	
Intermediate										
Amount	208.1	9.4%	482.6	20.3%	400.1	34.3%	384.0	33.1%	1 474.7	21.3%
Percentage of Intermediate Loans	14.1%		32.7%		27.1%		26.0%		100.0%	
Number of Loans	21		30		46		27		124	
Ordinary										
Amount	16.7	0.8%	0.0	0.0%	500.0	42.8%	216.5	18.6%	733.1	10.6%
Percentage of Ordinary Loans	2.3%		0.0%		68.2%		29.5%		100.0%	
Number of Loans	3		0		37		17		57	
Total Amount	2 218.4	100.0%	2 379.5	100.0%	1 167.2	100.0%	1 161.1	100.0%	6 926.2	100.0%
Percentage of Total IFAD Lending	32.0%		34.4%		16.9%		16.8%		100.0%	
Total Number of Loans^b	211		154		107		96		568	

^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.

Disbursements

Cumulative disbursements on loans under the Regular Programme amounted to USD 4 048.4 million at the end of 2001 (72.0% of commitment), compared to USD 3 757.7 million disbursed at the end of 2000 (72.3% of commitment) (Tables 8 and 9).

Under the SPA, cumulative disbursements at the end of 2001 were USD 298.5 million (90.9% of commitment), compared to USD 289.3 million at the end of 2000 (86.8% of commitment).

In 2001, total disbursements for loans under the Regular Programme and the SPA were USD 291.3 million (5.2% of commitment) and USD 9.2 million (3.0% of commitment), respectively.

> **Table 8**
Annual Loan Disbursement by Region under the Regular Programme, 1979-2001
(amounts in USD million)

	1979-1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	1979-2001
Africa I	224.9	21.0	23.5	23.4	26.0	25.8	27.8	34.2	34.2	30.4	36.0	33.0	540.2
Africa II	245.8	29.4	22.0	24.7	25.0	27.2	28.9	24.9	37.9	30.7	40.2	54.1	590.9
Asia and the Pacific	734.8	51.9	49.9	51.4	55.5	62.7	88.4	94.8	95.7	86.2	83.0	97.9	1552.2
Latin America and the Caribbean	244.9	20.4	13.1	28.6	30.7	29.7	35.7	45.3	50.4	53.2	51.0	63.1	666.1
Near East and North Africa ^a	268.6	25.8	27	36	25.7	19.5	38.9	28.9	55.5	70.2	59.7	43.2	699.0
Total	1719.0	148.5	135.4	164.1	163.0	164.9	219.7	228.2	273.7	270.7	269.8	291.3	4048.4

^a This region includes central and eastern Europe and the newly independent states of the former Soviet Union.

Source: Loans and Grants System (LGS).

> **Table 9**
Loan Disbursement by Region and Lending Terms under the Regular Programme, 1979-2001
(amounts in USD million)

	Highly Concessional	Intermediate	Ordinary	Total
Africa I				
Amount	467.5	60.3	12.4	540.2
Percentage of Effective Commitment	63.3%	100.0%	100.0%	66.5%
Africa II				
Amount	523.7	66.0	1.2	590.9
Percentage of Effective Commitment	64.1%	82.4%	100.0%	65.7%
Asia and the Pacific				
Amount	1192.6	359.7	0.0	1552.2
Percentage of Effective Commitment	77.7%	92.8%	0.0%	80.7%
Latin America and the Caribbean				
Amount	131.7	291.9	242.5	666.1
Percentage of Effective Commitment	57.8%	80.4%	62.1%	67.9%
Near East and North Africa^a				
Amount	345.3	218.4	135.3	699.0
Percentage of Effective Commitment	67.9%	65.3%	80.2%	69.0%
Total	2 660.8	996.2	391.3	4 048.4
Total Percentage of Effective Commitment	69.9%	81.3%	68.2%	72.0%

^a This region includes central and eastern Europe and the newly independent states of the former Soviet Union.

Source: Loans and Grants System (LGS).

Cofinancing of IFAD Projects

Of the 25 projects approved in 2001, only one was not initiated by IFAD but by AsDB. The remaining 24 were designed and initiated by the Fund (Table 10). Of these, 18 received external cofinancing for USD 218.3 million (30.8% of their cost) and domestic contributions – from recipient governments or other local sources – for another USD 201.9 million, or 28.5% of their cost. The remaining 6 IFAD-initiated projects were financed by IFAD (53.0%) and domestic sources (47.0%).

> Table 10
Cofinancing of IFAD Projects under the Regular Programme and the Special Programme for Africa, 1978-2001
 (amounts in USD million)

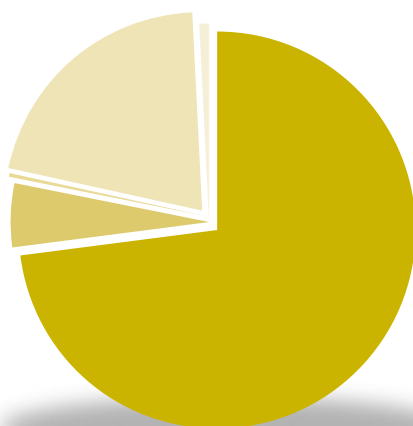
	1978-90	%	1991-2001	%	2001	%	1978-2001	%
Projects Initiated by Cooperating Institutions								
IFAD ^a	1034.0	14.8%	421.9	18.1%	14.4	14.6%	1455.8	15.7%
Cofinanced ^b	2842.6	40.8%	1357.5	58.3%	52.0	52.7%	4200.1	45.2%
Domestic	3094.5	44.4%	549.2	23.6%	32.2	32.7%	3643.7	39.2%
Total ^b	6971.0	100.0%	2328.6	100.0%	98.7	100.0%	9299.6	100.0%
Number of Projects	96		39		1		135	
IFAD-Initiated and Cofinanced Projects								
IFAD ^a	1118.6	35.8%	2453.6	47.8%	288.9	40.7%	3572.1	43.3%
Cofinanced ^b	1000.8	32.0%	1208.7	23.6%	218.3	30.8%	2209.5	26.8%
Domestic	1003.5	32.1%	1465.8	28.6%	201.9	28.5%	2469.3	29.9%
Total ^b	3122.9	100.0%	5128.1	100.0%	709.0	100.0%	8251.0	100.0%
Number of Projects	115		186		18		301	
IFAD-Initiated and Exclusively Financed Projects								
IFAD ^a	1074.7	58.5%	1233.0	62.3%	100.2	53.0%	2307.7	60.5%
Domestic	763.8	41.5%	745.0	37.7%	89.0	47.0%	1508.7	39.5%
Total ^b	1838.5	100.0%	1977.9	100.0%	189.1	100.0%	3816.4	100.0%
Number of Projects	80		87		6		167	
All Projects								
IFAD ^a	3227.3	27.0%	4108.4	43.5%	403.5	40.5%	7335.7	34.3%
Cofinanced ^b	3843.4	32.2%	2566.2	27.2%	270.3	27.1%	6409.6	30.0%
Domestic	4861.7	40.7%	2760.0	29.3%	323.1	32.4%	7621.8	35.7%
Total ^b	11932.4	100.0%	9434.7	100.0%	996.8	100.0%	21367.1	100.0%
Number of Projects	291		312		25		603	

^a IFAD amount includes grants for project components.

^b Includes cofinancing for which sources have not yet been confirmed.

Of the USD 2 209.5 million contributed over the years to IFAD-initiated projects by external cofinanciers, the bulk was from multilateral donors, 72.8%, followed by bilateral donors with 20.8% (Chart 5).

