

## POLICY DEVELOPMENT, DIALOGUE AND PARTNERSHIP





A supportive policy environment is needed to foster sustainable rural development and poverty reduction

IFAD and its governing bodies have identified policy development and dialogue, both nationally and internationally as important in enhancing the catalytic impact of IFAD's work beyond its field operations. A supportive policy environment is needed to enable rural poverty reduction and to foster sustainable rural development. IFAD is enhancing its influence on the international policy debate by participating more effectively in intergovernmental processes and other venues for debate and decision-making.

### **Policy development**

IFAD's approach is to base policy development on its own operational experience and lessons learned about the concrete realities of poor rural people and their livelihoods. Principle guidance comes from the strategic framework, focusing on IFAD's catalytic role in extending the impact on rural poverty beyond its country operations, and in maximizing its contribution to achieving the Millennium Development Goals.

IFAD created a new Policy Division in 2003 as part of the External Affairs Department, to coordinate policy work at the corporate level. The Policy Division is the focal point for coordinating policy-related activities and facilitating policy processes.

The first major initiative of the new Policy Division is the Policy Forum, an important new instrument for policy development that will be launched early in 2004. Comprised of senior management and staff from across the organization, it will function as a central body to discuss, guide and agree upon the development of IFAD's policies on rural poverty.

Work on the development and approval of new policies to guide IFAD's work continued in 2003.

### **RURAL FINANCE POLICY**

In 2003, IFAD finished implementing the recommendations of the June 2002 Donor Peer Review of internal processes and systems for microfinance. It developed a vision statement and the strategy for a new approach to rural finance and microfinance, and prepared a draft paper on assessing the impact of rural finance initiatives. It also established methods for reporting on performance indicators through the web-based microfinance information exchange, strengthened monitoring capacity in the field, and strengthened the technical capacity in the field of microfinance in IFAD and among its partners.

### **RURAL ENTERPRISE POLICY**

The IFAD Rural Enterprise Policy Document, approved by the Executive Board in April 2003, provides guidance on the implementation of rural enterprise programmes and related activities. The document focuses on small-scale and microenterprises as means for diversifying incomes, creating jobs and improving livelihoods in rural areas, with emphasis on rural women, youth and landless people. It describes the potential of small-scale and microenterprises for reducing poverty, summarizes IFAD's achievements in this field, and analyses core issues, including access to financial and non-financial services and skills development, market linkages, and supporting institutional environments.

## GENDER PLAN OF ACTION 2003-2006

IFAD's Executive Board in April approved a plan of action for mainstreaming a gender perspective in IFAD operations. Based on best practices, the plan details 25 actions with time-bound and verifiable indicators to monitor progress that can be achieved with existing resources.

### Policy dialogue

The *Strategic Framework for IFAD 2002-2006*, identifies policy dialogue as an important part of the Organization's work. Country programme managers have long been involved in policy dialogue, seeking to influence policies to create an environment in which projects can function better. However, IFAD now believes it can and should work towards policy change needed to enable rural poor people in general to overcome poverty, outside the project context. The focus would be on key areas of their livelihoods.

This requires that IFAD devote more effort to policy development. As well, it requires changes in programme development and implementation, partly as a result of IFAD's greater engagement in sector-wide programmes that have major policy and institutional development objectives.

Often, the most critical policies for rural poor people are those of their own governments, and the most critical policy dialogue is at the local level. IFAD's own staff, particularly those involved in the field presence programme, will participate in policy dialogue regularly. However, the Organization's strategic emphasis is on providing support at the local level, in particular to rural poor people's organizations, so they can more consistently and effectively represent the interests of rural poor people.

IFAD is increasingly involved in policy dialogue about critical issues affecting the ability of poor people to improve their livelihoods, including access to and management of natural resources, and access to technologies, markets and financial services. It is part of the evolving role of IFAD's country programme managers to identify and contribute to relevant forums. This is part of an approach that focuses on the success of individual projects within the broader context.

A strategic review now underway of IFAD's approach to poverty reduction strategy papers will help IFAD progressively align its country programmes to national PRSPs. It will also enhance IFAD's influence on national, regional and international policy processes and debates.

In recent years, PRSPs have come to constitute the primary strategic and implementation vehicle for national policy dialogue and international partnership to reach the Millennium Development Goals. In fact, they are becoming the standard basis on which development assistance is provided to the poorest countries and, more recently, to the larger spectrum of developing countries.

Countries developing PRSPs set their own targets, linked to achieving the Millennium Development Goals, and then articulate the policies and programmes that need to be in place to reach those targets. Most of the countries now developing PRSPs are current recipients of IFAD loans. The poverty reduction strategy framework envisages an increasing reliance on programmes and budget support (loans and grants), and radical changes in the way projects are identified, appraised, financed, implemented, monitored and evaluated.

IFAD has completed a review of its involvement in development of PRSPs in Eastern and Southern Africa. Similar reviews will be conducted in the other four regions during 2004. IFAD is analysing different strategy, policy, programme and project options to better meet the new demands for support in designing and implementing the PRSPs. It is also looking at ways to strengthen cooperation and harmonization with other international financial institutions, UN and bilateral agencies that are providing coordinated support to the poverty reduction strategy process.

## **Partnerships**

### **GLOBAL FORUM ON AGRICULTURAL RESEARCH**

In 1996, IFAD, as the lead agency with FAO, the World Bank and other partner agencies, launched the Global Forum on Agricultural Research (GFAR) to build cost-effective partnerships and strategic alliances for reducing poverty, achieving food security and conserving and managing biodiversity and natural resources. GFAR brings together stakeholders in global agricultural research from seven key constituencies:

- national agricultural research systems in developing countries
- advanced research institutions and universities
- non-governmental organizations
- farmers' organizations
- private-sector organizations
- international agricultural research centres
- donors

As chair of the GFAR Support Group, in 2003 IFAD mobilized support from the international donor community for the forum's work as a global facilitator of partnerships for innovative research. Moreover, it continued to foster a shift in agricultural research towards a more holistic, knowledge-intensive agriculture that builds on local knowledge systems and is accessible to small and poor farmers. The research grants programme continues to build on opportunities generated by scientific progress and to take advantage of the changing institutional arrangements for agricultural research.

### **CONSULTATIVE GROUP ON INTERNATIONAL AGRICULTURAL RESEARCH**

IFAD also plays an important role in the Consultative Group on International Agricultural Research (CGIAR), a scientific network that promotes food security, poverty eradication, and the sound management of natural resources throughout the developing world. IFAD is a co-sponsor of CGIAR, along with FAO, the United Nations Development Programme (UNDP) and the World Bank, and vice-chair of its finance committee. IFAD is supporting innovative multi-stakeholder research through the CGIAR's challenge programmes.

These programmes aim to achieve system-wide synergies and encourage a broader range of external partnerships. They do this by facilitating exchange of information between stakeholders and regions and by encouraging new partners to join forces in addressing issues of global significance. IFAD is working with its partners to help CGIAR in its efforts to improve its relevance, efficiency and effectiveness.

## BELGIAN SURVIVAL FUND JOINT PROGRAMME

In October 1983, in response to public concern in Belgium over the magnitude of drought-inflicted deaths in Ethiopia and sub-Saharan Africa, the Belgian Government created the Belgian Survival Fund (BSF), to combat hunger and deprivation in the region.

Rural people are often too poor to benefit from development projects. The Belgian Survival Fund established the BSF Joint Programme, to improve the health of rural poor people so they are better able to take advantage of programmes to increase household food security and incomes. The BSFJP is hosted by IFAD.

The second phase of BSFJP, which extends from 2001 to 2011, complements and enhances IFAD's support for institutional, agricultural and economic development through its social investments in primary health care, nutrition, sanitation, domestic water supplies and capacity-building. To date, BSFJP has provided USD 133.5 million to 36 projects in Angola, Burkina Faso, Chad, the Democratic Republic of the Congo, Eritrea, Ethiopia, Kenya, Mali, Mozambique, Namibia, Niger, Rwanda, north-western Somalia (Somaliland), the United Republic of Tanzania and Uganda.

During 2003, the Belgian Government approved BSF cofinancing of approximately EUR 3.8 million for the Niger Project for the Promotion of Local Initiative for Development in Aguié (PPILDA), and financing of EUR equivalent of USD 1.6 million for Phase III of the Kenya Women's Finance Trust Development Programme 2003-2007.

The Niger project, which builds on local knowledge, innovation and capacity, includes BSF-financed community-based primary health care. In addition, a project development and implementation partnership among key stakeholders will enhance impact, implementation and learning. Another project, the Targeted Inter-University Project, will consolidate relationships between university research and education programmes and PPILDA project development operations, in particular by strengthening the synergy between scientific and indigenous knowledge.

The overall objective of Phase III of the Kenya Women's Finance Trust Development Programme is to improve the economic and social status of women with low incomes. The programme will help them develop viable businesses and will provide financial services and other support. Supported by BSF grants in the first and second phases, the programme is now operationally self-sufficient. However, continued expansion of its services and portfolio among poor Kenyan women requires further donor support.

### Evaluation and review

The evaluation programme for 2003 for the BSFJP included the completion evaluation of the Eastern Lowlands Wadi Development Project in Eritrea, the first IFAD/BSFJP investment in that country. The evaluation looked at project impact on smallholder production and on the well-being of poor people in Sheeb and Wadi Labka, resulting from the project's investments to improve water control, domestic water supplies, agricultural services, input supply, roads and end-users' management of the spate irrigation system which diverts water to fields from rivers in flash flood. The evaluation found that due to major shocks, as well as limited

management resources within the project, in its first years the project focused mainly on physical engineering aspects. It was only in the past two years that an irrigation management transfer strategy was developed and the agricultural and livestock component significantly strengthened. Key benefits from spate irrigation include significant time saved by farmers and a reversal of environmental degradation. The results of the evaluation should be published in March 2004.

The mid-term review of the BSF cofinanced District Development Support Programme in Uganda took place in 2003. The programme was designed to alleviate poverty. It has focused on improving food security, health and nutritional status and on increasing household and rural incomes, and also on strengthening farmers' participation in the commercialization of the rural economy. The review found that overall programme performance was generally satisfactory. Despite the limited availability of reliable monitoring data, for which appropriate remedial action has been proposed, there is evidence that investments are having a positive and growing impact on rural poverty. For example, health units provided through the programme are currently serving 80 000 rural poor people and an additional 57 000 poor people will be reached when planned new units are working.

#### Programme design – Democratic Republic of the Congo

In 2003, IFAD and BSF began designing the Agricultural Revival Programme in Equateur Province to enhance food security and reduce extreme poverty in the Bumba territory and the hinterland of Mbandaka in the Democratic Republic of the Congo. There will be a focus on the immediate as well as long-term needs of people in areas recently affected by conflict. The programme, which will focus on primary health care services and restoring the production capacity of agricultural households, is based on a new COSOP for the country. Programme design was initiated following the settlement of arrears. The programme will be submitted for the consideration of the IFAD Executive Board in April 2004.

#### BSF interventions in post-conflict areas

Over the past decade, the BSFJP has successfully intervened in crisis and post-crisis situations. BSF shared this experience with IFAD and other participants at the Consultation on Conflict Prevention and Post-Conflict Reconstruction held from 6 to 8 April 2003 in Rome, Italy. The paper prepared for the consultation, IFAD/BSFJP contribution to conflict recovery, is scheduled for publication in early 2004. It reviews projects in six countries plagued by extreme levels of conflict-caused stress, particularly in the Great Lakes Region of Central Africa. Lessons from this review will shape future projects and programmes and IFAD's forthcoming post-conflict strategy paper.

## PARTNERSHIP WITH INTERGOVERNMENTAL AGENCIES

### New Partnership for Africa's Development

NEPAD is a pledge by African leaders, based on a common vision and firm conviction that they have a pressing duty to eradicate poverty, to place their countries, both individually and collectively, on a path of sustainable growth and development and, at the same time, to participate actively in the world economy and global forums.

Since agricultural development is among NEPAD's key priorities, and most of its guiding principles are in line with IFAD's mandate, IFAD has been designated one of the key players within the NEPAD agenda. In April 2003, the NEPAD Secretariat in Johannesburg, South Africa officially requested IFAD's technical assistance to mobilize and empower civil society within the framework of NEPAD. A technical assistance programme has been prepared and will be operational in 2004. At its Eightieth Session in December 2003, the Executive Board of IFAD authorized the President to negotiate and finalize a cooperation agreement between the Secretariat of NEPAD and IFAD.

### Following up on the International Conference on Financing for Development

At the International Conference on Financing for Development in Monterrey, Mexico in 2002, IFAD's President stressed the need to raise official development assistance by an additional USD 54 billion a year, double the current level, to achieve the Millennium Development Goals. He called for a larger proportion of these resources to be dedicated to rural poverty eradication, because three-quarters of the world's poor live in rural areas.

IFAD continued its involvement in the Monterrey process in 2003 by engaging in the high-level dialogue of the Economic and Social Council of the United Nations (ECOSOC) and the Bretton Woods institutions on 14 April and the high-level dialogue of the General Assembly on Financing for Development on 29 and 30 October – also speaking on behalf of FAO and WFP. At both events, IFAD reinforced its call for the allocation of a greater share of official development assistance to rural and agricultural development.

### Following up on the Rome High-Level Forum on Harmonization

IFAD took part in a High-Level Forum on Harmonization in Rome, Italy on 24 and 25 February 2003. Heads of multilateral and bilateral development institutions and their partner countries reaffirmed their commitment to eradicating poverty, achieving sustained economic growth and promoting sustainable development. The forum stressed the importance of action to bring about an inclusive and equitable global economic system and to harmonize operational policies, procedures and practices of development institutions and partner countries.

Harmonization is critical to efforts by international development partners to increase the efficiency and effectiveness of aid. Within countries, harmonization has the potential to increase donor collaboration and lead to more efficient procurement and financial management.



IFAD attended the follow-up harmonization round tables held by the multilateral development banks in Washington, D.C., the United States on 15 May 2003 and in Tunis, Tunisia from 26 to 29 August 2003. Harmonization was again discussed by the heads of multilateral financial institutions at a meeting held in Dubai, United Arab Emirates on 21 September 2003, in conjunction with the annual meetings of the World Bank and International Monetary Fund.

