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Country Programme Evaluation

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Photograph on cover page:

Civil Engineer Ahmed Aldahi and farmer Hilal Alish demonstrate some ways of an on-farm utilization of the removed rocks in an olive grove in Quinetre. The land has been cleared of volcanic rock by the project.

IFAD photo by Jon Spaul

Syrian Arab Republic
Country Programme Evaluation

EVALUATION REPORT

Table of Contents

Currency Equivalents	iv
Fiscal Year of Government and CAB	iv
Abbreviations and Acronyms	iv
Maps	vii
Agreement at Completion Point	xiii
Executive Summary	xxi
MAIN REPORT	1
I. INTRODUCTION	1
A. Background and Rationale	1
B. Objectives	1
C. Methodology	1
(1) The Evaluation Approach	1
(2) Field Work	2
(3) Sources of Data	2
(4) Workshop	2
D. Organization of the Report	3
II. MACRO ECONOMIC AND SOCIO ECONOMIC CONTEXT	4
A. Country Background	4
B. Macro Economic Policies: An Overview	4
(1) Macro Economic Context	4
(2) Contribution and Characteristics of the Agricultural Sector	6
(3) Agricultural Strategy	6
C. Rural Poverty in Syria	8
D. Donor Relations and Assistance	9
III. IFAD's STRATEGY AND OPERATIONS: AN OVERVIEW	10
A. IFAD's Strategy	10
B. IFAD's Operations	11
(1) IFAD Portfolio Development	11
(2) The Projects	14

(3) Disbursement Profiles	14
IV. ORGANIZATION AND MANAGEMENT	16
V. SOCIO ECONOMIC ASPECTS	23
A. Targeting	23
B. Beneficiary Participation	26
C. Gender	27
D. Grassroots Organizations	28
(1) Innovative Initiatives Implemented by Other Agencies	28
(2) Non-governmental Organizations	29
(3) Farmer and Pastoral Cooperatives and Union	29
(4) The Scope for the Development of Grassroots Organizations	30
VI. FARMING SYSTEMS	31
A. General Overview	31
(1) Land Use	31
(2) Crop Production	32
(3) Livestock	33
(4) Water Resources	36
(5) Extension	36
B. IFAD's Interventions and Experience	37
(1) Land Reclamation and Development	37
(2) Crop Production	39
(3) Livestock Development	40
(4) Extension Services	41
(5) Research	43
(6) Water Resource Development	43
C. Constraints	45
(1) Crop Production/Land Development	45
(2) Livestock Constraints	45
(3) Research and Extension	46
(4) Water Resources	46
VII. RURAL CREDIT	47
A. Introduction	47
B. Cooperative Agricultural Bank and Agricultural Cooperatives	47
C. Credit Components of IFAD Projects	49
D. Main Findings	50
E. Experiences of other Donors	54

VIII. IMPACT AND SUSTAINABILITY OF BENEFITS	55
A. Project Impacts and Benefits	55
(1) Impacts from De-rocking	55
(2) Incremental Benefits from Livestock	56
(3) Water Development	57
(4) Research and Extension	57
(5) Rural Credit	58
(6) Targeting	59
(7) Beneficiary Participation	60
(8) Gender Issues	61
B. Sustainability of Benefits	62
IX. RECOMMENDATIONS AND LESSONS	64
A. Strategic Recommendations and Policy Dialogue	64
(1) Poverty Focus	64
(2) A Pro-Poor Credit Policy	65
(3) Participation and the Involvement of NGOs	65
(4) Environmental Impacts	66
(5) The Sustainability of Farming Systems	67
(6) Decentralization and the Enabling Environment	68
B. Summing Up: Proposed Areas of Strategic Emphasis	69
C. Operational Recommendations	70
(1) Social Issues	70
(2) Farming Systems	71
(3) Water Development	72
(4) Rural Credit	72
(5) Organization and Management	73
(6) Monitoring and Evaluation	74
Appendix I	Bibliography
Appendix II	List of Persons Met
	75
	79

ANNEXES (available upon request from the Office of Evaluation and Studies of IFAD)

ANNEX I	FARMING SYSTEMS
ANNEX II	RURAL CREDIT
ANNEX III	SOCIAL ISSUES
ANNEX IV	ORGANIZATION AND MANAGEMENT
ANNEX V	MONITORING AND EVALUATION
ANNEX VI	A STRATEGY FOR THE DEVELOPMENT OF LIVESTOCK PRODUCTION IN SYRIA

Currency Equivalents

May 2000

Currency Unit = Syrian Pound (SYP)
USD 1 = SYP 46

Fiscal Year of Government and CAB

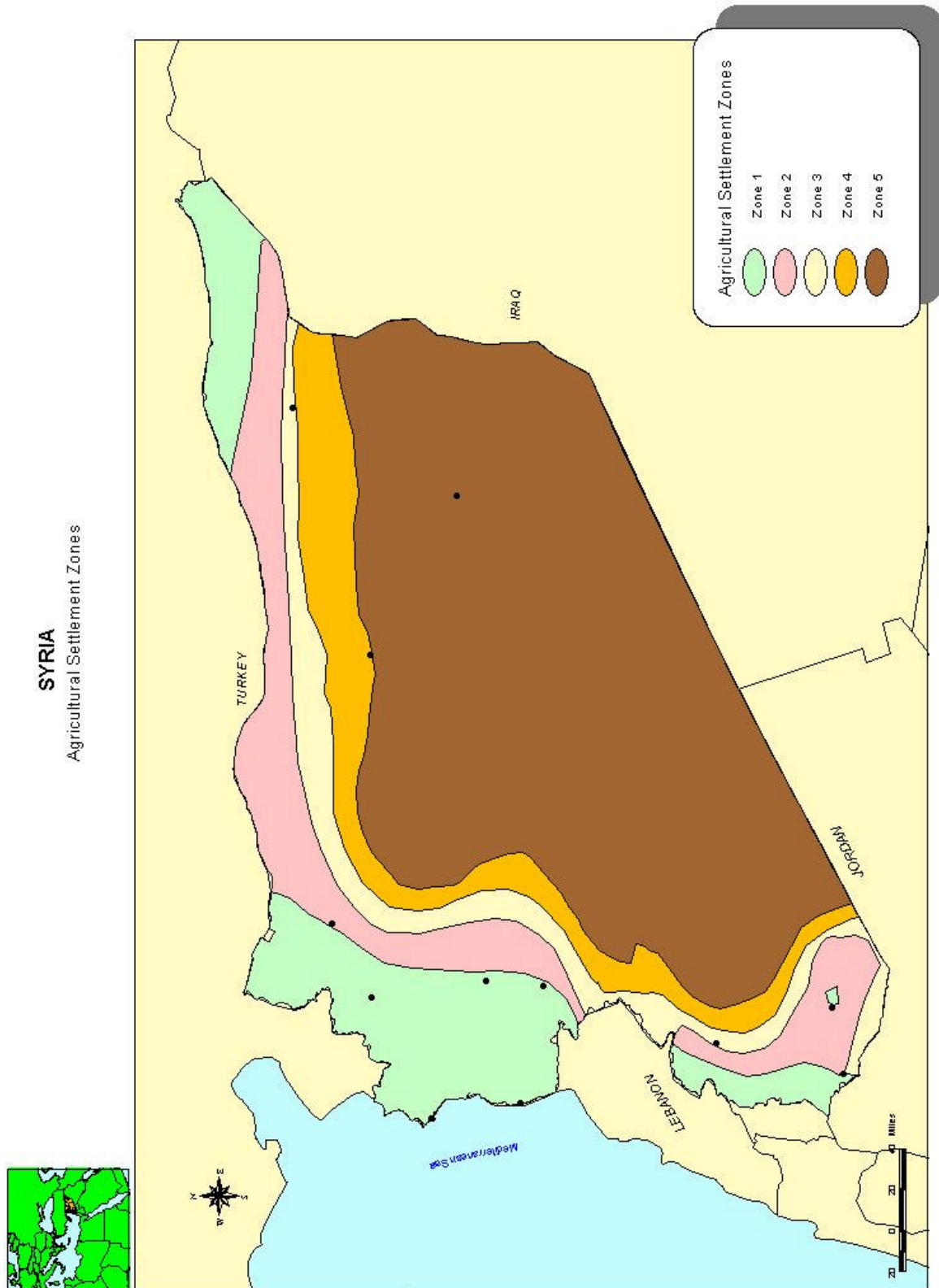
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Abbreviations and Acronyms

ACSAD	Arab Centre for Studies of Arid Zones and Dry Lands
AFESD	Arab Fund for Economic and Social Development
AOAD	Agricultural Organization for Agricultural Development
ASZ	Agricultural Settlements Zone
AWP&B	Annual Work Plan and Budget
BRDP	Badia Rangeland Development Project
CAB	Co-operative Agricultural Bank
CBS	Central Bank of Syria
CI	Cooperating Institution
CLP	Core Learning Partnership
CMADP	Coastal Midlands Agricultural Development Project
COSOP	Country Strategic Opportunities Paper
CPCC	Central Project Coordinating Committees
CPE	Country Programme Evaluation
CPMU	Central Project Management Unit
DAE	Directorate for Agricultural Extension
DASR	Directorate of Agricultural Scientific Research
DIWU	Department of Irrigation and Water Use
ESCWA	Economic and Social Commission for West Asia
EU	Extension Unit
FAO	Food and Agriculture Organization
GAD	Gender and Development Unit
GDP	Gross Domestic Product
GOS	Government of Syrian Arab Republic
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit (German agency for technical cooperation)
GUP	General Union of Peasants
GUW	General Union of Women
IAED	Worldview International Foundation to the Agri-Education Division
ICARDA	International Centre for Agricultural Research in Dry Areas
IDB	Islamic Development Bank
IGA	Income Generating Activity
ILO	International Labour Office
JHADP	Jebel Al-Hoss Agricultural Development Project
MAAR	Ministry of Agriculture and Agrarian Reform
MEDA	Middle East Development Agreement
M&E	Monitoring and Evaluation
MHU	Ministry of Housing and Utilities
MOF	Ministry of Finance

NGO	Non-Governmental Organization
OE	Office of Evaluation and Studies
PCS	Peasants Cooperative Society
PMU	Project Management Unit
PPCC	Provincial Project Coordinating Committee
PPMU	Provincial Project Management Unit
SAC	State Agricultural Council
SCGIM	Strategy-cum-General-Identification Mission
SCP	State Council for Planning
SRADP I	Southern Region Agricultural Development Project Phase-I
SRADP II	Southern Region Agricultural Development Project Phase-II
SSR	Standard Schedule of Requirements
SYP	Start Your Own Business (a Training Programme of UNIFEM)
TA	Technical Assistance
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
UNIFEM	United Nations Development Programme for Women
UNV	United Nations Volunteer
VDC	Village Development Committee
VDG	Village Development Group
WB	World Bank
WFP	World Food Programme
WHO	World Health Organization
WID	Women in Development
WS	Women's Societies
WU	Women's Units
WU/MAAR	Womens Unit of the Agricultural Extension Directorate of the Ministry of Agriculture and Agrarian Reform

Map 3



THE SYRIAN ARAB REPUBLIC

COUNTRY PROGRAMME EVALUATION

AGREEMENT AT COMPLETION POINT



Women in Syrian villages raise sheep to support their families.
IFAD projects provide credit and training for fattening and milk-processing.
Mr Erik Engfeldt, IFAD Communication and Public Affairs, ED

The IFAD Near East and North Africa Division (PN) is planning to prepare a new country strategic opportunities paper (COSOP) for Syria in 2001 to launch a new programming cycle. The division requested the Office of Evaluation and Studies (OE) to undertake a Country Programme Evaluation (CPE) as a prelude to the strategy formulation process. The purpose of the CPE is to assess the Syria/IFAD cooperation experience and derive strategic and operational directions for the future and present portfolio of projects. Fielded in the second semester of 2000, the CPE mission travelled extensively in all five project areas and used participatory methodology to assess the achievements of the portfolio and identify issues and lessons learnt. Upon finalization of report writing and preliminary discussion with the Core Learning Partnership (CLP)¹ in IFAD and Syria a National Roundtable Workshop for the CPE was held in Damascus, Syria on 9 and 10 April 2001. The objective of the workshop, which was jointly sponsored by IFAD and the Government of Syria (GOS), was to discuss the results and recommendations of the CPE and prepare the main contents of the Agreement at Completion Point (ACP) of the CPE, in line with IFAD's New Approach to Evaluation. Eight specific lessons in key strategic areas were identified by the Workshop and agreed upon as basic components of the ACP. These are to be addressed in the course of the policy dialogue leading to the preparation of the COSOP. Such lessons would also have operational implications, which are briefly mentioned in the text of this agreement.

¹ The CLP is composed of Mr Erfan Aloush, Deputy Minister for Agriculture, Damascus (and through him all Project Directors of the ongoing IFAD supported projects in Syria); Mr Mohamed Wardeh, Director of Livestock Department, ACSAD, Damascus; Mr Fahd El Natour, Senior Project Implementation Officer, and Mr Habeeb Behbehani, Project Officer, AFESD (CI), Kuwait; Mr Abdelhamid Abdouli, Country Portfolio Manager/PN, and Ms Mona Bishay, Senior Evaluation Officer/OE, IFAD.

I. Sharper Poverty Focus

There have been progressively stronger and more successful attempts in the present portfolio to direct project interventions towards the poor. This can be deduced from the increasing emphasis placed on activities complementary to the core de-rocking components that lend themselves to better targeting. In the earlier projects targeting was heavily influenced by technical criteria for the selection of land for de-rocking. In more recent projects targeting has progressed so that there is now a better understanding of realistic methods of poverty targeting. Also helping to direct project interventions towards the poor is the tacit acknowledgement by the Government of the extent of rural poverty. Nevertheless, scope still remains for improving the poverty focus of IFAD and the Government's future strategic approach.

The problem of targeting the poor in the present portfolio is to a great extent related to the continued lack of knowledge of the poverty situation. If rural poverty alleviation is to be enhanced in the next portfolio, the highest possible priority should be given to the question of defining the causes of rural poverty and the identification of the poorer sub-sectors and segments of the rural population.

The CPE concluded that land reclamation, the main focus of IFAD supported projects, has been a formidable method of meeting the Government's aims in agricultural development and in poverty reduction. Its success has partly relied on the uniform subsidization of the use of the expensive heavy equipment required. The CPE concluded that a more progressive subsidization policy in favour of the poor (i.e. the better off farmers pay a higher percentage of land reclamation cost) can contribute to ensuring that the poorest groups benefit most from land reclamation.

Recommendations:

- 1. There is an urgent need to undertake a study to better define the concept of rural poverty in the Syrian context and analyze its causes at the aggregate level and for the more disadvantaged groups. This study should also contain an analysis of the regional poverty profile reflecting differentiation in agro ecological, socio-economic and environmental conditions of various regions and the respective constraints "and potential" for reducing rural poverty. IFAD is encouraged to contribute to the undertaking of this study.*
- 2. The poverty study mentioned above should be used to formulate location specific targeting criteria. Practical experience gained in previous and ongoing IFAD and other donors supported rural development projects can contribute to the determination of these criteria.*
- 3. The agreed upon targeting criteria should be an input into the design of project level participatory monitoring and evaluation systems to enable these systems to effectively monitor the achievement of objectives and assess the extent of improvement of living conditions of the target groups.*
- 4. There is also an urgent need for the GOS/MAAR to prepare a National Strategy for Rural Poverty Alleviation in Syria using the results of the poverty study mentioned above. Such a strategy should be linked to the General Strategy for Agricultural and Rural Development recently prepared by the MAAR. IFAD and other donors are encouraged to contribute to the formulation of such a strategy.*
- 5. While the workshop deliberations were not conclusive on the issue of subsidization for land reclamation, the door remains open for future dialogue between IFAD and the MAAR on this issue.*

II. Gender Aspects

Gender issues have received increasing attention over the 18 years of IFAD involvement in Syria. A large number of women have benefited from skills and literacy training courses provided by the projects, although not a high proportion have used this training to undertake income generating activities supported by credit. Without the linkage to credit the improvement in family incomes, which has been a specific objective of women's programmes in the projects, cannot be achieved. There are indications that the training programmes may have bypassed married women, and was largely used for social skill enhancement for younger women. It also appears that many IGAs had been identified from traditional women's occupations (e.g. sewing and knitting), but without due consideration as to whether there were real market opportunities for the products and whether women are actively able to undertake marketing activities. Despite these conclusions, where women chose to undertake IGAs based on livestock, there have been clear positive impacts on incomes and family nutrition.

Overall, the CPE concluded that projects have usually addressed women's needs through relatively small and separate women's components, rather than through an integrated focus on gender issues. This is illustrated by the maintenance of separate WID units in the PMUs. There is considerable scope and potential benefits from a more comprehensive approach to defining the role of women and supporting activities, which would, for example, increase women's access to resources. MAAR, assisted by FAO, has established an independent Unit for Rural Women Development (RWDU) to mainstream and develop gender aspects, which may partly solve this problem. This Unit needs to be fully equipped and its staff adequately trained for such as task. The following recommendations are for future IFAD/MAAR strategy for cooperation regarding gender aspects in rural areas.

Recommendations:

- 1. Empowerment of poor rural women through income generating activities should be based on a thorough understanding of the characteristics of the targeted areas and the prevailing socio-economic and cultural conditions.*
- 2. There is a need to link the promotion of women income generating activities with the development of appropriate marketing channels for the associated production. It is crucial to avoid over production at local level and maintain good remuneration for household income generating projects.*
- 3. Household level projects based on traditional women activities and home economics can still be desirable and profitable in some locations, but as a rule they should be rationalized and promoted only where clear association can be established with income generation and marketing potential.*
- 4. Within the framework of the agricultural development projects, a governorate level "Operations Unit" should be established which combines project staff, Women Union and the Rural Women Unit in MAAR. With support from IFAD, whenever appropriate, this unit should be in charge of analyzing constraints faced in marketing IGAs; identifying remunerative IGAs and designing adequate training programmes for various locations, activities and socio-economic contexts.*
- 5. Given difficulties encountered in marketing products of IGAs, particularly those undertaken by rural women, it is essential to search for innovative approaches in this field. Support should be sought from high level experts and people actively engaged in local trade and marketing to ensure the effective linkages and integration of production, processing and marketing.*
- 6. Future dialogue between IFAD and GOS should investigate the support needed for the newly established Rural Women Unit in MAAR. The ultimate purpose is to help mainstream gender aspects in the general thrust of rural development. Potential IFAD support is to be linked with mainstreaming gender issues at governorate and project level as well to ensure that benefits accrue to targeted poor rural women.*

III. Participatory Approaches

Introducing participatory approaches into the present portfolio has been difficult, but the CPE concluded that there are some promising initiatives and that the extent of participation had increased with time. Whilst beneficiaries have been keen to participate as individuals in de-rocking and IGA activities, this type of involvement is not sufficient to create the structured platform from which the rural poor can drive forward their own development. The experience still needs strengthening particularly with respect to the development of grassroots organizations and increasing their role in decision making. This is a key factor in allowing the rural poor to express their own needs and actively participate in and sustain the development process. This aspect can be enhanced through the use of NGOs and other intermediaries in building local capacities.

Recent experience of IFAD and other United Nations agencies (FAO, UNDP, UNICEF, WFP) in supporting pilot community-based participation (sometimes initiated by existing local organizations) indicates that there is great potential for replication, upscaling and further support to participatory approaches. In addition, with a more participatory approach, the decentralization and devolving of authority at all levels become more necessary as a means of giving community-based institutions more say in the development process and of moving decision-making closer to the people. In practical terms the need is for the identification of the institutional strengthening, re-orientation and other training which will be necessary for MAAR staff, and methods of ensuring that beneficiary participation can play a significant part in the implementation of the new projects.

Recommendations:

1. *A main thrust of GOS and IFAD future strategy of cooperation should be the support for long-term approaches of self-reliant and participatory development, in partnership with other donors, existing organizations at local level and NGOs.*
2. *Such an approach should be based on the cooperation of all institutions that can effectively contribute. For example, existing popular organizations in Syria, through their wide networks at local level, could play a role in supporting grassroots participation in rural development projects. In this context it is important to benefit from and build on the effective cooperation experience between IFAD and the General Union of Women in its ongoing projects particularly in the field of village level women training programmes for IGAs. A nucleus of this cooperation should be created at village level, with the support of all agencies involved, for possible replication and upscaling.*
3. *Local level beneficiaries participation should be developed and strengthened beyond mere implementing/receiving project activities to the level of effective participation in the decision making process concerning their development activities.*
4. *Appropriate training should go hand in hand with this approach. It is essential to increase the effectiveness of training programmes in participatory approaches at community level for project beneficiaries as well as for project staff and staff of implementing agencies. Lessons learnt from participatory training of the IFAD's supported Badia projects should be used for possible replication and upscaling of this training approach.*
5. *In the framework referred to above, the contribution of NGOs in strengthening community level participatory development has been accepted without any reservation and should be promoted.*
6. *Partnership between various international development agencies in replicating and upscaling community development approaches, building on each other experience, should be encouraged and formalized in IFAD policy dialogue with the GOS.*
7. *The role of media in supporting participatory approaches for rural development at communities level should be enhanced.*

IV. Increase the Pro-Poor Orientation of Rural Financial Services

The CPE was impressed at the flexibility shown by CAB and its willingness to adjust its loan conditions to accommodate poverty alleviation criteria. Over the period of the present portfolio this approach was warranted and had certainly contributed to the flow of credit to women, and to the objective of poverty alleviation. However, many disadvantaged rural women and other poor still have no or very little access to credit due to their inability to provide co-operative guarantees or personal guarantors acceptable to CAB. Increased such access remains a key to a poverty alleviation strategy in the rural areas. Mobilization of rural savings has not been so far an important aspect of the ongoing portfolio. Group collateral as a substitute for personal guarantees has not been tried out in IFAD supported projects. The lesson is that a more pro-poor rural financial services policy is needed to ensure that hurdles are removed and that these services reach the poorest.

A conducive environment to tackle this issue is fast emerging. Government authorities are now more prepared to concede that the rural population include very poor for whom financial resources and services must be provided. This will facilitate growth with equity through opportunities for income generation for the poorest. The principle of collateral free lending has now been accepted by CAB. A firm foundation to design and implement structured initiatives for provision of micro credit and savings services linked with group activities and traditional community-based activities is also being built up through ongoing and planned pilot initiatives supported by other donors. This is for example the case in the UNICEF and WHO Healthy Village programme, or the UNDP assisted Rural Community Development at Jebel Al-Hoss.

IFAD and the MAAR should take full advantage of this situation in developing their future cooperation strategy.

Recommendations:

- 1. IFAD/GOS should seek to build on the current momentum and adopt a future strategy that will lead to a broadening of rural financial services outreach through the use of alternative mechanisms for credit delivery and savings mobilization for the poorest in partnership with other donors.*
- 2. Because of the flexibility already shown by CAB and positive achievements so far, IFAD and the Bank should give priority to continue to work in close partnership. Within this framework the guarantee requirement, conditions and other lending of the bank might need to be further adjusted, to ensure that the poorest get access to rural financial services while minimizing credit risks for CAB.*
- 3. Community level self help groups should be promoted and supported to increase the poor's access to rural financial services. This could be done, inter alia, through the establishment of revolving funds to service these groups within an appropriate legal framework reflecting the socio-economic reality of local communities including the type of guarantees, the credit system applied (interest rate, Islamic profit sharing, collective collateral, etc.) and means to mobilize rural savings. This should be done in full coordination with the ACB.*
- 4. Because of the complexity and multi-dimensional nature of rural financial services issues, discussion of such issues should continue in the framework of future policy dialogue between IFAD and GOS.*

V. Environmental Considerations

In terms of GOS objectives of increasing agricultural production from rainfed areas, and halting migration to the towns, de-rocking has been an unqualified success. It is difficult to conceive of an investment in agriculture that could have had such a dramatic effect – possibly on the par with providing irrigation to dry areas. This intervention has directly brought many benefits to small farmers, and has undoubtedly helped to reduce the poverty of many. Nevertheless, the evaluation noted that there is some evidence to suggest that insufficient attention is being paid to assessing and mitigating possible undesirable environmental impacts.

The CPE found that some farmers were reporting that rocks were re-appearing in their fields. The reasons for this are not clear. Possible explanations are draughts and the loss of topsoil, implying erosion, particularly on sloping land. De-rocking may also encourage changes to the hydrogeology, caused by alterations in the run-off patterns. In the present portfolio, except for the Badia Project, environmental monitoring measures were not part of project design, hence the actual situation in each location at present is not clear. The investigation and analysis of these environmental aspects and others, and, taking required actions if needed, will ensure that the significant benefits obtained from de-rocking will be sustainable.

Recommendations:

- 1. For future IFAD strategy and operations in Syria, support for land reclamation through de-rocking should be preceded by a full-scale location specific environmental assessment in the new areas. Environmental monitoring during implementation should be an integral part of future IFAD supported interventions in Syria.*
- 2. There is a need to assess environmental impacts of de-rocking in the areas covered by projects supported by IFAD in the current portfolio, identify problems, if any, and address it on an urgent basis if required.*
- 3. MAAR is to undertake the above-mentioned assessment through a relevant multi disciplinary team formed specifically for this purpose.*
- 4. IFAD should consider assisting this team in undertaking its assigned tasks and providing training and support as required.*

VI. Output Diversification and Marketing

The CPE concluded that there has been and will continue to be major increases in agricultural production as a result of project activities, with resultant increases in farm incomes. De-rocking significantly increases the area available for planting, permits easier ploughing and seedbed preparation and increases water infiltration and retention. Ensuring the sustainability of these enhanced farming systems will require, in addition to the environmental assessments mentioned under V above, the diversification of farm production, increased attention to market opportunities and reorienting farming systems to integrate crops and livestock. These factors combined will greatly reduce the various risks faced by small farms, particularly in rainfed areas.

Sustainable farm incomes rely on finding suitable markets for diversified farm output. This is likely to become more difficult as saturation of traditional local markets occurs, and will primarily affect small farmers, who have a relatively lower capacity to diversify and to find and supply the more advantageous outlets. Sustainable increase in farm income requires to continue develop trade domestically and internationally, to address crop diversification and processing and to strengthen marketing policies and improve market outlets. This approach would need to include the requirements for storage, processing, grading and packaging in order to ensure access to export markets where this is appropriate

An important aspect to be emphasized is the provision of market linkages so that relevant information is available on which production decisions can be made. Extension services and messages would also need to be reoriented accordingly.

Recommendations:

- 1. While agricultural production diversification is fully recognized and appreciated as an important approach to achieve the sustainability of the farming system in Syria, the future IFAD/GOS cooperation strategy should strengthen and enhance the widespread adoption of this approach and its implementation.*
- 2. IFAD/GOS future cooperation strategy needs to support the process of technology transfer and adaptation at farm level in relation to crop diversification processing, and marketing. This is particularly essential to encourage animal feed production (see section VII).*
- 3. To this effect, it is important to support the establishment of a sequential integrated system which links adequately agricultural production to processing and marketing. This should include appropriate emphasis on and strengthening of marketing policies, as well as facilitating farmers access to marketing information.*
- 4. Because of the importance of milk processing as a source of income for poor households, marketing of milk products must receive special attention. An important area in this regard that should be investigated and developed is milk collection and processing at village level.*

VII. Livestock Feed

Livestock activities are an essential part of the Syrian farming system and an important source of household income. The bottleneck nationally in the development of the livestock sector is shortage of feed. Present production levels of feed cannot sustain the present livestock populations, which also makes animals very susceptible to natural disasters, such as drought. As long as livestock numbers continue to increase this gap will continue to widen in the future. Sustainability of livestock activities depends on the integration of fodder crops into the settled farming systems to ensure higher level of feed production.

There is an urgent need for policy and measures to increase productivity of rangeland and feed production in reclaimed areas. Encouraging feed production will require a conducive incentive/price framework, appropriate input delivery mechanisms, as well as the development of appropriate marketing channels (see section VI). The subsidies on livestock feed could encourage unsustainable increases in livestock numbers. The gradual liberalization of animal feed imports, production and marketing may induce an increase of feed prices at the beginning, but it would also reduce subsidy payments, rationalize demand for animal feed, and stimulate forage production in the medium to long run.