> **CHART 5**
Cofinancing of IFAD-Initiated Projects under the Regular Programme and the Special Programme for Africa, 1978-2001

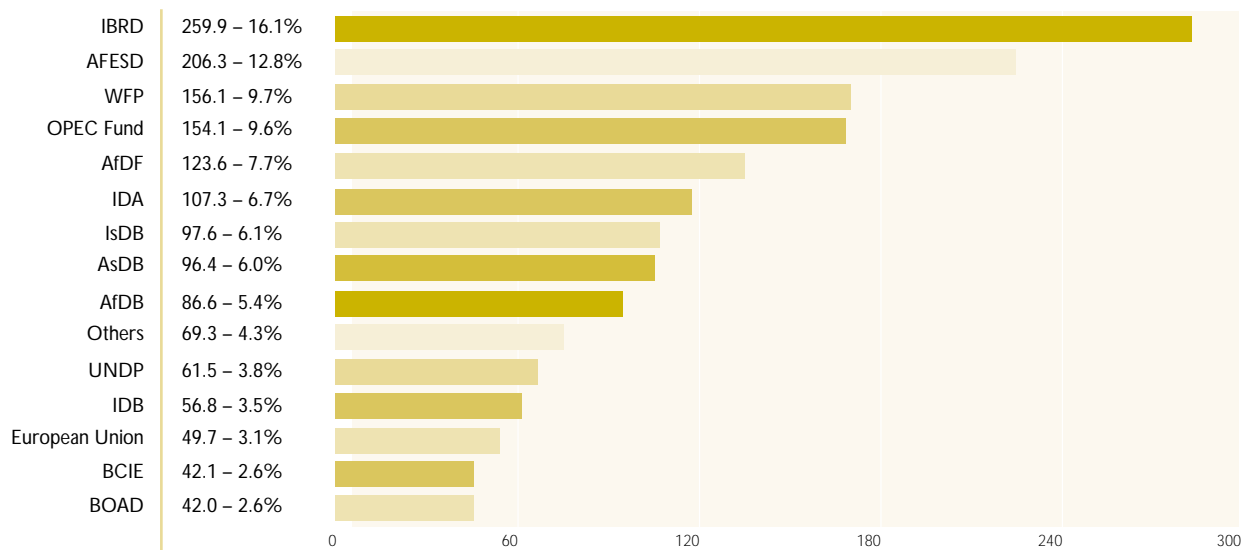


- Multilateral USD 1 609.2 million 72.8%
- Unidentified USD 115.2 million 5.2%
- Foreign Private Sector USD 7.2 million 0.3%
- Bilateral USD 459.6 million 20.8%
- NGO USD 18.3 million 0.8%

The amounts and percentages shown here represent the shares of total cofinancing of USD 2 209.5 million.

The major multilateral cofinanciers were the International Bank for Reconstruction and Development (IBRD) of the World Bank Group, with USD 259.9 million, and the Arab Fund for Economic and Social Development (AFESD), with USD 206.3 million (Chart 6). Of the bilateral donors, Germany is foremost, with USD 81.6 million, followed by The Netherlands, with USD 64.3 million (Chart 7).

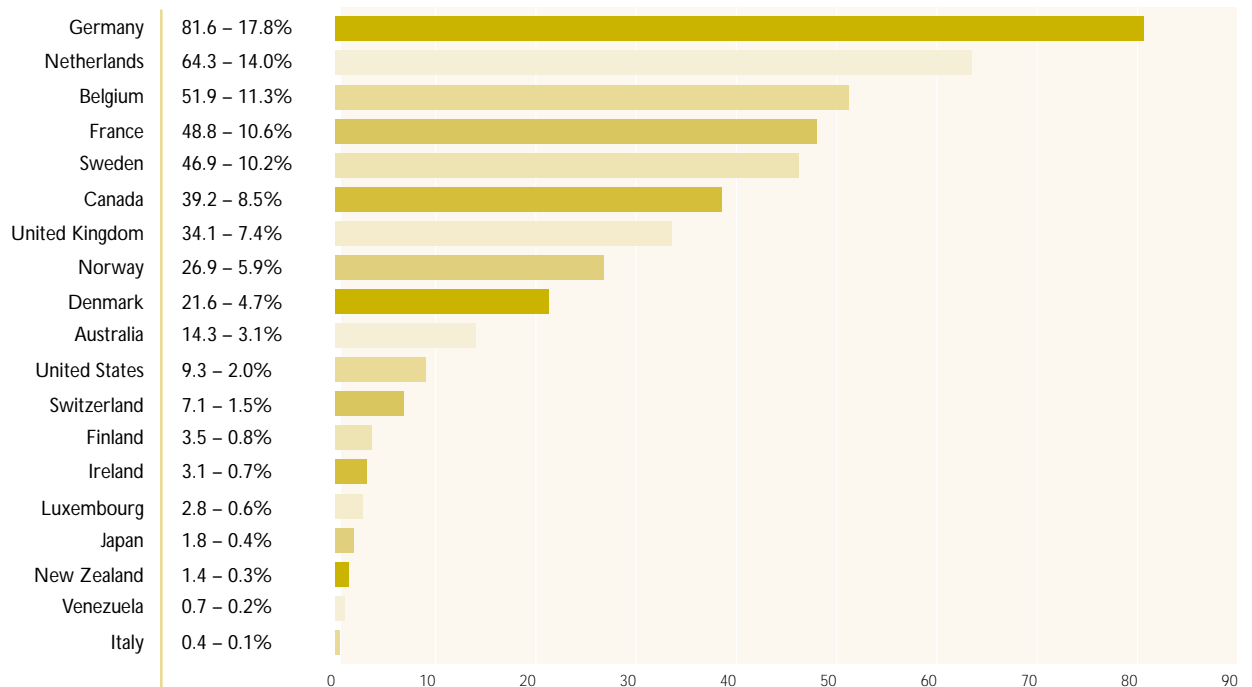
> **CHART 6**
Cofinancing of IFAD-Initiated Projects by Multilateral Donors under the Regular Programme and the Special Programme for Africa, 1978-2001



The amounts and percentages shown here represent the share of each multilateral in total multilateral cofinancing of USD 1 609.1 million.

Other cofinanciers include: Africa Fund, CAF, CDB, GEF, IICA, UNCDF, UNDCP, UNFDAC, UNFPA, UNICEF and UNIFEM.