Since the Rome forum, many partner countries have initiated harmonization programmes with the support of donors. Moreover, donors now share an agenda on follow-up and implementation that includes systematic follow-up by donors and partner countries, and new institutional arrangements for the Organisation for Economic Co-operation and Development/Development Assistance Committee (OECD/DAC), including an expanded and integrated mandate. The agenda also includes evolution of the technical work programme and working groups of the multilateral development banks, and efforts to develop qualitative and quantitative progress indicators.

#### IFAD and harmonization

IFAD has endorsed the principles of the harmonization initiative and considers it an important vehicle for sharing views and best practices, and for achieving the Millennium Development Goals. To this end, IFAD reviewed its procedures and practices in 2003, particularly in the procurement and financial management areas. IFAD's Executive Board approved new Project Audit Guidelines in April 2003. In addition, guidelines and operational procedures relating to project audits were drawn up in consultation with the World Bank in order to ensure conformity with harmonization principles. A similar exercise is being conducted for the procurement of goods, works and consultant services, while the preparation of IFAD manuals and guidelines is being done in collaboration with other multilateral development banks, including the World Bank and the IDB. IFAD has also been using standard forms for reports and opinions produced by the OECD/DAC.

#### G8 declaration on Action Against Famine

In coordination with the United Nations Secretary-General and in partnership with the Rome-based United Nations agencies, NEPAD and G8 members, IFAD was involved in the development of the 2003 G8 group of countries' declaration, *Action Against Famine, Especially in Africa – A G8 Action Plan*, which was prepared from February to March 2003. G8 members are committed to supporting integrated approaches and programmes to identify and tackle the root causes of hunger and malnutrition. This includes support for:

- developing effective national and regional agricultural policies
- strengthening farmers' organizations
- investing in agricultural infrastructure and inputs
- promoting food crops and competitiveness of export crops
- increasing resources for scientific improvements
- applying new and improved agricultural technologies, including tried and tested biotechnology

Organisation for Economic Co-operation and Development/Development

Assistance Committee Network on Poverty Reduction

IFAD has been a special observer and participant in the OECD/DAC Network on Poverty Reduction. This network:

- analyses poverty and the relationship between inequality, economic growth and poverty reduction in developing countries
- provides a forum for exchanging experiences and knowledge on best practices in involving poor people in generating, and benefiting from growth and globalization
- addresses strategies for and policies on infrastructure, agriculture, trade and investment capacity-building, information and communications technology, the role of the private sector and public/private partnerships
- promotes achievement of the Millennium Development Goals, with a central role for broad-based growth within the framework of national poverty reduction strategies

IFAD is forming working groups with bilateral and other multilateral agencies to take stock of donor practices in agriculture and rural development and to map out current strategic thinking within the donor agencies. Strategic areas being reviewed include access to assets, technology, and agriculture transformation, market competitiveness and risk. Also under review are the strategic areas of famine and gender.

Inter-American Development Bank partnership agreement

At its 2003 annual meeting, the IDB signed a memorandum of understanding with the Government of Italy and IFAD on a joint agenda for rural poverty eradication in Latin America and the Caribbean. The goal of the partnership is to foster cooperation and coordination among donors and to promote joint public and private investments for rural development, poverty reduction, innovation and adoption of new technologies. The partnership proposes the establishment of a multi-donor trust fund, which will be open to other bilateral agencies and the private sector. This approach to investment partnerships encourages interagency synergies and learning, avoids duplication and supports multi-donor initiatives.

#### **PARTNERSHIP WITH CIVIL-SOCIETY AND NON-GOVERNMENTAL ORGANIZATIONS**

IFAD exchanged knowledge and shared perspectives on key development issues with many civil-society organizations and NGOs in 2003.

In January, IFAD organized a workshop together with the Italian Ministry of Foreign Affairs and the International Land Coalition, with Italian NGOs and associations. The workshop focused on four themes:

- access to markets
- rural financial services
- access to and management of natural resources
- advocacy at international forums for rural poverty reduction and development

The workshop increased the number of Italian NGOs working with IFAD and forged new partnerships in projects in Eritrea, Ethiopia and Somalia. It paved the way for IFAD support to an international campaign for more and better aid to agriculture, which was launched by international NGOs committed to the International Alliance Against Hunger.

Another workshop with civil society and NGOs was held at IFAD headquarters in February 2003 as a side event to IFAD's Twenty-Fifth Anniversary Governing Council. The workshop, organized by IFAD and the International Land Coalition, focused on improving access to and management of natural resources by rural poor people, with a particular emphasis on access to land by women and indigenous peoples.

Civil-society organizations and NGOs were involved in the Governing Council debates as observers and participants. Their representatives took the floor during plenary discussions on the theme *Achieving the Millennium Development Goals by Enabling the Rural Poor to Overcome their Poverty*. They were also among the chairs, panellists and participants at four round-table discussions on the themes of:

- promoting market access for the rural poor to achieve the Millennium Development Goals
- transforming rural institutions in order to reach the Millennium Development Goals
- indigenous peoples and sustainable development
- women as agents of change

In the field, in partnership with NGOs, IFAD implemented its regional and country strategies and operations. In 2003, the partnership was further developed to capture knowledge gained from project experience and to enhance engagement in policy dialogue and partnership development.

During the year IFAD took a closer look at its field collaboration with NGOs in conjunction with a review of 50 grants made in Western and Central Africa through the IFAD/NGO ECP. The review showed that all 21 countries in the region had received at least one grant and that the larger countries had received more than one.

The review included an in-depth analysis of 26 grants with regard to screening of NGOs and proposals, grant agreements, monitoring and evaluation, and capitalization. It found that, in line with the established policy of the ECP, most of the NGOs were local or national and most of the grants were linked to a loan-funded project. The five exceptions were two regional grants and three grants issued to NGOs working in conflict zones. These three grants were provided to learn more about the local circumstances as a basis for designing future projects.

The review found that most of the 26 grants studied in depth, focused on partnership and on capacity-building and training. This reflects the expertise in participatory methods and bottom-up approaches that many NGOs bring to projects. In some cases, the review found that NGOs carried out valuable awareness-building and information-sharing prior to the launch of a loan-funded project. In other cases, NGOs worked to consolidate selected achievements of loan-funded projects by strengthening young grass-roots organizations and other local activities. Others helped build project ownership within communities.

In Western and Central Africa, the collaboration with NGOs is focused on strengthening capacity and training in various fields. NGOs active in improving the access of smallholders to financial services have been supported in Chad, the Democratic Republic of the Congo and Mauritania. In Togo, the collaboration of NGOs focused more on strengthening capacity of rural poor people through improved access to information by promoting locally based systems and tools for communication. Furthermore, IFAD assisted local NGOs in Burkina Faso and Cameroon in promoting poor people's access to productive resources and technology, as well as to markets.

In Eastern and Southern Africa, grants to NGOs have focused on agricultural water development and management, as well as on building market linkages and financial services. NGOs are implementing partners of the Programme to Mitigate the Impact of HIV/AIDS on Rural Populations in Eastern and Southern Africa. Another interesting development has been IFAD's engagement of a non-governmental organization to conduct technical reviews of project proposals submitted by NGOs.

In Latin America and the Caribbean, the role of NGOs and grass-roots institutions is crucial to advocacy and to support for disadvantaged populations. IFAD's collaboration with NGOs focuses on building local social capital so that poor people can become leaders of the development process and long lasting social transformation. In 2003, IFAD emphasized innovative market access and trade and deepened its outreach to women and indigenous peoples, who are the region's most chronically poor and marginalized groups.

IFAD's collaboration with NGOs and civil society in the Near East and North Africa, Central and Eastern Europe and the Newly Independent States of the Former Soviet Union focused on areas of conflict or post-conflict, with an emphasis on gender mainstreaming and building sustainable financial services.

More specifically, in the Near East and North Africa region, collaboration with NGOs in the Palestinian territories expanded successful microfinance and enterprise development programmes. In Somalia, IFAD worked with NGOs to support the evolution of community revolving funds into sustainable and well-managed microfinance facilities. In the region as a whole, IFAD's collaboration with civil society and NGOs helped provide social services, training and market access, with a special focus on encouraging women to be more active participants in the economic life of their communities. In this regard, IFAD achieved good results in several countries in which it funded pilot projects to support new business initiatives for women.

In Central and Eastern Europe and the Newly Independent States, IFAD's collaboration with NGOs focused on creating grass-roots organizations to promote market-oriented rural development, including credit services, market access and input supplies. Here, IFAD worked with isolated and disadvantaged mountain populations.

## **LINKS WITH OTHER NON-GOVERNMENTAL ORGANIZATIONAL GROUPS AND EVENTS**

In 2003, IFAD continued to build relationships with civil society and NGOs in the United States through its work with the United States working group on IFAD and rural poverty. This is a coalition of organizations working to mobilize support for strategies that reduce global poverty in rural areas and to increase awareness and understanding of IFAD and its unique focus on rural poverty reduction. The co-chair of the working group spoke in 2003 in support of IFAD before the United States House Foreign Operations Appropriations Subcommittee. The working group meets regularly and briefs the United States Administration and Congressional officials on issues pertaining to IFAD, helping to broaden understanding among United States policymakers of rural poverty and of IFAD's work.

IFAD also worked with the NGO community, most notably at the Association of International Agriculture and Rural Development (AIARD), InterAction and Microcredit Summit +5, and the World Agricultural Forum. In November 2002, more than 2 000 delegates from 100 countries, including delegates from NGOs, gathered at the Microcredit Summit +5 in New York to assess progress, identify challenges, and reaffirm their commitment to the goal of reaching 100 million of the world's poorest families with financial services by 2005. IFAD's President announced four new IFAD programmes at the summit to foster innovation and build the capacity of microfinance institutions to provide financial services to rural poor people.

In May 2003, the three-day InterAction Forum in Washington on the Challenge of Global Commitments: Advancing Relief and Development Goals through Advocacy and Action brought together nearly 500 experts on development and humanitarian affairs and examined how NGOs must operate in a world of new global commitments. In June, the annual meeting of AIARD focused on Enhancing the Impact of International Agriculture and Rural Development: Resources, Strategies, and Coordination. It explored the fact that the major donors are considering investments in agriculture and rural development in order to reach the Millennium Development Goals target of halving the proportion of extremely poor and hungry people by 2015.

In addition, the President of IFAD was a keynote speaker at the World Agricultural Forum, which took place in St. Louis, the United States in May 2003. At the forum, private-sector institutions, academia, policymakers and NGOs discussed emerging issues affecting the agricultural sector, such as the role of agriculture in the global economy, the impact of free trade agreements on agriculture and the need for enhanced partnership between private and public institutions.

## **INTERNATIONAL LAND COALITION**

The International Land Coalition is a global alliance of intergovernmental, governmental and civil-society organizations. ILC works with rural poor people to help them increase their secure access to land and other natural resources and to enable them to directly participate in policy formulation and decision-making that affects their lives and livelihoods.

In 2003, the ILC's global Assembly of Members established the strategic plan for 2004-2006 and formalized its governing structure.

During the year, the ILC assisted farmers' organizations, landless peoples' and civil society movements in 22 countries with the goal of building strategic partnerships to more effectively shape land policies and support community-based programmes. The actions included:

- support to LandNet West Africa for capacity building involving Burkina Faso, Ghana, Guinea, Mali, Niger, Nigeria, Senegal and Togo
- strengthening the Southern African Development Community Platform on Women's Land and Water Rights, which also created partnerships with Malawi, South Africa, Tanzania, Zambia and Zimbabwe
- co-convening a workshop of Central American *campesina* organizations to strengthen the contribution of peasants and smallholders to rural economic development

At the High-Level Segment of ECOSOC, ILC and IFAD convened the ministerial round table on Land Use Practices and their Impact on Rural Development. ILC and IFAD also convened a workshop on Land, Water and Gender resulting in 13 recommendations to the High-Level Segment.

In further collaboration with IFAD, the ILC:

- worked with the Belgian Survival Fund Joint Programme to develop a plan to incorporate land issues into BSEJP programmes in Niger and Uganda
- implemented the ILC Women's Resource Access Programme in Kenya to help shape IFAD's Southern Nyanza Community Development Project
- completed a study, also involving FAO, examining the progress women are making in gaining access to land under the Convention on the Elimination of All Forms of Discrimination against Women
- studied the lessons learned from the land fund managed by *Fondo Ecuatoriano Populorum Progressio* (FEPP/Protieras), an NGO partner of the ILC, in Ecuador. This fund, which began as an innovation by IFAD, is a leading example of how to effectively finance land purchases for the purpose of increasing access by the poor. The report is expected to influence donors seeking best practises for financing land projects

At the UN Commission on Sustainable Development, ILC presented a report on the in-country progress of its Land Alliances for National Development (LAND) Partnerships. While ILC continues to receive requests from governments, the initial step has been to develop pilot partnerships with Guatemala, Indonesia, The Philippines and South Africa, on the basis of which LAND Partnerships will be scaled-up and expanded to other countries. The Dutch Ministry of Agriculture, Nature Management and Fisheries announced its support to this pilot phase of the LAND Partnerships.

The ILC strengthened working relations between its diverse sub-groups of members. This included the following:

- *Fundación Tierra*, the ILC partner from Bolivia, was a panellist on land issues at the IDB's 2003 annual meeting in Milan, Italy
- ILC co-sponsored the International Federation of Agricultural Producers' Conference on Women in Agriculture, held in The Philippines. The Asian NGO Coalition for Agrarian Reform and Rural Development, the ILC's partner in The Philippines, co-chaired a discussion forum entitled Towards Greater Access to Land and Water for Women Farmers
- the ILC assisted the World Bank's global review of its land policy by sponsoring presentations by civil-society organization partners in each of the regional land policy meetings – in Cambodia, Hungary, Mexico and Uganda

In response to interest in the ILC expressed by countries from the Commonwealth of Independent States and Central and Eastern Europe, an ILC delegation comprising civil-society organization representatives from Albania, Peru and The Philippines made presentations to a land policy workshop for the South Caucasus in Tbilisi. The outcome was an ILC project with the Georgia Association for the Protection of Land Owners' Rights and an ongoing exchange of knowledge with the ILC's partner from Albania.