Recommendations:

- 1. IFAD policy dialogue with the GOS should continue on the issue of the balance between livestock sector development and feed availability and the best options available to achieve this balance.*
- 2. IFAD/MAAR future cooperation strategy should be based on encouraging farmers to produce fodder crops through increasing their access to required inputs and marketing opportunities and through supporting the integration of fodder production into the farming system.*
- 3. IFAD and MAAR should combine efforts to support and encourage the establishment of small units to process farm residues at local level, hence increasing the production of livestock feed.*
- 4. The introduction of measures to increase productivity and production of fodder crops in irrigated areas to contribute to the stable availability of fodder in local markets.*

VIII. Water Resources

In the present IFAD-supported portfolio, project designs have considered the development of water resources only in a limited way. To sustain any type of agricultural development, optimization of the scarce water resources is of major strategic importance. Efficiency in water use is an essential measure of sustainability, but at present application inefficiencies at the farm result in water losses. Increasing the efficiency of water application in ASZs 1, 2, 3, and 4 is essential if production is to continue increasing.

The CPE concluded that a main strategic thrust in the next phase of cooperation between IFAD and GOS should be a consistent and stronger emphasis on the optimization of the use of water resources in rainfed areas, including considerations of water conservation, harvesting etc. Because depletion of ground water resources is a real risk, modern irrigation techniques should be encouraged in irrigated areas, wherever relevant in IFAD's interventions, to save water and increase the efficiency of its use.

Recommendations:

- 1. IFAD's future strategy in Syria should give due emphasis to improve and rationalize the utilization of water resources through, among others, water harvesting, improving the quality of drinking water, increasing the effectiveness of existing irrigation systems, as well as improving community level management of water resources.*
- 2. The efficiency of water utilization should be increased through farming system measures, e.g. (i) continue to encourage winter crops and limit to the extent possible summer crops; (ii) investigate and introduce, if feasible, alternative crops in the farming system to help reduce water utilization and conserve soil fertility.*
- 3. The potential of biotechnology should be investigated to develop more draught resistant crop varieties adapted to the Syrian conditions.*

The Syrian Arab Republic
Country Programme Evaluation

EXECUTIVE SUMMARY

I. BACKGROUND AND RATIONALE

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

2. Cooperation between Syria and IFAD started in 1982. Since then, the Fund has financed five projects in Syria, with a total cost of USD 360 million, of which IFAD loans amount to USD 80 million. Cofinanciers have been the Arab Fund for Economic and Social Development (AFESD) (USD 145 million), the World Bank (USD 10 million), the United Nations Development Programme (UNDP) (USD 3 million) and the Government of Syria (USD 101 million) and the Cooperative Agriculture Bank (USD 11 million). AFESD is the cofinancier and cooperating institution (CI) for the four ongoing projects, and the World Bank was the CI for the first, and the only closed, project.

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

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

II. THE MACROECONOMIC AND SECTORAL CONTEXT

The Macroeconomic Framework

5. For the last three decades, the economy of Syria has operated under a socialist-style system of centralized planning. Since the late eighties, however, the Government started implementing a gradual liberalization programme, which has produced dividends. Growth in most of the nineties was impressive, averaging more than 7% a year,² which led to a real improvement in per capita income. This is mainly attributed to large increases in agricultural and industrial production, the discovery and exploration of oil, and remittances from Syrians working in Gulf countries. Conditions in the late nineties, however, were less favourable, and growth slowed to 2.5% in 1997. The 1999-2000 oil price increases improved the economic situation, and, in 2000, the country is likely to register an increase in export earnings as well as

² Central Bureau of Statistics (CBS).

in growth rate, despite the severe droughts experienced these past two years. The inflation rate was estimated by UNDP at 2.2% in 1998.

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

The Agricultural Sector and Policies

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

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

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

Rural Poverty

10. Annual per capita income in rural areas is estimated at two thirds of the national average. Education facilities, particularly beyond the elementary level, are limited in remote rural areas and the Badia. Access to health services is also much lower in rural areas. While systematic and detailed data on rural poverty are not available, it is recognized that the main contributing factors to poverty are: (i) small farm holdings shared by large rural households (per capita landholding is less than 0.2 ha); (ii) low production potential of land (low fertility, soil erosion, high rockiness, desert land, highly fragmented holdings); (iii) low and unreliable rainfall; (iv) removal or degradation of natural vegetation, and; (v) limited employment opportunities. The survival strategies for the rural poor include off-season employment as casual labourers

(in the urban areas and on private or state farms); temporary migration of part or all of the family (mainly to Lebanon); the movement of nomadic tribes or clans to sites adjacent to irrigation schemes to ensure adequate feed supplies for their flocks, especially in drought years; and remittances from family members working abroad.

Gender Aspects of Rural Poverty

11. There are a number of socio-economic factors that make rural women more exposed than men to poverty. Women play a major role in agriculture in Syria. Forty-five per cent of farm family labour is provided by unpaid females (100% for the care of animals).³ However, women's control of agricultural resources is low (land, only 5%, animals, about 7%-8%, and agricultural machinery, 1%). The adult literacy rate is much lower for rural women than the national average. Lack of control over land hinders women's access to equipment, credit and other services. Women play only small roles in marketing and have limited decision-making power within the household, including in the disposal of family income. While the law recognizes the right of women to inherit, women are often culturally pressured to waive their right to land inheritance in favour of their brothers or male offspring. Given the extensive out-migration of males, it is probable that there is a sizeable number of *de facto* female heads of households, but reliable statistics are not available.

Donor Support

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

III. IFAD STRATEGY AND OPERATIONS

IFAD Strategy

13. IFAD operations in Syria have been guided by the strategy prepared by the Strategy-Cum-General Identification Mission (SCGIM) in 1992. The SCGIM's strategy had five key objectives: (i) to raise the productivity of land and labour; (ii) to utilise resources better and protect the environment; (iii) to improve income and raise the standards of living of the target groups; (iv) to increase local employment and reduce urban migration; and (v) to halt marginalization in areas subject to environmental deterioration. Three target groups were described as: (i) small and vulnerable farmers in semi-arid and arid plains and upland dryland farm areas; (ii) Bedouin herders who experienced loss of sheep due to drought, and (iii) small mixed farm households in the irrigated or high rainfall areas.

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

³ 1994 Agricultural Survey

IFAD Operations

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

16. The main intervention funded in the first four projects had been land reclamation through de-rocking by heavy equipment. This has been mostly concentrated in ASZs 1 and 2. These four projects are designed to reach 110 600 households and de-rock 166 000 ha of land.⁴ They also include limited support for adaptive research and extension, and women's programmes based on the provision of literacy and skills training and the promotion of IGAs through credit. The last approved project and the only one without de-rocking, BRDP, aims to address the deteriorating Badia rangelands, improving the livelihoods of 16 800 nomadic and semi-nomadic herders by introducing a participatory rangeland management system and rehabilitating pastureland in ASZ 5.

17. The total area that will be de-rocked with IFAD support is large enough to make a significant contribution to the Government's objectives of increasing production and food security.⁵ The four land reclamation projects helped to realize the geographical and thematic dimension of IFAD's strategy, while the project in the Badia extended the activities to the rangelands to support environmental rehabilitation. Projects addressed individually some aspects of human resource development and supported decentralization. Except for in JHADP, IFAD has not fully addressed the problems of small landholders in semi-arid and arid environments (ASZs 3 and 4), although farmers in these areas were identified by the SCGIM as potential beneficiaries who would perhaps be the most deserving. Some of the key parameters of the projects are summarized in Table 1.

Table 1. Summary of key parameters from the IFAD portfolio

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

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

⁴ In fact they will de-rock more land and reach more households than originally planned. The table gives updated estimates.

⁵ The Government's overall target for de-rocking is 0.8 million ha: the present portfolio could directly account for about 25% of this area, but the machinery supplied will continue operating for many years after project closures.

Disbursements

18. Up to November 2000, the record of disbursements for the IFAD portfolio had been disappointing. The closed project, SRADP-I, had disbursed only about 48% of total allocated funds.⁶ The four remaining projects had disbursement rates of 48%, 37%, 12% and 5%, respectively. The main reason was the delay in procurement, particularly of heavy machinery and equipment for land reclamation. The equipment procurement issue was resolved in early 2000, and orders have been placed. IFAD Funds Status for November 2000 shows these commitments. For SRADP-II alone this will take the disbursement rate to 78%.

IV. IMPLEMENTATION EXPERIENCE AND ISSUES

A. Farming Systems

Land Reclamation

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

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

21. The technical methodology of de-rocking has proved very successful, and operations have been undertaken to a high standard. After de-rocking, fields can be planted, depending on the rainfall, with various crops such as wheat and barley, pulse crops such as chickpeas, and fruit trees such as olives and apples. Agricultural operations are greatly facilitated, with positive effects on productivity. Beneficiaries of de-rocking activities are fully informed about the project arrangements and credit facilities available during the process of land development. Meetings are held prior to land development to explain the programme and discuss the farmers' rights and responsibilities.



Bulldozers clear fertile land covered with volcanic rock.
IFAD photo by Jon Spaul.

⁶ This low level of final disbursement is mainly caused by the cancellation of the World Bank loan.

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



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

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

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

Livestock

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

The Effects of Drought

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

Extension Activities

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

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

Water Resource Development

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

B. Rural Credit

Cooperative Agricultural Bank

30. The Syrian banking system consists of the Central Bank of Syria and five state-owned specialized banks, of which the Cooperative Agricultural Bank (CAB) is responsible for providing credit to the agriculture and rural sectors. CAB is not a conventional agricultural bank but rather a government institution that carries out public-sector credit policies. Any Syrian national who operates land and/or raises animals for agricultural purposes, and is not a defaulter in the repayment of a previous loan, can access CAB credit either through his/her cooperative or directly. The commonly prevailing interest rates

are 4% for cooperatives and 5.5% for private farmers. The lending rates, if not negative in real terms,⁷ are low and not adequate to cover all costs of credit dispensation. Low interest rates on CAB loans are perhaps now the only important tool available to the Government for passing on subsidies to agricultural producers.

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

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

Credit Disbursements

33. Experience with credit comes mostly from SRADP-II. Achievements have been highly satisfactory. Between 1995 (when disbursements started) and 1999, SRADP-II disbursed a total of 6 737 loans for livestock production and other IGAs. These loans have amounted to 359 million Syrian pounds (SYP) (USD 7.8 million), which is 91% of the design target. This is in addition to payments to about 70% of the farmer beneficiaries for land reclamation costs on credit. About 54% of these loans were for IGAs for rural women. CMADP is the only other project in which credit activities have started, and then only from the beginning of 2000. Up to June 2000, 353 loans, worth SYP 7.9 million (USD 172 000), had been disbursed.



Women in Syrian villages raise sheep to support their families. IFAD projects provide credit and training for fattening and milk-processing.
IFAD photo by Jon Spaul.

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

⁷ It is difficult to estimate the annual rate of price changes or inflation because of lack of published data on prices. The inflation rate for 1998 was estimated by UNDP at 2.2%.



Rural women in the project areas have almost exclusive responsibility for the care and feeding of animals. Projects' credit supports their activities.
IFAD photo by Sahar Nimeh.

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

C. Socio-Economic Aspects

Targeting

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

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

Participation

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

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

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

Gender

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

42. A large number of women have benefited and are benefiting from the wide variety of training courses provided by the projects. In SRADP-I, a reported 4 705 women benefited from home visits by the extension services specifically targeting them. SRADP-II's WID programme targeted 60 000 women with agricultural extension, demonstrations of new techniques, literacy courses, skill and project management training and credit for land development, agricultural inputs and IGAs. Other projects are less advanced in their implementation of WID activities; partly because of logistic constraints on the availability and mobility of trainers.

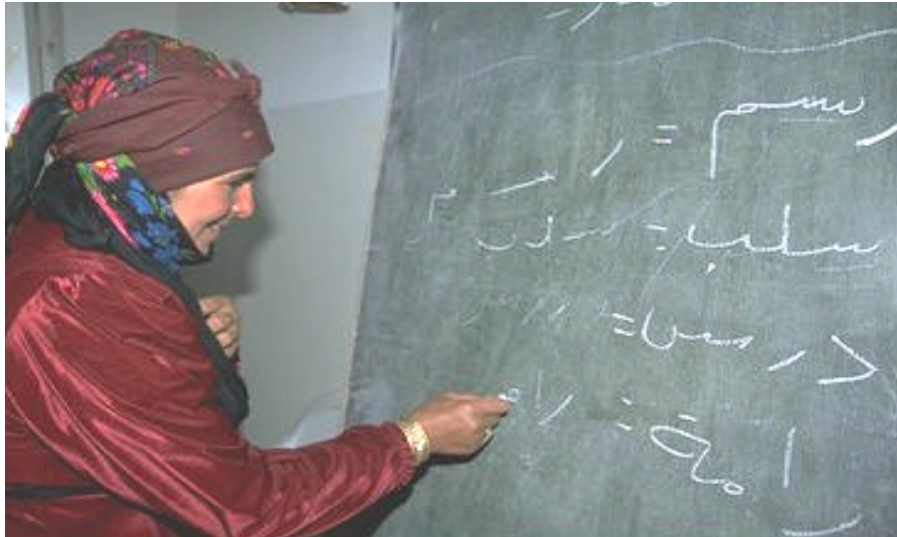


Women attend sewing classes. Projects provide funding for the acquisition of sewing and knitting machines and appropriate training.
IFAD photo by Sahar Nimeh.

43. Many of these skills training courses, however, are not well linked either to the activities proposed under the credit programme or to marketing outlets (particularly for sewing and knitting). This will limit the profitability of the activities and the prospects for income-generation. Most of those who attend the literacy courses and other skills training activities are younger women, between 15 and 25 years old. For many, the attraction seems to be the opportunity for social skills enhancement rather than for undertaking IGAs. Literacy courses are particularly sought after, as many young women have received limited education. However, there are indications that the training programmes have bypassed married women, who cannot afford the time to participate. Some of the older women also indicated that they were not even aware of the project or its activities, and others stressed that training programmes were not coordinated with the seasonal demands of women's fieldwork.

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

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



A Syrian rural woman practises writing in an adult literacy course offered by the projects.
IFAD photo by Jon Spaull.

D. Organization and Management

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

Decentralization

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

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

Counterpart Funding

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

Procurement

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

Institutional Support: Technical Assistance (TA) and Staff Training

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

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

Supervision

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

Monitoring and Evaluation

54. In all the projects, separate M&E units have been established under the authority of each project director. The M&E units have been successful in establishing systems for the continual monitoring and reporting of project activities: information is collected in collaboration with field extension workers, field working groups and other implementation officers. The indicators monitored have largely been related to physical achievement of planned activities (for example, the primary indicator used for assessing de-rocking activities has been plan fulfilment measured in terms of land area cleared of rocks). This information is useful for monitoring the progress of implementation, but progress made in achieving the

project objectives and reaching the target group is not adequately considered or integrated into periodic M&E activities.⁷

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

V. IMPACT OF THE PORTFOLIO TO DATE

Incremental Benefits from Land and Crop Development

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



For small farmers, de-rocking has greatly facilitated traditional ploughing methods.
IFAD photo by Sahar Nimeh.

57. Evaluation estimates (SRADP II) suggest that land reclamation has resulted in increased production and yields of field and tree crops. Wheat yields after reclamation were estimated at 30% more than those pre-project, giving a net incremental income of SYP 7 200 (USD 156) per ha. It should be noted that these yield increases are still below appraisal targets. For fruit trees, given present performance levels, incremental annual incomes of up to SYP 70 000 per ha (USD 1 522) at full development can be expected. In neither case did farmers report any difficulties in repaying the loans from CAB for de-rocking; often

⁷ To assist in this area, the CPE prepared a series of impact indicators for the consideration of the M&E officers.

these loans were repaid in the first year. Not surprisingly, farmer reactions to de-rocking activities have been overwhelmingly positive.



Farmers prune apple trees in de-rocked land.
IFAD photo by Sahar Nimeh.

Distributional Impact

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

Environmental Impact of De-Rocking

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

Incremental Benefits from Livestock

60. A series of livestock models⁸ reflecting local practices prepared by the evaluation confirmed the very satisfactory incomes obtainable from livestock activities in comparison with other IGAs, partly explaining these activities' popularity. In addition, many beneficiaries managed to increase the size of their flocks or herds, either through the purchase of additional animals or by retaining offspring. In the case of dairying, loan repayments made in the first three years meant that there was no short-term profit from this activity,

⁸ Mid term Evaluation of SRADP-II.

but thereafter earnings were reportedly high. Poultry was not seen as a major activity for income-generation but was reported as providing useful additions to the family food supply.

Institutional Impact: Extension and Training

61. Farmers (and staff) appreciated the project-provided extension and training and found it to be useful and relevant. The CPE found evidence of improving yield levels of field and tree crops and greater uptake of technology. For example the use of improved varieties of wheat had increased from 0 to 26% on rainfed land, nearly all plantings of apples were of new varieties, and nitrogen use had increased by about 50% since 1990, and phosphate by 33%.⁹ The participatory extension approach initiated through SRADP-II is making a lasting impact, and being replicated by other projects. For BRDP, the participatory approach to training has already produced a better understanding and reinforcement of trust between herders and officials as well as the shifting of beneficiaries' attitudes from passive recipients to active participants. The changes in approach to extension and training as a result of projects activities are promising and have set an upward trend for participatory approaches. These elements combined have had no doubt a positive impact on the institutional capacity of MAAR.

Institutional Impact: Credit

62. The present portfolio has had a major impact on the lending policies of CAB, in that CAB has relaxed its credit terms, and enshrined these changes in formal agreements. The changes affect loan ceilings, the acceptance of guarantors instead of collateral, and extension to the repayment periods. In total, these are very significant institutional changes and have opened the way for collateral free lending and facilitated an increased flow of credit for IGAs. In addition, these policy changes demonstrate a *de facto* recognition by the Government of the poverty situation in the rural areas. This should pave the way to a more comprehensive understanding of the causes, effects and distribution of poverty.

Policy Impact

63. From the two preceding paragraphs, it can be seen that the present portfolio has affected the approach to some development activities of both MAAR and CAB. As a result, the design of BRDP was able to be far more participatory than that of the earlier projects. In addition, with the establishment of the new Gender and Development Division in MAAR, which is intended to mainstream gender issues,¹⁰ an overall shift in the acknowledgement of and approach to poverty alleviation in rural areas is emerging. The present portfolio can fairly claim to have had an impact in influencing this evolution of policy in MAAR. This is an aspect that has to be built upon in the new generation of projects.

Targeting the Poor

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

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

⁹ Mid term Evaluation of SRADP-II, 1998.

¹⁰ UNDP is also to assist the Government in the development of a poverty alleviation strategy.

Beneficiary Participation

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

Gender Issues

67. During CPE field visits, it was clear that the impact of project lending had helped to develop entrepreneurial skills among rural women, and to enhance their economic status and their role in family decision-making. The most notable impact was for those women who were undertaking IGAs based on livestock. More might have been achieved if marketing information and business opportunities had been made available, if training had been directed more to remunerative IGAs and small project management skills and if savings had been promoted. Poorer women could have benefited more if the provision of working capital to cover operational expenses had been included in credit delivery. Although the relaxation of collateral to two guarantors has improved the situation, it is still a major obstacle for the poorest groups.

VI. SUSTAINABILITY OF BENEFITS

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

Land and Crop Development

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

Livestock

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

Water Resource Development

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

Income-Generating Activities

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

Rural Credit

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

VII. STRATEGIC LESSONS AND RECOMMENDATIONS

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

A. Sharper Poverty Focus

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

Knowledge about Rural Poverty

76. An important conclusion of the CPE is that, while significant progress had been made in institutionalizing the need to support the poorer sectors of the rural communities, scope still remains for

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

Distributional Implication of Land Reclamation

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

B. Participation, Gender Aspects and the Involvement of NGOs

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

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

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

C. A Pro-Poor Credit Policy

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

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

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

D. Environmental Considerations

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

E. The Sustainability of Farming Systems

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

Livestock Feed

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

Output Diversification and Marketing

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

Water Issues

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

F. Decentralization and the Enabling Environment

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

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

VIII. SUMMARY AREAS FOR POLICY DIALOGUE

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

- **Sharper poverty focus.** There is a need for a comprehensive and wide-ranging poverty study to define the causes, characteristics, consequences and locations of the rural poor and to identify ways in which they can best be reached. This study should also have a geographic dimension, relevant to the various ASZs, in order to ensure that interventions can be well directed to poverty pockets and poorer

households. The COSOP should prepare draft terms of reference for such a study as a joint IFAD/Government undertaking.

- **Policy adjustment.** Minimizing undesirable distributional effects of interventions is an important area for policy dialogue. This includes emphasis on cost-recovery designed on a sliding scale to benefit the most those with the least resources. Those with more assets should be required to make greater contributions. This would cover de-rocking, access to other resources and the provision of services.
- **Support for land reclamation.** The new IFAD strategy should primarily support efforts to remove constraints on production, processing and marketing for the poor. Land development activities will continue to be supported by the Government, with equipment recently procured. IFAD's involvement in this subsector should be less prominent. If undertaken, the strategy should necessarily be associated with appropriate environmental assessments, soil and other conservation measures and cost-recovery mechanisms. It is crucial that IFAD undertake a dialogue with the Government to assign appropriate weight to environmental issues in the new strategy. The COSOP needs to provide a clear statement to this effect. In addition, IFAD should find ways of assisting MAAR in addressing environmental issues in the present portfolio (see Operational Recommendations, section IX).
- **Policy framework to enhance sustainability.** The strategy needs to highlight the importance of policy dialogue with and support to MAAR to focus on the question of the sustainability of farming systems in de-rocked areas and elsewhere. This requires the development of policies and measure for addressing the issues of animal feed, crop diversification, processing and marketing and the efficiency of water use.
- **Water resources.** As a crucial consideration of sustainability, the future strategy needs to give higher priority to the efficiency and sustainability of water resource utilization. The COSOP needs to investigate the present circumstances and define with the Government an approach for the new pipeline, giving this subsector a more prominent place in IFAD-supported interventions.
- **Rural financial services.** IFAD should continue to support CAB, which has shown itself to be responsive to providing credit to the poor. However, there is a need to devise a mechanism for broadening the outreach of credit for the poorest groups. This mechanism will probably require additional support to CAB; this support needs to be specified. In addition, group formation (for credit and other activities) should be promoted as a means of receiving the credit resources, but the exact mechanisms to do this need to be developed on the basis of current donors' initiatives and agreed upon with the Government so that a common approach can be adopted for all new projects.
- **Participation.** Building on the present project experience, the policy dialogue should seek to define ways of extending the long-term benefits of self-reliant and participatory development to both government and people. This will probably require the definition of a role for intermediaries (e.g., NGOs) skilled in social mobilization and participation (for training and support to beneficiary groups and project staff). The process needs to be linked to the provision of services from government and semi-government agencies (such as GUP and GUW). Realistic objectives for this mechanism will need to be defined with the Government. Processes involved will need to be specified, and possibly linked with NGOs known to IFAD and the Government and already working successfully in the region.
- **Gender.** As part of the dialogue for a new strategy and pipeline of projects, IFAD should consider supporting the new strategy for gender developed by MAAR, and balancing this with specific funding in each project that relates directly to the mainstreaming of gender issues.
- **Decentralization.** The findings for the present portfolio are that the implementation of projects could be improved if additional decentralization of government services were provided. Support for decentralization of government services should be included as a strategic element for policy dialogue. Practical and acceptable ways to do this need to be explored. The identification of the institutional

strengthening necessary for this is of crucial importance. Practical methods of ensuring beneficiary participation can play a significant part in the implementation of the new projects.

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

IX. OPERATIONAL RECOMMENDATIONS

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

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

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

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

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

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

99. **Provide training in rangeland management.** The CPE notes a shortage of range management specialists in Syria, but rangeland development and management will be a major growth area for the

¹¹ Examples are the UNICEF/WHO/Ministry of Health “Healthy Villages Programme”, and the ESCWA Community Development and Participation Project (more details are in the main report).

future. To address this need it is recommended that priority be given to providing training at all levels for rangeland management.

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

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

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

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

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

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

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

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

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

109. **Improve contents of progress reports.** In addition to providing physical descriptions, the M&E units should seek to make some form of qualitative assessments of the implementation experience. The

CPE recommends that progress reports aim to provide more information on who has access to project services and inputs, beneficiary reactions to project interventions and the performance of credit provided under the project.

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

The Syrian Arab Republic
Country Programme Evaluation

MAIN REPORT

August 2001

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MAIN REPORT

I. INTRODUCTION

A. Background and Rationale

1. Cooperation between the Syrian Arab Republic and IFAD stretched over 18 years starting from 1982. The Fund has financed so far five projects in Syria with a total loan amount of USD 80 million and a total cost of USD 360 million. The projects were co-financed by the World Bank USD 10 million, the Arab Fund for Economic and Social Development (AFESD) USD 145 million, the United Nations Development Programme (UNDP) USD 3 million, the Government of Syria USD 101 million and the Cooperative Agriculture Bank (CAB) USD 11 million. AFESD is the Cooperating Institution (CI) for the four ongoing projects, and the World Bank was the CI for the first and the only closed project in Syria (Southern Region Agricultural Development Project, SRADP Phase I). Except for the last project (Badea Rangeland Development Project, BRDP) IFAD intervention has been mainly oriented to the promotion of better use of arable land through land reclamation (de-rocking operations) with some complementary agricultural and rural development activities. On completion the current IFAD programme in Syria is expected to complete the reclamation of about 180 000 hectares of previously underutilized or non-utilized land.

2. The IFAD Near East and North Africa Division is planning to prepare a new Country Strategic Opportunities Paper (COSOP) for Syria to launch a new programming cycle. The Division requested IFAD's Office of Evaluation and Studies (OE) to undertake a Country Programme Evaluation (CPE)⁸ as a prelude to the Strategy Formulation Process to assess the Syria/IFAD cooperation experience in its totality and derive clear strategic and operational directions for future cooperation. This is particularly timely as the country is undertaking a number of liberalization programmes including revision of international trade and price policy with a view of a modified definition of the role of the state and the private sector in the development process.

B. Objectives

3. The overall objectives of the CPE are to draw lessons from the experience of IFAD's supported programme in Syria in order to: a) provide inputs into IFAD's future strategy of support for agricultural development and rural poverty alleviation in Syria; and b) improve the design and implementation of future and current IFAD operations in the country. The CPE has therefore included both a strategic as well as an operational focus. This dual focus has shaped the process of evaluation and guided the fieldwork of the mission.

C. Methodology

(1) The Evaluation Approach

4. Closely following the new approach to evaluation, the CPE consisted of an assessment with partners of the progress and impact of the portfolio. In the preparatory stage, a background paper was completed on available project design, implementation, evaluation and policy documents. This served

⁸ The mission was composed of Mr E. A. A. Zaki (Mission Leader/Economist), Mr B. Godbole (Rural Credit Specialist), Mr T. Telahigue (Farming System Specialist), Mr T. El Zabri (Monitoring and Evaluation Expert), Ms L. O. Bashir (Sociologist), Mr M. Wardeh (Director of Livestock Department (ACSAD), national resource person for the CPE). Mr F. Butcher (Agriculturalist) contributed to the finalisation of the mission's main report. Ms M. Bishay, Senior Evaluation Officer (IFAD) designed the evaluation exercise and supervised the work throughout.

as a starting point for the CPE. Next, a brief field reconnaissance mission visited Syria to discuss with partners their expectations, priorities, desired focus and *modus operandi* of the CPE. The results of this were compiled in an approach paper that included specification of the main CPE issues, methodology, mission composition and the core learning partnership (CLP).

(2) Field Work

5. The CPE mission was fielded during May/June 2000. It traveled extensively in the rural areas covering all five projects areas: SRADP-I and II, the Coastal/Midland Agricultural Development Project (CMADP), Jabal Al Hoss Agricultural Development Project (JHADP) and the Badia Rangeland Development Project (BDRP). The mission held discussions with the officials at the national level in the Ministry of Agriculture and Agrarian Reform (MAAR), CAB and the Central Bank of Syria (CBS). The mission had ample interaction with the projects management and the field staff. The mission conducted intensive interviews with the projects' beneficiaries as individuals and groups. In addition, it exchanged views with various UN and international agencies including International Centre for Agricultural Research in Dry Areas (ICARDA), the Arab Centre for Studies of Arid Zones and Dry Lands (ACSAD), UNDP, UNICEF, FAO, WFP and UNIFEM.

(3) Sources of Data

6. During field visits the mission interviewed projects' beneficiaries as individuals and groups as trainees in training centers, input recipients and credit clients. Group discussions were held with rural women, farmers, herders and farmers' representatives from the Peasants General Union. Beneficiaries' responses and reactions were sought on issues related to projects' inputs, types and effectiveness of projects' interventions, categories of beneficiaries and their involvement in projects activities, crop production, income generating activities (IGAs) and the effects and impacts on household earnings and well being. The mission also interviewed and discussed with various national and international officials issues related to projects' management and activities.