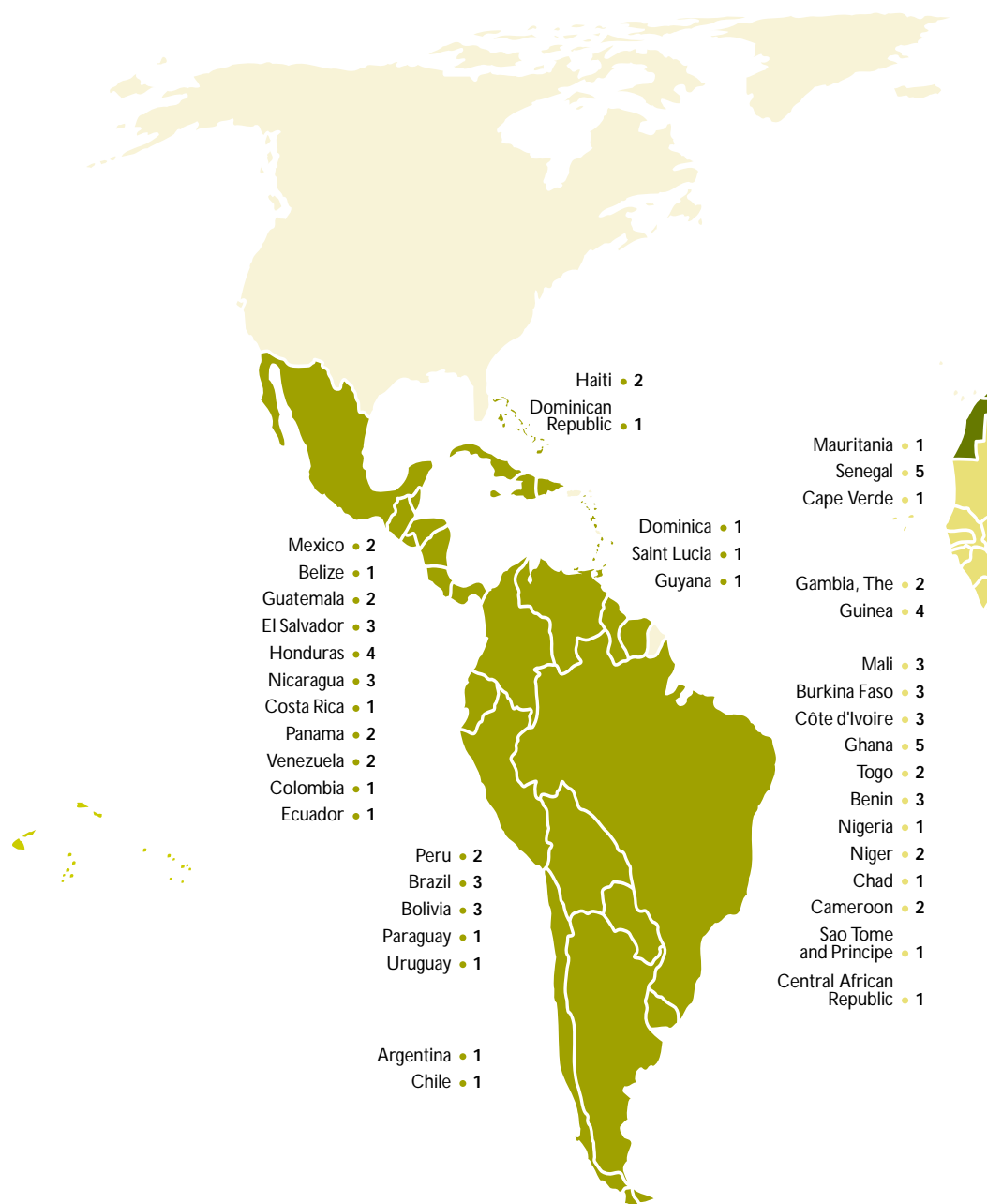
> **CHART 7**
Cofinancing of IFAD-Initiated Projects by Donor Member States (Bilateral) under the Regular Programme and the Special Programme for Africa, 1978-2001



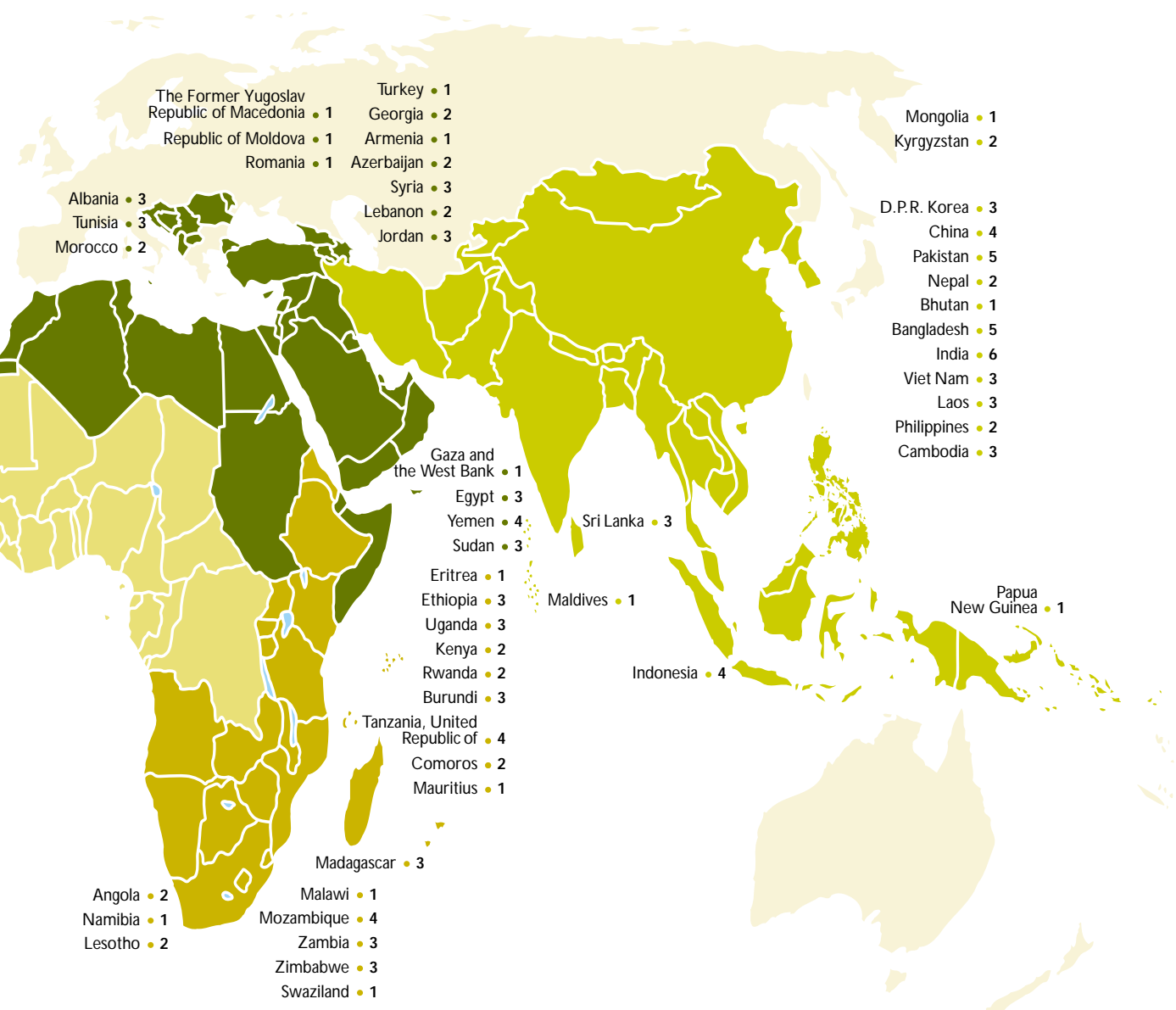
The amounts and percentages shown here represent the share of each bilateral in total bilateral cofinancing of USD 459.6 million.

Number of Effective Projects and Programmes by Country and by Region, 2001

- > **Africa I**
Western and Central Africa
40 Projects
17 Countries
- > **Africa II**
Eastern and Southern Africa
41 Projects
18 Countries
- > **Asia and the Pacific**
49 Projects
17 Countries
- > **Latin America and the Caribbean**
40 Projects
23 Countries
- > **Near East and North Africa**
36 Projects
16 Countries and
Gaza and the West Bank



206 Projects
91 Countries and
Gaza and the West Bank



> **Table 11**
IFAD Cooperating
Institutions Entrusted
with Loan Administration
and Project Supervision,
Regular Programme
and Special Programme
for Africa

COOPERATING INSTITUTIONS	Projects at end 1990		Projects at end 2000		Projects at end 2001 ^a		
	Number	%	Number	%	Number	%	
African Development Bank (AfDB)	11	8.0	5	2.5	3	1.5	
Andean Development Corporation (CAF)	6	4.3	15	7.5	13	6.3	
Arab Fund for Economic and Social Development (AFESD)	11	8.0	14	7.0	11	5.3	
Asian Development Bank (AsDB)	7	5.1	6	3.0	5	2.4	
Caribbean Development Bank (CDB)	4	2.9	4	2.0	4	1.9	
Central American Bank of Economic Integration (BCIE)	1	0.7	4	2.0	4	1.9	
Inter-American Development Bank (IDB)	3	2.2	1	0.5			
United Nations Office for Project Services (UNOPS)	33	23.9	104	52.3	114	55.3	
West African Development Bank (BOAD)	4	2.9	9	4.5	11	5.3	
World Bank (IBRD/IDA)	58	42.0	24	12.1	27	13.1	
To be supervised directly by IFAD		13		6.5		14	6.8
Total^b	138	100.0	199	100.0	206	100.0	

^a For some closed projects the loan account will be kept open for final settlement of withdrawal application.