ILC's value is measured by changes in the lives of poor people, such as can be seen in the projects supported by the ILC's Community Empowerment Facility. With joint funding by IFAD and the World Bank, the Community Empowerment Facility was able to increase its portfolio by 14 projects, bringing the total to 28 projects and resulting in expansion into Argentina, Cameroon, Georgia, Guyana and Indonesia.

#### **GLOBAL MECHANISM**

The United Nations established the Global Mechanism in 1997 under the authority of the Conference of the Parties (COP) of the United Nations Convention to Combat Desertification (UNCCD). It was conceived as an international broker to help UNCCD member countries, particularly the poorest ones, find the resources needed to arrest the downward spiral of land degradation and the resulting poverty.

The Global Mechanism, hosted by IFAD, acts as a broker and a catalyst, drawing on and strengthening the interventions of developing partners. It is accountable to the Conference of the Parties and works with the members of its Facilitation Committee, which include IFAD, UNDP and the World Bank, as well as the UNCCD and GEF Secretariats, FAO, the United Nations Environment Programme (UNEP), the African, Asian and Inter-American development banks, and CGIAR.

By working with the Facilitation Committee, the Global Mechanism integrates the issues of desertification and land degradation into national frameworks and country-assistance strategies so that they progressively become a priority in the affected countries.

The Global Mechanism continued its collaboration with IFAD in 2003. In Central Asia, IFAD joined the Asian Development Bank (AsDB), the Canadian International Development Agency (CIDA), GTZ/CCD, the Swiss Agency for Development and Cooperation, and the International Center for Agricultural Research in the Dry Areas (ICARDA) in the Strategic Partnership Agreement facilitated by the Global Mechanism. One outcome of this partnership is an investment of USD 900 000 by GTZ/CCD in pilot projects. In addition, CIDA has developed a rangeland management project for Kyrgyzstan totalling USD 200 000. A tentative agreement has been reached where the AsDB will allocate an amount of USD 150 million for the initiative, to be matched by GEF with USD 20 million in a first phase, through its new focal area on land degradation.

As part of its partnership with IFAD to support UNCCD implementation in Mexico, the Global Mechanism provided financial support to identify investment opportunities through the provision of environmental services as an incentive to combat land degradation. This initiative builds on an IFAD-funded project to strengthen watershed management. It enhances the scope of the portfolio in addressing issues with global environmental benefits under the framework of the UNCCD, and it has significant potential for replication in other Latin American and Caribbean countries.

The Global Mechanism launched the Community Exchange and Training Programme (CETP) in 2000 to encourage systematic involvement of NGOs in implementation of the Convention at national and subregional levels. By November 2003, the Global Mechanism had approved 19 projects with a total value of approximately USD 450 000 and generated cofinancing from the World Bank, UNEP, CIDA and participating NGOs. IFAD committed USD 425 000 through its NGO ECP, in the form of an umbrella grant to the CETP. During the year, the CETP organized exchange and training visits between communities in Argentina, China, Haiti, Mexico, Morocco, Pakistan and Togo.

In 2003, the Global Mechanism arranged for the GEF's small grants programme to assume part of the responsibility for the operational aspects of the CETP, thereby enabling the Global Mechanism to strengthen its focus on mobilizing resources.

Through its online database, Financial Information Engine on Land Degradation (FIELD), the Global Mechanism is producing financial analyses to support resource mobilization. These analyses, which help match supply with demand for UNCCD implementation, also support the Global Mechanism's brokering and advisory work, in both field action and policy-making. In August 2003, the Global Mechanism released the fourth CD-ROM edition of FIELD, which is distributed free of charge on request. FIELD is accessible on the internet at: <http://field.gm-unccd.org>.

The Global Mechanism was the focus of two independent evaluations in 2003 – one requested by the COP and one by the World Bank. Both recommended that the Global Mechanism strengthen its focus on the supply side to deliver financial resources for implementing the Convention. To succeed, the Global Mechanism needs to strengthen its cooperation with members of the Facilitation Committee.



In 2003, IFAD took several steps in response to the evaluations. To further strengthen the relationship between IFAD and the Global Mechanism, a Global Mechanism Advisory Group has been established. It plans to review project and programme development work with IFAD staff to identify opportunities for joint action.

### **Interaction with global and regional policy forums**

#### **HIGH-LEVEL COMMITTEE ON PROGRAMMES**

During 2003, IFAD's President served as chair of the High-Level Committee on Programmes, one of the major committees of the United Nations Chief Executive Board, which is chaired by the United Nations Secretary-General. The committee coordinates UN system-wide perspectives on programme and policy development. In 2003, it followed up on the International Conference on Financing for Development, the World Summit on Sustainable Development and the Millennium Summit. It also prepared a policy document on the linkages between HIV/AIDS and food security and governance.

#### **SUMMIT OF THE HEADS OF STATE OF THE AFRICAN UNION**

IFAD attended the meetings of the Economic Commission for Africa and the African Development Bank at Addis Ababa, Ethiopia in June. It also took part in the Summit of the Heads of State of the African Union in Maputo, Mozambique in July, and in the preparatory ministerial conference for ministers of agriculture. At the summit, African heads of state pledged to put agriculture back on the development agenda, setting a sector target of 10 per cent of public-investment budget allocations. The Secretariat of NEPAD, with the support of multilateral partners, will play an important role in monitoring progress towards achieving this target.

IFAD's presence at these meetings underlined the importance it places in Africa's development and the challenges faced by the international community in helping Africa in achieving the Millennium Development Goals.

#### **HIGH-LEVEL SEGMENT OF THE UNITED NATIONS ECONOMIC AND SOCIAL COUNCIL**

In 2003, IFAD participated in the High-Level Segment of the ECOSOC held from 30 June to 2 July in Geneva, Switzerland. The theme of the session was Promoting an Integrated Approach to Rural Development in Developing Countries for Poverty Eradication and Sustainable Development.

At preparatory meetings, IFAD emphasized the importance of rural poverty reduction to the achievement of the Millennium Development Goals and chaired a panel discussion on UN system coordination for rural development. IFAD also moderated a ministerial round table on the role of agriculture and rural development in eradicating hunger and poverty, co-organized by IFAD, FAO and the World Bank.

At the High-Level Segment, IFAD shared its experience and made policy recommendations in several forums. The President participated in the opening plenary session, co-chaired a ministerial round-table discussion on global partners with the World Bank, delivered IFAD's official statement in the plenary and jointly chaired a ministerial round-table breakfast on market access with the chairperson of the Group of 77 developing countries.

At the request of several governments, IFAD provided technical advice to those drafting the ministerial declaration. As a result of this involvement, as well as IFAD's broader engagement in the preparatory process, all three of IFAD's strategic objectives are included in the declaration.

IFAD will continue its engagement with ECOSOC on integrated rural development, in order to share policy recommendations and lessons learned from its projects and programmes.

#### **SIXTH SESSION OF THE CONFERENCE OF THE PARTIES OF THE CONVENTION TO COMBAT DESERTIFICATION**

IFAD participated in the Sixth Session of the Conference of the Parties (COP6) of UNCCD in Havana, Cuba in 2003. Here IFAD highlighted the continuing rate of acceleration of land degradation and desertification in many parts of Africa, Asia, Europe and Latin America and the Caribbean. IFAD took part in several events organized as part of the High-Level Segment, including a round-table discussion by heads of state and governments on the Convention's role in achieving the Millennium Development Goals and as a tool for achieving sustainable development. IFAD organized a side event on poverty reduction in dryland areas.

The IFAD President addressed 89 parliamentarians from around the world, gathered to participate in a round-table discussion during COP6.

#### **TOKYO INTERNATIONAL CONFERENCE ON AFRICAN DEVELOPMENT**

The third Tokyo International Conference on African Development (TICAD) was part of a series launched in 1993 by the Government of Japan, with the primary purpose of remobilizing the interest of the international community in Africa's development.

TICAD III took place in Tokyo, Japan from 29 September to 1 October 2003. It reviewed the achievements of the ten-year process and debated its future direction in view of recent developments on the African continent and in the international arena. It reconfirmed that Africa's development should continue to emphasize: leadership and people's participation in the African development process; peace and good governance; human security; and respect for distinctiveness, diversity and identity. The participants of TICAD III called for the implementation of NEPAD. IFAD's participation in TICAD III reiterated its willingness to be part of the TICAD process and to work with the African Union and other partners.

IFAD took part in the focused session on agricultural development. The session was co-chaired by the Director-General of FAO and by the Executive Director of WFP. The President of IFAD delivered a keynote address emphasizing the necessity to broaden the support to agricultural development. The President also held meetings with the chair of the NEPAD Steering Committee, and with the chairman of the Commission of the African Union. He met with senior officials of the Japan International Cooperation Agency and of the Japan Bank for International Cooperation. At the invitation of the Global Legislators Organization for a Balanced Environment, Japan, the President of IFAD, together with the Executive Secretary of UNCCD, briefed a number of parliamentarians in Giin Kaiakann on poverty eradication efforts in Africa and related problems of land degradation and desertification.

#### **SUMMIT OF ISLAMIC HEADS OF STATE AND GOVERNMENTS**

IFAD was represented at the Tenth Session of the Summit of Islamic Heads of State and Governments who are members of the Organization of the Islamic Conference (OIC), which was held in Malaysia from 16 to 18 October 2003. IFAD briefed participants on its programmes and activities in OIC member states. A special publication highlighting IFAD's partnership and collaboration with OPEC and OIC member states was distributed to the delegates. The IFAD delegation circulated in plenary an official statement that discussed IFAD's strategy and development programmes in the OIC member states. The statement was posted on the OIC Summit Web site.

#### **WORLD SUMMIT ON THE INFORMATION SOCIETY**

During the World Summit on the Information Society in Geneva, Switzerland from 10 to 12 December 2003, IFAD organized a round-table discussion on what information and communication technologies (ICTs) can do for the 900 million poor people living in rural areas.

The round table concluded that if ICTs are to contribute to poverty reduction in rural areas, it will be necessary to meet certain conditions that relate to:

- ownership and appropriation of the communication process
- development of local content
- language and cultural pertinence
- convergence and networking
- use of appropriate technology

IFAD will prepare a paper synthesizing the results of the round-table discussion. This paper will form the basis of an IFAD-wide discussion on an approach to communication for development, including use of ICTs as tools for poverty reduction.

## OPERATIONAL ASPECTS





In 2003, 25 new projects were approved, financed by IFAD loans worth USD 403.6 million

### **Project portfolio management**

During 2003, IFAD continued monitoring and assessment of the project portfolio, incorporating recent decisions on the introduction of a performance-based allocation system, preparation of a corporate results and impact measurement system and approval of the Gender Plan of Action. As usual, the quantitative and qualitative evolution of the portfolio is being reported on and analysed in the progress report on the project portfolio, which is based on the regular process of country, regional and global portfolio monitoring and reviews.

The overall size of the ongoing portfolio varied only slightly. Activities were focused on strengthening its quality and impact, including the use of budgetary resources for early implementation support, follow-up and accelerated project performance, and through workshops dealing with implementation and gender issues and monitoring and evaluation.

Efforts to strengthen portfolio performance included direct measures related to supervision and implementation support. These efforts also emphasized IFAD's catalytic function through advocacy at national policy level and knowledge-sharing with governments and other development partners, to learn from positive and negative lessons and promote the scaling up of successful experiences. The notion of portfolio management is being widened to include all IFAD activities in a given country. The idea behind this is to strengthen the impact on rural poor people by adopting a programme-oriented approach focused on achieving IFAD's strategic objectives.

### **Project supervision and cooperating institutions**

IFAD's project supervision arrangements remained unchanged during 2003, continuing the experiment of direct supervision of a limited number of projects, while the majority were supervised by cooperating institutions. At year-end, 180 active projects were supervised by cooperating institutions, of which 111 were supervised by the United Nations Office for Project Services (UNOPS) and 69 by other cooperating institutions (Table 3).

The corporate-level evaluation of supervision modalities in IFAD-supported projects, completed in 2003, concluded that overall, project managers are satisfied with the supervision and appreciate the implementation support that goes with it. However, performance in delivering supervision services varied between cooperating institutions and between the various tasks involved in project supervision. This, combined with the heavy reliance on UNOPS, continue to be constraints that will be examined by IFAD to rationalize its supervision arrangements and increase their effectiveness. IFAD continues to supplement the work of its cooperating institutions, and provides support to project implementation over and above their efforts. The evaluation emphasized the need to introduce improved supervision modalities that reflect the changing priorities and nature of IFAD-supported projects. It also emphasized the need to develop operational policy and priorities to guide implementation support.

**TABLE 3**  
**IFAD cooperating institutions entrusted with loan administration and project supervision**  
 Regular Programme and Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification (SPA)<sup>a</sup>

COOPERATING INSTITUTIONS	Projects at end 2001		Projects at end 2002		Projects at end 2003	
	Actual					
	Number	%	Number	%	Number	%
AfDB	3	1.5	2	1.1	3	1.7
Andean Development Corporation (CAF)	14	7.2	13	7.0	13	7.2
AFESD	11	5.6	11	5.9	9	5.0
AsDB	6	3.1	4	2.2	4	2.2
Caribbean Development Bank (CDB)	4	2.1	5	2.7	4	2.2
Central American Bank of Economic Integration (BCIE)	4	2.1	4	2.2	3	1.7
UNOPS	115	59.0	112	60.5	111	61.7
West African Development Bank (BOAD)	11	5.6	10	5.4	10	5.6
World Bank (IBRD/IDA)	27	13.8	24	13.0	23	12.8
<b>Total<sup>b</sup></b>	<b>195</b>	<b>100.0</b>	<b>185</b>	<b>100.0</b>	<b>180</b>	<b>100.0</b>

<sup>a</sup> Year reference for projects relates to loan effectiveness. Figures refer to approved projects that have not been completed for each year period.

<sup>b</sup> Figures do not include projects/programmes supervised or administered directly by IFAD.

**CHART 1**  
**Projects approved in 2003: direct beneficiaries<sup>a</sup>**



An estimated 7.1 million people should receive support under the 24 IFAD-initiated projects approved in 2003.

Another 3.2 million people under a World Bank project which IFAD is cofinancing.

<sup>a</sup> 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.