7. For secondary data the mission depended on numerous reports issued by the MAAR such as the Annual Statistical Abstract, the reports of projects' monitoring and evaluation units and studies by various UN agencies. Various reports produced in IFAD, particularly the Mid-term Evaluation of SRADP II and the Thematic Study on Rainfed Agriculture in NENA were useful.

(4) Workshop

8. The mission concluded its field work with the conduct of a workshop designed to share the preliminary findings of the CPE with a wide range of stakeholders, including IFAD and CI staff, government officials, project staff, community-based organizations, non-governmental organizations (NGOs) and donors/partners in order to benefit from the discussion and feedback from participants. The workshop was chaired partly by the Honorable Minister of Agriculture and partly by the Deputy Minister. The CPE mission presented four issues papers in Arabic covering institutional framework and project implementation, targeting, participation and rural women development, farming systems and rural credits. The mission shared with the Syrian Government officials, as the main stakeholder and product user, its preliminary findings, drew the attention of the audience to the main policy decision points, and listened to clarification, sought additional information and was poised to incorporate the discussions and conclusions on the final report.

9. On the basis of its work and the results of the workshop, the CPE mission identified the afore mentioned themes as representing the salient features of IFAD's programme in Syria. Systematic analysis of these themes and verification of issues involved based on the mission's field work, workshop discussion and the following production of the mission's report resulted in a set of recommendations and lessons learnt of strategic nature representing inputs into the formulation of the new COSOP and for future policy dialogue with the GOS. Operational recommendations are also provided.

D. Organization of the Report

10. The main report is organized in accordance with the thematic framework such that Chapter II presents the macroeconomic and socioeconomic context; Chapter III provides an overview of IFAD's intervention in Syria; Chapter IV reviews institutional and implementation performance; Chapters V, VI and VII will provide thematic analyses, impact and sustainability of IFAD interventions in areas of targeting, participation and rural women development; farming systems and rural credit respectively. Chapter VIII addresses the crucial issues of project impacts and sustainability of project benefits. Finally, Chapter IX contains a synthesis of lessons of experience, recommendations and salient decision points for future policy dialogue between IFAD and GOS. Volume II contains the working papers of the CPE report.

II. MACRO-ECONOMIC AND SOCIO-ECONOMIC CONTEXT

A. Country Background

11. The Syrian Arab Republic has a total land area of 185 180 sq. km. and a population of about 17 million in 2000. The country is divided administratively into 16 governorates or provinces, 60 districts and 192 counties. Homs, Deir-Ezzor and Hassaka account for 50% of the land area, but sparsely populated since large tracts are desert. Damascus, Aleppo and Homs, their respective populous cities, account for over 50% of the total population. About 70% of the population are Arab Sunni Muslims, 11.5% are Alawite Muslims, and the rest are composed of various ethnic and religious minorities.

12. Syria is located in the northern Arabian Peninsula bordering Israel and Jordan to the south and south-east, Iraq to the east, Turkey to the north and Lebanon to the west. Its outlet to the sea is through the Mediterranean. Hence it enjoys a unique location in proximity to the European, Gulf States and as well to Central Asia markets. Until relatively recently, Syrian political thinking was dominated by the Baath party, which still clings to the ideology of pan-Arabism, socialism and the secular state. Although importance of socialism has diminished since the collapse of communism in 1989, it remains a vehicle for political maneuvering.

13. Syria has one of the highest population growth rates of about 3.3% per annum. The age structure of the population in 1994 indicates that almost half are aged 14 years or younger: leading to a high dependency ratio. In addition urbanization is high and accounts for 60% of the population: life expectancy at birth has increased from 49.8 years in 1960 to 67.1 years in 1995 i.e. a remarkable increase of more than 17 years. This is basically a result of decreases in mortality rates due to improved access to better health services and mothers education. There is a significant increase in adult literacy rate over the last three decades from 40% in 1970 to 89% in 1994. Whereas Syria has a higher literacy rate among men than global averages, however, there is a pronounced disparity between men and women. But Syria has a better literacy rate for men as well as for women than the Arab States.

14. According to the International Labour Office (ILO), the labour force in Syria included around 4.4 million people in 1996. It was estimated to have increased at an annual average growth rate of 3.7% between 1980 and 1996. The labour force participation rate was 32% in 1996, which is low compared to the world rate of 45%. This is mainly due to the low participation rate among women estimated at 14% and 16% in 1980 and 1996 respectively. Agriculture is the primary source of private employment despite the drop of its share in the national work force from 54% in 1960 to 33% in 1990.

B. Macro-economic Policies: An Overview

(1) Macro-economic context

15. The Syrian economy shifted from its traditional agrarian base in the 1950s and 1960s with agricultural sector contribution to Gross Domestic Product (GDP) at between 40% and 30% to an economy dominated by the service, industrial and commercial sectors. During the 1980s and 1990s, agricultural sector contributions to GDP fluctuated between 20% and 29% depending on the incidence of drought and the level of oil production and prices. Table 2.1 presents the structure and growth of the economy.

Table 2.1: Structure and Growth of the Economy

	1965	1970	1975	1980	1983	1986	1989	1990	1991	1994	1997
GNP											
Constant 1995 USD millions	3 110	3 691	6 903	9 531	10 725	10 357	10 176	11 066	11 911	15 856	16 945
Annual growth (%)	-8.0	-3.8	19.1	11.6	1.6	-5.2	-12.2	8.7	7.6	7.6	3.6
GNP per capita											
Atlas (current US\$)	..	350	940	1550	1690	1480	880	900	980	1050	1120
Annual growth (%)	..	-7.0	15.3	8.0	-2.0	-7.5	-15.1	5.2	4.2	4.5	0.9
Percent of GDP											
Agriculture	29.1	20.3	18.0	20.2	21.3	23.8	23.7	28.5	28.8
Services	49.2	54.7	57.9	56.5	56.2	53.9	52.6	47.6	49.4
Industry	21.8	24.9	24.2	23.3	22.5	22.3	23.7	23.9	21.8
Gross Domestic Investment (% of GDP)	9.6	13.8	25.0	27.5	23.6	22.2	15.9	15.4	18.0	30.0	29.3

Source: World Bank Development Indicators, 1999

16. Per capita GDP has trebled over the period 1965-1997 from USD 350 to USD 1120. This has been achieved despite the high population growth rate. Contributors to this achievement include, oil discovery and exploration, improved agricultural production, increased remittances from expatriates working in the Gulf countries and assistance from Eastern Bloc and subsequently from the Gulf States. Gross domestic investments have increased steadily from below 10% in 1965 to about 30% in 1997.

17. For the last three decades the economy of the SAR has been operating under a socialist style system of centralized planning. Five year development plans were started in 1961, and by the end of the 1960s the current central planning apparatus had been organized, with the Supreme Planning Council, consisting of the Prime Minister and the various ministers and heads of general organizations, responsible for the plan's design and implementation. While earlier five year plans were implemented rigorously, setting quantitative targets, investment allocations, etc., the last two five year plans (the sixth, covering the period 1986-90, and the seventh, covering the period 1991-95) have had only indicative rather than instructive status.

18. Growth in the first half of the 1990s was impressive, averaging more than 7% a year in 1990-96, according to the Syrian Central Bureau of Statistics (CBS). Even when viewed against a background of poor growth in the late 1980s, the expansion led to a real and sustained improvement in per capita income. Growth was stimulated in large part by three factors. Firstly, a gradual liberalization policy started in 1987, which brought positive results during the 1990s. The reform policy was triggered by the collapse of the Soviet Block on which Syria was dependent for political support, trade and economic assistance, and the realization that the economy cannot support large budget deficits, massive producer and consumer subsidies and high level of external and trade deficits. Secondly, a rapid increase in oil production, which doubled between 1987 and 1991, peaked in 1994 at 0.6 million barrels a day and since then remained at 0.5 million barrel a day. Oil exports at a time of rising international oil prices helped in stabilization of the economy. Thirdly, Syria gained from aid and concessionary loans from the Arab Gulf over a prolonged period of time, and particularly after Kuwait liberation war. Oil production doubled between 1987 and 1991, peaked in 1994 at 0.6 million barrels per day and since then has remained at above 0.5 million barrels per day.

19. Conditions and performance in the second half of the 1990s, however, have been less favourable. Growth slowed in 1997 to 2.5% from 7.3% the previous year. For 1998 the CBS has calculated that the economy grew by a massive 7.8%. Perhaps this was too optimistic given the collapse of oil prices and declining domestic production. The fortunes of Syria have improved with the recent significant oil price increases, and hence the country will register an increase in export earnings as well as a modest

growth rate. Recently, there are some indications that, unless new discoveries are made, the net export position will be endangered.

20. Nonetheless, experience has shown that policy changes in the past have been few and far between. The most important was the introduction in 1991 of Investment Law No. 10, designed to encourage resident and expatriate Syrians and other Arabs, mainly from the Gulf, to invest in Syria. In the first few years of its operations, the law seemed to have the desired effect, attracting significant funds, mainly into tourism and transport projects, through a regime of tax breaks, customs duty concessions and capital flow freedoms. More recently, however, the law has run out of steam, with investment funds dropping as the reform has lost momentum and the economy has stagnated. The only other significant policy change has been the gradual depreciation and unification of the complex, multi-tier exchange rate. Most foreign-currency transactions are now conducted at the so-called neighbouring countries' rate, which has gradually been allowed to slide towards the free-market rate, in a bid to boost exports.

21. Fiscal and monetary policymaking is opaque and poorly developed. Interest rates for the public sector have been fixed at 7% for many years, without reference to inflation. Moreover, most lending, which occurs mainly through the Commercial Bank of Syria, goes to the public sector, and loans are often never repaid. The private sector credit is very limited. Efforts to reform the financial system have so far been extremely weak.

(2) Contribution and Characteristics of the Agricultural Sector

22. The agricultural sector contributes about 20% of GDP, generates between 15% and 20% (or more in good years) of non-oil exports. The sector is a major source of raw materials for the processing industries including, olives, sugarbeets, cotton and tobacco, in addition to the production of the staple grains, wheat for humans and barley for livestock.

23. Although less than 20% of cultivated land was irrigated in 1992, about 60% of total crop production came from irrigated agriculture. However, the proportion of irrigated crops had risen steadily to about 32% of cropped area by the second half of 1990s. The major field crops grown are wheat, barley, cotton, sugarbeet, tobacco and lentils while the main fruit trees are olives, grapes, apples, almonds, citruses and various other fruits. Livestock are produced both in sedentary farming systems and in transhumant/nomadic systems.

24. For planning and policies purposes, the country is divided into five agricultural settlements zones (ASZs) based on a number of variables of which the amount of annual precipitation and altitude are the most critical factors (a more detailed description of the ASZs is given in Chapter VI, Farming Systems). For about three decades a production quota system was imposed, according to which each governorate was expected to deliver a specific amount of produce: this was rigorously applied. Producer prices were predetermined at which crops were delivered to state marketing monopolies. It is only recently that these restrictions have been at least partially lifted, excluding the four crops used as inputs in the agricultural processing industries.

25. Land was historically occupied by large landowners. However, as from the 1960s, the implementation of broad-based land reform and nationalization of larger commercial farms, transferred the ownership of a significant proportion of land to the rural peasantry. At present the farming sector is more or less dominated by smallholder agriculture. The major constraints which are shared by smallholders in most of ASZs are explored in Chapter VI.

(3) Agricultural Strategy

26. Agriculture has always received considerable importance in the various five-year plans. Under the current seventh plan agriculture and irrigation are to receive top priority, with agricultural output targeted to expand annually at 5.6%, and agriculture and irrigation investment targeted to double over

the actual amount spent in the previous plan. In 1986, the State Agricultural Council (SAC) decided that all domestically produced inputs would be sold at cost and, starting from 1987 subsidies for imported inputs would be gradually reduced and eventually eliminated. In 1988, SAC resolved to eliminate subsidies from locally produced inputs. Hence, the only subsidized item of agricultural inputs as of 1993 is fuel.

27. From 1987 onwards as well, the government became convinced that a managed and gradual economic liberalization programme was a prerequisite for achieving its strategic objectives. There was a general acceptance that controls could not be a substitute for motivation and “profit” incentives. The enforcement of low producer prices prior to 1987 had tended to increase crop consumption and decrease production, increased the overall burden of subsidies, increased the production of non-essential non-controlled commodities, and had negative effects on the balance of payments and of trade. Consequently, the government now adopted policies that sought to rationalize pricing and production. In addition, only the strategic outputs had set prices, based on the cost of production plus reasonable profit margins. Producers were no longer obliged to hand these commodities to parastatals.⁹ For non-essential commodities, the government no longer attempts to fix prices on a regular basis, but will intervene occasionally to, for example, support producers if prices plummet and vice versa.

28. To achieve these objectives the government adopted an indicative planning approach, in which its role is limited to:

- giving the general indicators for the production of major crops i.e. wheat, barley, cotton, sugar beet, tobacco and lentils, based on the national demand the technical suitability of each region or zone;
- determining as recommended by agricultural research, the sustainable crop rotations and the product mix given land suitability and water availability;
- informing farmers of the optional dates of planting and harvesting for each area as per research recommendations;
- continuing timely provision of agricultural inputs;
- supporting extension services to disseminate appropriate messages to farmers; and ensuring effectiveness in the control of epidemic pests and diseases at the national level.

29. The GOS had been concerned with the production of adequate food to meet the expanding needs due to high population growth and urbanization, with an explicitly stated goal of food self-sufficiency during the 1970s and 1980s. In the 1990s (starting from 1987), this policy changed and the focus became food security rather than food self-sufficiency. The combined impact of these changes in policies and approach were very positive and together with investments in land reclamation, supplementary irrigation and other rural infrastructure resulted in a marked increases in total production (see table 2.2). Productivity gains were also recorded, these were higher for commodities which had alternative marketing channels at the national level, such as improved wheat varieties, barley and lentils. By comparison, the productivity of industrial commodities, for which the marketing channels were the public corporations, remained the same or even registered small declines (such as cotton and sugar beet, which declined by 2%).¹⁰

⁹ However, parastatals may sometimes be the only market outlet.

¹⁰ These rates represent the difference between 1992 as base year and the average productivity of the year 1993-1996, thus neutralising any climatic effects.

Table 2.2: Production Gains of Selected Crops and Livestock

Crop	1985 Production (000) metric tons	1998 Production (000) metric tons	% increase
Irrigated wheat	642	2 479	906
Rainfed wheat	1 072	1 633	152
Total wheat	1 714	3 112	240
Barley	740	869	117
Homos	50	85	170
Lentils	48	154	321
Millet	80	285	356
Sugarbeet	412	1 202	292
Potato	284	492	173
Olive	185	785	424
Citruses	84	740	881
Apple	125	362	290
Livestock			
Red meat	121	203	168
Poultry	80	97	121

Source: Impact of Policies on Agricultural Production, GOS. Arabic Memograph, undated.

C. Rural Poverty in Syria

30. There is little available information on poverty in Syria - on incidence, causes, or dynamics. Data has not been collected because of the underlying assumption that a socialist society would be egalitarian, hence there would be few poor people, and the underprivileged would be cared for through family and clan networks, especially in rural areas. It is generally believed that Syria has little abject poverty. There is, nevertheless, relative poverty and vulnerability of small farmers and livestock herders to environmental degradation, drought and other threats to their livelihoods. These can result in a downward spiral where farm households have weak coping mechanisms and few income-generating alternatives. Smaller Bedouin herders in the Badia may be a case in point. The relatively high level of malnutrition among Syrian children (28%) suggests that poverty may be more pervasive than usually assumed and household food security may be an issue among some. The measures taken by GOS to address the needs reflect these assumptions in that food is provided to all in times of distress.

31. The principal causes of poverty in rural Syria are thought to be:

- small farm holding size in terms of the traditionally large family size (8-20 persons);
- low and unreliable rainfall; limited availability of usable groundwater and inadequacy of surface water; removal or degradation of natural vegetation;
- prevalence of thin or poor soils; and difficult land conditions such as rockiness, especially in semi-arid area.

32. The survival strategies for the rural poor include off-season employment as casual labour (in the urban areas and on private or state farms in rural areas), temporary migration of part of/the whole family, the movement of nomadic tribes or clans to sites adjacent to irrigation schemes to ensure adequate feed supplies for their flocks, particularly in drought years, and remittances from family members working abroad.

33. There are a number of socio-economic factors which make rural women more exposed to poverty than men. Women play a major role in agriculture in Syria, 45% of farm labour is provided by unpaid females (100% for the care of animals)¹¹. However, women's access to agricultural resources is low: land (only 5%), animals about 7%-8%, but varying according to type of livestock and area, and, to agricultural machinery (1%). Lack of control over land hinders women's access to equipment, credit

¹¹ Ref: 1994 Agricultural Survey

and other services. In addition, although membership of agricultural co-operatives is open to all, in practice social barriers have limited women joining – they represent only about 7% of the total membership. It is notable that women have little role in marketing and limited decision-making power within the household, including the disposal of family income. The agrarian reform of the late 1970's redistributed cultivable land to all farmers and Shari'a law recognizes the right of women to inherit. However, in practice women apparently are often culturally pressured to waive their right to land inheritance in favour of their brothers or male offspring. Given extensive out-migration of males ages 15 - 39, it can be expected that there are a sizeable number of *de facto* female heads of households, but statistics are not available.

D. Donor Relations and Assistance

34. Syria used to receive political, economic and financial assistance from the Soviet Union and the Eastern Bloc. Of the total external debt of USD 22 billion, Russia claims about USD 10 billion and Germany about USD 1.0 billion as successor countries, but Syria claims that the debt is no longer valid, as Soviet Union and East Germany no longer exist. International institutions such as the World Bank and bilateral donor countries are also affected by large accumulation of arrears. Recently the government resumed payments to the World Bank with a payment of USD 270 million and monthly instalments of USD 6 million, in an apparent effort to mend relationships. A poverty alleviation strategy is being drawn with the assistance of UNDP to establish a future framework for the donor assistance to Syria.

35. Bilateral assistance from Japan is contingent on the continuation of timely repayments of debt to a tune of USD 100 million. Japan is contributing about USD 100 million to the up-grading of Latikia and Tartus seaports on the Mediterranean. Finally Syria ratified the Middle East Development Agreement (MEDA) which will result in the release of Euro 105 million for the development of electricity, telecommunication as well as the social and cultural sectors.

36. Regional and bilateral financial institutions such as AFESD, the Islamic Development Bank (IDB) have continued to support economic development in Syria. AFESD and IFAD are partners in development of the agricultural sector, whereas IDB participated with Japan in upgrading of seaports. However, the World Bank has not yet resumed operations in Syria.

III. IFAD'S STRATEGY AND OPERATIONS: AN OVERVIEW

A. IFAD's Strategy

37. This Chapter explores the evolution of IFAD's strategy and interventions in Syria since the start of its lending operations in 1982. For the whole decade of the 1980s, IFAD co-financed with the WB only the first phase of SRADP. The second phase of the project (SRADP II) was co-financed with the AFESD concurrently with the development of IFAD strategy for Syria in 1992.

38. IFAD Strategy was drawn by a Strategy-cum-General Identification Mission (SCGIM) in 1992. The SCGIM was mounted in response to government interest in expansion of IFAD's lending to the country and in the framework of IFAD concern to closely align any future activity with GOS policy – as well as with its own mandate and to promulgate a pipeline of future projects for investment. The SCGIM concluded that Syria had little of the abject, grinding poverty of much of the developing world but the poor were there in a society in which many people are quite well off and in which many more are likely to prosper, as a result of a steadily growing and increasingly commercial economy. The SCGIM identified targeting and the need to prevent leakage of resources to the better off as key areas of project design.

39. Despite the evidence of the steady advancement in Syria in the overall national indicators of human development, the SCGIM noted that there had as yet been little concrete action to identify and isolate the causes and conditions of poverty, to formulate explicit plans and measures to combat deprivation and to provide effective, practical mechanisms to deal with both the causes of poverty and the effects of interventions. The principal measures taken, namely the subsidization of basic foods and certain farm inputs, were not seen to be sufficiently targeted at the needy, especially in remote rural villages, and the difficulty of access to farm credit for the small farmers, rural women and herders may in fact be exacerbating the poverty syndrome.

40. Within the context of the causes of and conditions thought to exacerbate rural poverty (described previously), the SCGIM identified the following potential target groups:

- Target Group A. Typically from the semi-arid and arid plains and upland dryland farm areas. Farm size about 6 ha, simple cereal/pulse/fallow/sheep system. Dependence on rainfed cereals and sheep periodically resulted in this group being susceptible to drought and resultant poverty. Members of the household resort to casual labour to bridge a large budget deficiency.
- Target Group B. Typified as a Bedouin herder family, which has experienced loss of some of its sheep due to drought. The household owned 40 sheep and made its living by contract shepherding of a larger flock for an absentee owner, alongside its own animals. This latter activity constitutes more than half of the productive value and income of the family. At present this group demonstrates a just better than break-even position with regard to necessary household expenditure.
- Target Group C. Postulated as a family owning a very small farm in the irrigated or high rainfall areas. The total area about 1-1.5 ha cropped annually, with wheat/maize/cotton/fallow and 5 sheep and 20 poultry. However, without outside labour there would be a serious household budget deficit.

41. The intervention strategy proposed was to have several distinct dimensions:

- geographical dimension to give clear priority to the east and north-central parts of Syria which are the focus of greatest poverty, and to concentrate on the semi-arid areas and the remoter and upland locations within them;
- subject matter dimension targeting as precisely as possible the poorest, highlighting simple measures for improvement of dryland cereal/pulse farming, enhancing the traditional

range/village sheep rearing and fattening systems, initiating or upgrading where feasible, limited sustainable small-scale irrigation and special support for women's development and the establishment of micro-enterprises;

- human resource dimension to involve and interest central and provincial governments, formal and traditional social institutions and private sector;
- economic management dimension in support of the GOS/reform policy;
- strategic and tactical dimension to ensure conformity of development proposals with realistic targets and to engage other donors in suitable projects.

42. In line with the SCGIM, IFAD co-financed JHADP which targets Group A; CMADP which targets Group C, being small farmers with 1-1.5 ha of irrigable land and BRDP which targets the Bedouin herders or Group B. The GOS also sought some regional balance in growth and development. IFAD's intervention after the SCGIM in 1992 adopted the GOS strategy in two respects: (a) IFAD's support to Jebel Al-Hoss and the Badia, which are geographically depressed areas, and (b) the continued choice of land reclamation (de-rocking) as a mechanism through which the productivity of farm land could be increased substantially in a relatively short period.

43. IFAD's strategy clearly conformed to the thrust of the agricultural sector strategy of the GOS. For both parties, productivity and production gains in the farm sector were sought. For IFAD this was as a means to reduce rural poverty, for the government the result was enhanced food production and food security.

44. The project interventions, which flowed from this strategy, were initially based on the design and achievements of SRADP-I, and to a certain extent SRADP-II as well, as this was in the process of being designed at the same time as the strategy was being formulated. Hence, de-rocking and land reclamation were considered the main tool for the implementation of the strategy. Projects subsequently approved, with the exception of BRDP, adopted the same approach. For these projects complimentary activities such as adaptive research, extension and marketing, were included as essential for improving productivity, and increasing farmers' earnings. In addition, interventions for rural women were included, based on the need to increase household incomes. However, for all activities, little attention was paid to the questions of markets or market research to link production to market demand. Marketing studies for apple and silkworm were, however, commissioned late in the life of projects and reports completed only recently.

45. Overall, the strategy developed was broad and ambitious. It was unlikely that an IFAD-supported programme could ever satisfy all the elements of the strategy within the lifetime of one cycle of projects.

B. IFAD's Operations

(1) IFAD Portfolio Development¹²

46. IFAD has, so far, financed five projects in Syria (Table 3.1). IFAD's share of the financing amounted to about 26% of the total cost of the projects, the World Bank 3% for co-financing Phase I of SRADP, AFESD 43% for co-financing the remaining four projects, GOS 27% and UNDP 1%. The five projects in Syria are categorized as agricultural development. The first project, SRADP I was closed in June 1988 (i.e., an extension of one year) with a disbursement rate of 48%¹³. Nevertheless, the project succeeded in developing an effective de-rocking technique and the amount of land reclaimed surpassed appraisal expectations substantially, even with the delays in the arrival of de-rocking machinery and equipment.

¹² This section relied on a CPE background paper on IFAD operations in Syria, IFAD/OE, March 2000.

¹³ This disbursement rate reflects the cancellation of the World Bank loan.

47. The second project, SRADP II, was commissioned ten years later in spite of the success of the first phase and its completion five years before. All four projects are currently ongoing, the next to close is SRADP II, in about 18 months' time. Whilst SRADP I had a design life of five years (and was extended by one year, which in fact allowed for a delay of nine months for effectiveness), the current four projects have implementation periods of seven to eight years. The projects cover 12 out of 16 governorates (Table 3.1) and have a wide geographical coverage.

48. Four projects had/have land de-rocking as their main activity for which 46% of total portfolio resources were devoted. All projects had extension and training (10% of total portfolio allocation) as an important component, and credit (10%) to support livestock and IGAs for rural women. The credit components do not include credit funds, these are provided by AFESD and GOS. Rangeland development was allocated a share of 11.5% of project' costs mainly in BRDP, whilst water management and micro-irrigation received about 7.1% of the total allocation of the portfolio.

Table 3.1: Basic Data

Project Title	Location of Project	Preparing Institution	Initiating Institution	Cooperating Institution (CI)	Type of Project
1. SRADP-I	Dara'a and Sweida Governorates	World Bank (WB)	WB	WB	Agricultural development
2. SRADP-II	Dara'a, Sweida, Quneitra, and Rural Damasens Governorates	IFAD	IFAD	AFESD	Agricultural development
3. JHADP	Jeb Al Hoss, Aleppo North-West Syria	IFAD	IFAD	AFESD	Agricultural development
4. CMADP	Lattilcia, Homs, Tartous and Hama Governorates	IFAD	IFAD	AFESD	Agricultural development
5. BRDP	Homs, Hama, Aleppo, Raqqa, Dir Ezzor, Hassaka, Dara'a and Sweida Governorates	IFAD	IFAD	AFESD	Agricultural development

Source: Various IFAD documents.

Table 3.2: Status of IFAD Projects in Syria

Project Title	Loan No.	Approval Date	Agreement Date	Effectiveness	Original Closing Date	Extension	Status	Disbursement Rate
1. SRADP-I	95	31-03-82	04-08-82	23-05-83	30-06-87	30-06-87	Closed	
2. SRADP II	311	09-09-92	05-11-92	10-03-93	31-12-01	31-12-01	Ongoing	
3. JHADP	363	06-09-94	07-10-94	19-01-95	31-12-02	31-12-02	Ongoing	
4. CMADP	482	06-12-95	16-01-96	07-07-96	31-12-03	31-12-03	Ongoing	
5. BRDP	1073	23-04-98	10-07-98	21-12-98	31-12-06	31-12-06	Ongoing	

Source: Project and Portfolio Management System.

(2) The projects

49. Following the perceived success of the development activities in SRADP I, IFAD and the GOS have continued the general design parameters in three other projects. These are:

- SRADP II, which became effective in November 1992 and aims to improve the livelihoods of 17 600 households in Dara'a, Sweida, Quneitra and Rural Damascus through increasing cultivable land by de-rocking 32 000 hectares and improving crop and livestock production.
- the JHADP (effective in January 1995) aims to improve the living standards of 14 000 small farmers through de-rocking of 22 000 hectares of land, introduction of terrace cultivation, development of field crops in rainfed areas and fruit trees in areas with supplementary irrigation.
- CMADP (effective in July 1996) aims to improve the living standards of farmers and rural women in four provinces of Hama, Homs, Latikia and Tartous through increasing cultivable areas by de-rocking of about 80 000 hectares of land and establishment of terrace cultivation.

50. Hence at the completion of the four projects, over 134 000 hectares of land will have been de-rocked, in addition to the planned 32 000 ha in SRADP-I. However, de-rocking has received less emphasis in the last two projects.

51. In order to broaden the scope of its development assistance to Syria, IFAD's fifth project aimed at addressing the rapidly deteriorating Badia rangelands. The Badia Rangeland Development Project, exhibiting a dramatic shift from IFAD's previous projects in Syria, aimed at improving the livelihood of 16 800 nomadic and semi-nomadic households by introducing a participatory rangeland management system and rehabilitating pasture land in ASZ5. The summary of expected costs and benefits of IFAD portfolio is given in Table 3.3.