^b The total refers to the number of approved projects that have not been completed.



> Western and Central Africa

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 Togo

BENIN

Participatory Artisanal Fisheries Development Support Programme

The overall goal of this eight-year, IFAD-initiated programme is to reduce the poverty of families earning their living through fishing and the processing and selling of fish, with special emphasis on assisting women, who play an important role in shore-based activities. The programme's specific objectives are to: (i) establish sustainable fishing operations on inland water bodies; (ii) strengthen the capacity of communities to manage their natural and fisheries resources; and (iii) assist households in diversifying their livelihood strategies, with a view to reducing fishing pressures to sustainable levels. The target group comprises over 55 000 households, including 50 000 (370 000 people) in the southern wetlands, 3 800 families (20 000 people) on the coast and another 1 500 families (10 000 people) along the rivers.

Loan amount: SDR 7.9 million
 (approximately USD 10.0 million)
 on highly concessional terms.

Total programme costs: Estimated at USD 26.0 million, of which USD 10.0 million will be provided by AfDF, USD 3.3 million by domestic financial institutions, USD 2.0 million by the Government and USD 682 000 by the beneficiaries.

Cooperating institution: AfDB.

GHANA

Northern Region Poverty Reduction Programme

The goal of this six-year, IFAD-initiated programme is to improve the livelihoods of rural poor communities, with emphasis on women and other vulnerable groups, by improving rural development services and community and individual self-help capacities. Specific objectives are to: (i) build the capacity of decentralized local government, civil-society and community organizations to better respond to the needs of the poorest strata of the rural population; (ii) improve access of the rural population, especially women, to resources and services; and (iii) introduce needed operational changes and reforms to enhance the efficiency and sustainability of institutions and community service providers in the northern region. The target group consists of subsistence farming households cultivating less than 2 ha and having no alternative sources of income; women heads of households; the elderly and disabled; and unemployed youth. These groups represent nearly 70% of the population in rural communities.

Loan amount: SDR 9.8 million (approximately USD 12.3 million) on highly concessional terms.

Total programme costs: Estimated at USD 59.6 million, of which USD 5.7 million will be provided by the Government, USD 38.2 million by the Common Fund to Support Local Government and resources provided by other external donors and USD 3.3 million by the beneficiaries.

Cooperating institution: UNOPS.

MAURITANIA

Poverty Reduction Project in Aftout South and Karakoro

A large proportion of Mauritania's rural poor is made up of *adwaba* settlers, former slaves and other lower castes affected by various forms of exclusion. The overall aim of this six-year, IFAD-initiated project is to reduce poverty among the *adwaba* in the departments of Mbout, Kankossa and Ould Yenge through: (i) effective empowerment of the target population; (ii) increased access to basic social and economic infrastructures through decentralized funding mechanisms; and (iii) promotion of more diversified income-earning opportunities. The project targets the three most vulnerable groups: small subsistence farmers, women-headed households and rural youth. It is the first to be designed within the framework of a country's PRSP and to include government funding through the use of debt-relief proceeds under the Debt Initiative for HIPC.

Loan amount: SDR 8.8 million (approximately USD 11.3 million) on highly concessional terms.

Total project costs: Estimated at USD 22.9 million, of which USD 3.5 million will be provided by the OPEC Fund, USD 7.9 million by the Government and USD 178 000 by the beneficiaries.

Cooperating institution: UNOPS.

Loan amount: SDR 23.8 million (approximately USD 29.9 million) on highly concessional terms.

Total programme costs: Estimated at USD 101.6 million, of which USD 3.2 million will be provided by the national Government, USD 61.8 million by local governments, USD 3.5 million by the beneficiaries and USD 3.2 million by cofinanciers to be determined.

Cooperating institution: World Bank/IDA.

NIGERIA

Community-Based Agricultural and Rural Development Programme

The goal of this seven-year, IFAD-initiated programme is to better the livelihoods and living conditions of rural communities in eight of the poorest and most northern states. This goal is being pursued through: (i) empowering the rural poor to analyse their constraints, opportunities and support requirements and to increasingly manage their own development; (ii) supporting the institutionalization of policies and processes, creating awareness and developing the capacity for relevance and responsiveness of public- and private-sector service providers; and (iii) giving support to sustainable social, agricultural and economic development interventions for village groups and individuals. Rural inhabitants with incomes below the poverty line constitute the target group, with emphasis on women and other vulnerable groups.

SAO TOME AND PRINCIPE

Participatory Smallholder Agriculture and Artisanal Fisheries Development Programme

The objectives of this 12-year, IFAD-initiated programme are to: (i) improve the living conditions and incomes of households engaged in rural smallholder agriculture and artisanal fisheries; and (ii) further the development of grass-roots organizations such as community groups, associations, federations and NGOs into sustainable development agents. The target group encompasses some 3 000 artisanal fishing households (in isolated areas especially affected by the lack of transport facilities) and about 7 000 smallholder families of former plantation workers.

Loan amount: SDR 8.0 million (approximately USD 10.0 million) on highly concessional terms under the Flexible Lending Mechanism (FLM).

Total programme costs: Estimated at USD 13.4 million, of which about USD 1.4 million will be provided by France/French Development Agency, USD 1.2 million by the Government and USD 843 000 by the beneficiaries.

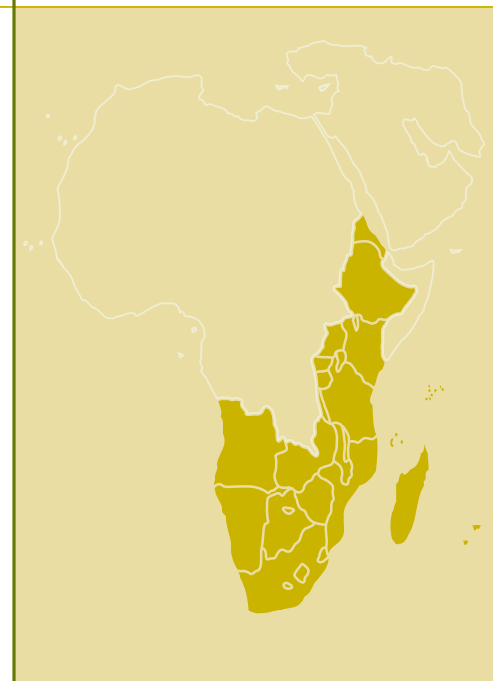
Cooperating institution: UNOPS.

> Summary of IFAD Financing in the Region

Five projects in western and central Africa were approved and three were completed in 2001. The new projects approved were for Benin, Ghana, Mauritania, Nigeria and Sao Tome and Principe for a total of USD 73.5 million. By the end of 2001, IFAD was financing an effective portfolio of 40 projects in 17 borrower countries for a total value of USD 447.6 million financed by IFAD and a total of USD 431.7 million financed by other external sources, borrower governments and beneficiaries. Principal cofinancing partners in the region include AfDF, France, BOAD, the OPEC Fund and the World Bank/IDA. Cooperating Institutions (CIs) in the region are AfDB, AFESD, BOAD, UNOPS and the World Bank.