### The project portfolio and lending trends

In 2003, 25 new projects were approved, financed through IFAD loans worth USD 403.6 million<sup>1</sup> (see Table 1). The total cost of these projects is estimated at USD 712.6 million, of which USD 124.9 million will be provided by other external financiers and USD 184.1 million by financiers in the recipient countries – primarily the governments. When fully operational, these projects are expected to benefit directly more than ten million people (see Chart 1). Grants worth USD 20.3 million were approved in 2003 (see Table 5).

Since it began operations in 1978, IFAD has supported 653 projects in 114 countries and in Gaza and the West Bank for an approximate total financing of USD 8.1 billion. Governments and other financing sources in the recipient countries, including individuals and households participating in the projects, contributed approximately USD 8.1 billion. Another USD 6.7 billion came from external cofinanciers, of which bilateral donors contributed approximately USD 1.1 billion, multilateral donors approximately USD 5.3 billion and international and developed country NGOs USD30.2 million. The private-sector contributed an additional USD 7.2 million.

<sup>1/</sup> IFAD loans are denominated in SDR (an International Monetary Fund-defined unit of account). Figures shown in the *Annual Report* are the USD equivalents, converted from SDR at the time of loan approval.

**TABLE 4**  
**IFAD projects by region under the Regular Programme and SPA, 1978-2003**  
(amounts in USD million)

	1978-92	1993-2003	2003	%	1978-2003	%
<b>Africa I: Western and Central Africa</b>						
Total	717.0	711.7	84.9	21.0	1 428.7	<b>17.7</b>
Regular Programme	556.9	677.2	84.9		1 234.2	
Number of projects <sup>a</sup>	66	60	7		126	
SPA	160.1	34.4	0.0		194.5	
Number of projects <sup>b</sup>	16	3	0		19	
Recipient borrowers <sup>c</sup>	24	24	24		24	
<b>Africa II: Eastern and Southern Africa</b>						
Total	576.0	846.0	74.5	18.5	1 422.0	<b>17.6</b>
Regular Programme	480.0	795.5	74.5		1 275.5	
Number of projects <sup>a</sup>	47	61	5		108	
SPA	96.0	50.5	0.0		146.5	
Number of projects <sup>b</sup>	7	5	0		12	
Recipient borrowers <sup>c</sup>	18	20	20		20	
<b>Asia and the Pacific</b>						
Regular Programme	1 328.2	1 241.9	93.5	23.2	2 570.1	<b>31.8</b>
Number of projects <sup>a</sup>	89	73	4		162	
Recipient borrowers <sup>c</sup>	16	21	21		21	
<b>Latin America and the Caribbean</b>						
Regular Programme	554.2	738.5	74.0	18.3	1 292.7	<b>16.0</b>
Number of projects <sup>a</sup>	59	55	4		114	
Recipient borrowers <sup>c</sup>	25	28	28		28	
<b>Near East and North Africa<sup>d</sup></b>						
Total	602.4	756.9	76.8	19.0	1 359.3	<b>16.8</b>
Regular Programme	576.8	746.2	76.8		1 323.0	
Number of projects <sup>a</sup>	50	58	5		108	
SPA	25.6	10.7	0.0		36.2	
Number of projects <sup>b</sup>	3	1	0		4	
Recipient borrowers <sup>c</sup>	13	22	22		22	
<b>Total IFAD loans</b>						
Regular Programme	<b>3 777.8</b>	<b>4 294.9</b>	<b>403.6</b>	<b>100.0</b>	<b>8 072.7</b>	<b>100.0</b>
SPA	3 496.2	4 199.3	403.6		7 695.5	
SPA	281.6	95.6	0.0		377.2	
<b>Total number of projects</b>						
Regular Programme	<b>337</b>	<b>316</b>	<b>25</b>		<b>653</b>	
SPA	311	307	25		618	
SPA	26	9	0		35	
<b>Total recipient borrowers<sup>c</sup></b>						
	<b>96</b>	<b>115</b>	<b>115</b>		<b>115</b>	

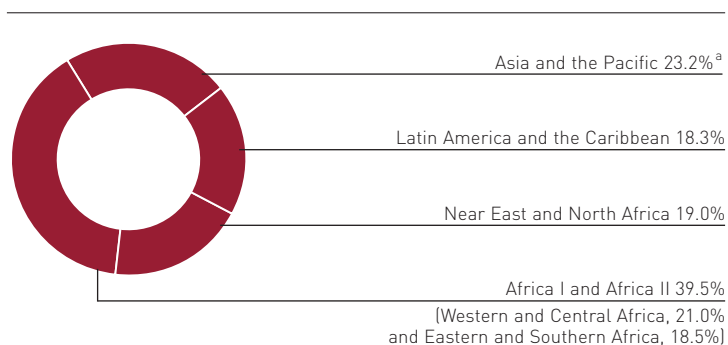
<sup>a</sup> Includes projects financed by grants.

<sup>b</sup> Projects financed by loans/grants from both the Regular Programme and SPA (12 in all) are counted only under the Regular Programme.

<sup>c</sup> Includes countries or territories that have projects financed by grants.

<sup>d</sup> This region includes countries in the former Soviet Union, Eastern Europe and Central Asia.

**CHART 2**  
**Regional distribution of loans approved in 2003**



<sup>a</sup> The share of loans to Asia and the Pacific is lower than in previous years as a result of a shift in priorities, and therefore resources, from project design to implementation support. More attention has been given to improving the quality of project design rather than to quantity, leading to a reduction in the number of new projects. As well, a loan to China in support of the Rural Finance Sector Reform, scheduled during 2003, was delayed at the last minute and could not be replaced by another loan. The reduction in the share of loans to Asia and the Pacific is temporary, with new efforts in 2003 underway to build up a new pipeline for a larger number of projects. The time lag between project design and approval means that the distribution of loans will increase from 2004/2005.



**TABLE 5**  
**Summary of grant financing under the Regular Programme and SPA, 1978-2003**  
(amounts in USD million)

	1978-92	1993-2003	2003	1978-2003	%
<b>Projects and project component</b>					
Amount	23.5	8.9	0.0	32.4	7.0
Number of grants	34	6	0	40	
<b>Project preparation/ Project Development Fund<sup>a, b</sup></b>					
Amount	25.0	64.4	0.0	89.4	19.3
Number of grants	143	478	0	621	
<b>Research</b>					
Amount	94.4	78.1	10.0	172.5	37.3
Number of grants	124	92	10	216	
<b>Research CGIAR</b>					
Amount	66.4	49.1	5.7	115.6	67.0
Number of grants	92	51	6	143	
<b>Research non-CGIAR</b>					
Amount	28.0	28.9	4.3	56.9	33.0
Number of grants	32	41	4	73	
<b>Training and other</b>					
Amount	25.8	101.9	8.1	127.7	27.6
Number of grants	27	302	34	329	
<b>Special Operations Facility<sup>b</sup></b>					
Amount	6.3	11.8	0.0	18.1	3.9
Number of grants	31	154	0	185	
<b>Environmental Assessment<sup>b</sup></b>					
Amount	0.8	3.4	0.0	4.2	0.9
Number of grants	8	44	0	52	
<b>IFAD/NGO ECP</b>					
Amount <sup>c</sup>	1.0	17.7	2.3	18.7	4.0
Number of grants <sup>c</sup>	18	257	26	275	
<b>Total amount<sup>d</sup></b>	<b>176.8</b>	<b>286.2</b>	<b>20.3</b>	<b>463.0</b>	<b>100.0</b>
<b>Total number of grants<sup>d, e</sup></b>	<b>385</b>	<b>1 333</b>	<b>70</b>	<b>1 718</b>	

<sup>a</sup> 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.

<sup>b</sup> These grants are no longer part of the regular grant programme but covered under Programme Development Financing Facility.

<sup>c</sup> Including the cost of IFAD/NGO Consultation and Advisory Group meetings.

<sup>d</sup> During the period 1986-95, 86 grants were approved for a total of USD 24.1 million under the SPA.

<sup>e</sup> The total number of grants shown in this table differs from past years shown in earlier annual reports. This is due to a review of past records of grant financing.

## Regional<sup>2</sup> and priority country lending

In 2003, the largest share of new lending again went to Africa. Sub-Saharan Africa received 39.5 per cent of 2003 loans, of which 21.0 per cent went to Western and Central Africa and 18.5 per cent to Eastern and Southern Africa (Table 4 and Chart 2).

As a result, these two administrative regions of sub-Saharan Africa have received almost equal shares of IFAD's lending since inception, about 17.5 per cent of the loan portfolio each.

Asia and the Pacific received 23.2 per cent of 2003 lending, while both Latin America and the Caribbean and the Near East and North Africa received somewhat higher shares than in the past few years: 18.3 per cent and 19.0 per cent respectively.

IFAD continues to emphasize assistance to least developed countries (LDCs) and countries with low food security. In 2003, lending to food deficit countries (as defined by FAO) was 73.9 per cent and 46.4 per cent to least-developed countries (UN defined) (Table 6 and Chart 3).

2/ See pages 20, 24, 27, 30, and 35 for a list of countries by administrative region.

**TABLE 6**  
**Summary of IFAD project lending in priority countries under the Regular Programme and SPA, 1978-2003**  
(amounts in USD million)

	1978-92	%	1993-2003	%	2003	%	1978-2003	%	Number of Countries <sup>c</sup>		
									In group	IFAD members	With IFAD project
<b>Least developed countries<sup>a</sup></b>											
Amount	1 571.3	41.6	1 593.7	37.1	187.3	46.4	3 165.0	39.2			
Number of projects	170		131		13		301		49	46	44
<b>Low-income food-deficit countries<sup>b</sup></b>											
Amount	3 033.6	80.3	3 356.4	78.1	298.1	73.9	6 390.0	79.2			
Number of projects	264		241		19		505		83	77	75
<b>All IFAD projects</b>	<b>3 777.8</b>		<b>4 294.9</b>		<b>403.6</b>		<b>8 072.7</b>				
<b>Total number of projects</b>	<b>337</b>		<b>316</b>		<b>25</b>		<b>653</b>				

<sup>a</sup> The United Nations has classified 49 countries as LDCs 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, The Gambia, 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, The Sudan, United Republic of Tanzania, Togo, Tuvalu, Uganda, Vanuatu, Yemen and Zambia.

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

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

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

<sup>c</sup> Some countries belong to more than one group, and thus there are overlaps in the group numbers.

**CHART 3**  
**Lending to priority countries, 1990-2003**  
(USD million)



### Allocation of lending by lending terms<sup>3</sup>

The bulk of IFAD's lending is on highly concessional terms<sup>4</sup>. In 2003, the value of highly concessional loans represented 76.0 per cent of the year's total lending. Another 13.4 per cent were intermediate loans and the remaining 10.7 per cent were ordinary term loans (Chart 4).

As a share of IFAD's cumulative lending portfolio, highly concessional loans now represent almost 70.0 per cent, higher than the two-thirds target set out in the *Lending Policies and Criteria of IFAD* (Table 7).

In terms of regional distribution, 91.0 per cent of total cumulative IFAD lending to Africa has been on highly concessional terms, and Asia and the Pacific follow with 81.2 per cent (Table 8). 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. Highly concessional loans to these regions have represented 23.4 per cent and 48.0 per cent respectively of their total loans from IFAD.

### Disbursements

Cumulative disbursements on loans under the Regular Programme amounted to USD 4 595.8 million (73.5 per cent of effective commitment) at the end of 2003, compared to USD 4 310.5 million (73.2 per cent of effective commitment) disbursed at the end of 2002 (Tables 9 and 10).

### Cofinancing of IFAD projects

Of the 25 projects approved in 2003, 24 were designed and initiated by IFAD (Table 11). Of these, 12 will receive external cofinancing for USD 94.9 million (28.7 per cent of their cost) and domestic contributions – from recipient governments or other local sources – for another USD 66.8 million, or 20.2 per cent of their cost. The other 12 IFAD-initiated projects were financed by IFAD (66.7 per cent) and domestic sources (33.3 per cent).

Of the USD 2 438.8 million contributed over the years to IFAD-initiated projects by external cofinanciers, the bulk was from multilateral donors, 73.1 per cent, followed by bilateral donors with 20.9 per cent (Chart 5). NGOs have contributed USD 18.3 million (0.8 per cent). A relatively new development is the involvement of the private sector in development financing. In the case of IFAD-initiated projects, such financing now amounts to USD 7.2 million (0.3 per cent) of total cofinancing for these projects. Financing for 5.0 per cent of project costs remains to be determined (negotiations may still be in progress for some of the cofinancing agreements).

3/ 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.

4/ IFAD provides loans on three different types of lending terms: highly concessional loans carry no interest charge but have a service charge of 0.75 per cent and are repaid over 40 years; intermediate loans carry a variable interest charge equivalent to 50 per cent of the interest rate charged on IBRD loans and are repaid over 20 years; ordinary loans carry a variable interest charge equal to that charged by the IBRD and are repaid over 15 to 18 years.

**TABLE 7**  
**Summary of IFAD loans by lending terms under the Regular Programme, 1978-2003<sup>a</sup>**  
(amounts in USD million)

	1978-92	%	1993-2003	%	2003	%	1978-2003	%
<b>Highly concessional</b>								
Amount	2 130.9	60.9	3 180.0	75.7	306.6	76.0	5 310.9	69.0
Number of loans	194		231		19		425	
<b>Intermediate</b>								
Amount	1 009.1	28.9	550.6	13.1	53.9	13.4	1 559.7	20.3
Number of loans	88		41		3		129	
<b>Ordinary</b>								
Amount	356.2	10.2	468.7	11.2	43.1	10.7	824.9	10.7
Number of loans	30		33		3		63	
<b>Total amount</b>	<b>3 496.2</b>	<b>100.0</b>	<b>4 199.3</b>	<b>100.0</b>	<b>403.6</b>	<b>100.0</b>	<b>7 695.5</b>	<b>100.0</b>
<b>Total number of loans<sup>b</sup></b>	<b>312</b>		<b>305</b>		<b>25</b>		<b>617</b>	

<sup>a</sup> SPA loans are not included in this table. Such loans were provided on highly concessional terms to Africa I and II and the Near East and North Africa regions.

<sup>b</sup> 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.