Table 3.3: Summary Expected Costs and Benefits from IFAD Portfolio

	Project Cost	IFAD Loan	Benefiting Households	Land De-rocked (ha)	Average	Cost/hhold USD	EIRR
					Total Project	IFAD Loan	
SRADP I	65.6	8.7	10 000	37 300	6560	870	n/a
SRADP II	42.3	18.0	17 600	46 000	2403	1023	26.8
JHADAP	29.1	11.9	14 000	22 000	2079	850	14.8
CMADP	117.1	20.4	69 000	80 000	1697	296	22.5
BRDP	104.9	20.2	16 800	-	6244	1202	15.7
Portfolio	359.0	79.2	127 400	185 300	2 818	622	

SRADP I Project Cost as estimated at appraisal. IFAD loan and land de-rocked are actual figures. SRADP II land de-rocked as of mid-May 2000 exceeded the target of 32 000 ha.

52. All projects in IFAD portfolio included some form of land improvement, extension and credit. In the later projects, there has been an increasing emphasis on women's income-generating activities and water management. The last project, BRDP, is the only project designed with consideration of actively supporting the development of local/grassroots community institutions; indeed, elements of the BRDP project design aim at ensuring critical inputs and participation by beneficiaries in project planning and implementation.

53. Social intermediation, in terms of the participation of civil societies and NGOs, is generally weak in the designs. There is, however, recognition of the significance of participation for implementation and sustainability of benefits, and the extent of participation has increased from one project to the next. In BRDP, FAO is piloting the involvement of the herder facilitators, and in JHADP UNDP is promoting a community based rural financing scheme. Beneficiaries are not involved, however, at management or policy levels.

(3) Disbursement Profiles

54. Up to November 2000 the record of disbursement for the IFAD portfolio had been very disappointing. This was of great concern to IFAD and put in doubt the rationale for further support. The closed project, SRADP I, had disbursed only about 48% of total allocated funds, and out of a total amount of USD 68 allocated to on-going projects in Syria only USD 11 million or 16% had been disbursed at the time of the field work of the CPE¹⁴. The main explanation cited was the delay in procurement, particularly of heavy machinery and equipment for land reclamation. The evaluation mission was informed that finally the machinery and equipment procurement issue had been resolved, and subsequently orders have been placed. IFAD Funds Status for November now shows these commitments. For SRADP II this will add a massive 48% to the disbursement rate (taking it up to 78%). The resolution of this issue will, in time, also release the funds earmarked for procurement in the other projects, hence it is to be expected that the question of low disbursements has been finally solved.

¹⁴ The rates of disbursement for SRADP II, JHADP and CMADP at this time were 20%, 30% and 12% respectively. For BRDP, which was still in the starting phase, it was about 1%.

IV. ORGANIZATION AND MANAGEMENT

55. Organization. MAAR is the implementing agency for all IFAD supported projects in Syria. The Ministry is organized into functional Directorates at the central and also at the Provincial levels. There are directorates for each major discipline e.g. land reclamation, agricultural extension, rangeland, plant protection etc. At the provincial level, these functions are co-ordinated through the office of the Director of Agriculture and Agrarian Reform. Each project has a project management unit (PMU), (headed by a project director). Figure 1 illustrates the functional relationships that exist at various levels for policy-making and management.

56. Management. Each project is headed by a project director, who reports to a deputy minister¹⁵. In the case of SRADP and JHADP, the responsibility for project management lies with the project director alone (because the projects take place in one Province). By contrast, CMADP and BRDP have two levels of responsibilities, at the respective provincial levels and at the central level. In practice, the implementation authority of the project directors is limited because of the involvement of the Minister and /or his designates the Deputy Ministers, in all financial matters¹⁶. Despite this, project designs stressed the need to:

- increase the relative autonomy of project management in a highly centralized economic administration;
- expedite decision making and processing, to be able to respond swiftly to field conditions;
- integrate some provincial services into the project implementation (especially agricultural extension and Women in Development, WID units).

57. To enhance autonomy, PMUs have been given the status of Directorates. The CPE noted that project managements are largely occupied by issues related to (a) financial matters, (b) the selection, hiring and firing of staff, (c) the accommodation of unnecessary staff and (d) prolonged delays in procurements.

58. Project implementation units have been established in each governorate. Three of the projects (the exception is BRDP) have fully-fledged land development units, located either at the central PMU level or the provincial PMU level. The land development units are divided into two sections, one dealing with field operations (de-rocking) and the other machinery repairs. The de-rocking units have specific numbers of machines, operators, mechanics and supervisors, sufficient to work on three shifts and operate around the clock. Minor breakdowns are repaired in the field, other more major breakdowns are referred to the main workshop under the maintenance section.

59. Extension activities are implemented by the extension services of MAAR, through the provincial directorates. Under this arrangement the projects provide the necessary resources while the corresponding extension department provides the technical packages and the staff to implement project related programmes. The programmes for rural women are sponsored by the projects and co-ordinated with the provincial directorates of agriculture. Field visits suggested that project management exercises a high degree of control over this activity.

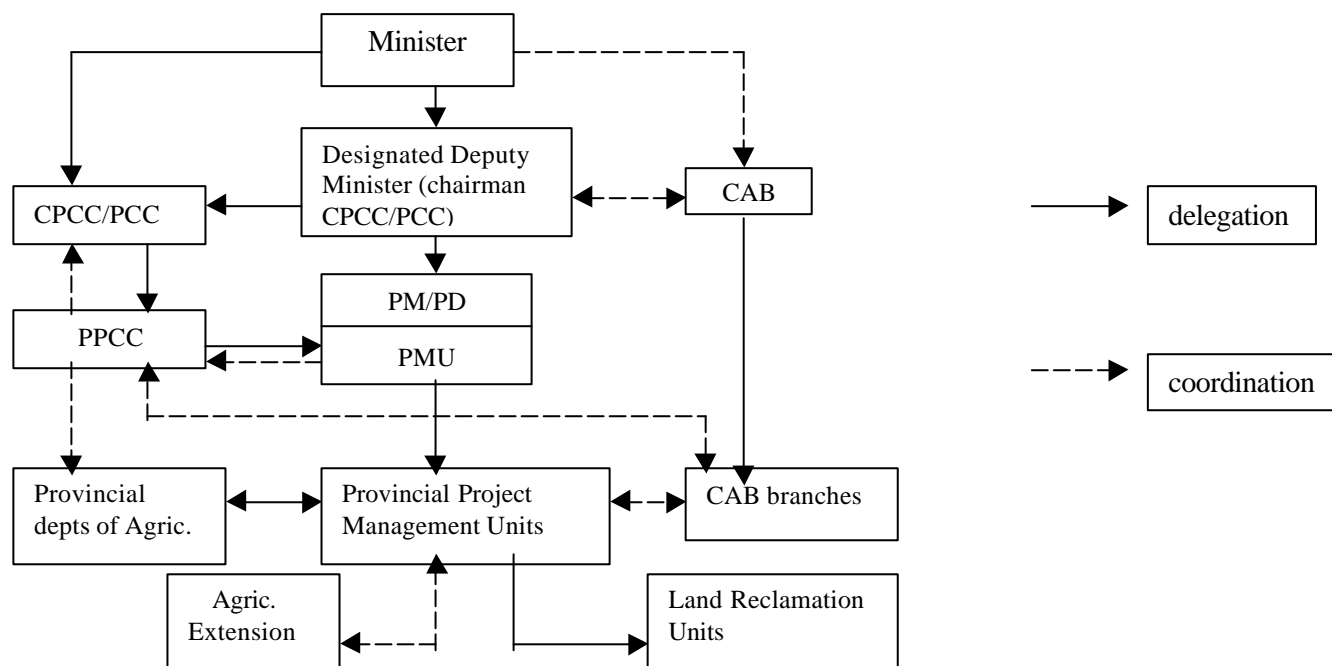
60. Co-ordination. The project co-ordinating committees at the central government level (CPCC), which according to the project designs were to be headed by deputy ministers¹⁷, are responsible for the main policy decisions and overall coordination. The CPCC is concerned with:

¹⁵ In the MAAR there are currently two deputy ministers who are designated by the Minister to supervise specific projects or activities.

¹⁶ The Minister himself controls financial decision by co-signing all cheques for release of funds.

¹⁷ The post of the secretary general (or undersecretary) was abandoned in the 1970s in favour of a politically appointed deputy minister.

Figure 1: Functional Relationship- The general Model for IFAD-Supported Project Implementation



- Defining the general policy framework;
- Approving the AWP&B;
- Approving and supervising the allocation of corresponding annual budget;
- Monitoring implementation progress; and
- Solving problems and conflicts (and effective coordination) between implementing agencies.

61. For those projects that cover more than one province (SRADP II, CMADP and BRDP), there are also provincial project co-ordinating committees (PPCC). The PPCC role is more concerned with co-ordination between the various implementing agencies at the field level; and also provides feedback to the CPCC.

62. For the mainstream activities there are specialized coordination committees, for example for credit and technical committees for springs. These committees may be chaired by the provincial project director or by the heads of the relevant technical department, e.g. the springs committees may be chaired by the head of Department of Irrigation and Water Use (DIWU). Committee membership includes, in addition to the relevant heads of the concerned departments, the representative of the General Union of Peasants (GUP). Despite the number of formal co-ordination committees, co-ordination is primarily undertaken at field level through direct contact among field units, such as the EUs, CAB branches etc.

63. Counterpart Funding. For most projects there were no reports of serious under budgeting or shortages of counterpart funds, although there are delays in the funds becoming available. Some shortages in budgetary allocations have been experienced in a few cases when rates for custom duties¹⁸ have been increased during the fiscal year, or when goods arrived earlier than expected towards the end of the fiscal year. One source of delay in counterpart funding is structural. For a number of reasons,

¹⁸ According to the loan agreements, imported goods are exempted from taxes. The practice of most governments, Syria included, is to allocate the funds necessary to meet the custom duties in the budgets of the respective projects. This is an essential measure of transparency for accounting and budgetary control.

e.g. oil price fluctuations, the government may delay the ratification of the budget for many months after the start of the fiscal year. During these months the government agencies, including projects, are entitled to expend one twelfth (1/12) per month of annual funds appropriated by the Ministry of Finance (MOF). This standard operating procedure may be appropriate for services that have a steady flow of expenditures, but it is not really suitable for development projects, where the seasonality of fieldwork or the need to clear goods at the port requires extra expenditure. This has also affected the payment of incentives for land development units.

64. In some instances special account funds have been used to overcome delays in accessing local counterpart funding. Within the context of the approved annual work programmes project accountants pay the total purchase price of goods and services from the local market from the special account. Subsequently, the percentage required from counterpart funds is reimbursed by the Ministry. The remaining balance is processed as the donor contribution in the normal way, i.e. sent to the CI for replenishment of the special account. This procedure has been used by CMADP, and has reportedly given the project management considerable flexibility and helped in the implementation of project activities. However, this process can result in the rapid depletion of special account funds: in the case of JHADP the special account has a total deposit of USD 600 000, but was seriously depleted at the time of the CPE to just USD 60 000 (or 10%)¹⁹.

65. JHADP officials claimed that IFAD had verbally agreed to the capitalization of the operational expenses of land development, in which case they became a legitimate development cost. The project management has approached the CI for final approval. If this is granted it may be necessary to increase the amount of the special fund to at least USD 1.0 million.

66. Procurement. Project managements indicated that there were no difficulties in local procurement. Local purchase of up to SYP 1.0 million are delegated to the project managements, hence procurement are normally kept below this threshold. Government procurements for bids exceeding this limit have to be given the final approval by the State Council for Planning (SCP) in the Prime Minister's Office, which involves lengthy and time-consuming procedures. MAAR, with the participation of project managements, is responsible for compiling the technical specifications and the SCP procurement committees for evaluating the bids.

67. A major delay in international procurement occurred when MAAR decided to aggregate all imported items into long shopping lists. In one case this included 24 items from heavy bulldozers to sewing machines, which had the effect of limiting the number of potential tenderers and increasing the award value so much that it needed authorization by a special high level procurement committee. Theoretically, this should have reduced the time taken and ensured the Council's approval for all purchases in one go. This proved to be a major hindrance to procurement. Firstly, the items were very different and there were few competent bidders for all the items (this was subsequently addressed by making it possible for suppliers to bid for a selection of items), and secondly, large tenders may lead to unfair competition. As a result four consecutive bids in SRADP failed and there was a cumulative delay of 84 months. The CPE was assured that these problems had finally been resolved.

68. Training. Both overseas and local training have been included as important components in all projects. Training activities in SRADP-II have been completed, whilst for CMADP and JHADP they are still in their early stages. The management of these two projects indicated that similar arrangement to those used for SRADP II will be adopted. In the case of SRADP II, a comprehensive overseas training programme has been implemented on the basis of a needs assessment survey (see Table 4.1). Training in BRDP is being organized in conjunction with CARE INTERNATIONAL for the local training activities: the training programme is also associated with FAO, which is experimenting with training of beneficiaries representatives as development facilitators.

¹⁹ There were, however a number of withdrawal applications which were posted to the CI or were under processing by the project accountant.

69. The training undertaken in SRADP-II was assessed by the MTE (1998) as more extensive than foreseen at appraisal, and main findings were:

- Training has had an impact on the farming sector in general, since the trainees were drawn from the extension and other specializations from various directorates in the concerned governorates at provincial and district levels. The focus of training has been on extension, farming systems, technology transfer, WID and IGAs such as beekeeping, livestock keeping, animal nutrition and olive tree establishment
- The project benefited from the presence of both ICARDA and ACSAD, which have their head offices in Syria, and in addition the Agricultural Organization for Agricultural Development (AOAD), which has a regional office in Damascus. Overseas training for SRADP II has been organized by ICARDA while local training has been the responsibility of MAAR, ACSAD, AOAD, and UNDP.
- The training in SRADP II benefited, in addition to the project staff, the staff of the relevant directorates, particularly extension, at the provincial and district levels. Local training focused on crop production, fruit tree production, irrigation management, livestock and land and soil management. These courses were relevant to the project and the agricultural development objectives.
- The training of beneficiaries in SRADP II has been broad based, and (according to MTE), covered over 32 000 men and 11 000 rural women. Skill training included literacy, livestock production, food preservation and processing and off-farm IGAs in sewing, knitting, embroidery, and carpet making: skill training was considered a prerequisite for loans for the respective activities.
- The extensive training programme covered the project and extension staff and the beneficiaries and should enhance the prospects of sustainability of the project benefits.

Table 4.1: Summary of Overseas Training in SRADP II

Subject	Total Number of Trainees	Total Period - Man/months
A. Agricultural Development		
– Extension Methods	62	37
– Livestock Development	50	28.1
– Olive Tree Establishment	31	11
– Transfer of Technology	20	11.6
– Farming System Development	15	7.6
– Land and Soil Improvement	25	22.3
B. Women in Development	34	20.7
C. Project Design and Evaluation	37	22.9
D. Communication Media	16	9.7

Source: SRADP II Progress Reports

70. Technical Assistance (TA). A complete programme of technical assistance (TA) has only been implemented for SRADP II so far. TA for other projects is just beginning and JHADP and BRDP are working in close collaboration with UNDP and FAO respectively, where the respective agencies are funding projects in micro finance and in participatory approaches. For SRADP II, TA was funded by means of a UNDP grant and contracted to FAO. By mid-1998, eight experts/consultants had provided TA for a wide range of subjects. The programme is illustrated in Table 4.2.

Table 4.2: TA provided to SRADP II

Specialization	Duration				Country of origin of TA
	1995	1996	1997	1998	
Agricultural extension					Syria
Workshop Management	2 months		7 weeks		Australia
Beekeeping	1 month	3 weeks			Italy
Barns		1 month			Morocco
Dairy Products		2 months	3 weeks		Poland
M&E		3 months	2 months	7 weeks	Germany
Rural Women		3 months			Syria
Home economics			6 weeks	3 weeks	Egypt

71. An important feature has been that the actual TA programme followed has been modified during the course of project implementation, depending on the project requirements which were determined in discussions between UNDP and the project management. In addition the project management contributed to the selection of consultants. The progress of the TA was monitored by a tri-partite committee consisting of members from the State Planning Commission, MAAR, FAO and UNDP. The two reports from the tri-partite committee expressed satisfaction at the progress and achievements of the TA (the last one was in 1997). SRADP-II management rated the overall impacts of the TA as positive and concluded that TA had provided a useful mechanism for filling skill gaps and providing on-the-job training. The TA programme is now in its final stage, but it has been agreed that there will be a new input to examine the possibility of improving water harvesting techniques.

72. The CPE concluded that the training programmes for staff and beneficiaries were proving an important and sustainable aspect of project achievements, which should show long-term benefits in terms of increased individual and institutional capabilities.

73. Supervision. In its role as co-operating institution for IFAD's four ongoing projects in Syria, AFESD has sent four supervision missions to Syria since 1995. Their reports were issued in December 1995, January 1997 and June 1998. These reports list quantitative achievements and project performance relative to physical input and output targets, and are useful mostly for highlighting implementation bottlenecks. The AFESD supervisions, however, do not measure or analyze project effects and impacts and they do not provide sufficient assessments of the fulfilment of project objectives. Drawing almost exclusively on quantitative results provided by project management, the supervisions do not reflect developments and improvements as perceived by the targeted beneficiaries. In addition there is little recording of follow-up actions, to monitor the recommendations, and the time separating one supervision mission from the next is considered too long for purposes of continuity.

74. Monitoring and Evaluation. Separate M&E Units have been established under the authority of the Project Directors within the Central Project Management Units or Directorates (CPMU). While there are slight variations between the four projects, the roles of the Units have been basically the same, i.e. to capture and channel implementation information to the Project Director and to PMU staff, CPCC, MAAR and project financiers. In SRADP and JHADP, the M&E Units compile implementation data and consolidate the annual work plans, although they are not responsible for the contents of the plans. SRADP M&E Officers at the PPMU assist the Provincial Project Director and execute M&E activities according to the requirements and directives of the CPMU. In CMADP, provincial monitoring officers (who are members of the provincial Programme Support Divisions) are assigned supervision and implementation duties in addition to their M&E activities, and this has reduced the time available for them to perform their roles as M&E officers. To a lesser extent, this is also true in SRADP; M&E officers often participate in (and report on) individual training courses and take part in credit committees.

75. In CMADP and BRDP, project planning and M&E are assigned to the Planning, Monitoring and Evaluation Division at CPMU, and this ensures that M&E findings and recommendations are addressed

during planning and implementation at the Provincial Project Management Unit (PPMU). CMADP M&E officers are supported by an Archives and Documentation Section, responsible for producing consolidated reports.

76. The CPER found that the M&E units have been successful in establishing a system for continuous monitoring and reporting of project activities. Information is collected in collaboration with field extension workers, field working groups, and other implementation officers. Qualitative information generally lists key bottlenecks or assesses the rate of achievement of scheduled targets. Scope for improvement exists in assessment of project outputs, effects and impacts.

77. Monitoring Activities. The indicators monitored have largely been related to the physical and financial achievement of planned activities. For example, the primary indicator used for assessing de-rocking activities (by far the largest input in IFAD's project portfolio) has been plan fulfilment measured in terms of area cleared of rocks. This information has been useful for monitoring the physical progress of implementation, but progress made in achieving the *project objectives* is not adequately considered and integrated into M&E activities. Although a limited number of analyses have been undertaken to assess credit and WID programmes, performance in terms of impacts and effects is not regularly considered. The main reason seems to be that resources have not been allocated for such analyses, which require complex information gathering including the application of basic data questionnaires and updates, surveys and socio-economic studies.

78. In general, a range of distortions may arise in measuring *performance* only in terms of plan fulfilment in physical terms. The first problem is that it may result in an incentive to keep targets low, and once the targets have been decided, there may be disincentives to exceed them by a significant margin. Another problem is how to define the unit of measurement. In the case of land clearing, if the output is measured in hectares de-rocked, land clearing may be increased in areas that are technically unfavourable for cultivation. If output is measured in hours worked, then the area developed may be reduced. In both cases, beneficiary needs may not be adequately considered, and the maximum impact may not be achieved. Consequently, relying solely on physical achievements to assess performance and reward managers can lead to a distorted picture.

79. The plan fulfilment system has a negative effect in two other ways. It fails to provide any encouragement for innovation and it does not reward quality. In other words, it does not provide the necessary link between the project's outputs and the beneficiary's requirements. If plan fulfilment is the basis for measuring success, decision-makers may prefer to avoid risks related to innovation, because they wish to avoid threatening the required annual output. The same is true of meeting quality requirements of the beneficiaries. So long as the primary object of the management is to achieve plans expressed in quantitative terms, quality will suffer.

80. At the same time using only physical indicators (i.e. de-rocked land) to performance overlooks projects impact (i.e. poverty reduction). Future M&E systems must consider how to supplement plan fulfilment measures by selecting more appropriate indicators, particularly those dealing with beneficiary reaction, production and incomes.

81. Impact Indicators. Monitoring of project activities should be complemented by studies and assessments that rely on beneficiary contact, and that measure the extent to which project activities have decreased poverty. Beneficiary assessments can provide key information with respect to the performance of project activities and bring to light any problems that can be avoided or successes that could be replicated. In the present portfolio such assessments are mostly absent, although in some cases relevant, easily measurable indicators are available. For example, co-operatives' sales of fertilizers in areas that have been de-rocked, is a readily available proxy indicator of whether beneficiaries are exploiting the new opportunities and increased land availability afforded them by the project.

82. Limited use of impact indicators may have arisen because most project staff were found to consider projects objective to be increasing agricultural production rather than poverty reduction. Indeed, in the

M&E reports, the stated project objectives focus on agricultural development and increasing incomes, but do not mention the poor as a target group. The M&E staff are cognisant that poverty reduction is a project aim, but consider that the project addresses this issue implicitly through its activities. Only in credit are eligibility criteria used (although the effectiveness of targeting through credit delivery has not been proven).

83. Analysis of Implementation Data. Substantial operational data exists in the Mechanical and Financial Divisions that is not tapped by the M&E System. Monitoring and evaluation of Field Unit operations is not formally undertaken, although equipment logs exist that can trace the activities, work schedules and beneficiaries. The project should consider introducing procedures in the aforementioned divisions that allow for compiling this information in a manner that is digestible to the M&E unit and useful for project supervision and implementation. Analyzing budget and expenditure information through the monitoring system would also benefit from the addition of budget or cost estimation for each component and activity (or for each implementing unit, as appropriate) in the AWP&B. These plans do not detail expected expenditures per component and activity, but rather aggregate financial plans by expenditure account, which is less useful for operations analysis.

84. In addition, the CPE considered that cost-recovery and sustainability of the credit operations were not being sufficiently monitored. It would be preferable if periodic borrower and loan information needs were collected during the loan approval process, and if a MIS system was introduced to monitor defaults, arrears and income (particularly with respect to different borrower categories and loan divisions). This information should be made available by CAB so that studies and analyses could be undertaken by the M&E units to understand the reasons for defaults, the appropriateness of the activities chosen, the effects of the lending criteria, etc.

85. Resources Available. Except for SRADP II, the number of staff, vehicles and computers for provincial monitoring officers is a matter of concern. In addition, M&E officers spend a substantial amount of time supervising activities such as training, thus reducing the time available for collecting or verifying information and assessing performance. Other field workers only report the implementation levels of their assigned activities and, except for the case of baseline surveys that were enumerated by field EUs, do not conduct beneficiary contact monitoring.

86. Training and Technical Assistance for M&E. Training activities undertaken to develop M&E systems have had positive effects in all the projects and have led to improvements in the M&E systems. M&E officers at the CPMUs now better appreciate the role they should play in assessing project results and supporting project implementation. Projects have since undertaken a few studies to assess the effects of some project activities on targeted beneficiaries, or developed methodologies to do so in the future. These efforts are to be commended, and demonstrate the importance of training in M&E. The results of the various initiatives, such as the development of a logical framework to support M&E in CMADP, could be extended. However, senior management would benefit from being involved in this training as this could enhance the linkage with project MIS systems, leading to more effective planning and budgeting.

87. Participatory Monitoring and Evaluation. The participation of beneficiaries in assessing project performance can be tapped through the use of short and simple questionnaires after the completion of project activities. This is presently practised in training activities, in which each trainee is requested to complete a short evaluation form that summarizes their reactions to the training course. Similarly, such questionnaires could be applied following other project activities, such as land clearing. Beneficiary assessments are useful for measuring the quality of project interventions and outputs, and can be used for identifying problems with project services and implementation tactics.

V. SOCIO-ECONOMIC ASPECTS

88. This Chapter analyses the socio-economic circumstances affecting the implementation of the present IFAD portfolio, and highlights the aspects that are relevant to a policy dialogue for a new portfolio. The subjects considered are the targeting of IFAD interventions, the development of participatory approaches, gender and grassroots organizations.

89. Whenever possible, a participatory approach was used for the collection of data and information. In the process, discussions and interviews were held with about 25 rural households and individuals, 15 female groups of five to ten members, groups of 20-25 women in the training centres and five male groups of 15-20 members. These discussions and interviews covered the relevance and adequacy of the project activities, projects benefits, effects and impacts and any identified design or implementation constraints. Secondary data was obtained from project and government progress reports, UN specialized agencies' studies as well as discussions with the officials and representatives of these agencies.

A. Targeting

90. Targeting in Project Design. At the time of the design of SRADP-I targeting was not a real concern: the aims were expressed solely in terms of land development, extension, input supply and credit. The design of SRADP II was undertaken concurrently with the SCGIM, in 1992. The SCGIM report addressed the targeting issues, but primarily emphasized geographical/area targeting. It also gave priority to women's development and adopted self-targeting as the instrument to reach women beneficiaries. Nevertheless, the main activity in SRADP II was land reclamation, building on the historical success of SRADP-I.

91. In JHADP there was less emphasis on land reclamation, and supplementary irrigation was considered on a very limited scale. However, targeting remained linked to geographical area selection and was also expressed in terms of household earnings compared to the poverty line (as opposed to national per capita average income). In the BRDP project area, 94% of the population were below the poverty line, and the entire population of the area was taken as the target group. For JHADP and BRDP more attention was paid to beneficiary participation as well. To enhance participation, exclusionary criteria of targeting were described as inappropriate to achieve project objectives.

92. In conclusion, the designs did not have the sort of specific and systematic criteria for the selection of target groups based on poverty. Even the socio-economic surveys, conducted prior to the implementation of JHADP and CMADP, did not seek to collect the sort of data necessary for the selection of such target groups. The designs included clear definitions of the areas to be reclaimed, but lacked mechanisms to reach the target groups. In SRADP II and CMADP, targeting for WID programmes was also quite vague and not definitive, despite the socio-economic surveys conducted. Table 5.1 summarizes targeting in project design for IFAD-supported projects.

Table 5.1: Targeting in Project Design

Project	Target Group	Targeting Criteria	Targeting Mechanisms	Type of Targeting
SRADP I	Not well defined	Per capita income lower than national poverty line	None Derocking/land reclamation being the main project activity since there was no limits to land ownership. It was difficult to target small farmers Extension for all farmers.	Area targeting was not clearly stated, though two Governorates were selected, not necessarily on the basis of poverty i.e. geographical.
SRADP II	Broadly defined for small farmers	An area of 32,000 ha for derocking to small farmers in 150 villages with per capita of about 58% of national average.	A socio-economic survey identified the characteristics of the target group, but was not used as targeting mechanism. Technical identification of land for derocking was the main criterion Extension services to benefit all.	Area targeting not applicable, Four Governorates selected not necessarily on poverty basis. Some villages were selected. Rural women activities represented self-targeting
JHADP	Almost all area population included (94%) but some were identified as small farmers and others as landless.	A socio-economic survey conducted. Specific farm families to benefit from land development, the rest from project services especially services of extension.	Project activities directed towards development of entire area. Specific programmes to rural women (literacy and skill training).	Area targeting clearly applied as well as village mapping and specifically targeted. Self-targeting for rural women.
CMADP	More specific targeting Small farmers Female headed households	Hilly, remote/high rock density area Poor farmers with per capita income at one third national average Female headed households	Attempts to reach specifically poor villages, some were affected by land reform-distribution of land to small/farm labour in 1960s. High density of rock infestation Village poverty ranking.	Area and village targeting Self targeting for women in general Specifically female headed households
BRDP	The <i>Badia</i> inhabitants, none excluded	All population in the specified geographical area.	Participatory approach for range land management. The local elites will be used to ensure participation of the poor	Area targeting but extremely large “3 million ha’ Non-exclusive approach in that richer pastoralists would not be excluded.