> Eastern and Southern Africa

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



ETHIOPIA

Rural Financial Intermediation Programme

This seven-year, IFAD-initiated programme aims to reduce rural poverty through a sustained increase in agricultural production, productivity and family incomes. Its primary objectives are to: (i) enhance the outreach and scope of microfinance institutions (MFIs) through institutional development and the provision of equity and credit funds; (ii) develop a community banking framework by promoting the establishment of grass-roots, people-owned and -managed rural financial cooperatives; (iii) promote linkages between the rural financial network and the Ethiopian banking system; and (iv) improve the regulation and supervision of MFIs, rural savings and credit cooperative societies (RUSACCOs) and unions, including their self-regulatory processes. The target group comprises rural households with a yearly per capita income of less than USD 110.

Loan amount: SDR 20.2 million (approximately USD 25.7 million) on highly concessional terms.

Total programme costs: Estimated at USD 88.7 million, of which USD 37.5 million will be provided by AfDB, USD 4.5 million by the Government and USD 21.1 million by domestic financial institutions.

Cooperating institution: World Bank/IDA.

MALAWI

Rural Livelihoods Support Programme

The goal of this nine-year, IFAD-initiated programme is to improve rural poor communities' access to and efficient use of agricultural, educational and infrastructural resources. Conceived within the framework of the ongoing decentralization process, it will help these communities: (i) explore and agree upon their priorities in an inclusive manner; (ii) identify appropriate activities; and (iii) stimulate a response from public and private service providers. The programme is initially being implemented in three districts in the southern region, among the 60% of rural households that are food insecure and with incomes below the poverty line. Of these, woman-headed households have the fewest resources.

Loan amount: SDR 10.7 million (approximately USD 13.5 million) on highly concessional terms under the FLM.

Total programme costs: Estimated at USD 19.6 million, of which USD 3.5 million will be provided by financiers to be determined, USD 1.7 million by the Government and USD 950 000 by the beneficiaries.

Cooperating institution: UNOPS.

MOZAMBIQUE

Sofala Bank Artisanal Fisheries Project

The primary goal of this five-year, IFAD-initiated project is to improve the social and economic conditions of artisanal fishing communities in the area of the Sofala Bank, which covers the three provinces of Nampula, Sofala and Zambezia. Specific objectives are to: (i) empower fishing communities and create their capacity to assume increased responsibility for local development initiatives, including implementation of social infrastructure and service activities and the sustainable management of marine resources; (ii) improve access and promote the commercially viable and sustainable use of Sofala Bank fish resources; (iii) build economic and physical linkages of artisanal fishing communities to input and output markets; (iv) increase commercial and economic activity in the artisanal fisheries sector; and (v) strengthen the enabling environment for promoting and supporting artisanal fisheries development. The primary target group includes artisanal fishermen and their families (about 130 000 people), but women also represent a specific beneficiary group.

Loan amount: SDR 14.0 million (approximately USD 18.0 million) on highly concessional terms.

Total project costs: Estimated at USD 30.6 million, of which USD 3.4 million will be provided by the Belgian Survival Fund, USD 5.8 million by NORAD, USD 3.0 million by the Government and USD 384 000 by the beneficiaries.

Cooperating institution: UNOPS.

RWANDA

Umutara Community Resource and Infrastructure Development Twin Project

The objectives of this five-year, IFAD-initiated twin project are: (i) adequate water supply for people and animals; (ii) improved transport infrastructure; (iii) practical technological advice; (iv) credit to purchase inputs, improve marketing and start agroprocessing and other income-generating activities for women; (v) better animal health services; (vi) inputs to bring the productive base up to the minimum necessary for survival; and (vii) access to forest resources to increase availability of fuel wood and construction timber. Project implementation is flexible and will respond to effective demand from the communities and fulfilment of conditions that trigger project intervention, including payment by beneficiaries of their share of project costs. The target group consists of 35 000 very poor households.

Loan amount: SDR 9.4 million (approximately USD 12.0 million) on highly concessional terms.

Total project costs: Estimated at USD 24.2 million, of which USD 8.0 million will be provided by the OPEC Fund, USD 535 000 by international NGOs, USD 2.5 million by the Government and USD 1.2 million by the beneficiaries.

Cooperating institution: UNOPS.

SWAZILAND

Lower Usuthu Smallholder Irrigation Project – Phase I

The overall aim of this eight-year, multi-donor-supported, IFAD-initiated project is to sustain improvement in the standard of living in the Lower Usuthu River Basin – one of the poorest regions – through the commercialization and intensification of agriculture. Specific objectives are to: (i) integrate the smallholder sector into the commercial economy through irrigation for agricultural intensification and diversification; and (ii) arrest environmental degradation by promoting the sustained rational use of natural resources. Project beneficiaries, among the poorest in the country, are mostly men and women smallholders working in groups/associations of 20 members. About 2 600 households (or 15 300 people) are expected to benefit directly, and a large secondary group will benefit indirectly from the resulting expansion of labour and small-enterprise opportunities.

Loan amount: SDR 11.9 million (approximately USD 15.0 million) on intermediate terms.

Total project costs: Estimated at USD 116.5 million, of which USD 35.2 million will be provided by AfDB, USD 8.3 million by the Arab Bank for the Economic Development of Africa, USD 7.2 million by the Development Bank of Southern Africa, USD 11.0 million by the European Union, USD 19.6 million by financiers to be determined, USD 15.4 million by the Government and USD 4.9 million by the beneficiaries.

Cooperating institution: UNOPS.

UNITED REPUBLIC OF TANZANIA

Agricultural Marketing Systems Development Programme

The overall goal of this seven-year, IFAD-initiated programme is to increase the income and food-security situation of the rural poor in the northern and southern marketing zones of the United Republic of Tanzania. Specific objectives include: (i) improvement of relevant marketing policies; (ii) empowerment of target groups by strengthening them financially and organizationally; and (iii) the enabling of target groups to own and operate the system and become active partners in all decision-making processes. The target groups are drawn from the poorer segment of the rural population, mainly smallholder producers.

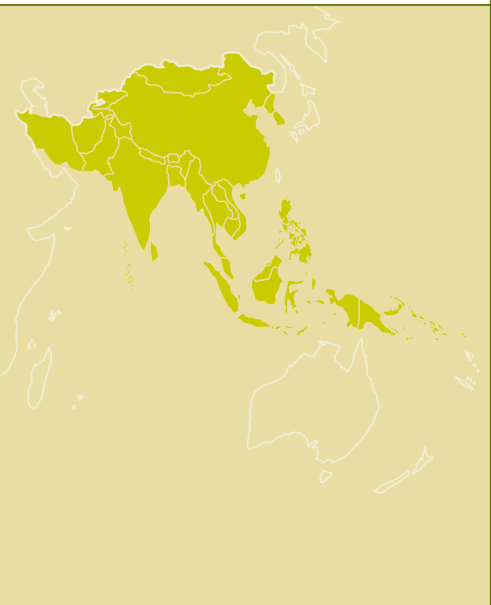
Loan amount: SDR 13.0 million (approximately USD 16.3 million) on highly concessional terms.

Total programme costs: Estimated at USD 42.3 million, of which USD 14.5 million will be provided by AfDF, USD 1.1 million by Ireland, USD 4.5 million by financiers to be determined, USD 4.2 million by the national Government, USD 1.2 million by local governments and USD 514 000 by the beneficiaries.

Cooperating institution: UNOPS.