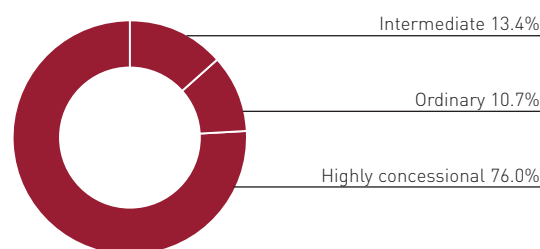
**TABLE 8**  
**Summary of loans by region and lending terms under the Regular Programme, 1978-2003<sup>a</sup>**  
(amounts in USD million)

	Africa	%	Asia and the Pacific	%	Latin America and the Caribbean	%	Near East and North Africa	%	Total	%
<b>Highly concessional</b>										
Amount	2 284.9	91.0	2 087.6	81.2	302.8	23.4	635.6	48.0	5 310.9	69.0
Percentage of highly concessional loans	43.0		39.3		5.7		12.0		100.0	
Number of loans	209		133		26		57		425	
<b>Intermediate</b>										
Amount	208.1	8.3	482.6	18.8	429.9	33.3	439.1	33.2	1 559.7	20.3
Percentage of intermediate loans	13.3		30.9		27.6		28.2		100.0	
Number of loans	21		30		47		31		129	
<b>Ordinary</b>										
Amount	16.7	0.7	0.0	0.0	559.9	43.3	248.3	18.8	824.9	10.7
Percentage of ordinary loans	2.0		0.0		67.9		30.1		100.0	
Number of loans	3		0		41		19		63	
<b>Total amount</b>	<b>2 509.7</b>	<b>100.0</b>	<b>2 570.1</b>	<b>100.0</b>	<b>1 292.7</b>	<b>100.0</b>	<b>1 323.0</b>	<b>100.0</b>	<b>7 695.5</b>	<b>100.0</b>
<b>Percentage of total IFAD lending</b>	<b>32.6</b>		<b>33.4</b>		<b>16.8</b>		<b>17.2</b>		<b>100.0</b>	
<b>Total number of loans<sup>b</sup></b>	<b>233</b>		<b>163</b>		<b>114</b>		<b>107</b>		<b>617</b>	

<sup>a</sup> SPA loans are not included in this table. Such loans were provided on highly concessional terms to Africa I and II and the Near East and North Africa regions.

<sup>b</sup> 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 2003 by lending terms<sup>a</sup>**



<sup>a</sup> Percentages refer to value of loans

**TABLE 9**  
Annual loan disbursement by region under the Regular Programme, 1979–2003  
(amounts in USD million)

	1979-1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	1979-2003
<b>Africa I</b>	296.3	23.4	26.0	25.8	27.8	34.2	34.2	30.4	36.0	33.0	34.5	48.6	623.0
<b>Africa II</b>	297.6	24.7	25.0	27.2	28.9	24.9	37.9	30.7	40.2	54.1	46.9	55.4	692.9
<b>Asia and the Pacific</b>	836.7	51.4	55.5	62.7	88.4	94.8	95.7	86.2	83.0	97.9	86.1	78.7	1716.2
<b>Latin America and the Caribbean</b>	278.2	28.6	30.7	29.7	35.7	45.3	50.4	53.2	51.0	63.1	51.4	47.0	764.3
<b>Near East and North Africa<sup>a</sup></b>	321.4	36.0	25.7	19.5	38.9	28.9	55.5	70.2	59.7	43.2	44.5	56.1	799.4
<b>Total</b>	<b>2003.2</b>	<b>164.1</b>	<b>163.0</b>	<b>164.9</b>	<b>219.7</b>	<b>228.2</b>	<b>273.7</b>	<b>270.7</b>	<b>269.8</b>	<b>291.3</b>	<b>263.4</b>	<b>285.8</b>	<b>4595.8</b>

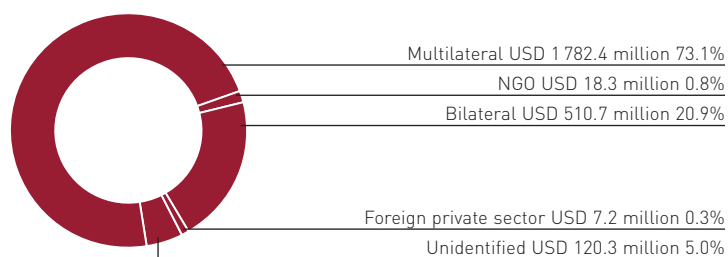
<sup>a</sup> This region includes countries in the former Soviet Union, Eastern Europe and Central Asia.  
Source: Loans and grants system.

**TABLE 10**  
Loan disbursement by region and lending terms under the Regular Programme, 1979–2003  
(amounts in USD million)

	Highly concessional	Intermediate	Ordinary	Total
<b>Western and Central Africa</b>				
Amount	550.4	60.3	12.3	<b>623.0</b>
Percentage of effective commitment	69.7	100.0	100.0	<b>70.5</b>
<b>Eastern and Southern Africa</b>				
Amount	621.3	70.4	1.2	<b>692.9</b>
Percentage of effective commitment	66.6	88.7	100.0	<b>68.3</b>
<b>Asia and the Pacific</b>				
Amount	1349.1	367.1	0.0	<b>1716.2</b>
Percentage of effective commitment	76.2	88.7	0.0	<b>80.9</b>
<b>Latin America and the Caribbean</b>				
Amount	167.0	322.9	274.4	<b>764.3</b>
Percentage of effective commitment	58.7	87.6	61.7	<b>70.0</b>
<b>Near East and North Africa<sup>a</sup></b>				
Amount	404.3	247.1	148.0	<b>799.4</b>
Percentage of effective commitment	73.4	66.0	79.0	<b>71.8</b>
<b>Total</b>	<b>3092.1</b>	<b>1067.8</b>	<b>435.9</b>	<b>4595.8</b>
<b>Total percentage of effective commitment</b>	<b>71.1</b>	<b>84.0</b>	<b>73.5</b>	<b>73.2</b>

<sup>a</sup> This region includes countries in the former Soviet Union, Eastern Europe and Central Asia.  
Source: Loans and grants system.

**CHART 5**  
Cofinancing of IFAD-initiated projects under the Regular Programme and SPA, 1978-2003



The major multilateral cofinanciers of IFAD-initiated projects were the International Bank for Reconstruction and Development (IBRD) with USD 259.9 million, AFESD with USD 236.1 million, followed by the OPEC Fund with USD 193.7 million and WFP with USD 184.3 million (Chart 6). Together, these four represent almost 50 per cent of total multilateral cofinancing of USD 1 782.4 million (Chart 6)

Germany is the largest bilateral donor, having provided USD 81.6 million in cofinancing, followed by the United Kingdom with USD 74.1 million and The Netherlands with USD 66.2 million. These figures represent 16.0 per cent, 14.5 per cent and 13.0 per cent respectively of total bilateral cofinancing of IFAD-initiated projects of USD 510.7 million (Chart 7).

**TABLE 11**  
**Cofinancing of IFAD projects under the Regular Programme and SPA, 1978-2003**  
(amounts in USD million)

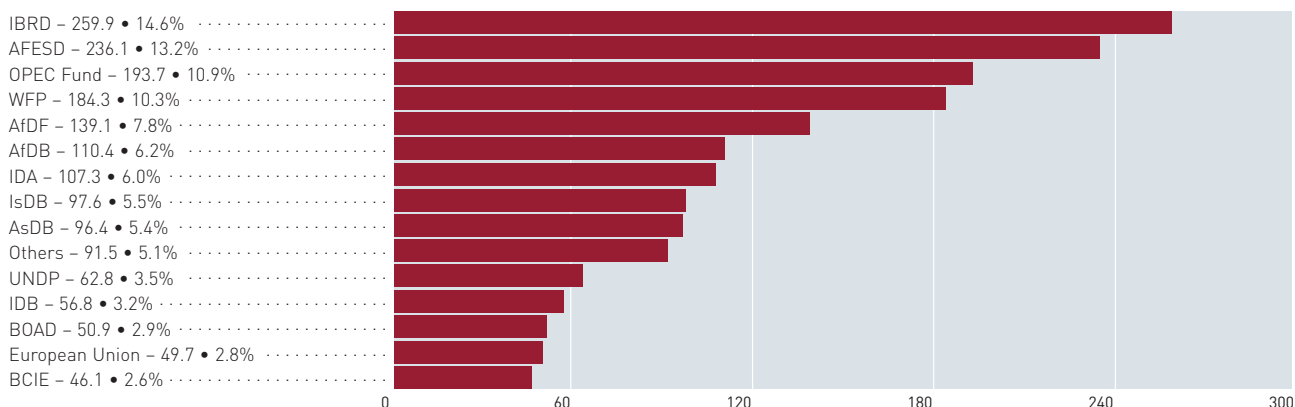
	1978-92	%	1992-2003	%	2003	%	1978-2003	%
<b>Projects initiated by cooperating institutions</b>								
IFAD <sup>a</sup>	1 037.5	14.8	466.0	18.7	20.0	33.4	1 503.5	15.8
Cofinanced <sup>b</sup>	2 866.0	40.9	1 385.5	55.7	30.0	50.0	4 251.5	44.8
Domestic	3 095.9	44.2	636.0	25.6	10.0	16.6	3 731.9	39.3
Total <sup>b</sup>	6 999.4	100.0	2 487.5	100.0	60.0	100.0	9 486.9	100.0
Number of projects	97		41		1		138	
<b>IFAD-initiated and cofinanced projects</b>								
IFAD <sup>a</sup>	1 525.4	39.3	2 443.1	46.6	168.9	51.1	3 968.5	43.5
Cofinanced <sup>b</sup>	1 176.3	30.3	1 262.5	24.1	94.9	28.7	2 438.8	26.7
Domestic	1 179.5	30.4	1 532.4	29.3	66.8	20.2	2 711.9	29.7
Total <sup>b</sup>	3 881.2	100.0	5 237.9	100.0	330.5	100.0	9 119.1	100.0
Number of projects	149		179		12		328	
<b>IFAD-initiated and exclusively financed projects</b>								
IFAD <sup>a</sup>	1 237.8	58.8	1 398.2	64.0	214.8	66.7	2 636.0	61.5
Domestic	866.0	41.2	786.3	36.0	107.3	33.3	1 652.4	38.5
Total <sup>b</sup>	2 103.8	100.0	2 184.6	100.0	322.1	100.0	4 288.4	100.0
Number of projects	91		96		12		187	
<b>All projects</b>								
IFAD <sup>a</sup>	3 800.7	29.3	4 307.4	43.5	403.6	56.6	8 108.1	35.4
Cofinanced <sup>b</sup>	4 042.3	31.1	2 648.0	26.7	124.9	17.5	6 690.2	29.2
Domestic	5 141.5	39.6	2 954.7	29.8	184.1	25.8	8 096.1	35.4
Total <sup>b</sup>	12 984.4	100.0	9 910.0	100.0	712.6	100.0	22 894.5	100.0
Number of projects	337		316		25		653	

<sup>a</sup> IFAD amount includes grants for project components.

<sup>b</sup> Includes cofinancing for which sources have not yet been confirmed.

### CHART 6

**Cofinancing of IFAD-initiated projects by multilateral donors under the Regular Programme and SPA, 1978-2003**  
(amounts in USD million)

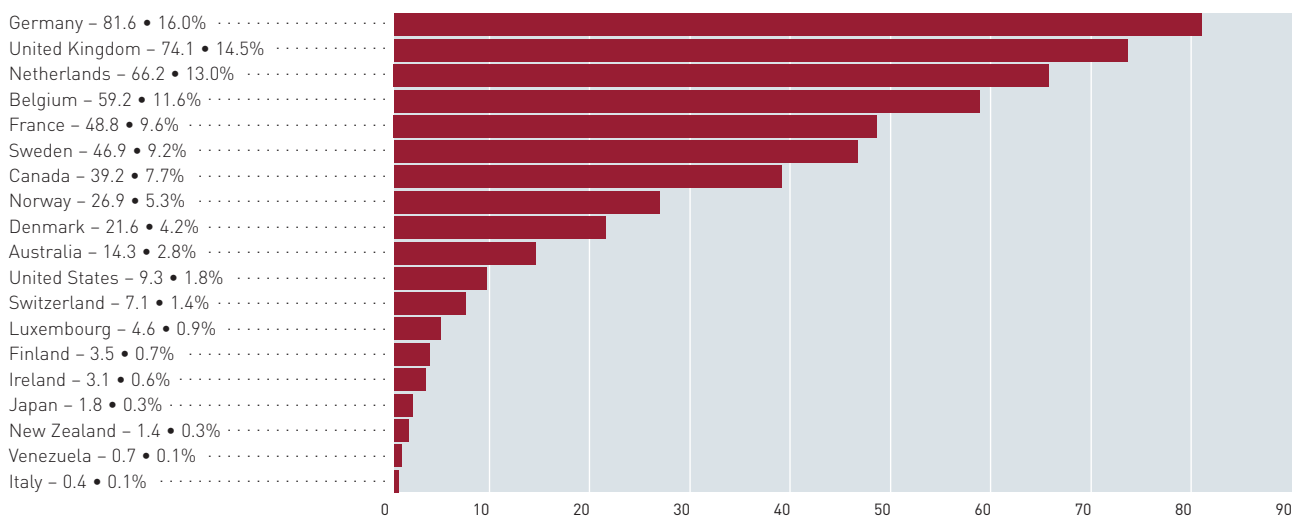


The amounts and percentages shown here represent the share of each multilateral in total multilateral cofinancing of USD 1 782.4 million.

Other cofinanciers include: AAAID, Africa Fund, Arab Bank for Economic Development in Africa, Andean Development Corporation, CDB, FAO, GEF, Inter-American Institute for Cooperation on Agriculture, United Nations Capital Development Fund, United Nations International Drug Control Programme, United Nations Fund for Drug Abuse Control, United Nations Population Fund, United Nations Children's Fund and UNIFEM.

### CHART 7

**Cofinancing of IFAD-initiated projects by donor Member States (bilateral) under the Regular Programme and SPA, 1978-2003**  
(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.