Source: Compiled by CPE mission from project design reports.

93. **Beneficiary Profiles.** In the case of de-rocking, technical and economic considerations can preclude the adherence to strict targeting criteria. De-rocking areas are selected on the basis of applications from villages, but decisions are mostly governed by technical and logistical considerations (such as the areas which are most suitable and easiest to de-rock, and are also accessible for heavy equipment), rather than the size of holdings and income levels of households. Hence de-rocked areas consist of mixed land holdings, and the operation does not prioritize reaching the poorest. The CPE found that although holding size and income criteria were referred to in the project area selection procedures, particularly in SRADP II and CMADP, and socio-economic surveys were conducted (after the appraisal in case of SRADP-II) the main determinants were the technical area selection criteria. A further constraint to targeting based on land holding is that holdings are fragmented and a special effort is needed to establish the total area owned by a household.

94. Field examinations revealed that the beneficiaries from the derocking programme were mostly smallholders who have less than 4 ha of cultivable land in ASZ1, and less than 8 ha of cultivable land in ASZs 2 and 3. For SRADP II, the MTE reported land holdings averaging less than 3 ha: these findings are shown below. This suggests that whilst there has been no overt targeting of poorer farmers, in fact project staff have directed resources towards those areas where there is a preponderance of smaller farms.

Table 5.2: SRADP-II -Number of Districts, Villages and Beneficiaries of Land Development.

	Governorate				Total
	Dara'a	Sweida	Quneitra	Rural Damascus	
Districts					
Number Included	4	4	2	4	14
Total in Project Area	5	4	2	12	23
Villages					
Number included	67	71	20	30	188
Fruit Trees	35	39	20	30	124
Field Crops	49	41	0	0	90
Total in Project Area	122	135	34	241	546
Number of Beneficiaries	6 400	5 857	1 190	3 016	16 463
Land Area Development (ha)	13 837	12 595	2 728	4 668	33 828
Average Area per Beneficiary (ha)	2.16	2.15	2.29	1.55	2.05

Source: Number of villages taken from lists provided by Agricultural Affairs Department; number of districts, beneficiaries and area development from PMU, Compiled by MTE of SRADP-II, 1998.

95. In respect of credit, despite an exhaustive and satisfactory selection procedure, the targeting was not essentially to reach the poorest among the rural population, but rather the “productive poor” i.e. those with some assets. Selection for beneficiary training was based on self-targeting, i.e. participants opted for the courses as being relevant to their needs. To date there is no evidence of the specific targeting of female-headed households.

96. Although project designs described the target groups, they did not incorporate mechanism for reaching these target groups during implementation. However, given the lack of information the extent of targeting proposed in the designs was probably unrealistic. Despite the information generated by the socio-economic surveys, area and village targeting criteria were adopted instead of household poverty or vulnerability. In some cases, such as JHADP, project site selection based on “area” targeting is justified. However, overall the targeting focus for the poorer was weak.

97. The MTE of SRADP-II commented that social and political pressures may also have influenced the equitable allocation of machinery for some of the highly sought after and subsidized de-rocking activities. Hence it could not be assumed that the interests of the poorer groups would always be prioritized by the existing farmer organizations.

B. Beneficiary Participation

98. Beneficiary Participation in Project Design. The design of the first four projects placed the responsibility for implementation with MAAR. GUP and the General Union of Women (GUW) were both involved in terms of helping to organize farmers' and women's meetings where project activities could be explained to potential beneficiaries. In practice, both institutions, and particularly the cooperative societies under GUP, help in providing security for credit from CAB, and accessing agricultural inputs and machinery. However, there were no specific measures to foster the system as an effective mechanism of participation. The concept of community participation was introduced in the design of BRDP and is an essential instrument for both delivering and receiving project services.

99. In reviewing the designs, it must be recognized that firstly, Syria has *no recent custom* of intended beneficiaries participating in government programs, resulting in a passive attitude and an acquiescence to the *status quo*. Secondly, government field staff, such as agricultural extension agents, are not accustomed to performing their roles in a way that encourages active participation by area farmers. Thirdly, there are few organizational or group mechanisms for channeling the participation of farmers or women or NGOs to mobilize and support the process at the village level. Finally, the core activity of de-rocking in four out of five IFAD projects limits how much participation can occur. Demand exceeds supply and land development requests by villages or beneficiaries tend to be overridden by technical and logistic considerations and capacity limitations.

100. Beneficiary Participation during Implementation. Discussions with staff and beneficiaries revealed that project staff were not keen to consult with farmers on technical issues. In CMADP, the project staff asserted that advice from participants was out of question because of the deep conflicts among various spring water users. The CPE mission, during its field visit, was informed that the following activities were considered to demonstrate beneficiary involvement:

- participation of the GUP in some committees to facilitate the provision of specific project services, for example the derocking programme in SRADP II and the water spring committees;
- The involvement of farmers in the dissemination of extension messages, even though constraints such as adequate compensation limited their contribution;
- The involvement of GUP and the cooperatives in dissemination of loans and inputs on credit to project beneficiaries²⁰;
- The involvement of GUW in skill training activities (SRADP II, CMADP) and in particular the provision of trainers from its experienced cadre, and
- A participatory survey, initiated by the projects, to determine training choices and requirements.

101. In accordance with the participatory approach adopted in BRDP, CARE International was contracted to train MAAR staff and community leaders on social aspect of participation. The trainers are fielded for two weeks monthly, and the courses include both theoretical and practical training.

102. The above examples illustrate the limited extent of participation so far. The CPE concluded that participatory approaches were in their infancy, but still found some scope for optimism in the recent developments by other agencies (see below). The experience is especially lacking for self-help enterprise groups. Savings mobilization and credit groups have traditionally been used to perform social functions, such as assistance in marriage or during personal or household calamities. Since credit and input supplies are provided through official channels (CAB), these local saving/credit groups have not flourished. Although the development strategy described in the SGCIM included self-help groups, the designs of IFAD supported projects have not attempted to foster local groups, although there are probably opportunities to establish village development committees (VDCs) linked to land reclamation and extension services, and women groups for training and credit services.

²⁰ This is actually a normal function of the GUP.

103. However, IFAD has progressively increased its explicit and detailed attention to participation from SRADP I to BRADP. SRADP II made a small but important beginning in attempting some degree of participation in de-rocking, in agricultural extension and in training of women. Under land development activities, the requests from villagers were taken into consideration by committees at the central and district levels. Within villages the selection of contiguous land blocks for de-rocking was done by village leaders and farmers, represented in part by the GUP, and subject to guidance from the provincial project office on technical feasibility. Farmers were also expected to be present during the actual de-rocking operations to certify the number of working hours and to sign for completion of the work

C. Gender

104. Government Strategies. Until recently development activities for rural women were undertaken through the MAAR Home Economics Unit as part of the Extension Division. This dealt with such subjects as literacy, cooking, sewing, and some nutrition, but apart from vegetable gardening, agricultural production activities were not included. However, in January 2000, this Unit was reconstituted as a Gender and Development Unit, (GAD) responsible for mainstreaming gender in all projects and programmes. The main objectives of the GAD unit are: (i) gender sensitization and advocacy among decision makers and senior staff; (ii) support for rural women to gain better access to resources, benefits, and decision making processes; and (iii) the improvement of women's productive and entrepreneurial skills. The staff of the Unit are being trained in gender concepts and methodologies and in statistical methods. A gender disaggregated database is being prepared which will provide information at the national as well as the governorate levels.

105. Project Experience. Project designs include components for women's development, which aim to facilitate educational awareness and the acquisition of new skills that can enhance self-esteem and income generation. This is then linked to credit provision to enable women to undertake IGAs, which could improve household incomes and family nutrition. In all IFAD supported projects, participants in the training courses are provided with training inputs and offered financial compensation varying from SYP 20/day in SRADP II to SYP 50/day in JHADP. In contrast, the training courses organized by the GUW charge the beneficiaries participation fees, and the training inputs have to be provided by trainees.

106. In SRADP women have benefited from well organized and efficient agriculture extension services and training programmes. Training courses have been provided on demand according to beneficiaries' specific needs. The total number of women who benefited in SRADP II from the agricultural extension, literacy and skill training during the period 1993 up to March 2000 was about 41 077, which is 70% of the design target.

107. The skills improvement included knitting, sewing, food processing, and handicrafts. The desire of women to join these training courses was not based on the potential for income generation but rather on the social status that can be gained through training. It was thought that skilled girls would have better opportunities for marriage. Although training in knitting and sewing proved to have low commercial potential, it still contributed to saving money for the family.

108. During the field visits, it was clear that there had been especially positive impacts for those who chose livestock activities as IGAs; these activities covered cattle, sheep and poultry raising and fattening. Those who chose sewing and knitting complained that there were no markets for their products, and that they could not compete with the commercial producers. Some of the trainees indicated that they were not sure that the training programme had qualified them sufficiently to compete in the marketplace.

109. In JHADP implementation achievements of the training programme fell far short of the planned programme. The weaving of mats was added to the activities because this is a local tradition. Most of those who attend the literacy courses and other skill training activities are young women, aged of 15 to

25 years, who are illiterate because they had no chance of regular education when their families migrated in search for wage labour. As a response to this problem, the project specified literacy training as a pre-requisite to any other skills training. Married women cannot afford to participate in many of the training courses because of heavy workloads; in addition some older women indicated that they are not aware of the project or its activities.

110. In this project the coverage of the women's programme is weak, partly because extension staff lack mobility due to delays in obtaining vehicles. The programme coverage during the period 1995 to March 2000 in JHADP was just 19%, but this is expected to accelerate during the year 2000.

111. In CMADP, the training programme is diverse, with wide coverage and the execution is 100% as planned. Between 1998 and March 2000 the programme has trained 7062 female beneficiaries. In this project area there are wide variations in cultural and social beliefs, so that in some villages families used to be too conservative to allow their girls to go to school. The situation is now changing but the majority of participants in the literacy courses are young unmarried females (16-30 years old). The married women who attend are mostly from extended families, where other female family members can share the responsibilities of the household. Once again, the training sought is not linked to income generation, but rather to income saving possibilities, and social prestige.

112. Discussions with CMADP women beneficiaries showed that most of those who obtained credit for off-farm IGAs did not investigate commercial potential or marketability before applying for the loans. During field visits, some of the interviewed beneficiaries who attended skill-training courses indicated that they did not apply for credit because they were not confident that they could market their products.

113. Summary Conclusions for Gender. Women's activities and specific needs are not streamlined within the development programmes, as activities are not based on gender differentiated roles. This can be seen in the way the projects are organized with separate WID units. With the exception of women development activities, M&E reports are also not gender sensitive. Training courses need to be tailored to the time constraints experienced by these women, which means the courses need to take account of the heavy daily and seasonal workloads.

114. The training programmes have proved to be popular and empowering to women, but mostly not for the reasons of income generation. To achieve poverty alleviation objectives it is necessary to provide poor rural women with realistic and profitable activities. In addition the subject matter must be specific to their interests and needs, and should be geared to income generation alone. The weak linkages between skills training, credit provision and marketing has damaged the prospects for income generation.

115. Credit programme were found to have discriminated against poor women as CAB provides in-kind capital assets, but does not provide cash or in kind working capital to cover operational expenses. So credit actually went to the better off who could afford to meet operational expenses from their own resources. The insistence of CAB for collateral security has presented a serious obstacle for poorer women to access credit. The relaxation of collateral requirement to two guarantors has improved the situation, but not to the extent that credit is widely available to the poorest groups.

D. Grassroots Organizations

(1) Innovative Initiatives Implemented by Other Agencies

116. There are several initiatives currently being implemented in Syria which are in line with IFAD's vision and which may shortly be ready for replication and expansion. The following are examples:

- The UNICEF/ WHO/ Ministry of Health "Healthy Villages Programme" targets about 35 villages. The main goal is to empower the community to realize its health development needs using a community-based, participatory and bottom-up approach. The organizational framework that is

established consists of village development groups (VDGs), development committees, village facilitators and provincial and locality committees. The programme is also partly financed by the community. Activities cover social mobilization, institution building, human resource development, health service delivery, education, income generation, sanitation and water supply. Several of these activities have parallels under IFAD projects.

- FAO is conducting a three year development programme in East Palmyra (Talila) in Syria, financed by the government of Italy. This focuses on rehabilitation of rangelands, through improved land use and regulating communal grazing land. It is being implemented by means of a capacity building and participatory approach, which involves local people in deciding the future management plan of the rangelands and strengthens the capacities of the camel herder committees. Facilitators are selected from among the Bedouin.
- The Economic and Social Commission for West Asia (ESCWA) is implementing the second phase of a small but important rural development project in the village of Dair El-Faradees in Hama. The project is piloting a participatory and bottom up approach to rural development, but does not expect community co-financing. Three aspects are of potential interest to IFAD: (i) the establishment of a revolving fund to provide loans for agricultural development and IGAs; (ii) the strong focus on women and on building women's capacity for management, decision making and collective work; and (iii) the attention to donor phase-out and ensuring sustainability. The project works through a structure that is somewhat similar to the Healthy Villages Programme and to the classic community development model.
- UNIFEM, through the directorate of extension of MAAR and GUW, is implementing a "Post Beijing Programme" in Syria. This focuses on mainstreaming gender with the objective of supporting development of women's entrepreneurial and leadership skills and creating a better understanding of women's rights. The programme develops information sources, materials and conducts training for women, which has also taken successfully place in the SRADP II areas (see above).

(2) Non-governmental Organizations

117. Despite the scarcity of both international and national NGOs in Syria, the CPE noted at least two examples concerned with the IFAD portfolio. One is the CARE involvement in BRDP training, conducted from the CARE offices in Jordan. The other involves support by the Worldview International Foundation to the Agri-Education Division (IAED) of the Directorate for Agricultural Extension (DAE), which is the executive and planning entity for development communications in MAAR.

(3) Farmer and Pastoral Co-operatives and Union

118. The General Union of Peasants. In 1974 legislation was passed which called for amalgamation of rural farmers' political associations with agricultural co-operatives under the name of Peasants Co-operative Society (PCS). Law No 21 gave farmers the right to establish their own co-operative society and unified the co-operatives in Syria in an apex structure headed by GUP. GUP is mostly financed through government contribution, it can therefore be assumed to represent government as well as member interests. While the official role of the PCS is in line with similar co-operatives elsewhere, in practice the PCS is almost exclusively concerned with securing agricultural inputs on a credit basis, and providing guarantees for members for CAB loans. There are presently around 4816 *Peasants Co-operative Societies* (PCS) in Syria. Women account for only 7% of membership and social barriers and cultural norms limit women's active participation.

119. GOS has also divided the Steppe area between 404 *pastoral co-operatives*. Their main objectives are: implementation of GOS grazing policy, organization of grazing, protection from severe grazing, and replanting. In theory, these co-operatives were established to benefit the Bedouins, but they have come under the influence of powerful and wealthier outsiders whose large herds threaten the long-term

livelihood of the smaller Bedouin herders. MAAR programs (credit, feed and so on) are channeled through the co-operatives. In practice, this has come to be their main function.

120. The General Union of Women (GUW). GUW is provided with an operating budget by GOS and can therefore be assumed to represent government interests and policies. The GUW structure includes women's societies (WS) at the district level and women's units (WU) at the village level. It presently has a membership of about 270 000 women, with 1 600 WUs and 14 WSs. The main objective of GUW is the advancement of women: activities focus on literacy training, vocational training, health services, culture, literacy, kindergartens and legal support.

(4) The Scope for the Development of Grassroots Organizations.

121. In the present portfolio the CPE concluded that, apart from a few exceptions, there was little evidence of support for the development of grassroots organizations, which would allow the rural poor to express their own needs, contribute to the development process and sustain the development. Beneficiaries have been keen to participate as individuals in de-rocking and some of the IGAs, but this type of involvement does not create the structured platform from which the rural poor can take control of and drive forward their own development. Despite this, the implementation environment now seems to be more conducive to the advent of beneficiary groups and the definition of much greater participation for these groups in development activities: the present portfolio has played a role in this process and the donor initiatives described above illustrate the potential.

122. The overall outcome seems to be that government is now ready to accept the principle of beneficiary participation stemming from self-motivated specific interest groups, such as credit or de-rocking, providing these groups still link to the existing government institutions, e.g. CAB and GUP, for input supplies.

VI. FARMING SYSTEMS

A. General Overview

(1) Land use

123. This chapter seeks to synthesize IFAD's project experiences with respect to addressing constraints and issues inherent in the farming systems in Syria. An appreciation of the farming systems is presented first to establish the basis for the project interventions, followed by conclusions on the experience so far. From this are drawn suggestions for the continuing key constraints, and the identification of strategic issues for the future project pipeline.

124. The total area of Syria is about 18.5 million ha, of which some 6 million ha are thought to be cultivable, and about 5.5 million ha are actually cultivated. The rest of the country is arid steppe or rangeland (*badia*) which provides scanty grazing. At the beginning of the 1990s, the agricultural sector contributed around 20% to GDP, generated between 15% (in a dry year) and 40% (in a good year) of non-oil exports, and occupied at least 25% of the labour force. Although production from irrigated areas is important for food security, rainfed cereal production, dryland tree crops and smallstock production remain the cornerstones of Syria's farming systems and the principal determinants of the pattern of rural life.

125. Land Classification. The concept of "Agricultural Settlement Zones" (ASZs) was introduced in the mid 1970s. At the time this was an innovative and sophisticated approach to resource use in agricultural planning and development. Although there are some significant differentiation in terms of landscape, soils and vegetative cover between these zones, the overriding factor which distinguishes them is average annual rainfall, which is also the major determinant of cropping potential. Syria is divided into five ASZs, as follows:

Table 6.1: Characteristics of Agricultural Settlement Zones.

Zone	Area	Rainfall	Production
ASZ 1	2.70 million ha (14.6%)	Category I: 600 mm of rainfall/year. Category II: 350 - 600 mm (not less than 300 mm in two out of three years.	Cropping depends on altitude: (i) low altitude - greenhouse/tunnels crops, mostly vegetables; (ii) mid-altitude - citrus, olive and grapes, plus wheat, lentil and chickpea; (iii) high altitude - apples, pears and cherries, plus wheat, lentil and chickpea.
ASZ 2	2.47 million ha (13.3%)	250 - 350 mm; not less than 250 mm in two out of three years	Spring and winter wheat is the most dominant practice, with some fruit trees, especially pistachio, almonds and olives.
ASZ 3	1.31 million hectares (7.1 %).	250 mm/year and not less than 250 mm in one out of three years.	Barley, integrated with livestock (mainly sheep). Production depends on precarious weather conditions and is highly vulnerable.
ASZ 4	1.8 million hectares (9.8%),	200 - 250 mm, and not less than 200 mm in one out of two years.	Similar to ASZ 3, but sheep account for the larger proportion of household earnings.
ASZ 5	10.2 million hectares (55.1%)	low (below 200 mm/year on average, but many sites receive less than 100 mm)	El Badia. Rain-fed cropping is banned and even irrigation from deep wells is due to be banned soon. Production system is based on extensive small ruminants (sheep) as well as camels.

126. A small mountainous area actually receives more than 600 mm of rainfall. Of the 5.5 million ha of land classified as cultivable, 62% is found in ASZs 1 and 2, about 30% in ASZs 3 and 4, and less than 10% in ASZ 5. However, because of greater risks associated with the lower rainfall areas, whilst most of ASZs 1 and 2 will be cultivated every year, this reduces to only 43% of ASZ 5 being cultivated on a regular basis. The majority of settled farms are found in ASZs 1 and 2, where the average size of holdings is about 5 ha. In the other ASZs the holding size goes up to 10 to 15 ha.

127. While rainfall is a major determinant of farming systems, GOS's policies, especially with regard to self-sufficiency in major staples, and input requirements for agro-processing plants, have been, and to an extent still are, critical in determining planting decisions. In the past, farmers with more than 1 ha were expected to adhere to prescribed cropping patterns controlled by licences which gave access to subsidized inputs and credits. Outside of this system, inputs were often unavailable or very expensive. Whilst liberalization has relaxed this strict control, its influence has not disappeared.

(2) Crop Production

128. Rainfed Cropping. In 1999, rainfed agriculture was practised on some 3.4 million ha (74%) of the total cropped area. Of this 70% of the area was cropped with barley and wheat (42% and 28% respectively), whilst cotton, tobacco and sugar beet accounted for 6.4% of the area and other crops such as lentil, chickpeas, corn, sesame and cumin occupied 5.7%. Winter and summer vegetables occupy small areas not exceeding 40 000 ha each. Tree crops are predominately olive, which occupies some 470 000 ha (10.4%), followed by grapes, pistachio, apple, almonds, citrus species and cherries. Tree crops occupy some 16% of the total cropped area.

Table 6.2: Rainfed Cropping Patterns – 1999

ASZ	Total Cultivable area, million ha	Fallow area, million ha	Land Use, percentages			
			Cultivated	Fallow	Irrigated ¹	Trees Crops ¹
I	1.52	0.04	98	2	27	67
II	1.75	0.17	90	10	21	16
III	0.82	0.16	80	20	15	7
IV	0.89	0.31	65	53	22	4
V	0.52	0.28	46	54	98	-
Total	5.50	0.96				

¹: expressed as a percentage of cultivated land

Source: Annual agricultural Abstract, MOA, 1999. (Draft)

129. Despite apparent diversification, rainfed cropping practices are dominated by cereals (wheat and barley) for annuals and olive for fruit trees. Due to the fact that approximately 60% of wheat and 98% of barley are grown on rainfed land outputs are variable. For example, the total production of barley was about 1.65 million tons in 1996 and 0.87 million tons in 1998, from about the same areas of cropping: wheat production fluctuated by around 25% during the same period. Despite this risk, total production has grown over the longer term, as a result of area increases and improved technologies, including high yielding varieties of seeds. For example between 1989 and 1998 the areas cropped with wheat increased by around 40%, but the actual production increased by nearly 400%, going from 1.02 million tons to over 4.1 million tons.

130. In general, fruit trees will resist temporary droughts more effectively than field crops and are a useful means of reducing farm susceptibility to fluctuating incomes. This suggests that tree crops might be further promoted in ASZs 3 and 4. The high proportion of fruit trees to annual rainfed crops (see table 6.2) in ASZ 1 might be explained by the favourable weather conditions for tree crops, but could also be due to the small size of farms and to the topography, which are both unfavourable for cereal cropping. Farms in ASZs 3 and 4, which typically mono-crop grain crops under unreliable weather conditions, present particularly high risks.

131. Forage crops are grown in limited areas: leguminous grain, such as bitter vetch, *lathyrus ssp*, (35 000 ha), green barley for grazing (approx. 23 000 ha in 1998, although it is impossible to know if this type of cropping is included or not in the areas cropped to barley), miscellaneous grazing species (1 745 ha), alfalfa (4 700 ha), grazing maize (around 4 500 ha) and clover (247 ha). Even if the developed rangelands are added, including fodder shrub planting and Mahmiats (240 000 ha)

established in El Badia, the total share of fodder resources, remains extremely modest (less than 7 % of total cropped land). This is far too low to support the livestock population (discussed below).

132. **Irrigation.** For 1999, the MOA reported that nearly 1.2 million ha of crops had been grown under irrigation: this represents 26% of the actual cropped area for the year. The importance of production from irrigated areas is illustrated by the fact that nearly 60% of total agricultural production comes from these areas, whilst overall cropping intensity remains quite low at 110-125%. The largest proportion of irrigated land is found in ASZs 1 and 2. On average 60% of irrigation water comes from wells, and pumping is necessary to ensure the irrigation of some 20 % of the land. However, a recent problem has been that many wells are drying up: this situation appears to be aggravated by the existence of unauthorized wells. In 1999, out of a total 135 089 wells, some 63 078 (47%) were reported to be illegal. Key factors for 1999 are shown below:

Table 6.3: Irrigated areas by ASZs and Water Source

ASZ AZS	Total Irrigated Areas 000s (ha)	% Area by AZS	Water Sources – percentages		
			Pumped surface	from Gravity	Wells
I	397	34	8	29	63
II	326	28	12	13	75
III	97	8	6	35	58
IV	129	11	10	45	45
V	232	19	52	7	41
Total	1 181	100	18	23	59

Source: Annual Agricultural Statistical abstract, MOA, 1999

133. **Research.** Several agricultural research programmes are being carried out by Directorates within MAAR, commodity agencies and universities, ICARDA and ACSAD. Both ICARDA and ACSAD are located in Syria. They provide strong support to national research programmes, and in addition, only limited adaptive research is required before dissemination, as experiments are conducted under the country's environmental conditions. Among the national institutions dealing with agricultural research, the Directorate of Agricultural Scientific Research (DASR) is the most important. DASR activities include:

- surveys of agricultural resources (plant and animal) and identification of problems;
- research activities to improve agricultural production and develop technical packages including land use patterns and integration of livestock in farming systems, as well as the injection of high performance and well adapted genetic resources (plant and animal), and;
- adaptive research to transfer findings and knowledge to farmers through co-ordination with extension services.

134. In addition, DASR develops research skills through communication as well as co-ordination with other research institutions locally or abroad. DASR operates through 24 stations, among which seven are considered as Central Headquarters Stations (located in or near Damascus), while the remaining 17 centres and stations are spread throughout the country. However, although research centres and stations are more or less equitably distributed between irrigated and rain-fed agricultural zones, their geographical distribution is inadequate, as most of them are located in ASZs 1 and 2.

(3) Livestock

Livestock Production Systems

135. **Contribution of Livestock to Agriculture.** Livestock production contributes around 37% of agricultural GDP, but this is subject to large fluctuations due to drought and other natural constraints. Most flocks depend on subsidized feed distributed by public sector institutions. Households in ASZs 1-3 keep small flocks of animals (1-2 cows, a few sheep or goats, some poultry) which provide the family

with milk and meat, and some additional income. In ASZs 4 and 5 sheep and camels are raised in large herds using a transhumant system.

136. Populations. Syria has about 0.9 million heads of cattle, about 15.4 million sheep and 1.1 million goats²¹. Livestock numbers have increased hugely during the last 30 years: between 1970 and 1999 the cattle population has nearly doubled, whilst sheep numbers have jumped from about 6.0 to almost 14.0 million heads and goat population has grown from 0.8 million to 1 million heads. However, this probably underestimates actual growth in populations as more recent numbers are projected from earlier and lower growth trends. Since 1994, the most spectacular growth has been in the sheep population, where annual rates of increase registered between 5-12%. About three-fifths of the total sheep population migrate annually between the desert and steppe and the cultivated areas, where they feed on crop stubble and grass and weeds growing on fallow land. The remaining flocks are found on family farms in western Syria where rainfall is heavier.

137. Notwithstanding the significant increase in animal wealth, unit productivity of milk and meat is low. Despite the gradual replacement of local breeds by crossbreeds, the average milk production is around 2.6 tons/milk per lactation as compared to the Friesian potential of 8.0 tons. The low yields are a reflection of less than optimum feed and poor housing conditions. Meat production is also modest: all cattle breeds average only 104 kg of meat/producing female. For small ruminants, each producing ewe and goat yields 14 and 7.3 kg of meat respectively. Therefore, there are wide margins for substantial increase of the overall livestock production through better husbandry and feeding.

Settled livestock production systems

138. The intensive sub-system, which is mostly concentrated in ASZs mainly 1 and 2 and where irrigation is possible, includes most of the high performing dairy cattle (Friesian, Shamy and crossbred breeds), beef and sheep fattening feedlots and industrial poultry plants. Dairy cattle are either concentrated in government cattle farms (around 50 000 dairy cows) and specialized societies, such as the Syrian-Libyan Society, or are owned by private small farmers. Performance is satisfactory in government and societies' farms, where adequate feed resources are produced locally (hay, green forage) or are available for purchase. However, in small-scale dairy units, performance is handicapped by inadequate feed and dubious husbandry practices (especially with regard to housing). Fattening is practised by co-operatives (which are required to provide inputs for government abattoirs, and benefit from subsidized feed stuffs) and individuals, who rely on the free market for their outlets and on CAB for loans. Despite the high income and the appreciable added value that fattening offers, there is no evident integration of this activity with other farming systems. In many cases fattening plants are established independently of farms or other feed sources.