> Summary of IFAD Financing in the Region

Six projects in eastern and southern Africa were approved and six were completed in 2001. The new projects approved were for Ethiopia, Malawi, Mozambique, Rwanda, Swaziland and the United Republic of Tanzania for a total of USD 100.5 million. By the end of 2001, IFAD was financing an effective portfolio of 41 projects in 18 borrower countries for a total value of USD 504.9 million financed by IFAD and a total of USD 585.2 million financed by other external sources, borrower governments and beneficiaries. Principal cofinancing partners in the region include AfDF, Belgium/BSF, the OPEC Fund, the United States/USAID and the World Bank/IDA. CIs in the region are AfDB, UNOPS and the World Bank.



> Asia and the Pacific

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 Viet Nam

BANGLADESH

Sunamganj Community-Based Resource Management Project

The principal aim of this 11-year, IFAD-initiated project is to increase the income of poor households whose livelihood insecurity remains particularly high. To this end, the project: (i) provides credit for on and off-farm income-generating activities; (ii) facilitates access to natural resources and supports the conservation of the resource base; and (iii) generates employment through labour-intensive infrastructure development. It also promotes development of a sustainable institutional framework, both through the creation of grass-roots institutions and a national institution to replicate the project approach. The target group consists of landless, marginal and small-farmer households and women, representing approximately 246 000 rural households (or 86% of all project-area households). Approximately 135 000 man- and woman-headed households are expected to benefit directly from the project.

Loan amount: SDR 17.6 million (approximately USD 22.0 million) on highly concessional terms under the FLM.

Total project costs: Estimated at USD 34.3 million, of which USD 7.5 million will be provided by financiers to be determined, USD 4.5 million by the Government and USD 303 000 by the beneficiaries.

Cooperating institution: UNOPS.

INDIA

Livelihood Security Project for Earthquake-Affected Rural Households in Gujarat

In response to the Government of India's request to develop disaster-mitigation for the areas affected by the Gujarat earthquake in January 2001, the goals of this seven-year, IFAD-initiated project are to provide greater livelihood security to economically vulnerable households – living in a harsh, disaster-prone and increasingly fragile natural environment – and to enhance their capacity to cope with future crises. The project has the following objectives: (i) building the capacity of communities by promoting and strengthening membership-based community institutions; (ii) protecting and diversifying livelihood opportunities; and (iii) developing mechanisms that enable households to cope with future crises. Precedence is being given to socially disadvantaged groups such as scheduled castes and tribes, religious minorities and other disadvantaged castes. Within these groups, priority is given to *de jure* and *de facto* woman-headed households, landless workers and other vulnerable segments of the population.

Loan amount: SDR 11.7 million (approximately USD 15.0 million) on highly concessional terms.

Total project costs: Estimated at USD 24.0 million, of which USD 4.9 million will be provided by WFP, USD 1.7 million by local NGOs, USD 1.7 million by the Government and USD 701 000 by the beneficiaries.

Cooperating institution: UNOPS.

NEPAL

Western Uplands Poverty-Reduction Project

The overall goal of this 11-year, IFAD-initiated project, implemented under the FLM, is to ensure more resilient livelihoods and defend the basic human dignity of poor and socially disadvantaged people in the uplands of the far- and mid-western regions of Nepal. The primary objective is to strengthen the capacity of poor and socially disadvantaged groups to mobilize their own resources (human, natural, physical and financial); gain access to external resources; and ensure social justice. A secondary, supporting objective is to create grass-roots institutions that would ultimately be federated at village development committee and district development committee levels. The priority target groups consist of women, *dalits* (disadvantaged castes), landless or semi-landless households and other minority groups.

Loan amount: SDR 15.6 million (approximately USD 19.9 million) on highly concessional terms.

Total project costs: Estimated at USD 32.6 million, of which USD 4.0 million will be provided by WFP, USD 360 000 by an IFAD grant, USD 36 000 by the local private sector, USD 5.9 million by the national Government, USD 2.2 million by local governments and USD 78 000 by the beneficiaries.

Cooperating institution: UNOPS.

PAKISTAN

North-West Frontier Province Barani Area Development Project

The overall goals of this seven-year, AsDB-initiated project are to reduce poverty in remote areas, particularly among smallholders and the landless and improve the status of rural women. In these traditionally conservative areas, women bear a disproportionate burden of poverty because of their low social status, limited access to economic opportunities and social services, and limited ownership of productive assets such as land and capital. Their level of education and health is among the lowest in the province. Specific objectives include: (i) improved agricultural and natural-resource management practices; (ii) enhanced community infrastructure in order to increase the value and/or reduce the costs of village activities; and (iii) improved rural livelihood opportunities and alternatives, including specific measures to increase women's access to social and economic resources. The project covers 832 villages located in nine districts and one federal agency, directly reaching approximately 83 000 households and benefiting small farmers, landless farm labourers, tenant farmers, sharecroppers and those engaged in rural off-farm occupations.

Loan amount: SDR 11.2 million (approximately USD 14.5 million) on highly concessional terms.

Total project costs: Estimated at USD 98.7 million, of which USD 52.0 million will be provided by AsDB and USD 1.2 million by domestic financial institutions, USD 20.1 million by the Government and USD 10.9 million by the beneficiaries.

Cooperating institution: AsDB.

THE PHILIPPINES

Northern Mindanao Community Initiatives and Resource Management Project

The overall goal of this six-year, IFAD-initiated project will be to reduce the vulnerability and enhance the food security of about 58 500 low-income households (310 000 people), including indigenous peoples, marginal fishing families, agrarian reform beneficiaries, landless workers, upland dwellers and women. This will be achieved by: (i) strengthening and promoting community institutions, making them self-reliant and capable of undertaking their own development activities; (ii) promoting the conservation and improvement of the natural resource base; (iii) improving village infrastructure; (iv) facilitating the representation of indigenous peoples in local councils and the issuance of certificates of ancestral land titles/domain titles; and (v) enhancing the responsiveness of local government units and other service providers to the diverse needs of community institutions.

Loan amount: SDR 11.6 million (approximately USD 14.8 million) on highly concessional terms.

Total project costs: Estimated at USD 21.6 million, of which USD 3.0 million will be provided by the national Government, USD 2.2 million by local governments and USD 1.5 million by the beneficiaries.

Cooperating institution: UNOPS.

VIET NAM

Rural Income Diversification Project in Tuyen Quang Province

The overall aims of this six-year, IFAD-initiated project are to: (i) improve the socio-economic status of poor households living in upland areas, especially ethnic minorities and women, by increasing their capacity for and role in the decision-making process; (ii) enhancing food security; (iii) promoting the diversification of rural income opportunities; and (iv) encouraging the sustainable use of natural resources. The project targets the 66 poorest communes in the province, including 936 villages and 49 000 households.

Loan amount: SDR 16.4 million (approximately USD 20.9 million) on highly concessional terms.

Total project costs: Estimated at USD 30.4 million, of which USD 5.0 million will be provided by the Swedish International Development Cooperation Agency, USD 2.7 million by the Government and USD 1.8 million by the beneficiaries.

Cooperating institution: UNOPS.

> Summary of IFAD Financing in the Region

Six new projects in Asia and the Pacific were approved and five were completed in 2001. The new projects approved were for Bangladesh, India, Nepal, Pakistan, The Philippines and Viet Nam for a total of USD 107.1 million. By the end of 2001, IFAD was financing an effective portfolio of 49 projects in 17 borrower countries for a total value of USD 778.8 million financed by IFAD and a total of USD 1 036.4 million financed by other external sources, borrower governments and beneficiaries. Principal cofinancing partners in the region include AsDB, Japan, the United Nations Development Programme, WFP and the World Bank/IDA. CIs in the region are AsDB, UNOPS and the World Bank.