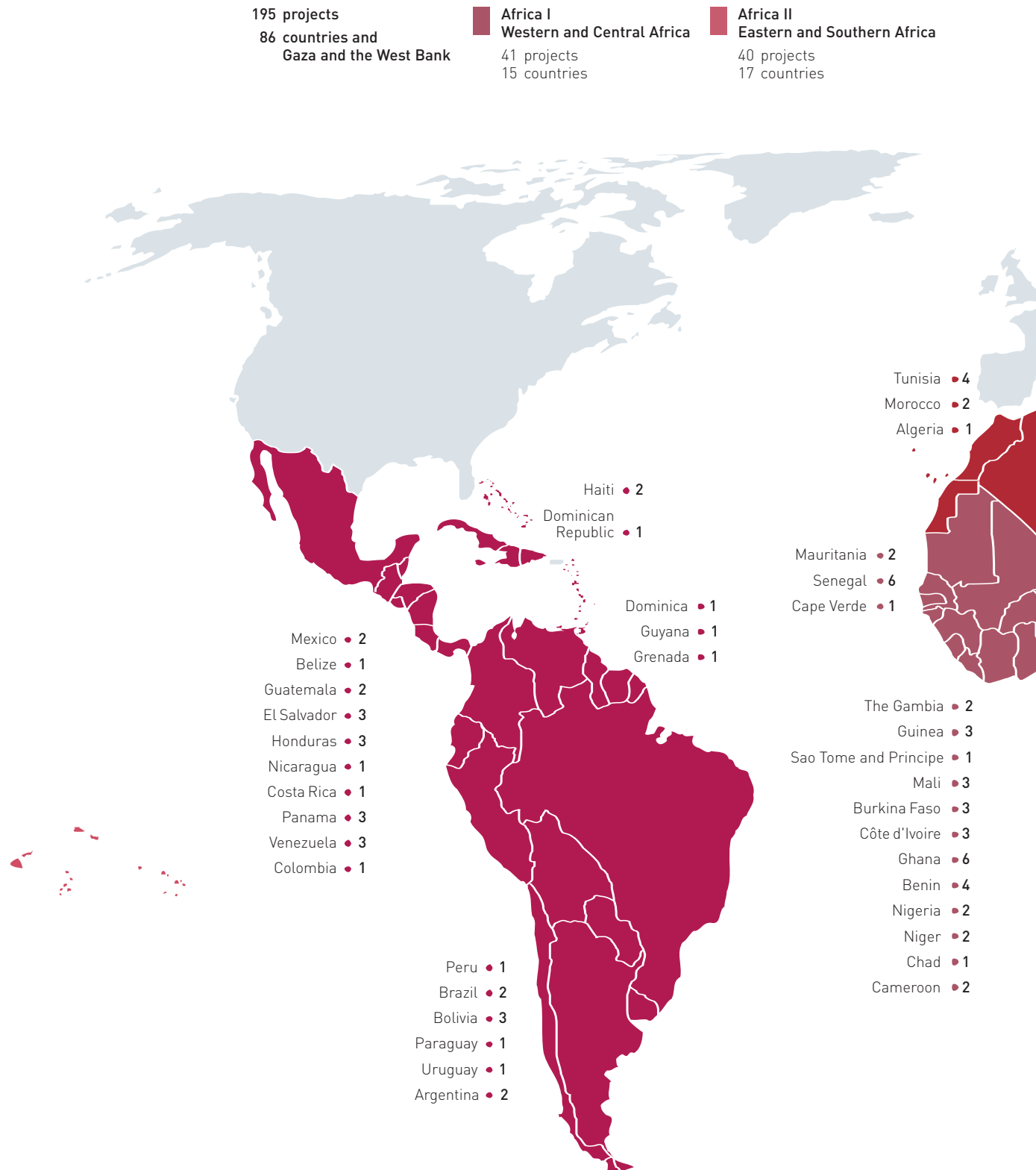
SUMMARY OF 2003 PROJECTS, PROGRAMMES AND GRANTS







## Number of effective projects by region and country (end 2003)

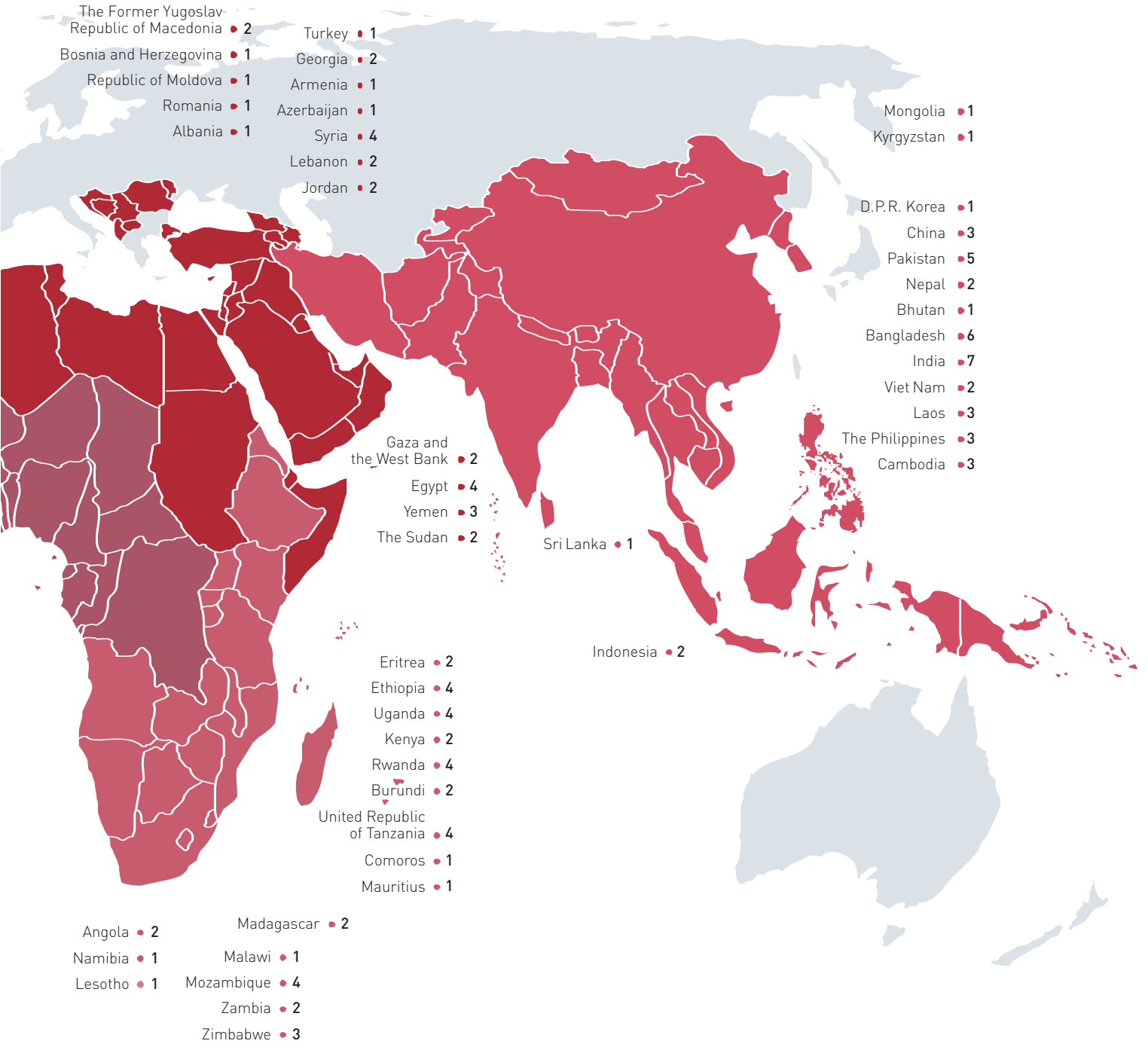


Note: Excludes closed projects and those not effective as at year end.

**Asia and the Pacific**  
41 projects  
15 countries

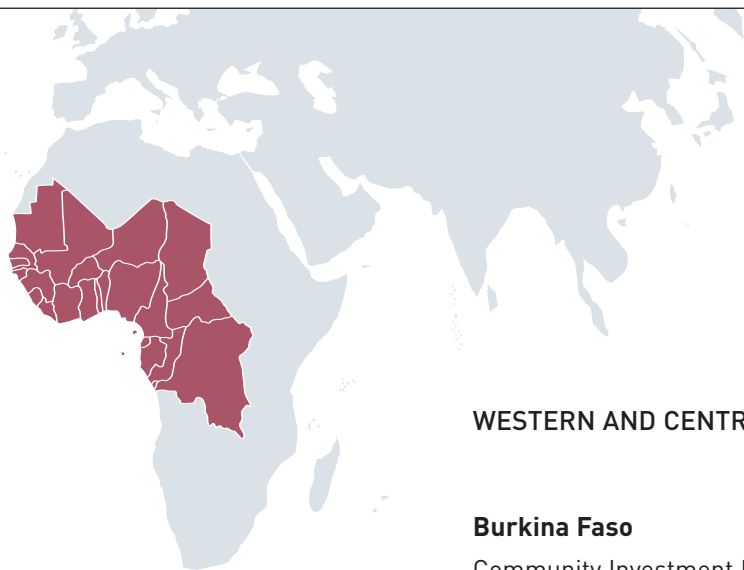
**Latin America and the Caribbean**  
36 projects  
21 countries

**Near East and North Africa**  
37 projects  
18 countries and  
Gaza and the West Bank



## PROJECTS AND PROGRAMMES

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### WESTERN AND CENTRAL AFRICA

#### **Burkina Faso**

##### Community Investment Programme for Agricultural Fertility

This programme is designed to enhance agricultural productivity sustainably, and to contribute to soil protection and rehabilitation through soil and water conservation techniques, soil restoration, agroforestry and grazing paths. It will also support income-generating activities, facilitate access to land by vulnerable groups (particularly women and young people), and strengthen the capacity of rural poor people and their organizations. The programme will:

- focus on agricultural investments
- assist projects supporting the ongoing decentralization process in order to address fertility, livestock and crop-production issues
- create synergies with other projects
- use the watershed approach to develop upstream and downstream areas of the lowlands
- strengthen capacity through literacy programmes and training
- invest in infrastructure
- increase productivity by addressing constraints on the supply of water, agricultural inputs and equipment
- improve access to credit and land tenure for rural poor people

---

**Loan amount:** SDR 8.8 million (approximately USD 12.1 million) on highly concessional terms.

**Total programme costs:** estimated at USD 26.9 million, of which beneficiaries will provide about USD 3.1 million, AfDB USD 7.5 million, BOAD USD 1.0 million and the national Government USD 3.2 million.

**Cooperating institution:** BOAD

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## Cameroon

### Roots and Tubers Market-Driven Development Programme

This programme is designed to improve food security and raise the incomes of rural poor people, through sustainable development of the roots and tubers sector.

Specifically, the programme will:

- strengthen the capacity of small roots and tubers producers and processors to build strong organizations and to plan and efficiently manage development of the sector
- improve the access of roots and tubers producer organizations to local, national and subregional markets
- facilitate access of roots and tubers producers and processors to appropriate post-harvest and processing technologies so they are able to respond to consumer demand
- contribute to the expansion of roots and tubers production through improved technologies that respond to market needs and can be widely adopted by farmers

---

**Loan amount:** SDR 9.6 million (approximately USD 13.1 million) on highly concessional terms.

**Total programme costs:** estimated at USD 21.7 million, of which beneficiaries will provide about USD 1.3 million and the national Government USD 7.3 million, including funds from the HIPC reflows.

**Cooperating institution:** UNOPS

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## Chad

### Kanem Rural Development Project

The objective of the project is to improve the incomes and food security of poor households in the Kanem region. Specifically, it will:

- develop sustainable microfinance services
- empower rural poor people and their organizations through the creation and consolidation of representative institutions
- increase agricultural productivity through technology packages for the *ouadis* (bottom land between sand dunes, with alluvial clay soil and shallow groundwater)
- provide specific support to women and young people, and to their income-generating activities

Farmers' groups and rural organizations in the target area (including those of women and young people) will be empowered through strengthened capacity to analyse the obstacles to their development, prioritize their development needs and participate in implementing appropriate, sustainable project activities. The project will provide technical and financial assistance to the development of microfinance institutions and economic groups, as well as microprojects to increase incomes and agricultural productivity and to protect the environment.

---

**Loan amount:** SDR 9.5 million (approximately USD 13.0 million) on highly concessional terms.

**Total project costs:** estimated at USD 14.3 million, of which beneficiaries will provide about USD 300 000 and the national Government USD 1.0 million.

**Cooperating institution:** UNOPS

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## Guinea

### Support to Rural Development in North Lower Guinea Project

The objective of the project is to improve the incomes, food security and living conditions of rural poor people sustainably in the North Lower Guinea region. Specifically, the project will:

- strengthen the capacity of rural poor people and their organizations
- increase agricultural productivity of crops and livestock and diversify sources of income

The project will provide financial assistance to support the development of agricultural, forestry and livestock microprojects, prepared and owned by rural poor people. The microprojects will aim to improve agricultural productivity and increase incomes, and protect the environment. It will assist in the identification of appropriate technology, and support development and wide use of improved seed, particularly rice and peanut. Finally, it will support the development of a sustainable rural finance system for rural poor people.

---

**Loan amount:** SDR 10.0 million (approximately USD 14.2 million) on highly concessional terms.

**Total project costs:** estimated at USD 17.7 million, of which beneficiaries will provide USD 1.4 million, and the national Government USD 2.1 million.

**Cooperating institution:** UNOPS

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## Mauritania

### Oasis Sustainable Development Programme

Within the framework of Mauritania's poverty reduction strategy paper, the programme aims to reduce rural poverty in the five oasis regions. The eight-year programme will pursue this goal through:

- development of grass-roots organizations
- promotion of oasis agricultural systems through development and dissemination of technical and managerial know-how and marketing support
- financial support for community-based social and economic infrastructure
- consolidation of decentralized rural finance systems

The programme will focus on building the capacity of rural institutions (including community organizations and women and youth associations), decentralized financing institutions and rural communes. Access to social services will be improved.

---

**Loan amount:** SDR 7.9 million (approximately USD 11.4 million) on highly concessional terms.

**Total programme costs:** estimated at USD 33.9 million, of which beneficiaries will provide about USD 1.4 million, AFESD USD 11.6 million, GEF USD 2.8 million and the national Government USD 6.8 million.