139. Semi-intensive systems are more diversified than intensive ones; they cover local and crossbred cattle, sheep, and goats, reared in relatively small herds (20 to 200 sheep, and/or 20 to 50 goats, and/or three to five dairy cattle). Animals mostly rely for feed on uncultivated areas around villages (direct grazing or cut and feed) from fall to early summer. After this they compete with huge transhumant flocks coming from the Badia for crop by-products: feed scarcity and quality, plus seasonal fluctuations, are the key bottleneck for semi-intensive systems.

Transhumant livestock systems

140. FAO reported that in 1999 the Badia, consisting of 8.3 million hectares of rangeland and pasture spread over nine of the country's 14 provinces, had a nomadic population of about 900 000 persons, mainly Bedouin herders and semi-settled farmers. The Bedouin primarily depend on sheep for their incomes (reportedly, about half rely *exclusively* on sheep rearing for their livelihoods); among the poorest segments of the Bedouin, incomes are generally less than half of the national average. Until the 1950s, Bedouins practised traditional natural resource management systems that preserved

²¹ 1998 Annual Agricultural Statistical Abstract

environmental conditions and provided modest incomes. Despite unclear land-tenure arrangements, rangelands were shared by different tribes, in accordance with mutual needs for feed, water and security. Migrations in and out of the Badia allowed for the periodical resting/regeneration of the rangelands, whilst also optimizing the use of crop residues from other ASZs.

141. However, political, social and economic changes that have occurred over the last few decades, including the proclamation of the Badia as state land, resulted in increased competition for shrinking resources and a growing disregard for environmental deterioration. The results have been a profound qualitative and quantitative decrease of native forage output, plus a strong dependency on barley, which have contributed to further rangeland degradation and marginalization. Transhumant production and the Bedouin way of life faced extinction. GOS acted to relieve this situation by:

- the organization of Bedouin herdsmen into livestock co-operatives;
- the distribution of subsidized feed stuffs;
- the establishment of fodder reserves;
- the provision of water resources; and
- the strengthening of veterinary services, etc.

142. However, in the absence of a long-term strategy and without the real conviction and participation of the herdsmen, most of these activities are in fact temporary solutions. The present ban of barley in ASZ 5 is certainly essential for environment healing and rehabilitation in the long term²².

The Effects of Recent Droughts (1999/2000)

143. In normal years, vegetation from the rangelands provides approximately 140 days of grazing or around 1.7 million tons of biomass, equivalent to 990 000 tons of barley, and contributes about 60 percent of the annual feed needs in the region. Drought affects all the feed sources, devastating the vegetation in the Badia, diminishing the barley harvest, and limiting the availability of crop residues. FAO estimate that in 1999 herbage from rangeland vegetation was nil, and that stover yields dropped from 4.8 tons per ha on average, to 1.7 tons per ha.

144. The shortage of range forage and feed in December and January, when many ewes are normally pregnant or lambing, has sharply increased animal mortality²³ and susceptibility to disease. Disease, shortage of feed and distress sales of animals have resulted in a large drop in sheep prices, which has in turn drastically reduced household incomes. As the situation becomes more difficult, an increasing number of herders are losing entire flocks and migrating to urban areas in search of scarce employment. Even under optimistic scenarios, it will take most herders several seasons to recover from the effects of the present drought, and whilst larger owners may be able to rebuild their stocks, for smaller herders this may well prove impossible.

145. As a result of the severity of the drought, the government has taken emergency measures, including:

- Importation and free distribution of medicines and vaccines for sheep;
- Providing subsidized extra feed rations to herders with deferred payments;
- Providing extra financial resources to the feed revolving fund and price support;
- Providing water for animals and humans in the Badia;
- Authorizing the Fodder Establishment and allowing the private sector to import animal feed, particularly barley;
- Allowing grazing in conservation reserves, which are normally protected.

²² In 1995 GOS banned barley cultivation on lands receiving less than 200 mm of rainfall in favour of developing rangeland shrub reserves. This policy affected local communities that relied on barley as a cheap source of animal feed.

²³ Mature female mortality rose to 10 percent; lamb mortality rose from 3-4 % to 25%.

146. Problems facing women are particularly acute in the Badia, and are made much worse during periods of drought. Their ability to mobilize resources to feed their families is extremely limited. The precariousness of nomadic life and the absence of social security nets and adequate health services aggravate their conditions and increase their vulnerability and that of their children. Undoubtedly, the majority of malnourished children are from marginal nomadic families in the Badia hardest hit by drought.

Livestock-related Research

147. The highest priority for livestock research programmes conducted by MAAR research Directorates and ACSAD, is given to increasing milk and meat yields. However, these programmes tend to favour genetic manipulation at the expense of husbandry and feed/nutrition subjects. Awassi sheep are the subject of research and selection programmes aimed at providing multipurpose high performing rams, which are sold (at subsidized prices) to sheep breeders. ACSAD programmes include investigation of artificial insemination opportunities, and the utilization of hormones to increase fertility and synchronize mating seasons. In addition in the near future they will introduce embryo transplant techniques.

148. Research activities are also conducted on rangelands and fodder resources development by different players: MAAR, ACSAD, ICARDA, FAO and many other associated institutions. ACSAD, FAO and MAAR are more involved in native rangelands development in ASZ 5. Although results are emerging, due to social reasons real holistic management models of natural forage resources have not been elaborated so far. Recently, ICARDA and ACSAD have joined with MAAR to evaluate the carrying capacity of some “improved” rangelands in El Badia. Whilst results are promising, they are very rainfall dependent and need further ratification. ICARDA is also conducting research on the social aspects of rangeland management (delineation of traditional zones of influence, identification and analysis of user rights, characterization and mapping of main transhumance axes, etc.).

(4) Water Resources

149. The pressure on water resources in Syria can only increase with population, especially if food self-sufficiency remains a key government objective. There are some possibilities for increasing total water supplies by negotiation on abstraction rates from shared river sources, but these are limited. Of total water used, 90% goes to agriculture. The development and utilization of water so far has been carried out on an ad hoc basis, responding to a variety of demands. The need to increase food production has resulted in the construction of dams, a rapid increase in wells and the over-exploitation of groundwater: there is now evidence of falling aquifer levels and declining water quality.

150. Traditionally, irrigation in Syria has relied on flooding for cereals, furrow irrigation for vegetables and basin irrigation for fruit trees. Sprinkler irrigation is practised on only 30 000 ha, mostly in the Homs, Aleppo and Al-Hassakeh governorates. However, sprinkler irrigation has been developing on a wider scale recently, mainly because of groundwater scarcity, which has encouraged farmers to develop water-saving techniques, and because of more equipment becoming available on the local market. Overall farm water use efficiency is extremely low (about 40%); improvements are required if total assured production is to be increased. Since most private farmers seek secure and independent access to a supply of water, they often dig their own wells.

(5) Extension

151. MAAR is responsible for providing extension services to the agricultural and livestock sectors and has overall responsibility for planning, finance and administration of extension services through DAE. DAE co-ordinates its activities with other departments of MAAR as well as with outside bodies (e.g. CAB). DAE comprises divisions, which cover all areas of concern: technical, training,

programming, M&E, links with research etc. There is also a special division dedicated to women development, normally staffed with women officers.

152. Field extension is organized at the province level, headed by a Division Director under the provincial Director of Agriculture (DAAR). The provincial divisions usually have between four and six staff who organize extension work at the village level. Field level extension occurs through Agricultural EUs, of which there are at present more than 800 nation-wide. Each unit is meant to cover approximately 8 000 ha of rainfed or 2 000 ha of irrigated agriculture and has not less than three agricultural engineers and three agricultural assistants (diploma level). In practice, the number of staff is usually much above the stated minimum and includes several livestock-oriented professionals.

B. IFAD's Interventions and Experience

(1) Land Reclamation and Development

153. De-rocking has been the main mechanism for achieving the strategic aims of IFAD interventions in Syria. This process has been used in four of the five projects financed so far. In much of the agriculturally productive areas of Syria a high proportion of surface rocks has both limited the planting area and dictated the mechanisms of cultivation. For small farmers the only way to increase production has been to remove stones from their farms. Stone coverage has been considered as reasonable when it reduces the land available for planting by 40%, and in some areas this increases to as much as 60%. The wholesale clearance of large surface and sub-surface rocks has only been feasible since the introduction of high horsepower tracked bulldozers and rippers, which are able to work safely on sloping terrain. The agricultural development strategy in Syria therefore embraced large-scale de-rocking as an efficient mechanism for expanding cultivable land in ASZs 1 and 2, thus increasing production and productivity.

154. The de-rocking process developed and used in IFAD supported projects consists of three major operations; (i) initial clearing of the surface rocks using a front-mounted bulldozer blade; (ii) ripping to a depth of usually 90 cm to bring rocks to the surface, normally using a three-shanked ripper mounted on the rear of the bulldozer; and (iii) raking rocks of over 30 cm diameter from the field, piling up the rocks at the field edges and levelling the field surface using a front-mounted toothed rake blade. This methodology has proved satisfactory, and operations have been undertaken to a high standard. The results are that after de-rocking fields can be planted to various crops, depending on the rainfall, such as wheat and barley, pulse crops such as chickpeas, and fruit trees such as olives and apples. In general, the beneficiaries of de-rocking activities are fully informed about the project arrangements including the work plan and credit facilities available during the process of land development. Meetings are normally held prior to land development to explain the programme, and to discuss the farmers' rights and responsibilities. For example, farmers are expected to be present during the actual de-rocking operations in order to certify the number of working hours and to sign for the completion of the work. For the beneficiary farmers, the system of de-rocking operations is quite transparent, with all farmers aware of the programme, their responsibilities and the potential benefits.

155. De-rocking is not a new process. In 1977, the Fruit Trees Planting Project targeted areas in hilly and mountainous regions in ASZ 1 and to a lesser degree in ASZ 2. Some 360 000 ha of de-rocking and planting were planned, and by October 1999, some 268 000 ha had been achieved. In 1980, the Green Belt Project was started and later financed from the national budgetary resources, as an ongoing activity of DAAR. So far, this project has de-rocked 125 000 ha (in ASZs 2 and 3), of which 87 000 ha have already been planted. Because this project operates in rather dry areas, supplementary watering for the first three first years is required, hence this project includes establishing some 110 wells. The project also provided credit (through CAB), built roads, imparted training and provided extension services, etc. In 1986 the Ali El Ali Project was launched: initially this was funded by a loan from KFW, but is now part of the Fruit Trees Planting project, and funded by the GOS. So far more than 62 000 ha have been de-rocked, and the annual programme is 4 700 ha.

156. IFAD assisted in these endeavours by designing and co-financing four projects which deal directly with land reclamation: SRADP I, SRADP II, CMADP and JHADP. These four projects are intended to contribute to the de-rocking of 166 000 ha of land, and include complimentary activities, such as extension, credit and training appropriate to the needs of small farmers. Table 6.4 presents the achievements to date. Whilst procurement of machinery has been a major source of delay in these projects (discussed separately under organization and management issues) it has been demonstrated by the Syrian mechanics and engineers employed in SRADP-I that they have the skills and managerial capacity to keep much of the heavy machinery fleet operational well past its nominal economic life. Hence the fleets provided for SRADP-I and SRADP-II can be expected to continue de-rocking for many years to come.

Table 6.4: De-rocking Operations in IFAD-supported projects

Project	Area Planned for Reclamation - ha	Actual Area Reclaimed ha	%
SRADP-I	32 000	37 000	116
SRADP-II	32 000	46 400	145
CMADP	80 000	--	--
JHADP	22 000	400	--
Total	166 000	83 800	50

Source: Project-design documents and CPE mission data.

157. During field visits, positive impacts of de-rocking were clearly demonstrated. Particular benefits were derived on small farms where farmers were converted from extremely poor workers and employees in neighbouring areas or in other sectors (inside the country and abroad) to active farmers residing on their land, and with respectable incomes. Orchards have been established on around 60% of de-rocked land, which could substantially enhance fruits production and improve the balance between annual and trees cropping. Whilst de-rocking has contributed substantially to the GOS strategies for increasing production, a number of concerns have been expressed in terms of who exactly is benefiting most from this activity and whether the project designs are too limited in their scope. These concerns are addressed below under the headings of land development subsidies, targeting/area selection and environmental impacts.

158. Land Development Subsidies. There is a direct relationship between the degree of rockiness and the number of bulldozer working hours required for land clearance, with under one hour required per dunum for the least rocky land and over five hours on the rockiest and/or steepest land. The unit cost rates charged are not determined on the basis of actual costs but by a committee of MAAR, and reflect government policies in terms of capital subsidization both to encourage farmers to remain on the land and to increase national production. According to staff of SRADP-II, these recoveries cover the immediate costs to the project in terms of fuel, spare parts and outside repairs for the bulldozers and loaders, but make no allowances for any direct overheads (such as staff and labour costs and incentives, and operational costs for project staff) or indirect overheads (such as machinery depreciation, buildings and other equipment running costs). An estimate of subsidies, on a very conservative basis, is that **at present farmers are repaying approximately one-third of the full cost of land development**, and that without any increases in charges this would be reduced to about one-quarter when new machinery arrives²⁴.

159. The use of subsidies is, however, not surprising, as they were an integral part of the government's agricultural planning mechanisms before 1987. The assumption, therefore, is that land is de-rocked at subsidized rates in order to implement the GOS policies of increasing production nationally and halting the urban migration.

160. The scale of the reclamation efforts throughout Syria, based on de-rocking as the principle method of development, have reached the point where the promotion of production has to be aimed at

²⁴ Estimates from the MTE of ARADP-II in 1998.

export markets as principle outlets. With subsidies the real costs of production are not known, and it is highly likely that this will incur a significant economic penalty, for the foreseeable future. The issue to be faced is not just that farmers should contribute more to the development of their farms, but rather the long-term national interest in continuing to subsidize agricultural production, thereby diverting resources from other sectors of the economy.

161. A reduction in subsidies could be used to improve the cost recovery of the operations, or could be introduced to offer a sliding scale of payments depending on the area developed, or might allow the use of private sector machines in the reclamation process. As de-rocking moves to lower rainfall areas, subsidies play an even more important role in masking the true profitability of land reclamation.

162. Area Selection/Targeting. Within a village, the selection of the specific blocks to be developed is made by the village leaders and farmers, represented in part by the GUP, subject to guidance from the provincial project office on the technical feasibility. Normally, land is improved in blocks of up to 100 ha, and since the land is usually already in private ownership, the area per beneficiary depends on the existing land-holding pattern. The selection criteria are not precisely established, and there are certain ambiguities about the process. The differential sizes of land holdings in the de-rocked areas might exacerbate income differentials. This is likely to be further reinforced by rising land prices, affecting wealth distribution. In addition, it seems probable that there has been some displacement of herders from the de-rocked areas, although no data are available to confirm this supposition (which comes from talking to farmers in the areas which have been de-rocked). It must be recognized, therefore, that the de-rocking interventions both exacerbate income differentials and will not address poverty issues for the landless and itinerant herders – both of which could be considered important target groups for IFAD.

163. Environmental Impacts. SRADP (Phases I and II), the Coastal and Midlands Project and the Jebel El-Hoss Project will de-rock almost 166 000 ha of land. Appraisal reports suggested that the environmental impacts of project activities would be almost entirely positive, with improved habitat for wildlife. However, it must be recognized that de-rocking may cause:

- a permanent alteration of the land use and complete change in the visual impact, including creating stone piles and rows which take up from about 5 - 30% of the surface area;
- possible changes to the hydro-geology, caused by alterations in the run-off patterns;
- increased surface erosion (which can lead to stones re-appearing on the surface) and possibly, decreased stability of the underlying strata (the degree of slope which can effectively be de-rocked has not been assessed);
- Longer-term effects are likely to include not only intensified land use, but also an increased population density.
- permanent changes to the floral habitat and a reduction of the variety of the natural fauna.

164. The CPE found that some farmers were reporting that rocks were re-appearing in their fields. This can only be explained by loss of topsoil. If erosion were to be allowed to continue, then de-rocking could not be considered permanent, as production and productivity would be lost. This suggests that the activities included in project designs are not sufficiently comprehensive, in that soil conservation is not being adequately addressed.

165. At the moment no environmental assessments of any kind are being undertaken. Areas are available from phase I of SRADP in which crops and trees have been established nearly ten years ago, which can be used for the purposes of comparison. The initial requirement is to describe the whole range of possible environmental affects, both positive and negative, verify them in the field, and assess whether these need monitoring or mitigation.

(2) Crop Production

166. The affects of the project portfolio on agricultural outputs are concentrated in the southern region (SRADP I and II), as other projects have not yet started implementing their farm programmes. Although

the project staff promote the planting of fruit trees on the bulk of de-rocked land many beneficiaries prefer to grow annual crops instead of tree crops: this has consequences for soil erosion and decreases water retention capacity. The MTE report of SRADP-II indicated that the planting of olive and other fruit trees only amounted to about 25% of the planned area (4 200 ha instead of 16 000 by the end of 1997). The most important reasons given were:

- the farmer's need for immediate cash from the sale of the arable crops in a readily available market, which is guaranteed by government marketing policies including delivery to public marketing corporations, as compared to three to five years lapse for the start of earnings from fruit trees;
- fruit tree planting requires a large outlay of capital and some technical knowledge; and
- the need for alternative sources of income before fruit trees start to produce.

167. In general, cropping patterns are dictated by local conditions, especially rainfall, but they are also affected by farming traditions in each ASZ. In Sweida, for example, 85% of fruit trees planted in the newly reclaimed land are apple.

168. However, reported yields in areas reclaimed by SRADP I or SRADP II remain below expectations given in appraisal reports. Wheat yields remain 8% below target, barley 12% and chickpeas 29%. The average yields of olive trees established during SRADP -I (at the average density of 150 trees/ha) are fluctuating between 2 - 3 tons/ha, or about 54 - 63% of appraisal expectations. These factors are of concern because they indicate possible problems with poor technical training, both for beneficiaries, and possibly for staff.

169. In the case of apples fluctuation of yields ranges from 25 tons/ha in well managed farms (with fertilization, pest control, supplementary irrigation, etc.) to less than 5 tons/ha under precarious conditions. On average, at least 10 tons/ha of marketable fruit are realized by most farmers, which suggests that the appraisal target of 14 tons/ha might be reached when all plantations are in full production. In addition the CPE was concerned to note the extent of mono cropping on many farms. This can lead to disease spread and may endanger economic benefits and sustainability. For small farms it is important to up-grade existing plantations through rejuvenation of old orchards and replacement of less desired varieties by higher value clones.

170. The bottleneck for apple production is marketing. Despite the fact that Sweida has a strong reputation for apples, nevertheless even here marketing apples is still problematic. Prices of apples at the farm-gate are actually extremely low in comparison to prices in Damascus and large population centres, which are two to three times farm-gate prices. With the projected increases in national apple production through area expansion and productivity increases, prices may decrease further unless markets can be expanded spatially and through product processing and differentiation. Marketing could also be improved by organizing the producers in production and marketing associations. In export-markets, Syria has potential advantages in terms of its proximity to the Mediterranean and Gulf markets, and a comparative advantage in terms of favourable weather conditions and relatively low wages for farm labourers. However, if exports are to be further encouraged, then pesticide residues, standardization, grading and packaging and quality of storage facilities, need to be addressed.

(3) Livestock Development

171. In examining the results so far from the portfolio, and the wider effects on the livestock sector, the CPE came to the following key conclusions.

172. Project Designs. Apart the BRDP, in which all components revolve around extensive livestock development, livestock in the other projects is poorly articulated and lacks integration into the overall project aims. In most cases, livestock development is seen solely from the genetic side in injecting high performing breeds (pure or crossbred), whilst feeding and nutrition aspects are left to the initiative and the financial capabilities of beneficiaries.

173. Livestock Production. The quantitative and qualitative feed shortage is reflected in low average production parameters for all species and breeds. The CPE concluded that:

- Despite the gradual replacement of local breeds by crossbred animals, milk production remains around 2.6 tons/milking cow and per lactation, which is far below potential²⁵.
- This is also true for Shamy goats- actual average production is around 220 litres of milk per lactation, whereas production of over 600 litres has been recorded in many other similar countries and even in some cases in Syria.
- Awassi sheep, considered a multipurpose breed (milk, meat and wool), do not exceed 70 litres of milk/lactation on average (against an optimum of 235 litres as demonstrated by ACSAD).
- Meat production is modest. For all cattle breeds production averages only 104 kg of meat/producing female. For small ruminants, each producing ewe and goat yields 14 and 7.3 kg of meat respectively.
- Dairy yields are negatively affected by poor housing conditions. In most smallholdings (one to three breeding cows and followers), animals are kept in insalubrious cattle-sheds, shared with small ruminants and backyard animals. Protection from the weather and control of feed rations and hygiene remain inadequate, despite the efforts of extension specialists and veterinary services.

174. Veterinary Services. Veterinary services are well developed. Campaigns of vaccination against contagious diseases are regularly undertaken by government and vaccination and treatment of almost all other diseases (enterotoxemia, internal and external parasites, surgery interventions, etc.) are also controlled by vets. However, due to the migration of livestock (mainly sheep) within the five ASZs and to the possible unawareness of some sheep breeders or hired shepherds, contagion risks are high.

175. The Badia. As a result of drought flock sizes may have been reduced by up to 80% in the case of smallholders who are not co-operative members, and around 50% in sheep breeding co-operatives. Mortality of breeding livestock, normally around 3%, may now have passed the barrier of 10%. Even though not all the effects of the drought have yet materialized, many worrying signs are now evident, for example:

- extremely low livestock prices (prices of live breeding ewes are fluctuating between 50-25% of those in normal years);
- milk production is almost nil to the point that many ewes cannot rear their lambs and have abandoned them, and
- rental costs of stubble and fallow (in ASZs 1 to 4) have increased by more than four times.

176. The symbiotic relationships between the itinerant herders and other players have deteriorated (absentee flock owners, merchants, etc.) with the reduced viability of the transhumant production systems, with the result that Bedouins have lost external support for their way of life.

177. Research. The mission was convinced that synchronization between different institutions involved in research is required, especially when manipulating genetic resources. The case of Shamy goat programmes, carried out in parallel by ACSAD and the Directorate of Livestock Research within MAAR, indicates the risk of developing different sub-breeds from the same genetic resource.

(4) Extension Services

178. All projects rely on strengthening the existing extension services to intensify and upgrade agricultural production technology and practices. Field interviews showed that most farmers considered

²⁵ Friesian breed produces, for example, over 8 tons of milk per lactation in government and modern dairy farms in Syria

that the extension services had provided useful information and assistance, particularly in areas where de-rocking operations had taken place. The benefits of the extension programme alone are difficult to quantify, as they cannot easily be separated from benefits from other inter-linked activities such as de-rocking, increased availability of inputs and credit, and introduction of new varieties. In addition, recent policy changes with respect to pricing and purchase of agricultural produce may also have had a substantial effect on production. Nevertheless, ongoing improvements in yields and production indicate that there have been benefits resulting from the agricultural programmes as a whole, with extension playing a role in providing technical advice and assisting farmers to access credit and inputs. Example of this were given in the MTE of SRADP-II, which reported that during the project period the use of improved varieties of wheat had increased from 0 - 26% on rainfed land, nearly all new plantings of apples were of new varieties, and fertilizer use had expanded; e.g. nitrogen use had increased by about 50% since 1990, and phosphate by 33%.

179. Linkages between DASR and DAE have in the past been weak and at times, non-existent. Co-operation has now improved. SRADP I and II have had considerable influence in involving DASR and other research institutions (ICARDA, ACSAD etc) in farmer and staff training and have strengthened relationships between research and DAE. The top-down attitude by which decisions are largely made at headquarters or province level are being modified, with farmers more able to voice their problems to agricultural workers at EU level. Although a real improvement is taking place in linkages between farmers and DAE and, to some extent, DASR these linkages still need strengthening.

180. The Agri-Education Division of DAE deserves a special mention, as this Division has significant capacity for the preparation and effective dissemination of information for farmers. This is being supported by SRADP II, JHADP and CMADP.

181. EUs are unevenly disbursed throughout the various zones. The most advantaged areas are ASZs 1 and 2, whilst ASZ 5 has been rather neglected. Indeed, in El Badia not only are extension specialists almost non-existent, but extension themes are also not well adapted to the steppe and the realities of the Bedouins way of life.

182. Conclusions from specific projects are as follows:

- SRADP-I. Aside from de-rocking, the main thrust of SRADP-I was a very substantial increase in extension services, in an attempt to improve agricultural productivity. Although curtailed by limited transport, the extension services in the project area were greatly enhanced with the number of EUs increased from a pre-project level of six to 23. By 1990 SRADP-I reported that nearly 9 000 farm families were receiving some extension coverage. A Project Completion Report indicated that the vast majority of farmers watched extension programmes (which they claimed were useful) on TV, and some 70% of farmers had received training through the EUs.
- In SRADP-II the MTE found that, in general, the extension programme was proving responsive to farmers' priorities, which were incorporated into extension workplans and budgets through an analysis of problems at the farm level by village groups. Although this methodology was not included as part of the extension system in the appraisal report, it was refined as part of the project-funded TA and has improved the participatory nature of the extension planning process. The technical packages being extended were generally appropriate and accessible to the beneficiaries, and focused on the introduction of new varieties and the management of field crops, and activities such as planting, pruning, fertilizing and supplementary watering of fruit trees. The MTE also commented that the staff involved in extension activities have received a broad and generally useful training programme, which had effectively improved their capabilities.
- In JHADP the recruitment of short-term consultants to assist with training was reported as useful. Farmer training has included the establishment of a number of demonstrations, but these do not appear to take sufficient regard of local knowledge and are repetitions of known themes; this programme needs to be revised.

- BRDP has initiated training on participatory approaches through the engagement of CARE (funded from an IFAD grant). The results so far are promising in that there is evidence of greater trust and a change of beneficiaries' attitudes from being passive recipients to active contributors.

(5) Research

183. The overall conclusion of the CPE is that, despite all kinds of problems encountered during implementation, the technical packages being promoted are reasonably suitable. There is however, a distinct lack of beneficiary participation, which could affect sustainability. The research and on-farm trials conducted by MAAR various Directorates and/or Regional and International Specialized Agencies (such as ACSAD and ICARDA with the support and the association in some cases of FAO, UNDP, GTZ, etc.), could certainly provide tremendous help to the development of farming systems, especially in terms of provision of high performing and adapted animal and vegetal genetic resources.

184. However, in general, the CPE found that research and on-farm trials needed rejuvenation and adaptation through the injection of new themes, new ideas and wider alternatives for management and development of resources. There is no need, for example, for most institutions to work on fodder shrubs planting, whilst range management is still absent from most programmes.

(6) Water Resource Development

185. Three of the on-going projects (CMADP, JHADP and BRDP) have important and diversified technical packages for water supply development. The overall objectives are to provide water for human consumption and/or agricultural purposes (supplementary irrigation, livestock watering), whilst specific objectives, as well as the proposed techniques, vary from one project to the other. CMADP is the only project in which water resource activities have so far been substantially implemented.

186. The CPE concluded that on balance both the scope and scale of interventions concerned with the development of water resources were appropriate in the present projects. In particular the funding of studies to assess the local water resources before confirming the approach and extent of abstraction introduced a degree of flexibility which is necessary. However, the CPE was concerned at the lack of organization and effective involvement of beneficiaries in the management of water resources developed by the projects. Although many boreholes will be operated by the Ministry of Housing and Utilities (MHU), which will take the necessary measures to ensure sustainable and controlled management of the resource, the management and maintenance of other developments, such as runoff harvesting and springs rehabilitation, are in a rather confused state.

187. In addition, the CPE was surprised to conclude that techniques of runoff water harvesting are more efficiently used in areas where water is available (ASZs 1 and 2) rather than in those areas where use of this technique is more justified. In general there is a need in future designs to incorporate measures both to encourage runoff water harvesting and the more efficient use of irrigation water

188. Findings for specific projects are as follows:

189. In CMADP, the development of water resources, essentially aiming at the improvement of village water supply, consists of different activities depending on the type of water resource to be developed. Physical achievements of CMADP up to May, 2000 consisted of:

- Construction of 15 boreholes in Homs Province, yielding between 20 - 46 m³ per hour, equipped with 60 -100 m³ capacity reservoirs, to provide potable water for 15 villages (16 530 inhabitants).
- Building of 16 reservoirs (of 50 m³ capacity each) in 16 villages at Hama Province, to provide drinking water for about 8 350 people.

- Rehabilitation and management of 39 springs in Lattakia, to serve about 66 950 beneficiaries settled in 61 villages.
- Construction of 50 reservoirs (50 - 100 m³ capacity each) for runoff and/or roof water collection. This type of infrastructure provides supplementary supplies to 83 farmers, partly for irrigation. However, the area commanded by this kind of irrigation remains very limited (2.15 ha).