> Latin America and the Caribbean

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 Venezuela

EL SALVADOR

Reconstruction and Rural Modernization Programme

The overall goal of this six-year, IFAD-initiated programme is to improve the economic and social conditions of rural families in the western and central departments of El Salvador. Specific objectives include: (i) strengthening market linkages and income opportunities of the target population by improving on-farm and microenterprise productivity; (ii) improving young rural inhabitants' skills for rural/urban labour markets; (iii) strengthening human and social capital, and consolidating farmer and microentrepreneurial organizations; (iv) promoting a gender-balanced approach; and (v) strengthening the Government's institutional framework for poverty reduction and agricultural and rural development. Direct programme beneficiaries number about 40 000 persons (25 000 adults and 15 000 young men and women of 14-21 years of age). They will benefit from access to reconstruction and rural modernization funds in support of small crop/livestock production, small businesses, microenterprises and skills training. A further 50 000 will benefit indirectly from access to better rural roads, bridges, schools and health posts.

Loan amount: SDR 15.7 million
 (approximately USD 20.0 million)
 on highly concessional terms.

Total programme costs: Estimated
 at USD 30.5 million, of which
 USD 4.5 million will be provided
 by the Government, USD 5.4 million
 by the local private sector and
 USD 612 000 by the beneficiaries.

Cooperating institution: UNOPS.

GRENADA

Rural Enterprise Project

The aim of this six-year, IFAD-initiated project in support of the Government's long-term goal to eradicate poverty is to reduce rural poverty in a sustainable and gender-equitable manner, offering rural households a chance to enhance their income by helping them recognize and realize economic opportunities. The project objectives are to: (i) diversify, improve and sustain beneficiary income-earning activities; (ii) strengthen capacities and build confidence within rural communities; (iii) strengthen rural service providers in meeting community needs; (iv) promote efficient and environmentally sustainable production and processing activities; and (v) foster sector and market linkages. The project directly benefits 12 000 people living below the poverty line. A further 6 000 rural poor people are expected to benefit indirectly from project activities.

Loan amount: SDR 3.3 million (approximately USD 4.2 million) on intermediate terms.

Total project costs: Estimated at USD 7.7 million, of which USD 2.2 million will be provided by CDB, USD 1.0 million by the Government and USD 243 000 by the beneficiaries.

Cooperating institution: CDB.

HONDURAS

National Programme for Local Development (PRONADEL)

This six-year, IFAD-initiated programme is being implemented in the context of the National Programme for Sustainable Rural Development (PRONADERS). The overall goal is equitable access of rural poor communities to rural investments, productive activities and technical services. This, in turn, will improve food security, increase income and employment levels and enhance the sustainable management of natural resources. Specific objectives include: (i) strengthening the capacity of local organizations and institutions to address development needs and undertake self-managed development initiatives; (ii) enhancing the quality of local, private rural development services while expanding their geographical coverage; (iii) financially supporting the execution of local initiatives that will lead to long-term development while contributing to the country's ongoing reconstruction efforts; (iv) strengthening credit- and savings-based financial services in rural areas; and (v) establishing an efficient project management unit. The programme directly benefits some 15 000 rural households and 1 000 microenterprises, for a total of approximately 96 000 people, consisting of smallholders, landless farmers and indigenous populations of four distinct ethnic groups; and at least 30% of rural women.

Loan amount: SDR 15.5 million (approximately USD 20.0 million) on highly concessional terms.

Total programme costs: Estimated at USD 31.3 million, of which USD 5.0 million will be provided by BCIE, USD 2.0 million by GEF, USD 1.3 million by the Government and USD 3.0 million by the beneficiaries.

Cooperating institution: BCIE.

PANAMA

Sustainable Rural Development Project for the Ngöbe-Buglé Territory and Adjoining Districts

The overall goal of this eight-year, IFAD-initiated project is sustainable improvement of the economic and social conditions of Ngöbe-Buglé communities and poor small farmers in the western provinces of Panama. Specific objectives are to: (i) develop human resources through education and training; (ii) strengthen productive, market and labour links for indigenous communities and poor small farmers; (iii) promote the rational use and conservation of local natural resources; (iv) promote a gender-balanced approach to project activities; and (v) improve the Government's institutional framework in the *comarcas* (indigenous territories) and enhance its capacity for poverty reduction and rural development in indigenous areas. Direct beneficiaries have been estimated at 30 000 (including 21 800 Ngöbe-Buglé and 8 200 non-indigenous rural poor). Indirect beneficiaries (36 000) include those residing in areas in which rural roads, small bridges and environmental conservation works will be implemented.

Loan amount: SDR 19.4 million (approximately USD 25.0 million) on ordinary terms.

Total project costs: Estimated at USD 33.0 million, of which USD 6.0 million will be provided by the Government and USD 2.0 million by the beneficiaries.

Cooperating institution: CAF.

> Summary of IFAD Financing in the Region

Four projects in Latin America and the Caribbean were approved and four were completed in 2001. The new projects approved were for El Salvador, Grenada, Honduras and Panama for a total of USD 69.2 million. By the end of 2001, IFAD was financing an effective portfolio of 40 projects in 23 borrower countries for a total value of USD 524.4 million financed by IFAD and a total of USD 468.1 million financed by other external sources, borrower governments and beneficiaries. Principal cofinancing partners in the region include the European Union, IDB, the OPEC Fund, the World Bank group and BCIE. CIs in the region are BCIE, CAF, CDB, UNOPS and the World Bank.

> Near East and North Africa

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 Yemen



ALGERIA

Pilot Project for the Development of Mountain Agriculture in the Watershed Basin of Oued Saf Saf

The overall aim of this seven-year, IFAD-initiated project is to contribute to the sustainable socio-economic development of the disadvantaged rural populations in the mountain zones of Skikda and Constantine *wilayas* (provinces). Specific development objectives include: (i) strengthening the involvement of grass-roots organizations in project implementation; (ii) improving the value and facilitating marketing of agricultural and livestock products; (iii) rehabilitating, protecting and rationally managing natural resources; (iv) improving farmers' access to ongoing national support programmes and rural financial systems by supporting the creation of local financial services linked to the mutualist credit system promoted in the new government strategy; (v) increasing and diversifying income through the development of activities that particularly benefit women and the young; and (vi) facilitating access of the poorest rural communities to domestic water supply and rural roads. The project target group comprises about 3 600 of the most vulnerable and marginalized households of the 23 600 inhabitants of the area.

Loan amount: SDR 9.7 million
 (approximately USD 12.5 million)
 on intermediate terms.

Total project costs: Estimated
 at USD 24.1 million, of which
 USD 10.4 million will be provided
 by the national Government and
 USD 1.2 million by the beneficiaries.

Cooperating institution: UNOPS.

Loan amount: SDR 12.4 million (approximately USD 15.5 million) on highly concessional terms.

Total project costs: are estimated at USD 20.4 million, of which USD 2.4 million will be provided by the national Government, USD 612 000 by local NGOs, USD 1.0 million by other domestic financiers and USD 793 000 by the beneficiaries.

Cooperating institutions: UNOPS.

ARMENIA

Agricultural Services Project

This four-year, IFAD-initiated project provides resources for rural and agricultural development to accelerate improvements in the well-being and income of target-group households. This is being achieved by: (i) intensifying crop production; (ii) promoting irrigation development (including support to and creation of water users' associations [WUAs]); and (iii) providing rural finance. The project is located in eight of the more disadvantaged provinces in the country, and the target group consists of small farm households (with farm sizes of about 1.3 ha). Measures for participatory irrigation management and seed multiplication have national coverage. Women benefit through participation in WUAs and easier access to borrowing, and through a small microfinance sub-component.