**Cooperating institution:** AFESD

---

## Senegal

### Agricultural Development Project in Matam – Phase II

The project aims to:

- improve the capacity of participating organizations to provide essential services to and advocate for their members
- promote the participation of women and young people in community decisions and activities
- sustainably increase the agricultural and pastoral productive potential in the project area
- increase and diversify rural incomes, particularly those of more vulnerable groups

Capacity development will involve intensive literacy, technical and managerial training. The potential for increased production will be supported by the repair of rural roads to reduce access problems, and the rehabilitation of irrigated perimeters and boreholes in the pastoral areas to facilitate adoption of improved range-management practices. The project will consolidate and help expand the network of microfinance institutions initiated in the first phase, helping them broaden their financial services and develop capacities for resource mobilization.

---

**Loan amount:** SDR 9.2 million (approximately USD 12.5 million) on highly concessional terms.

**Total project costs:** estimated at USD 24.3 million, of which beneficiaries will provide about USD 329 000, BOAD USD 7.9 million and the national Government USD 3.6 million.

**Cooperating institution:** BOAD

---

## Sierra Leone

### Rehabilitation and Community-Based Poverty Reduction Project

The goal of the project is to reduce poverty and food insecurity caused by conflict, and improve the livelihoods and living conditions of rural communities. This will be achieved through support to the short-term recovery of rural communities and redevelopment of farming activities, while laying the basis for long-term rehabilitation and participatory development. The project will follow a phased approach in which short and long-term activities are carried out simultaneously and are geared to local conditions. Its activities will:

- support community-based institutions and participatory development to empower local communities to regain their livelihood security and basic entitlements
- empower the poor and vulnerable by expanding their access to and control over the fundamental assets of capital, knowledge and technology
- rehabilitate rural infrastructure to improve production conditions, access to markets and living conditions

---

**Loan amount:** SDR 5.9 million (approximately USD 8.5 million) on highly concessional terms.

**Total project costs:** estimated at USD 10.8 million, of which beneficiaries will provide USD 1.2 million and the national Government USD 1.1 million.

**Cooperating institution:** UNOPS

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## EASTERN AND SOUTHERN AFRICA

### Ethiopia

#### Pastoral Community Development Project

The project will result in improved sustainable livelihoods among pastoralists living in the arid and semi-arid Ethiopian lowlands. It is designed to empower communities and enable the decentralized regional administration to better manage local development together, through a community-based planning process linked to a community investment fund. The project will also support a participatory disaster-management programme to reduce the vulnerability of pastoral communities to drought and other natural disasters. These efforts will be underpinned by:

- policy reform
- investments in health, education and veterinary services
- applied research into dryland agriculture and natural resource management
- local capacity building

Although recognizing the central role of animal production in pastoral life, the project will not focus exclusively on income and productivity from livestock. Rather, it will also identify and develop alternative ways to make a living, including crop cultivation on a voluntary basis and non-farm income generation, to better integrate pastoral communities into the national economy.

---

**Loan amount:** SDR 14.4 million (approximately USD 20.0 million) on highly concessional terms.

**Total project costs:** estimated at USD 59.9 million, of which beneficiaries will provide about USD 4.0 million, International Development Association (IDA) USD 30.0 million and the national Government USD 5.9 million.

**Cooperating institution:** World Bank, IDA

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## Kenya

### Southern Nyanza Community Development Project

The overall goals of the project are to reduce poverty and strengthen livelihoods in the communities in the project area. A gender-balanced approach will be taken to empower rural communities, through improved health and more rational use and management of natural resources. The project aims to:

- build local governance capacity and community-driven processes for development
- improve equitable access by women and men to essential primary health care services, safe domestic water, and better sanitation and hygiene practices
- improve on-farm labour productivity, food security and nutrition
- strengthen institutional capacity at district and divisional levels for integrated development support

By strengthening livelihoods and fostering economic empowerment, the project also aims to address the underlying causes and social behaviours leading to HIV/AIDS transmission, while strengthening the capacity of communities to cope with the impact of the epidemic. Communities will define and prioritize their needs through a community-action planning process, and community committees will manage the health care centres, water points and latrines. Self-help groups will be the contact for economic activities, including agriculture.

---

**Loan amount:** SDR 10.9 million (approximately USD 15.6 million) on highly concessional terms.

**Total project costs:** estimated at USD 17.8 million, of which beneficiaries will provide USD 500 000 and national Government USD 1.8 million.

**Cooperating institution:** UNOPS

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## Madagascar

### Rural Income Promotion Programme

The programme's goal is to reduce rural poverty in the province of Toamasina by increasing rural incomes and boosting the capacity of communities to take responsibility for their own development. It has two specific objectives:

- (1) Improve access of small-scale producers to markets and higher value for their products through:
  - improved efficiency of crop-collection systems
  - reinforcement of their negotiating position
  - improvement in the quality of produce
  - development of partnerships between groups of producers and commercial operators
  - improvement of the conditions for transportation of produce

(2) Promote environmentally sustainable intensification, growth and diversification of the productive base of rural poor people, including the most vulnerable, through:

- improvement in local governance to enable effective participation
- strengthening of producer organizations
- improved access to rural financial services
- provision of quality agricultural advisory services
- financial support for investment by small-scale producers

---

**Loan amount:** SDR 10.2 million (approximately USD 14.5 million) on highly concessional terms.

**Total programme costs:** estimated at USD 28.3 million, of which beneficiaries and other domestic partners will contribute about USD 730 000; the OPEC Fund USD 7.7 million; local government USD 120 000 and the national Government USD 5.2 million.

**Cooperating institution:** UNOPS

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### **Mozambique**

#### Rural Finance Support Programme

The goal of the programme is to contribute to economic growth and poverty alleviation by improving the livelihoods of rural poor households and the viability of rural enterprises. Specifically, the programme will aim to:

- improve sustainable access to financial services by poor people, vulnerable groups and emerging enterprises
- create an enabling policy and institutional environment for rural financial services in order to improve the economic opportunities and incomes of poor people

The programme will work at the policy, organization and community levels. At the policy level, it will set up a rural finance forum to encourage continuous discussion among stakeholders. In addition to improving the macroeconomic environment for rural finance, the programme will directly assist rural poor people by: improving income-generating activities; financing investments; improved inputs and rural enterprises; and increasing household assets and savings.

---

**Loan amount:** SDR 6.7 million (approximately USD 9.5 million) on highly concessional terms.

**Total programme costs:** estimated at USD 34.3 million, of which beneficiaries will provide about USD 275 000; AfDB USD 16.4 million; the AfDF USD 5.4 million, domestic financing institutions USD 832 000 and the national Government USD 1.9 million.

**Cooperating institution:** UNOPS

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## Rwanda

### Rural Small and Microenterprise Promotion Project – Phase II

The project aims to increase the incomes of poor rural people. To achieve this, it will promote the development of viable small and microenterprises, by:

- strengthening their capitalization through enhanced access to financial services
- improving their performance and productivity through access to sustainable non-financial services, such as training
- strengthening their apex and professional organizations, so they can effectively support their member enterprises
- promoting the use of appropriate technology, observance of acceptable quality standards and better access to markets
- improving the related institutional and legal framework

Project-support activities, including credit, will be tailored to the different categories of small and microenterprises – subsistence, emerging and expanding. In the case of new and subsistence enterprises, for example, apprenticeship programmes will be used to enable experienced, established entrepreneurs to pass on their skills to new entrepreneurs.

---

**Loan amount:** SDR 10.7 million (approximately USD 14.9 million) on highly concessional terms.

**Total project costs:** estimated at USD 17.6 million, of which the national Government will provide about USD 2.7 million.

**Cooperating institution:** UNOPS

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## ASIA AND THE PACIFIC

### Bangladesh

#### Microfinance and Technical Support Project

The goals of the project are to improve the livelihoods and food security of poor households, and empower women. Specific objectives are: adoption of sustainable income-generating activities and livestock production technologies by the moderately and extremely poor; and development of knowledge about livestock production by the Palli Karma-Sahayak Foundation and its partner organizations. The project will have three components:

- microcredit
- technical support, (including training, research and development)
- project implementation support, including project coordination, monitoring and evaluation, and support to partner organizations

The project will address the vulnerability of women by improving their access to knowledge and technology, control over productive resources, and development of leadership and management skills.

---

**Loan amount:** SDR 11.9 million (approximately USD 16.3 million) on highly concessional terms.

**Total project costs:** estimated at USD 20.2 million, of which local non-governmental organizations will provide about USD 218 000 and domestic financing institutions USD 3.7 million.

**Cooperating institution:** UNOPS

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### Cambodia

#### Rural Poverty Reduction Project in Prey Veng and Svay Rieng

The project seeks to reduce the poverty of 120 600 households through: active participation of poor people in improving their livelihoods; strengthened capacity; sustainable farming systems and natural resource management; new or rehabilitated infrastructure; and greater access to technology, services and markets, so as to enhance economic and social development. Specifically, the project will:

- enable poor households to increase food production and incomes through intensified, diversified crop and livestock production and other initiatives, and to manage natural resources sustainably
- build the capacity of rural poor people to plan and manage their own social and economic development, including rural infrastructure development
- assist public and other service providers in involving rural poor people in a participatory and gender-sensitive manner, so they can plan and implement programmes that respond to need

---

**Loan amount:** SDR 10.9 million (approximately USD 15.5 million) on highly concessional terms.

**Total project costs:** estimated at USD 19.6 million, of which beneficiaries will provide about USD 930 000, WFP USD 2.4 million, the national Government USD 491 000 and the Partnership for Local Governance USD 265 700 (financed by UNDP, SIDA and DFID).

**Cooperating institution:** UNOPS

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## India

Livelihoods Improvement Project in the Himalayas

The goal of the project is to improve the livelihoods of vulnerable groups sustainably by promoting opportunities and strengthening relevant local institutions.

Specifically, the project will:

- promote a more sensitive approach to project design and implementation
- enhance the ability of local people to choose appropriate opportunities to improve their livelihoods, access the financial resources they need, and manage new technologies and institutions at the village level
- increase incomes through more sustainable income-generating cultivation systems and the establishment of non-farm small and microenterprises
- establish effective, appropriate delivery systems for inputs and for the maintenance of assets and resources – with emphasis on microfinance, savings and thrift, and insurance products
- ensure access to business development services that link household-based livelihood activities with the larger economy

---

**Loan amount:** SDR 27.9 million (approximately USD 39.9 million) on highly concessional terms.

**Total project costs:** estimated at USD 84.3 million, of which beneficiaries will provide USD 9.5 million, domestic financing institutions USD 23.4 million and local governments USD 11.4 million.

**Cooperating institution:** UNOPS

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## Pakistan

Community Development Programme

The programme aims to consolidate and improve the well-being of rural poor people, using community-based participatory planning, implementation and monitoring, and building gender sensitivity.

Specifically, the programme will:

- strengthen the role and capabilities of existing community organizations and establish new ones
- lay the foundation for successful devolution of power and responsibility to the local level, by promoting effective governance, transparency and accountability through improved relationships between central and local institutions
- improve natural resource management
- expand the social and economic infrastructure needed to increase income and employment opportunities for vulnerable groups, and reduce poverty

The programme will work with members of new and existing community organizations (both women's and men's) to decide on the infrastructure and development activities.

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**Loan amount:** SDR 15.3 million (approximately USD 21.8 million) on highly concessional terms.

**Total programme costs:** estimated at USD 30.7 million, of which beneficiaries will provide about USD 1.9 million and the national Government USD 7.1 million.

**Cooperating institution:** UNOPS

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## LATIN AMERICA AND THE CARIBBEAN

### Guatemala

#### National Rural Development Programme – Phase I: The Western Region

The goal of the programme is to reduce poverty among the poorest indigenous and non-indigenous populations of Guatemala, as well as reduce discrimination against them. The programme will work to ensure that all stakeholders, both men and women, participate equally in the development of enabling national rural development policies and institutions, and their transparent implementation. The programme will:

- promote integration of the rural areas of the five western departments of Guatemala into the country's mainstream social and economic development
- support the participation of grass-roots organizations in the programme and the development of members' economic activities
- strengthen the self-esteem of indigenous groups, rural women and young people

In addition, developments in rural health, education, communications infrastructure and basic services will help improve the living conditions of both indigenous and non-indigenous communities.

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**Loan amount:** SDR 21.6 million (approximately USD 30.0 million) on intermediate terms.

**Total programme costs:** estimated at USD 48.0 million, of which beneficiaries will provide about USD 2.0 million, the OPEC Fund USD 10.0 million and the national Government USD 6.0 million.

**Cooperating institution:** UNOPS

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### Mexico

#### Strengthening Project for the National Micro-Watershed Programme

The project seeks to significantly reduce poverty among the poorest indigenous and non-indigenous groups in rural communities in micro-watersheds in eight states of Mexico. It will also seek to reduce discrimination against these people. This will be achieved through the socio-economic development of micro-watershed areas in a comprehensive and economically and environmentally sustainable manner. Specifically, the project will work to:

- strengthen human and social resources in rural poor communities
- improve soil, water and vegetation conservation and management in the micro-watershed areas
- increase family incomes through improvements in the production and marketing of forestry, crop, livestock and microenterprise products
- strengthen the capacity of the National Micro-Watershed Programme to include participation and the implementation of local development and conservation actions, and increasing municipal, state and federal capacity for institutional coordination

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**Loan amount:** SDR 10.5 million (approximately USD 15.0 million) on ordinary terms.

**Total project costs:** estimated at USD 28.0 million, of which beneficiaries will provide about USD 2.0 million, GEF USD 4.0 million, and the national Government USD 7.0 million.

**Cooperating institution:** UNOPS

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## Nicaragua

Programme for the Economic Development of the Dry Region in Nicaragua

The goal of the programme is to contribute to the reduction of rural poverty by increasing the incomes of rural poor households. Its specific objective is to improve the access of rural poor households to assets that enable them to benefit from income-generating opportunities sustainably and equitably. The programme is demand-driven, which means it responds to demand from the participants. It will assist in the participatory development and implementation of business and employment plans. In addition, it will ensure improved access to income-generating activities by:

- strengthening rural poor people's capacity to access markets, with special emphasis on creating the right conditions for women and young people
- increasing the supply of local financial and non-financial services

All business and employment plans will have to fulfil feasibility and sustainability criteria. The main areas of focus are human and social capital strengthening and empowerment, to allow local stakeholders to benefit from programme opportunities.