190. Beneficiaries highly appreciated CMADP achievements in water supply. Nonetheless some expressed their dissatisfaction because they were not given the chance to participate in the design of the spring rehabilitation, nor their operation. They pointed out some technical deficiencies with the design and implementation of springs rehabilitation.

191. In JHADP the water resource development activities proposed include the assessment of water resources and the needs for domestic water supply (these studies are to be completed by mid-term), and supplementary irrigation for tree planting with provisions for water saving techniques and rainfall and flood water harvesting. The physical achievements of the project (since 1995) in terms of water supply are:

- Construction and equipping of two deep boreholes for human consumption - each borehole yields some 60 m³/day.
- Construction of two shallow wells.
- Equipping of two wells for irrigation purpose (at Um Jurn and Tell Ambar).
- Completion of the basic studies and surveys for water harvesting.

192. In JHADP the exploitation of underground water resources was favoured to that of runoff resources, which are considered only for demonstration purposes. Unfortunately, assessments and investigations concluded that underground water resources in the project area are scarce and the water is unfit for human consumption. Shallow water tables have limited capacities and many wells are becoming dry. Surface water (runoff) has not been well used until now. Water supply for human consumption therefore remains one of the most significant problems in the JHADP area. The project is investigating alternatives, but the most enthusiastically defended idea consists of channelling water from the Euphrates River²⁶. This is a very high cost proposal, which would solve the problem for only part of the project beneficiaries, because of the wide dispersion of villages throughout the whole project area. Furthermore, the CPE concluded that the limited potential of resources and the irregularity of agricultural production were more critical problems than drinking water. In addition the CPE noticed that even in the most critical areas, the pumping of groundwater for irrigation is still practised by some private farmers, thus depleting the aquifer.

193. In BRDP the proposed water resource development package includes the development of some 84 complete borehole wells with overhead tanks, the rehabilitation of 34 existing boreholes, the construction of 81 water harvesting tanks and wells, the rehabilitation of 820 existing tanks and wells (cisterns, commonly known as Roman wells), the establishment of 12 water distribution and storage systems, and the procurement of transport facilities. The strategy of water development in BRDP is very different from the other IFAD projects. In the case of BRDP, because of the risk of increasing desertification, water resources will be developed within the context of the efficient management of rangeland resources. Therefore, the location of wells and level of water extraction will depend mainly on the potential for natural resources development. In the Badia there is no overall shortage of water resources, but most water is unfit for human consumption and/or very inaccessible. The requirement is to promote the conservation of run-off water in such a way that is suitable for human consumption.

²⁶ If the idea of channelling the Euphrates water is pursued, it would be worth reviewing the whole project design and strategy, to adapt the actual programme so that irrigated agriculture is integrated into the project design.

B. Constraints

194. In general the CPE concluded that project designs have addressed the identified constraints to agricultural development in a comprehensive fashion. However, the extent to which they have been able overcome these constraints, or in some cases have created further constraints, is variable. This section attempts to describe those areas in which further investment is required and/or different interventions can be justified.

(1) Crop Production/Land Development

195. The key concern for the continuation of land development activities is that benefits may not prove sustainable. At present the project designs address land development too narrowly, taking no account of possible adverse environmental aspects, a narrow range of products and the need for a more pro-active approach both to processing and marketing. In addition, there is evidence that not all areas, which have benefited from an investment in de-rocking, are being planted.

196. Despite this, de-rocking has been absorbed into MAAR activities as a major agricultural development mechanism. To protect the investments already made and to ensure that small farmers are not ultimately adversely affected by any of these negative occurrences, there is a need for IFAD support for de-rocking to be adjusted so that these aspects are addressed in the areas already developed using loan funds. Such an approach, which would need to be comprehensive, would, of course, also benefit all other areas that have been de-rocked.

197. The marketing of all agricultural outputs, including livestock products, is suffering from a lack of organization and a long-term strategic view. This has a negative impact on the expected income of beneficiaries. This is particularly true for some fruit cropping (particularly apple), which are now facing serious marketing constraints at national and international levels. In addition, milk production is actually barely contributing to overall country requirements: apart from state farms and some private dairy societies, hygienic aspects, pricing, transportation, storage and processing are all inadequate.

198. This argues for:

- A major study on the environmental impacts of de-rocking;
- Applied research programmes for crops and farm systems to make small farm production more robust and market oriented;
- Pilot programmes for the demonstration and establishment of crop and livestock processing facilities;
- Examination of markets and market linkages for all products.

(2) Livestock Constraints

199. Apart from irrigated areas where some forage is grown, livestock depend entirely on crop residues and purchased feeds i.e. there is no real integration of livestock in the farming systems. As a result, there is an acute shortage of animal feed in Syria, not only due to insufficiency of forage production coupled with high stock numbers, but also to the poor nutritive value of roughages and cereal by-products. The full integration of livestock with crops is very unlikely in the foreseeable future as straws and residues fetch nearly the same prices as cereal grains, particularly in years of bad rainfall. Hence most residues are sold directly off the farm. Shortage of feed is the most serious problem facing livestock production. Land development activities may contribute directly to more feed being produced on those de-rocked areas where crops are grown – and residue prices help to make crop production even more attractive for beneficiaries. However, the likelihood is that feed will become more scarce overall as livestock numbers increase. The need therefore is to encourage more feed and forage production. Even in cases of adequate feed, it is not certain that feeding rations are adjusted to requirements. As well as the feed problem, animal housing is often poor and unhygienic, and husbandry is generally weak (shown especially by mixed breeds).

200. Under the conditions found in much of Syria, feed supplies are cyclical. To account for this a national strategy is required to mitigate the worst effects of drought. This would include monitoring climate change, the wider use of adapted plant and animal species, and the development of strategic reserves of feed and funds. Measures to support producers should then be triggered progressively as necessary in response to specific emergency criteria. The aim should be to protect as much of the national flock as possible.

201. Lack of synchronization of research programmes dealing with genetic resource manipulation could be harmful. For IFAD supported projects, this refers to Shamy goat and Awassi rams selection. The problem is even more acute for sheep development, because the BRDP is targeting the establishment of an ambitious national network to promote and protect the Awassi breed. The emphasis of research programmes needs to be shifted towards nutrition, feeding, housing, etc. These are the weak links in the development of husbandry practices.

(3) Research and Extension

202. Whilst extension staffing is excellent in terms of numbers of agents, their basic training and general devotion to the work, the extension service is not functioning to its potential for a number of reasons. At present, the orientation of the service is based more on historic notions of planning and control through the issuing of licences and the control of inputs, rather than support for the farmers through technology. This requires a major overhaul of the thinking and operational modalities and a focused and sustained effort in terms of training. Apart from BRDP, where participatory approaches are being introduced, all other projects lack this important element that would actually constitute the strongest means of ensuring continuity beyond project life. In addition, the service lacks transport. Only where external support is available does the service appear to operate anywhere near its potential.

203. To encourage livestock production will require greatly improved livestock extension programmes, especially for small farmers. Herd and flock management, feeding, breeding or health programmes are practically non-existent in spite of the wealth of research results that indicate promising possibilities for increased productivity. In addition, extension themes are not always well adapted to reaching development objectives (especially in BRDP, which involves the social, cultural, environmental and economic aspects of natural resource management).

204. There is a need for research activities to play a bigger role in agricultural development. Useful research is being undertaken by a myriad of institutions, but it is suffering from lack of co-ordination within the country, and does not take full advantage from similar experiences elsewhere. In addition, the practical application of these findings is still limited.

(4) Water Resources

205. The sustainability of some of the water resources developed by the projects remains unclear, not because of the water yields, but because the mechanism for the community operation and maintenance of the facilities developed has not been resolved. In addition, the efficiency of water use will increasingly constrain production levels, and it will become necessary to address the optimization of water use, which so far is missing in present project designs.

VII. RURAL CREDIT

A. Introduction

206. The evaluation of the rural credit components of IFAD-supported projects in Syria includes an assessment of achievements, constraints and the extent to which design objectives have been met. The chapter also includes a review of the operations of CAB which is almost the exclusive source of institutional credit for the farm sector, and it is the sole agency responsible to service credit to IFAD-supported project beneficiaries.

207. The evaluation of credit performance is based on interviews with farmers, cooperative lenders, the staff of the projects' PMUs and of CAB head office and project area branches and the functionaries of MAAR and of UN and other agencies. It is also based on a review of project progress reports and statistical data and other relevant documents.

208. Most of the experience on micro-finance in this evaluation has come from SRADP II, which has actively implemented the credit component. Other projects, CMADP, JHADP and BRDP have very limited experience, if at all. Their experience is mainly in IGAs and particularly for rural women off-farm activities. In the case of SRADP II, the credit component has been jointly financed by AFESD loan proceeds and the government resources. For other projects it is only the government that is providing credit through CAB. There seems little incentive for the government or CAB to undertake any serious policy reform in the provision of micro-finance, either to the agricultural sector at large or to the target beneficiaries of IFAD (the poor and rural women).

B. Cooperative Agricultural Bank and Agricultural Cooperatives

209. The Syrian banking system consists of the Central Bank of Syria (CBS) and five State-owned specialized banks, of which CAB is responsible to provide credit to the agriculture and rural sectors. CAB does not operate as a bank in the conventional sense, but rather as a tightly controlled channel of agricultural credit. Its primary responsibility is to ensure the provision of credit support for the implementation of the Annual Agricultural Production Plan in accordance with the GOS formulated Standard Schedule of Requirements (SSR), which, inter alia, sets the terms of financing such as loan amounts, repayment periods and due dates. In addition, CAB performs some non-credit functions. These include storage and distribution of major agricultural inputs and transferring payments due to farmers for regulated crops like cotton, sugarbeet and tobacco, which are compulsorily required to be delivered to the concerned Government parastatal.

210. Agricultural or Peasant Co-operatives have a strong presence in the country. Prior to 1974, farmers' interests and their agricultural activities were being served by two sets of organizations, namely, the agricultural co-operatives and the peasants trade unions. By a legislative decree of 1974, these two entities were integrated to establish agricultural or peasant co-operatives in their present form with their federated structure as follows:

Table 7.1: The hierarchy of Agricultural Co-operatives

Level	Name of the Co-operative Unit
Village or Grassroot	Agricultural or Peasants Co-operative or "Jami'ah"
District	Peasants League or "Rabitah el Fallahin"
Governorate	Peasants Union or "Ittehad el Fallahin"
National	GUP or "Ittehad el Aam el Fallahin"

211. At present there are 5,361 agricultural or peasants co-operatives with a total membership of about 902 000. Of them, 4 102 (77%) are multipurpose units, another 671 (13%) are animal breeding and fattening societies and a further 484 (9%) are pasture improving units. The remaining 2% are engaged

in poultry, beekeeping and marketing, etc., operations²⁷. The multipurpose peasants co-operatives offer assistance to their members in obtaining short-term credit for labour in cash and for seeds, fertilizers and pesticides, etc., in kind, as well as medium and long-term credit for fruit trees establishment and purchase of farm machinery and livestock activities. They also offer custom hire services using the farm machinery owned and/or operated by them, including tractors, combine harvesters and threshers, pumpsets, sprayers and dusters. The co-operatives are exempted from a variety of taxes and fees and are entitled to a price concession of 5% from public institutions. Credit is made available to co-operatives by CAB at preferential interest rates. The law provides for punishment in case of defaults by members to meet their obligation (debt) to their co-operative, which may include a fine or imprisonment up to 6 months. Further, until a member pays his debts, the society has the right to exploit his land, machines and animals. Co-operatives are, however, male-dominated institutions with women constituting just about 7% of their total membership.

212. The co-operative peasants organizations at various levels have been given by law the status of “a social and economic entity”. They are involved in particular in the preparation and implementation of the agricultural production plans, and represent the peasants in various committees, councils and assemblies at their respective levels. The GUP in particular is associated in drawing-up the agricultural policy of the country and in preparing draft laws and rules concerning the agricultural sector.

213. Any Syrian national, who operates land and/or animals for agricultural purposes and is not a defaulter in the repayment of a previous loan, can access CAB credit either through his peasant cooperative or directly. Farmers, who are not cooperative members, must obtain a license from MAAR area office prior to seeking CAB credit. CAB provides three types of loans: short, medium and long-term. Over 80% of the total loans disbursed annually are by way of short-term credit for crop or other agricultural production. Land collateral is compulsory for all loans except short-term loans for production of crops, for which the loan security is crop lien and two personal guarantors. Credit is provided both in kind²⁸ and as cash to cover costs of labour (e.g. for seeding, weeding and harvesting). The commonly prevailing interest rates on loans are 4% for cooperatives and 5.5% for private farmers who are direct borrowers²⁹. The lending rates, if not negative in real terms³⁰, are low and not adequate to cover all costs of credit dispensation (cost of funds; loan processing, delivery and follow-up costs; and risk cost). Low interest rates on CAB loans perhaps now remains the only important tool for on-passing subsidies to agricultural producers.

214. Historically, CAB maintained high loan repayment rates exceeding 90% for the following main reasons:

- Cooperative guarantees;
- Borrowers needed to repay old loans to qualify for fresh loans for inputs, over which CAB enjoyed a monopoly in supply and offered subsidized prices;
- Ability of CAB to deduct loan repayments from crops receipts, when these crops were (compulsorily) delivered to Government parastatals.

215. However, with the liberalization of input distribution, removal of input subsidies and deregulation of trading in agricultural produce (except for cotton, sugarbeet and tobacco), CAB's loan repayment rates have declined to 75% for 1998 and further to 65% (estimated) for 1999. Although the two successive droughts of 1998 and 1999 could be contributory factors, this is of concern and it is imperative for CAB to make strenuous efforts to ensure timely recovery of its loans, because low repayment rates would weaken its institutional capacities and endanger the sustainability of its loan operations.

²⁷ Source: Central Bureau of Statistics, Statistical Abstract 1999

²⁸ Delivery of inputs or equipment financed by loan or direct payments to suppliers.

²⁹ The rate of interest for short-term loans above SYP 50,000 is 6% for cooperatives and 7.5% for private farmers.

³⁰ It is difficult to estimate the annual rate of price changes or inflation due to lack of published data on prices. Inflation rate for 1998 was estimated by UNDP at 2.2%.

C. Credit Components of IFAD Projects

216. Under SRADP-I, which was the first IFAD-assisted operation in Syria, CAB was responsible for administering agricultural credit. This project was implemented between 1983 and 1988 and financed by the World Bank along with IFAD. CAB has been given similar responsibility under Phase II of the project (SRADP-II) as well as under three other ongoing IFAD-assisted projects in Syria, viz., JHADP, CMADP and BRDP.

217. Under SRADP-I, the project-provided credit line of USD 15.5 million (IFAD USD 7.0 million and the World Bank USD 8.5 million) was to be operated by CAB to finance purchases of farm machinery (tractors with necessary attachments and combine harvesters) by individuals and/or peasants co-operatives, who were expected to provide machinery services to other farmers on custom-hire basis. In addition, CAB on its own was expected to provide short-term credit (for inputs and hired labour) for crop production and long-term loans for fruit tree planting and associated activities such as purchase of seedlings and land reclamation (de-rocking and terracing). The World Bank's Project Completion Report observed that the implementation of the credit programme, although there was a delayed start due to procurement slippages, was satisfactory overall and consistent with the project appraisal targets.

- The main objectives stated in the appraisal of SRSDP-II for the credit component are to improve the economic status of rural women as well as underprivileged men in the project target group by orienting specific credit packages and interventions towards economic activities suitable for them.

218. To realize these aims, the project costs as estimated at appraisal included a provision of USD 8.6 million to be financed by AFESD (USD 2.6 million) and GOS (USD 6.0 million) and operated as a credit line by CAB to provide loans for the following activities:

- purchase of livestock (cattle and sheep fattening, sheep/goat rearing, milking cows, poultry layers, etc.) mainly by rural women, but also by disadvantaged rural men, including landless;
- purchase of small farm and other income generating equipment by rural women; and
- purchase of farm machinery and equipment, to establish local custom hire services, by small entrepreneurs or groups of project beneficiaries.

219. In addition, as under Phase I, CAB, is using its own credit funds as part of its regular programme, to provide loans to SRADP-II beneficiaries for:

- payment of land reclamation (de-rocking) costs; and
- the planting of crops or fruit tree on the reclaimed land.

220. Based on experience of SRADP-I implementation, it was decided that the responsibility for helping borrowers to prepare loan applications, processing of loan applications and for appraisal and supervision of loans would be with the Provincial PMUs. However, loan approval and provision of credit would be at the discretion of CAB and it would, therefore, be responsible for loan recoveries and would assume the credit risk. Further, CAB's normal lending terms and conditions would be suitably modified to suit the needs of SRADP-II beneficiaries. These understandings and the CAB's agreement to use its own funds to extend loans have been incorporated in an agreement on "administrative and financial arrangements" entered into by MAAR and CAB.

221. Following the SRADP-II model, CAB has assumed the task of providing credit for women and other smallholder beneficiaries under JHADP and CMADP using its own funds (which include GOS allocations). To that end, CAB agreed to enter into administrative and financial arrangements with MAAR for each project. As for BRDP, CAB credit would be exclusively for livestock production and other IGAs for rangeland women.

222. Based on SRADP-II experience, it was decided that delivery of credit to women for income generation, under JHADP, CMADP and BRDP as well as during the remainder of the period of SRADP-II, would be guided by the following principles:

- a prerequisite to qualify for credit would be training in the appropriate skills, management and gender awareness and sensitization;
- IGAs for which credit is made available would be specifically targeted for women;
- beneficiaries would have the freedom to choose an enterprise to be undertaken with the use of CAB credit;
- women’s representatives would participate in the planning, implementation and monitoring of activities; and
- land collateral would not be demanded for women’s credit.

223. In addition, for the four ongoing projects it was planned that CAB credit would be available to finance certain project specific interventions as described below:

Table 7.2: Credit Activities Specific to each IFAD Supported Project

Project	Activity to be Financed by CAB Credit
SRADP-II	Construction of improved stables and barns for their cattle herds by smallholders of livestock based on suitable designs recommended by a consultant funded by the project to study livestock housing improvement needs.
JHADP	Purchase of irrigation equipment by three groups of farmers to be selected in advance to demonstrate water saving irrigation methods. The equipment would be first purchased by the project to facilitate the above demonstration and once the methods used are proven financially and technically feasible, the equipment would be sold on CAB credit to participating farmers groups
CMADP	Purchase of locally made choppers (small machinery driven by tractor), either individually or co-operatively, to cut crop residues into small pieces for mixing with other ingredients for nutritive feed. Actual loaning for the purpose would commence after the project itself has acquired about 8 such choppers and conducted demonstrations to promote their use.
BRDP	Purchase of small and moveable milk processing units by individual beneficiaries or their groups, after the project has successfully demonstrated the utility of such units to avoid wastage of milk and earn additional income.

D. Main Findings

224. Appropriateness of the Credit Designs. Overall, the design of the credit activities supported under the four ongoing IFAD-assisted projects is appropriate, subject to the following few weaknesses which have, with the benefit of hindsight, HAVE become apparent:

- In the three projects concerned with land reclamation, the linkages between the credit activities which are designed to promote income generation by rural women and other disadvantaged, and the core land development components is relatively weak, i.e., the interventions are not mutually reinforcing.
- The component designs missed the opportunity to promote explicit targeting or mechanisms to direct credit towards assetless poor or destitute rural women and to build up a “small loans guarantee fund” to encourage CAB to incorporate these rural disadvantaged in its lending programme without being unduly conservative;
- Attention could have been given to encourage accumulation of small savings by rural women and other poor beneficiaries of credit, especially to enable them to finance part of their seasonal needs;

- Although it was envisaged that the credit line funded under SRADP-II would be operated on a revolving basis¹², no specific directions (such as how the Revolving Fund would be established, maintained and operated) were included to facilitate actual implementation; and
- The planning of credit support for certain project specific interventions, which were to be first tested under the respective projects, was rather premature, as the credit schemes proposed seem to be non-starters. For example, the financial viability of improved cattle sheds and barns could not be established and their construction could not be targeted as a credit activity for the benefit of small farmers or rural women, under SRADP-II.

225. The Underlying GOS Strategy. CAB is not a conventional agricultural credit bank, which distributes loans in response to users demand. Rather it is government institution that carries out public sector credit policies, input distribution, technology transfer and extension. These operations are highly subsidized both in terms of input prices and interest rate levels. The product prices, however, may be set at lower than international parity prices leading to high rates of implicit taxation. In effect both input and product prices are distorted, which can result in disincentives to producers and a high cost to the economy. The GUP, in turn, is a semi-official delivery mechanism that adheres closely to government policies and instructions, subject to members' interests and demands.

226. Agreements on Administrative and Financial Arrangements: These agreements between MAAR and CAB have a number of implications in terms of widening coverage and increasing the flow of credit. Firstly, the way for land collateral free lending has been opened to benefit rural women and landless poor. Secondly, land reclamation and fruit tree planting loans are allowed to exceed the per hectare financing ceiling applied under CAB's estimates of requirements based on its SSR. Thirdly, deeds of reclaimed land at derocked value, agreements to sell land, and land deeds in the name of a deceased person but accompanied by an authorization in favour of the borrower signed by all heirs, are accepted as collateral. Finally, a performing individual borrower is eligible for credit even if his cooperative is delinquent.

227. Credit Disbursements: The implementation of the credit programme under SRADP-II started in 1995. As depicted in Table 7.1 the loan disbursements amounted to SYP 359 million or USD 7.8 million and constituted 91% of the design target of USD 8.6 million (base cost plus contingencies). This is most impressive. In addition to payments for land reclamation on credit for about 70% of the farmer beneficiaries, a total of 6,737 loans have been disbursed (between 1995 and 1999) for livestock production and other IGAs. Women received the majority of loans (54%).

228. Nevertheless, the number of loans given is far lower (at 53%) than the cash disbursement (at 91%) than had been planned, i.e. larger loans were disbursed to a smaller number of beneficiaries. There is also an indication that land de-rocking receives a high share of loan disbursements (70%), especially since CAB exceeds the SSR ceilings. As for the other three projects, CMADP is the only one in which credit activities have started: up to May 2000, 353 loans for a total amount of SYP 7.9 million (USD 172,000) have been disbursed under the project for livestock production and other IGAs.

¹² See para 3. 17 pages 28 and 29 of IFAD SRADP-II Appraisal Report No. 0344-SY of April 1992.

Table 7.3: SRADP – II: Annual Disbursements of Project Loans

Year	Number of loans Planned	Number of Loans Disbursed							Amount Disbursed (SYP Million)	
		Through Cooperatives			To Individuals			Grand Total		% to Number Planned
		M	F	Total	M	F	Total			
1995	1340	80	6	86	81	19	100	186	13.9	8.03
1996	813	199	31	230	127	133	260	490	60.3	21.05
1997	4,475	585	179	764	703	1261	1964	2728	61.0	122.31
1998	4158	598	362	960	413	906	1319	2279	54.8	93.93
1999	1790	135	51	186	194	674	868	1054	58.9	113.24
Total	12576	1597	629	2226	1518	2993	4511	6737	53.4	358.56

Source: SRADP – II PMU

Note: Number of male and female beneficiaries at 3,115 and 3,622 constitute 46% and 54% respectively of the total number of beneficiaries.

229. Activities Financed by Credit: Analysis undertaken by the MTE of SRADP II for land reclamation indicated that on average 70% and 80% for the years 1996 and 1997 of the costs were met from credit. In both years, Sweida Governorate received credit to a tune of 95% of land reclamation costs; whereas Quneitra received 16.8% in 1996 and 8.3% in 1997. Overall the financing has been in excess of the SSR. Since most of the area reclaimed in Dara'a and Sweida has been used for seasonal cash crops, it is imperative that farmers benefit from a large element of subsidies from financing land reclamation through credit. The situation is illustrated by the results from SRADP-II for 1997:

Table 7.4: SRADP II: Land Reclamation, Beneficiaries, Costs and Credit (1997)

Governorate	Reclaimed areas hectares		No. Of beneficiaries	Costs, SYP millions			Percentage of Credit to Total Cost
	Crops	Trees		Farmers' Contribution	Credit	Total	
Dara'a	1 926	903	1 345	4.9	19.1	24.0	79.6
Swaida	2 145	632	1 762	1.1	21.9	23.0	95.0
Quneitra	0	632	390	1.1	0.1	1.2	8.3
Rural	0	1 020	532	4.3	7.6	11.9	63.9
Damascus							
Totals	4 071	3 189	4 029	11.4	48.7	60.1	81.0

Source: SRADP II, PMU

230. Activities financed by credit to beneficiaries directly, whether in cash or in kind included loans for livestock production, equipment and off-farm IGAs. Livestock production (cattle and sheep fattening and sheep/goat rearing) accounted for 44% of the total loans under SRADP-II, followed by loans for dairy cows and milking machines (38%) and women's off-farm IGAs (16%). The balance (2%) were for poultry layers and beekeeping. In CMADP women's off-farm and home-based IGAs occupied second place above dairy cows and milking machines under. Table 7.6 summarizes the credit-use in SRADII and CMADP, detailed distributions by activity are in Annex IV.

Table 7.5: Summary Distribution of Loans by Activity for SRADP II and CMADP

Activity	Proportion of Number of Loans for the Activity to the Total Number of Project Loans (%)	
	SRADP-II	CMADP
Livestock Production	44.2	39.4
Dairy Cows and Milking Machines	38.5	11.9
Women's Home-based IGAs (sewing, knitting, embroidery works)	15.9	36.3
Others (poultry, beehives, honey processing)	1.4	12.4
Total	100.0	100.0

Source: Volume II, Annex 4.

231. Table 7.2 shows two effects of the design of the project credit components :

- the number of loans given to individual beneficiaries is more than through cooperatives, and
- fewer females have received loans through cooperatives than males.

232. These observations result from the nature of loans passed through cooperatives which are linked to land reclamation and are available only to landowners, who are predominantly male. This may also indicate that farmers with established credit records bypass the cooperative and apply directly for land de-rocking loans. It is also true that the female membership of cooperatives is less than 7%, and hence more women are served directly with credit. However, loan numbers do not reflect the financial share either of cooperatives or by gender i.e. women's share of total credit is small. Nevertheless, the above two projects have maintained their gender focus as envisaged at appraisal. About 54% of the total loans for livestock production and other IGAs under SRADP-II and an estimated 60% under CMADP went to women beneficiaries.

233. Targeting of Beneficiaries: Many of the beneficiaries of women's off-farm IGA loans (sewing, knitting, embroidery work) are not from smallholder low income or rural landless families. Some of them seemed to have opted for skills training and project loans to satisfy a personal hobby and not from the perspective of self-employment and income generation. The policy of accepting a cooperative guarantee or personal guarantors as collateral has increased the flow of credit to the target group women and low-income men, but the vulnerable groups among them are still denied access to credit due to their inability to obtain a cooperative guarantee or find guarantors acceptable to CAB.

234. Loan Policies and Procedures: Slippages in the preparation of annual credit plans have continued to cause delays in loan processing. For instance, hardly 22 loans were disbursed between January and March 2000 under SRADP-II due to the late release of the annual credit plan. In addition the processing of loan applications is long winded with minimal CAB involvement.

235. The provision of credit by CAB is highly supervised. It is believed that proper use of credit is ensured through supervision by the extension staff and timely loan repayments by intensive CAB staff contacts with borrowers. To reinforce this system and further reduce risks, CAB and project authorities adhere closely to the policy of loaning in kind, for example controlling the sourcing of cows and sheep from selected suppliers who are paid directly by CAB. The CPE found however, that the recipients of in-kind loans, particularly live animals, had their doubts about the quality of the items and the competitiveness of the purchase prices.

236. Beneficiary Constraints. Two main constraints have been highlighted by rural women and other credit beneficiaries under SRADP-II. These are as follows:

- (i) Lack of funding or working capital to cover the costs of running an enterprise for a reasonable period of time. For example, borrowers of cattle and sheep fattening loans often

found it difficult to arrange for adequate funds to cover feed costs during the fattening period of their animals, and payments for wool were equally a problem for women borrowers of knitting equipment loans; and

- (ii) Weak processing and marketing facilities and difficulties encountered by individual borrowers to commercialize marketing of their produce. With increasing lending for milking cows and sheep/goat rearing, lack of support for marketing of milk and dairy products, from both cows and sheep/goats, was being raised as a major constraint to increasing household incomes, particularly by rural women.