BOSNIA AND HERZEGOVINA

Livestock and Rural Finance Development Project

The overall aim of this six-year, IFAD-initiated project is to develop a replicable model of sustainable, small-scale commercial livestock production. The project seeks to: (i) support the development of livestock production through provision of credit to smallholder farm households and others willing to increase or start livestock production; (ii) provide farmers with access to appropriate support services; (iii) develop and improve linkages with the market, with special reference to dairy marketing; (iv) develop supplementary/alternative income-earning opportunities and provide backward/forward linkages for livestock producers; and (v) reconstruct and/or rehabilitate essential rural infrastructure to provide a supportive environment in which people can return to and pursue economic activities. Project activities focus initially on traditional livestock-production areas in both national subentities – the Federation of Bosnia and Herzegovina and the Republika Srpska (the Serbian Republic). The target group comprises small farmers among the resident and returnee populations, including previous IFAD borrowers within the project area. Special efforts are being made to ensure the extensive inclusion of women, and particularly households that are headed by women as a result of the war. The project is expected to have a positive impact on the income and quality of life of about 21 000 households (approximately 84 000 people).

Loan amount: SDR 9.6 million (approximately USD 12.0 million) on highly concessional terms.

Total project costs: Estimated at USD 25.5 million, of which USD 5.0 million will be provided by the OPEC Fund, USD 5.6 million by the Government and USD 2.9 million by the beneficiaries.

Cooperating institution: UNOPS.

LEBANON

Cooperative Rural Finance Programme

The overall goal of this ten-year, IFAD-initiated programme is to reduce rural poverty by increasing household incomes. To this end, the programme supports the development of rural financial services through: (i) an appropriate policy environment, including legal and regulatory frameworks for growth and expansion of rural financial institutions; and (ii) support for the establishment and development of a dynamic, sustainable cooperative framework to provide low-income rural households with access to financial and support services. The target group comprises some 250 000 people in about 50 000 households, including agricultural smallholders, the landless, rural women and fishermen, who are or will be members of rural producers' cooperatives or rural savings and credit cooperatives.

Loan amount: SDR 10.3 million (approximately USD 12.8 million) on ordinary terms under the FLM.

Total programme costs: Estimated at USD 37.3 million, of which USD 2.6 million will be provided by the national Government, USD 16.5 million by domestic financial institutions, USD 1.1 million by other domestic financiers and USD 4.3 million to be determined.

Cooperating institution: to be determined.

> Summary of IFAD Financing in the Region

Four projects in the Near East and north Africa and in central and eastern Europe and the newly independent states of the former Soviet Union were approved and seven were completed in 2001. The new projects approved were for Algeria, Armenia, Bosnia and Herzegovina and Lebanon for a total of USD 52.8 million. By the end of 2001, IFAD was financing an effective portfolio of 36 projects in 16 borrower countries and in Gaza and the West Bank for a total value of USD 480.8 million financed by IFAD and a total of USD 828.1 million financed by other external sources, borrower governments and beneficiaries. Principal cofinancing partners in the region include AFESD, France, the Islamic Development Bank and the World Bank group. CIs in the region are AFESD, UNOPS and the World Bank.

Summary of 2001 Grants

In recent years, IFAD research grants have emphasized the improving of partnerships in adaptive research programmes to enhance their developmental impact.

In order to maximize the poverty-reducing impact of grants, criteria for their allocation include a clear rural poverty focus, links with IFAD-financed rural poverty-reduction initiatives, technological and institutional capacity-building relevant to the needs of the rural poor, partnership, and complementarity with the Fund's loan portfolio. All grants approved in 2001 were selected within a competitive grants process complying with these criteria.

IFAD grants have been awarded to support four agricultural research programmes implemented through CGIAR centres:

- > a grant of USD 1.4 million through the International Plant Genetic Resources Institute (IPGRI), to support a Programme for Enhancing the Contribution of Neglected and Underutilized Crops to Food Security and to the Incomes of the Rural Poor;
- > a grant of USD 650 000 through the International Center for Living Aquatic Resources Management (ICLARM), to support a Community-Based Fisheries Management Programme in South and Southeast Asia;
- > a grant of USD 1.4 million through the International Centre for Research in Agroforestry (ICRAF), to support a Programme for Developing Mechanisms to Reward the Upland Poor of Asia for the Environment Services They Provide; and
- > a grant of USD 1.3 million through the International Crops Research Institute for the Semi-Arid Tropics (ICRISAT), to support the Programme for Farmer-Participatory Improvement of Grain Legumes in Rainfed Asia, an integrated-crop-management (ICM) programme involving farmers and participatory research on pest, soil and nutrient-management practices in rainfed legume farming systems in Asia.

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

- > a grant of USD 1.6 million through the International Centre for Advanced Mediterranean Agronomic Studies (CIHEAM), to support the Action-Research Programme on the Identification and Testing of Methodologies and Approaches for Effective Introduction of Participatory Irrigation Management (PIM). The programme will address needs identified in ongoing IFAD-supported irrigation projects. Building on proven lessons emanating from international experience, it will develop actions, in four countries in the Near East and north Africa, to motivate water users to organize into effective WUAs, in partnership with public-sector agencies; and
- > a grant of USD 1.4 million through the International Fertilizer Development Centre (IFDC), to support the Development of Sustainable Integrated Soil Fertility Management Strategies for Smallholder Farms in Sub-Saharan Africa.

IFAD has awarded four grants during the year for training and capacity-building:

- > a grant of USD 1.2 million has been awarded to UNOPS for the Western and Central African Hub for Rural Development and Food Security – A Tool for

Rural Poverty Alleviation. The long-term objective is to establish a strategic instrument in the region to deal with poverty reduction, food security and rural development;

- > a grant of USD 753 000 for the benefit of a Caribbean Regional Unit for Technical Assistance (CARUTA) in order to consolidate actions in rural development and poverty reduction in the eastern Caribbean subregion. CARUTA is designed to provide technical assistance services to Dominica, Grenada, Guyana, Jamaica, Saint Christopher and Nevis, Saint Lucia, Saint Vincent and the Grenadines, and Trinidad and Tobago, and will share lessons learned with other regional programmes;
- > a grant of USD 750 000 to the Regional Unit for Technical Assistance (RUTA) for the Rural Financial Services Support Programme (SERFIRURAL) to Belize, Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua and Panama in order to improve the performance of regional financial service providers; and
- > a grant of USD 500 000 to the Popular Coalition to Eradicate Hunger and Poverty for Strengthening the Capacity of the Rural Poor to Gain and Sustain Access to Productive Assets. The grant is being used to cofinance innovative country-level activities of the Community Empowerment Facility in order to strengthen the capacity of rural poor communities to gain and maintain their access to land, water and other natural resources and associated support services.

as well as two grants for other research and training by CGIAR-supported international centres:

- > a grant of USD 1.1 million, through the International Centre for Agricultural Research in the Dry Areas (ICARDA), to finance a Programme to Foster Wider Adoption of Low-Cost Durum Technologies. This will be achieved by improving and stabilizing durum productivity and increasing economic returns to smallholders, especially women, in rainfed production systems in the Near East and north Africa; and
- > a grant of USD 1.2 million, through the International Livestock Research Institute (ILRI) and the International Centre of Insect Physiology and Ecology (ICIPE), to support a Programme for Enhancing the Diffusion of New Tsetse Control Technologies for Improved Livestock Health and Productivity in Smallholder Indigenous Communities of Sub-Saharan Africa.

and two by non-CGIAR centres:

- > a grant of USD 1.0 million has been awarded to the Southern Alliance for Indigenous Resources (SAFIRE) for the Programme to Promote the Sustainable Use of and Trade in Natural Products through the Southern African Natural Products Trade Association (SANProTA). The overall objective of SANProTA will be to assist rural poor communities in generating supplementary incomes through the sustainable exploitation of natural products; and
- > a grant of USD 1.2 million to the African Network for the Development of Horticulture (RADHORT) for the Programme for Sustainable Vegetable Production and Marketing in West Africa.