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**Loan amount:** SDR 10.3 million (approximately USD 14.0 million) on highly concessional terms.

**Total programme costs:** estimated at USD 25.0 million, of which beneficiaries will provide about USD 1.2 million, domestic financing institutions USD 4.0 million, BCIE USD 4.0 million and the national Government USD 1.8 million.

**Cooperating institution:** BCIE

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## Venezuela

Sustainable Rural Development Project for the Semi-Arid Zones of Falcon and Lara States (PROSALFA II)

The goal of the project is to improve the living conditions of rural poor communities in the semi-arid zones of Falcon and Lara states. The general objective is to significantly reduce poverty among communities in semi-arid rural areas, through environmentally sustainable and gender equitable social and economic development. Specific objectives include:

- economic and political empowerment of the organizations of rural poor communities in semi-arid zones
- rehabilitation, conservation and sustainable use of natural resources in these zones, with a focus on soil and water conservation
- transformation of agricultural and non-agricultural subsistence production into a market-oriented, profitable and sustainable business
- greater access of these communities to local, rural financial services (*cajas rurales*), as well as to financial services at the state and national level

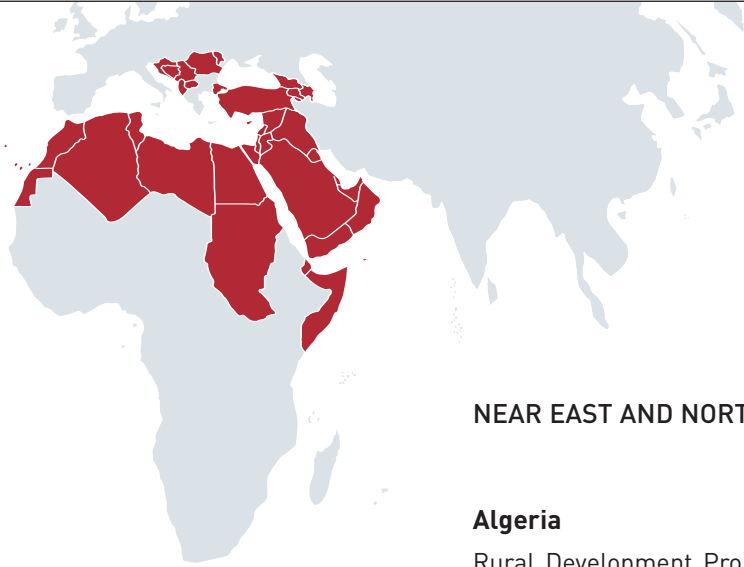
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**Loan amount:** SDR 10.4 million (approximately USD 15.0 million) on ordinary terms.

**Total project costs:** estimated at USD 23.0 million, of which beneficiaries will provide about USD 1.0 million, CAF USD 4.0 million, and the national Government USD 3.0 million.

**Cooperating institution:** CAF

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## NEAR EAST AND NORTH AFRICA

### Algeria

Rural Development Project for the Mountain Zones in the North of the Wilaya of M'Sila

The goal of the project is to contribute to the reduction of rural poverty by diversification of income sources and sustainably increased incomes for the most vulnerable rural populations. It will achieve this through the rehabilitation and sustainable management of natural resources.

Specific objectives are to:

- build local capacity for planning grass-roots development and for designing and implementing local projects that target the most underprivileged populations
- ensure the sustainability of agricultural development and productivity by setting priorities for the use of surface water and by efforts to control land degradation
- support initiatives that contribute to increasing, diversifying and guaranteeing stable incomes through access to financial services, particularly for women and young people

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**Loan amount:** SDR 12.2 million (approximately USD 17.6 million) on intermediate terms.

**Total project costs:** estimated at USD 29.8 million, of which beneficiaries will provide about USD 2.4 million and the national Government USD 9.9 million.

**Cooperating institution:** UNOPS

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## Morocco

Livestock and Rangelands Development Project in the Eastern Region – Phase II  
The goal of the project is to improve the incomes and living conditions of rural poor people. This will be done through empowerment of local communities and the creation of new opportunities for the most vulnerable groups. There will be a focus on sustainable rehabilitation and management of natural resources. Building on the achievements of the first phase, the project will aim to:

- strengthen the capacity of local public institutions and grass-roots organizations to establish a viable participatory mechanism for identification and implementation of investment opportunities
- promote livestock production systems to increase the value of animal products through local processing and linkage to markets
- diversify income sources through the promotion of income-generating activities and improved access to technical, marketing and financial services

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**Loan amount:** SDR 4.6 million (approximately USD 6.4 million) on intermediate terms.

**Total project costs:** estimated at USD 9.2 million, of which beneficiaries will provide USD 171 000, the national Government USD 2.4 million and USD 333 000 from sources to be determined.

**Cooperating institution:** UNOPS

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## Republic of Moldova

Agricultural Revitalization Project

The project will contribute to sustainable poverty reduction in rural areas, and to improving rural livelihoods through increased agricultural production, higher incomes and a transparent, replicable governance process. Specific objectives are to:

- (1) Generate productive employment and improve rural assets through partnerships between farmers and entrepreneurs that will:
  - convert about 10 000 hectares of land to intensive cultivation of high-value crops
  - link farming, agro-services, agro-processing and market channels, and create off-farm income-generating opportunities
- (2) Develop an approach to the revitalization of rural communities, with government support, that focuses on:
  - community planning and implementation of development interventions
  - backward and forward market linkages

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**Loan amount:** SDR 10.3 million (approximately USD 14.9 million) on highly concessional terms.

**Total project costs:** estimated at USD 18.2 million, of which beneficiaries will provide about USD 3.0 million and the national Government USD 275 000.

**Cooperating institution:** UNOPS

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## The Sudan

### Gash Sustainable Livelihoods Regeneration Project

The project aims to rebuild the livelihoods of 67 000 poor households in and around the Gash Delta, with a focus on efficient, sustainable use of land and water resources. The intermediate objective is to ensure the equitable, sustainable operation of the Gash Agricultural Scheme and its integration into the local economy.

The project will aim to:

- elaborate and maintain a shared vision of development
- establish stable institutional arrangements appropriate to that vision
- rebuild water and other social infrastructures and water-harvesting devices
- improve crop and livestock husbandry practices
- establish financial services
- strengthen state planning capacity

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**Loan amount:** SDR 17.5 million (approximately USD 24.9 million) on highly concessional terms.

**Total project costs:** estimated at USD 39.0 million, of which beneficiaries will provide about USD 4.7 million; domestic financing institutions USD 470 000 and the national Government USD 8.9 million.

**Cooperating institution:** UNOPS

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## Turkey

### Sivas-Erzincan Development Project

The goals of the project are to:

- increase agricultural productivity and income levels of rural poor people in the less developed parts of Sivas and Erzincan provinces
- expand rural employment opportunities and encourage individual and group initiatives by smallholders
- build and strengthen self-sustaining institutions directly related to rural poor people
- improve living conditions, especially of women

The project will promote participation through capacity-building of local institutions (such as development committees, cooperatives and water users' associations), sensitization, facilitation and skills transfer. Community institutions will identify and prioritize community needs and formulate regulations for sustainable natural resource management. These will be addressed by project-financed programmes in agricultural production, range management and community development. Support to private and grass-roots providers of technical services, input supply and financial services will assist them in offering their services to rural poor people on market terms.

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**Loan amount:** SDR 9.3 million (approximately USD 13.1 million) on ordinary terms.

**Total project costs:** estimated at USD 30.0 million, of which beneficiaries will provide USD 2.7 million, the OPEC Fund USD 9.9 million, and the national Government USD 4.4 million.

**Cooperating institution:** UNOPS

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## GRANTS

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The 2003 grant portfolio supports the involvement of rural poor people in the development and improvement of technology and in the assessment of impact. After evaluating the economic potential of promising technologies, the grant programmes develop business plans for trials where farmers work in partnership with researchers and commercial firms in order to maximize returns on investment.

The portfolio aims to:

- advance research in technical and institutional areas that benefit the poor
- promote research arrangements that enable such advances
- invest in related education and training

In pursuing these objectives, the grant portfolio continues to address rural poverty through development of agricultural technology. However, it is increasingly accommodating an emerging emphasis on non-agricultural areas, such as rural finance, research processes and organization, market linkages and policy development.

IFAD grants have been awarded to support six agricultural research programmes through centres supported by CGIAR:

- ICARDA: Programme for Strengthening Research and Development to Improve Marketing of Small-Ruminant Products and Income Generation in Dry Areas of Latin America – USD 1.0 million.

The strengthening of research and development will be linked with smallholder capacity-building to derive the best from smallholder livestock markets.

- Center for International Forestry Research (CIFOR): Programme for Improving Income Generation for Forest Communities through IFAD's Loan Portfolio in the Asia and the Pacific Region – USD 900 000.

The grant is directly focused on IFAD project areas, supporting evaluation of different options for income-generation. There will be a special emphasis on policy and institutional reform and empowerment in an action-research context.

- International Potato Center (CIP): Programme for Integrating and Scaling Up and Replicating Technologies for Resource-Poor Potato Growers – USD 800 000.

The grant will build on previous research under the Global Initiative on Late Blight to scale up technology diffusion efforts, while also further strengthening farmer field schools to improve the acceptability and adoption of technology.

- International Institute of Tropical Agriculture (IITA): Participatory Technology Development, Diffusion and Adoption of Cowpea for Poverty Reduction in West Africa – Phase II – USD 1.0 million.

Within an integrated pest management programme to address an important cassava pest – the cassava green mite – the research will strengthen the capacity of rural poor people and their organizations to promote environmentally sustainable options for the management of this significant constraint on food security.

- West Africa Rice Development Association (WARDA): Participatory Adaptive Research and Dissemination of Rice Technologies in West Africa – Phase II – USD 1.0 million.

The grant will promote the important *nerica* variety of rice to improve productivity and incomes of smallholders in West Africa. Both this and the preceding grant will work to enhance the capacity of grass-roots organizations to participate in agricultural technology development and dissemination, thus targeting technology development to the needs of resource-poor small farmers.

- ICARDA: Community-Based Optimization of the Management of Scarce Water Resources in Agriculture in West Asia and North Africa – USD 1.0 million.

The grant will seek to increase the productive potential of smallholders, many of them in IFAD project areas, by addressing water-related production constraints. The programme will include the development of partnerships among national agricultural research systems, building on participatory research models.

IFAD grants have also been awarded to support four agricultural research programmes through centres not supported by CGIAR:

- International Centre of Insect Physiology and Ecology (ICIPE): Programme for the Promotion of Productivity and Trade of Fruits and Vegetables: The African Fruit Fly Initiative (AFFI) – USD 1.0 million.

The grant will support the development and deployment of international pest management strategies to improve the marketability of fruits produced by smallholder African farmers.

- International Fertilizer Development Center (IFDC): Participatory Evaluation, Adaptation and Adoption of Environmentally Friendly Nutrient Management Technologies for Resource-Poor Farmers (ANMAT) Programme – Phase II – USD 1.0 million.

The grant will promote more efficient use of urea deep-placement technology among poor farmers in Southern Asia.

- FAO: Organic Production of Underutilized Medicinal, Aromatic and Natural Dye Plants (MADPs) Programme for Sustainable Rural Livelihoods in Southern Asia – USD 1.4 million.

For the first time, IFAD is helping to promote organic cultivation methods for medicinal, aromatic and dye plants, while improving product value in niche markets and positioning smallholders to engage in profitable village-based small and medium enterprises.

- International Fertilizer Development Center (IFDC): Programme for the Development and Implementation of an Information and Decision Support System for Cereal Production in the NENA Region – USD 900 000. The grant seeks to improve production efficiency and profitability, allowing farming communities to make timely, efficient use of inputs.

IFAD has awarded four Technical Assistance Grants during the year for other research and technical assistance:

- CAF: Regional Programme in Support of Indigenous Peoples in the Amazon Basin (PRAIA) – Phase III – USD 800 000.

- Centre on Integrated Rural Development for Asia and the Pacific (CIRDAP): Scaling Up and Linking Organizations of the Poor – Learning from Experiences of Civil-Society Organizations and IFAD Projects in Asia – USD 450 000.

The research component is intended to design and build sustainable community-based organizations and to promote scaling up and policy linkages through clusters and federations of organizations.

- UNIFEM – South Asia Regional Office: Mainstreaming Gender in Poverty Reduction in Asia: Programme Support for Policy Analysis, Advocacy and Networking to Address Gender Inequities and the Vulnerability of Women – USD 200 000.

- FAO: Expansion of the Farmers Field Schools Programme in Eastern and Southern Africa – USD 1.1 million.

The expansion of the programme would empower farmer groups and enable them to enhance their agricultural productivity and food security.

IFAD has awarded four Technical Assistance Grants during the year for training:

- International Development Research Centre (IDRC): Programme to Develop a Knowledge Generation and Sharing Network in the Near East and North Africa (NENA) Region – Phase I – USD 1.0 million.

This pilot activity will identify, test and develop mechanisms for using information and communications technology tools in ways that strengthen the capacity of rural poor people and their organizations. It seeks to improve their access to knowledge and technology and establish mechanisms for involving them in discussions on their development.

- African Rural and Agricultural Credit Association (AFRACA): AFRACA Development Programme 2004-2007 – USD 1.2 million.

The grant will enhance access of rural poor people to financial services and improve the institutional framework for such services. AFRACA's consolidated network for knowledge-gathering and dissemination will also enhance IFAD's capacity to establish long-term strategic linkages with its development partners.

- Network of Farmers' Organizations and Agricultural Producers in West Africa (ROPPA): Support Programme to Strengthen ROPPA's Capacity – USD 400 000.

IFAD support to ROPPA will enable small farmers to organize better and to participate in policy dialogue, develop positions, defend themselves, their views and concerns, and influence the share of development resources allocated to agricultural and rural development.

- The Southern Cone Common Market (MERCOSUR): Institutional and Policy Support Programme to Reduce Rural Poverty in the MERCOSUR Area – USD 800 000.