237. Revolving Fund: At SRADP-II appraisal, it was envisaged that the project-provided credit line would operate on a revolving basis apparently by establishing a Fund to recycle repayments of livestock and other IGA loans for fresh loaning. No action to set up a Revolving Fund has so far been taken.

E. Experiences of other Donors

238. To augment the limited experience in IFAD-supported projects, the CPE examined interventions supported by other donors. The review of some of these externally assisted operations suggests opportunities to widen the credit outreach through linking traditional or indigenous mechanisms with formal credit. Since these interventions at the start-up phase, the mission examined the approaches and strategies adopted in their design:

- (a) UNDP assisted Rural Community Development at Jebel Al-Hoss included identification of target villages, formation of VDGs and committees elected by the villagers themselves, and the establishment of a revolving micro-credit fund and its eventual linkage with CAB.
- (b) European Union Assisted Women's Economic Empowerment Project, managed by UNIFEM, included intensive training programmes for trainers and beneficiaries. Low-income women would be trained to "Start Your Own Business" and to own and operate small micro enterprises. The approach to credit for low-income women would depend on the informal women associations on "Jamiahs" which operate as indigenous rotating saving groups. The project would assist these groups to involve into effective local self-help financial intermediaries for saving and micro-credit financing and management.
- (c) ESCWA assisted Local Community Development and Participation Project included assistance for the women's unit in MAAR, and the establishment and operation of a Revolving Loan Fund. The project has been piloted in one village so far and registered full loans recovery, with minor delays in repayment. It has since been extended to another village.
- (d) UNICEF and WHO Healthy Village Programme focuses on improving the quality of rural life through satisfying the Basic Development Needs of target villages. A small credit scheme for the benefit of vulnerable rural women is incorporated in the project.

239. CAB has, so far, been the exclusive institutional source of rural credit for IFAD supported projects, but in fact is used by government as a vehicle for agricultural production policies. Such policies are not necessarily commensurate with IFAD's specificity, aiming at target groups of rural poor and women. The CAB also lacks the approach to beneficiary participation that is essential for sustainability of project benefits. Yet other approaches are possible, as illustrated by the examples above. In future, therefore, IFAD should enrich its approach to rural finance in Syria by diversifying credit services.

VIII. IMPACT AND SUSTAINABILITY OF BENEFITS

A. Projects Impacts and Benefits

(1) Impacts from De-rocking.

240. The programme of support for de-rocking started in 1982 with SRADP-I and could finish with CMADP in 2003, i.e. will have lasted over 20 years. The total investment from IFAD will be a little over SDRs 20 million. Through the projects a planned 166,000 ha was to be de-rocked, but in practice the equipment provided will complete over 200,000 ha. Also, de-rocking has been absorbed by MAAR and will likely be continued as a Ministry funded activity for many years to come. In terms of GOS objectives of increasing agricultural production, especially from rainfed areas, and halting migration to the towns, de-rocking has been an unmitigated success. It is difficult to conceive of an investment in agriculture that could have had such a dramatic effect – possibly on the par with providing irrigation to dry areas. The GOS, and especially MAAR is rightly proud of this achievement. However, this success should not mask the fact that de-rocking is not all positive. Whilst production and farm incomes improve, there is an increasing suspicion that insufficient attention is being paid to the negative aspects. The plus side comes from the incremental benefits from production, the negative side from the possible environmental damage. Both these aspects are described below.

241. Incremental Benefits from Cropping. The national production from fruit trees in de-rocked areas has been increasing significantly over the last ten years: apple production has increased by 86%, olive by 300% and almonds by 80%. This increased production has mostly been brought about by increased productivity, so that the area of apples has increased by only 8%, while that of olives by 28% and of almonds by 50% approximately³¹. The increase in areas planted to apples and olives nationally in this period amounts to just over 104,000 ha. IFAD-supported projects have contributed about 83 000 ha of de-rocked land to date, of which about 60% (50,000 ha) has been established as orchards. It is, therefore, arguable that IFAD-supported projects have contributed significantly to the increase in fruit production – probably accounting for close to half the increase. This overall rise in production is a major factor when considering the possible problems of marketing. It is likely that about 120,000 ha of de-rocked land will eventually be producing fruit; this could, for example, result in an additional 1.7 million tons of apples for sale annually, even at the conservative estimate of yields of 14 tons/ha.

242. Quantification of the financial benefits from de-rocking was attempted in the MTE of SRADP-II. Indicative crop models showed that reclamation had contributed to increased cropping intensities and yields of field crops, and would provide increases in net returns: wheat yields after reclamation were estimated at 990 kg/ha (about 30% more than the pre-project situation) and net incremental incomes at SYP 7 200 per ha. It should be noted that these yield increases are still below appraisal targets. Fruit trees, which although not yet in full production, had the potential to provide large benefits for participating farmers: the MTE concluded that apple yields of 14 tons/ha, as suggested in the design were probably achievable, which would give incremental annual incomes of up to SYP 70 000 per ha at full development, i.e. from year 10 onwards. In addition, de-rocking increases the area available for planting significantly; even if allowances are made for the lines and piles of rocks left behind, a farmer could see the area available for planting double as a result of rock removal.

243. To achieve these results will require much greater labour inputs. Although the source of labour was not investigated by the MTE, larger farmers will probably need to hire labour to intensify production from their farms, leading to the generation of local employment.

244. Shares in the benefits described above will be obtained by farmers in direct proportion to the size of their land holdings. Hence those with more land will obtain the greater increases in incomes, and as land values will inevitably rise, this benefit will also result in greater wealth disparities. This is the major effect of uniform subsidies per hectare for land development. In addition, because larger farmers

³¹ Annual Agricultural Statistical Abstract, MAAR 1998.

are often better able to make better advantage of technical and marketing opportunities, the long term effects of de-rocking will almost certainly favour this group.

245. The de-rocking charges to be paid by the farmers to obtain these yield levels varied from SYP 5 533 per ha for low slopes with low rock content (where the field crops are planted) to SYP 13 280 per ha for steeper slopes and higher rock content (where the fruit trees are planted). In either case farmers reported no difficulties in repaying the loans, often they were repaid in the first year. Farmer reactions to de-rocking activities have been overwhelmingly positive: the only adverse comments received have been where farmers were either impatient for de-rocking to take place or where the operations had only been partially completed.

246. Environmental Impacts of de-rocking. There is no doubt that de-rocking permits easier ploughing and seedbed preparation as well as increasing water infiltration and retention. However, it must be recognized that de-rocking may encourage such factors as increased surface erosion and possibly, changes to the hydrogeology, caused by alterations in the run-off patterns. The CPE found that farmers were reporting that rocks were re-appearing in their fields. This can only be explained by loss of topsoil, implying erosion. If no action is taken to address this, such as soil conservation measures, then the very significant benefits obtained from de-rocking could not be considered permanent. In addition de-rocking results in a permanent alteration of the visual landscape, including creating stone piles and rows, which take up from about 5-30% of the surface area. Other changes may also be occurring, such as permanent alteration to the floral habitat and a reduction in the variety of the natural fauna; the extent of such changes are at present unknown because they are not being measured. Longer term effects are likely to include not only intensified land use, but also increased population density: these changes are likely to be beneficial but their extent and impacts will remain unknown unless action is taken quickly to instigate a monitoring mechanism.

(2) Incremental Benefits from Livestock

247. The only source of reported impacts so far come from the data collected and calculations made for SRADP (1998). These showed that there had been an overall increase in livestock numbers since the start of the project, but this was difficult to differentiate from the normal variations found in livestock numbers. Farmers reported the main impacts as:

- Additional milk available for the family and/or sold fresh, from Shamy goats (reportedly averaging 2.5 kg/day). This milk could also be processed.
- Benefits from project assisted dairying, with output estimated at about 17 kg/cow/day. The proportion of fresh dairy milk sold varied depending on the size of holdings and on the family needs. Farmers asked for assistance with marketing and transport problems, and for means of evening out the seasonality of production.
- Many beneficiaries had managed to increase the size of their flocks or herds, either through the purchase of additional animals or by retaining offspring: in 3-5 years many herds/flocks had increased from one or two females at the beginning to over five breeding females at present.

248. To examine the viability of livestock activities, the MTE of SRADP-II prepared a series of livestock models reflecting local practices. These confirmed the very satisfactory incomes obtainable through livestock activities in comparison to other IGAs, partly explaining their popularity.

Table 8.1: Livestock Returns Estimated for SRADP-II

Activity	Period	Unit size	Profit/unit, SYP
Calf fattening, with some grazing	4-5 months	10	54, 640
Calf fattening, no grazing	4-5 months	10	10,120
Lamb fattening, with grazing	70-90 days	20	5020
Lamb fattening, no grazing	70-90 days	20	1840
beekeeping	Season	10	63,700

Source: MTE of SRADP

249. In the case of dairying, loan repayments in the first three years meant that there was no short-term profit from this activity, but thereafter earnings were reportedly high. Poultry was not seen as a major activity for income generation, but was reported as providing useful additions to the family food supply. The reactions of beneficiaries who had adopted livestock activities, as IGAs were overwhelmingly positive, with the possible exception of dairying, where the difficulties most encountered were with handling of the fresh product and the need for rapid and well-organized marketing.

(3) Water Development

250. Water developments so far only apply to CMADP and JHADP, but only in CMADP have impacts been reported. In this project 50 reservoirs for runoff/roof catchments have been constructed to assist with supplementary watering, benefiting 83 farmers, but only useable on 2.15 ha. Discussions with beneficiaries during the CPE field visits revealed that water development interventions had two main impacts, firstly they had assisted with livestock enterprises, especially sheep fattening, and secondly potable water had reduced the drudgery for women and children in fetching water. However, beneficiaries reported that they had neither been asked to participate in the selection of sites nor the technical specification of the rehabilitation works (springs).

(4) Research and Extension

251. Outreach. The CPE concluded that extension services had been enhanced as a result of the projects, but that overall potential outreach had been considerably curtailed because of lack of transport. By 1990 SRADP I claimed that nearly 9 000 farm families were receiving some extension coverage, and the MTE of SRADP-II found that the ratio of frontline extension staff to farmers was about 1:394, which although higher than the 1:247 proposed at appraisal, is still adequate. Fertilizer use and the adoption of improved varieties in the project area had both increased³², and yields, although heavily influenced by rainfall, were showing a general upward trend.

252. In addition the communication support unit is providing an impressive standard of service, and enabling up-to-date messages and information to be passed rapidly and in an interesting way directly into farming households. The impacts of this unit compliment and reinforce the actions of the extension service. An extensive programme of training is included in the project designs. The CPE found that beneficiaries (both staff and farmers) welcomed the training received and generally found it to be useful and relevant.

253. Participatory Approaches. In SRADP-II a revised approach to service provision had been adopted, based on problem analysis at the farm level and the establishment of village groups. Findings from these participatory meetings were then incorporated into the work plans of the extension service, resulting in a more responsive and reactive service. BRDP has initiated training on a participatory approach through the engagement of CARE International funded by an IFAD grant. The results already obtained, in terms of a better understanding and reinforcement of trust as well as the shifting of beneficiaries' attitudes from passive recipients to active participants, are strong arguments to extend such an exercise. CARE has reported³³ finding a lot of acceptance and commitment on the part of government staff and beneficiaries' representatives to the training courses provided. However, CARE also commented that staff had some difficulty in translating the training into actual work with the communities, and some uncertainty on the part of the communities in reacting to the new approaches. This will take time to overcome. These changes in approach to extension as a result of project activities are very promising.

254. Research. The impacts of both the research undertaken and the research/extension linkages are at too early a stage for significant impacts to be seen. Overall, the CPE was impressed at the range of

³² For example, the use of improved varieties of wheat had increased by up to 26% and nearly all apples planted were of newer varieties. Nitrogen use had expanded by nearly 50% and phosphate use by 33% since 1990.

³³ An Assessment of Training, BRDP January-April 2000, CARE International.

research activities and organizations that were conducting programmes relevant to project activities, and was somewhat surprised that the level of technology being disseminated was not at a higher level. For example there is certainly scope for improving livestock productivity. The history in Syria of production gains in agriculture suggests a very good farmer acceptance of new techniques and varieties. The CPE concludes that well directed research has a major role to play in continuing the development of agriculture in Syria, and that this can be further enhanced by ensuring that research themes are fully cognizant of the realities faced by the poorer farmers who are IFAD's main target group. Hence the feedback created by the introduction of participatory techniques in the case of SRADP is very welcome, the need is for the researchers to be involved in this feedback loop, not just the extension staff.

(5) Rural Credit

255. Policy Shift. The present portfolio has had a major impact on the lending policies of CAB, in that CAB has relaxed its credit terms, and enshrined these changes in formal agreements. These agreements, which incorporate the description of the project-supported lending activities and the lending terms and conditions, have been completed between MAAR and CAB for SRADP-II, JHADP and CMADP. The signing of the agreement for BRDP is under discussion and is expected to be completed shortly. The main changes in the normal loan terms and conditions agreed for the project lending are as follows:

- Loan ceilings for land reclamation (SYP 5 000 per ha) and fruit tree planting (SYP 3 000 per ha) usually applied by CAB under its regular programme will not apply for project loans;
- A performing borrower will be eligible for project-supported credit even if the peasant co-operative, of which he is a member, was delinquent in its debt to CAB;
- Land registered in the name of a deceased person would be accepted as collateral on production of a letter of authority signed by all heirs in favour of the borrower;
- Land to be reclaimed would be accepted as loan collateral at its de-rocked value. Also, a prospective purchaser of land could offer it as collateral, based on a signed agreement to sell the land with the present owner;
- For all loans for livestock production and other IGAs to target group women and livestock loans up to SYP 15 000 to landless and other rural poor, land collateral would not be necessary. Instead, two personal guarantees or guarantee of the peasant co-operative would be accepted as loan collateral; and
- The period of land reclamation loans would be ten years (with a grace period of five years) if the de-rocked land is to be used for fruit trees and five years (with a grace period of one year) if the land is used for field crops.

256. In total, these changes are very significant. They have opened the way for collateral free lending and facilitated an increased flow of credit for IGAs. In addition, these policy changes demonstrate a *de facto* recognition by GOS of the poverty situation in the rural areas. This should then help to identify the need for a better understanding of the causes, effects and distribution of poverty. Providing the repayment rates can be maintained at acceptable levels, then a case could be argued for further extension of these more relaxed conditions.

257. The Borrowers. In addition to the above, the analysis of loan recipients has shown that the number of loans given to individual beneficiaries is more than those given through cooperatives. This shows a change in the historical lending pattern and suggests that farmers with established credit records are bypassing their cooperatives and applying directly for land development loans.

258. Direct Credit Impacts. The impact of credit on the project area smallholders and rural women is difficult to assess at the moment for various reasons. These include:

- many activities for which loans have been taken are yet to reach the full development stage;

- monitoring and evaluation of the credit activities has been weak and no impact evaluation studies are available;
- the lack of marketing support and the resultant inability of the borrowers to ensure a fair return for their credit financed production; and
- effect of external factors, such as the droughts of 1998 and 1999.

259. However, field visits and discussions with SRADP credit beneficiaries have brought out the following main findings:

- Livestock loans, in particular for dairy cows, beef cattle and sheep fattening, were in general having a positive impact in terms of return to family labour and addition to household incomes;
- Credit beneficiaries were highly appreciative of the time and cost-saving properties of milking machines;
- There were clear indications of significant improvements in family nutrition with milk cows and poultry production enterprises; and
- Women's off-farm and home-based IGAs (sewing, knitting and embroidery work) have, in most cases, not proved to be financially justifiable because of difficulties of building up effective marketing tie-ups and stiff competition from private sector readymade garment businesses. Moreover, in some cases, particularly, where loans have not gone to the intended beneficiaries, or for the intended purposes i.e. to those interested in self-employment and income generation, the repayment of loans may add to the family burden and worsen the household financial position.

260. Overall, the CPE concluded that the impact of project lending has been to help to develop entrepreneurial skills, especially among rural women, and to enhance women's economic status and in turn their power to participate in family decision-making.

(6) Targeting

261. The Development of Targeting Criteria. The chronological design of the present portfolio shows progressively stronger attempts to reach the poor. SRADP-I was designed by the World Bank essentially as a land development project with limited interventions; targeting was not a real concern, at the time. The design of SRADP II was undertaken concurrently with the SCGIM, in 1992. The SCGIM report addressed the targeting issues, but primarily emphasized geographical/area targeting: it also embraced developments for rural women as a priority.

262. Socio-economic surveys were conducted, after the appraisal in the case of SRADP-II, at the village level to determine general land holding sizes and household income levels. On this basis "poorer" villages were selected. There are two constraints to targeting based on land holding: (i) the holdings are fragmented and a special effort is needed to establish the total area owned by a household and more importantly, (ii) the de-rocking areas are selected on technical criteria, such as the degree of rockiness, the total area eligible for de-rocking, the amount of rainfall etc. In respect of credit, despite the exhaustive and satisfactory selection procedure, the targeting was not essentially to reach the poorest among the rural population, but rather the "productive poor" i.e. those with already adequately accumulated productive assets to establish and operate an enterprise. The mission also noted that in many households, the head of the family receiving credit was an employee in the army or the civil service. As for targeting female-headed households, to date there is no evidence of such degree of specificity. Targeting in beneficiary training was evident, because it was largely based on self-selection. Hence rural women were reached for literacy and skill training activities with notable success.

263. In the newer projects, BRDP and JHADP, specific household income levels were replaced by area assessments of average income compared to the poverty line. This eased the poverty targeting criteria and recognized the *de facto* situation that project interventions needed to include entire communities or areas, when these had been accepted on the basis of generalized income levels. In BRDP, 94% of the population were below the poverty line. In the design of these projects there was also more attention to mechanisms for achieving community participation, which exclusionary targeting criteria might endanger (especially in BRDP). BRDP also saw the involvement of an NGO (CARE International) to train project staff and beneficiaries in participatory approaches.

264. Overall, therefore, targeting has progressed so that there is now a better understanding of realistic methods of targeting within rural Syria. Project efforts have been rewarded by a greater understanding and acceptance of the need to direct benefits to the poor and to involve the beneficiaries in all stages of the development process. The need in the future is to build on this process, firstly by obtaining a better understanding of the nature, causes and effects of poverty and secondly by promoting grassroot initiatives which can respond to poverty interventions.

(7) Beneficiary Participation

265. Design Mechanisms. With the exception of BRDP, none of the project designs included a mechanism for beneficiaries' participation. The design of some projects assumed that there was a possibility of using GUP and GUW as fora for beneficiaries' involvement. The PGU has been used to help to organize farmers meetings and to disseminate extension messages, similarly the GUW has had a contact role with WID activities. Both institutions, and particularly the cooperative societies under PGU, help in providing security for credit from CAB, and in the supply of agricultural inputs and machinery. Community participation was introduced in the design of BRDP as an instrument for receiving project services. To implement this approach training was included for staff and community leaders in participatory concepts, which also provided an avenue to introduce a role for CARE. There are currently a number of pilot projects sponsored by donor agencies, which have approaches involving participatory development (for examples the ESCWA's Community Development and Participation project, or UNIFEM's Women's Economic Empowerment project).

266. Participation in Implementation. Discussions with staff and beneficiaries revealed that project staff were generally not keen to consult farmers in technical issues related to project activities. The belief was that conflicts of interest would create a difficult situation and affect the sustainability of services provided: for example in CMADP the project staff asserted that advice from participants was out of question because of the deep conflicts among various spring water users. The CPE mission during its field visits was pointed toward the following as examples of beneficiary involvement:

- participation of PGU in some committees' membership to facilitate the provision of specific project services; for example the de-rocking programme in SRADP II and the water spring committees;
- the mobilization of village level farmer groups by the extension agents in SRADP-II, to provide consultation and inputs into the preparation of work programmes;
- The involvement of PGU and the cooperatives in dissemination of loans and inputs on credit to project beneficiaries (note: this is the specific role of the PGU and Cooperatives anyway);
- The involvement of GUW in the skill training activities of the projects (SRADP II, CMADP) and in particular the provision of trainers from its experienced cadre;
- A participatory attempt, which is significant because it was initiated by some of the projects, was the survey conducted among women beneficiaries to determine their training choices and requirements.

267. The CPE concluded that whilst there are examples of beneficiary participation, they are very limited so far, and there is no established role for beneficiaries as yet. Apart from the experience with the politically associated trade unions, which are avenues for implementing government policy, group formation in Syria is in its infancy. The experience is especially lacking in the formation of groups for

economic enterprises³⁴. Despite this, the implementation environment now seems to be more conducive to the advent of beneficiary groups and the definition of much greater participation for these groups in development activities. In part this has come about because of the limited, but important breakthroughs in the feedback from extension groups in the extension work programme (described under participatory approaches in section 4) and in part from the active uptake of WID activities, especially credit.

268. The overall effect seems to be that government is now ready to accept the principle of beneficiary participation stemming from self-motivated specific interest groups, such as credit or de-rocking, providing these groups still link to the existing government institutions for input supplies, i.e. CAB and PGU. Of concern, however, is the reaction of project staff to these groups, as illustrated in the example from CMADP (in participation in implementation).

(8) Gender Issues

269. Until recently, GOS did not have a well-defined strategy for rural women. In January 2000 The Home Economics Division of MAAR was restructured into a GAD which is to be responsible for: gender sensitization and advocacy among decision makers and senior staff; support for rural women to gain access to resources, benefits, and decision making processes; the improvement of women's productive and entrepreneurial skills; and mainstreaming gender in all policies, plans and programmes of the Ministry. Mainstreaming productive roles of women places a greater emphasis on the economic and social empowerment of women rather than simply meeting their social needs. The staff of the unit are being trained in gender concepts and methodologies and in statistical methods. A gender-differentiated database has been created with information not only at national level but also at governorate level.

270. In the present portfolio, women's activities and specific needs are not streamlined within the development programmes, but rather are separate activities. The linkages to other project interventions are weak, and project organizational structures maintain the WID units as separate entities. There are no data or reports that differentiated by gender, with the specific exception, of course, of reports from the WID sections. With the advent of the GAD unit, this should change.

271. A large number of women have benefited from the training courses provided by the projects. Most of those who attend the literacy courses and other skill training activities are younger women, between 15 to 25 years old. The main attraction for them is to improve their marriage chances by enhancing their social skills, and few have intentions of actually undertaking IGAs. Literacy courses are particularly sought after as many young women have received very limited education. However, there are indications that the training programmes have bypassed married women, who cannot afford the time to attend unless they have the support of extended families whose other female members can share the responsibilities of the household. Some of the older women indicated that they were not even aware of the project or its activities. Another reason may be that training programmes are not co-ordinated with the seasonal demands of women working in agriculture.

272. During CPE field visits, it was clear that there had been positive impacts for those who were undertaking IGAs based on livestock. Those who chose sewing and knitting said that there were no markets for their products or prices were uneconomic. Some trainees indicated that they were not sure that the training programme had qualified them enough to compete in the market. As CAB loans fund capital assets, but do not provide working capital to cover operational expenses, credit programmes tend to discriminate against poorer women. In practice credit has gone to those who can supplement operational expenses from their own resources. The insistence on collateral has also presented a serious obstacle for poor women; the relaxation of collateral to two guarantors has improved the situation, but not to the extent required.

³⁴ Savings mobilisation and credit groups have traditionally performed social functions, such as assistance in marriage or during personal or household calamities. Since credit and input supply is a service provided by official channels (CAB), these saving/credit groups have not been able to develop into a major tool for financial intermediation.

273. The coverage of the WID programmes depends to a large extent on the transport available. Whilst under SRADP the numbers receiving training were reportedly over 41,000, and in CMADP the training programme has wide coverage and the execution is 100% as planned, in JHADP the programme coverage during the period 1995 to March 2000 was just 19% of target.

B. Sustainability of Benefits

274. The development strategy followed by IFAD has evolved from discussion with GOS. The result is that IFAD works in close partnership with the government to fund development activities, which closely align to GOS priorities. This is probably best illustrated by the promotion of PMUs to full Directorates within MAAR; this signals the Ministry intentions to adopt project activities and sustain them in the longer term. The GOS has also demonstrated, by the timely provision of adequate counterpart funding, its wish to maintain the momentum of development.

275. Nevertheless, the sustainability of activities is not the same as the sustainability of benefits. The CPE concluded that in almost every activity there were some aspects that were of concern in terms of sustainability. For the poorer target groups the continuation of the flow of benefits for a reasonable time is a pre-requisite to lift them out of the poverty trap. There is therefore a need for sustainability issues to be addressed in preparing exit strategies for each of the projects; the sooner these are addressed the easier and more secure will be the outcome. The CPE would suggest particular attention is given to the following:

276. Livestock. IFAD-supported projects have encouraged the production of livestock, and this has proved an effective mechanism for improving the livelihoods of some of the poorer groups, including women. The sustainability of these activities will depend on the integration of fodder crops into the settled farming systems. This is a highly desirable feature in terms of the balance between food, industrial crops and animal feeds and sustainable livestock practices, and will require a conducive incentive/price framework and appropriate input delivery mechanisms. Not only do feed resources need to be improved, in the Badia, herders also need adequate access to this feed. To balance access to resources with livestock numbers is the key to sustainability. For herders this means establishing a network of user rights, so that conflicts are avoided and resources not overused. Such systems rely on local agreements between individuals and groups, which evolve into traditions. BRDP needs to explore how such mechanisms can be developed.

277. In addition, the development of a strategy to mitigate the impacts of droughts, including measures such as monitoring of climate change, the establishment of feed reserves, and earmarking of emergency funds is also needed.

278. Land and Crop Development. Apart from the environmental considerations which could affect de-rocked areas, sustainability implies the preservation of soil fertility through good soil and crop practices, including crop rotations, and a good enterprise mix. Farmers need to be made aware that intensification of their existing farming practices, which is made possible by de-rocking, could lead to increased risks from pests and diseases. There is a need to promote mixed farming practices including adequate crop rotations, to counter this risk. As well as this, it is very desirable for small farms in particular to make the business more robust by spreading the sources of farm incomes. This makes them less susceptible to crop failures and price fluctuations. Anything which works against sustainability needs to be countered by appropriate mitigation measures. In particular, in de-rocked areas, great caution is required to understand the causes of emerging soil erosion, and the possible long-term implications of any changes to the overall water balance.

279. Water Resource Development. IFAD project designs in the present portfolio have only narrowly considered the development of water resources, and not the overall strategic nature of water in Syria. To sustain any type of agricultural development, Syria has no option but to optimize the use of scarce water resources. Increasing the efficiency in water application in ASZs 1, 2, 3, and 4 is essential if production

is to continue to be increased: it would be prudent to consider ranking crops on the basis of units of water used per unit of output. For environmental sustainability in the Badia, establishment of permanent water points needs to be carefully investigated and absolutely linked with the availability of fodder resources – all within an adequate natural resource management plan.

280. Rural Credit. In future projects, four aspects should be given particular emphasis to ensure sustainability of the project-supported credit programme. These are as follows:

- The overall loan repayment rates for CAB were about 75% in 1998, which is unsustainable. Declining loan repayment rates cause shrinkage of the credit funds, weaken institutional capacities and pose a serious threat to the sustainability of the project credit programme.
- CAB personnel need to be involved in the scrutiny and appraisal of loan applications and post-credit supervision of loans, instead of project extension staff exclusively, as at present. This is essential to ensure that CAB is committed to ensuring the timely recovery of loans and is able to continue credit provision for the project-supported activities after the project closure.
- In project agreements there needs to be conditionalities for: (i) the recycling of principal repayments through a Revolving Fund, maintained and operated during and after the closure of the project for a specified period of time; (ii) relief by way of rescheduling of project loans in the event of a natural calamity should be financed by a transparent budgetary allocation and not at the expense of CAB. The programme could be managed by CAB and should be confined only to “non-wilful” defaulters.
- Beneficiaries need to be involved from the beginning in the identification of their preferred IGAs. An individual or group should be allowed to make a truly informed choice, so that they assume full responsibility for the success of the IGA. This may not be the case if they are not fully responsible for the selection of the IGA. In addition IGAs need to be profit-making enterprises; project objectives are undermined when activities are promoted which do not clearly have the purpose of increasing household incomes, and hence helping to alleviate poverty.

IX. RECOMMENDATIONS AND LESSONS

A. Strategic Recommendations and Policy Dialogue

281. This first set of recommendations deals with six key areas identified by the CPE as being crucial in the development of IFAD's and GOS's strategic approach to rural poverty alleviation, which can form the basis of the policy dialogue with GOS for the development of the new pipeline of projects. The second set of recommendations are operational and are intended for the present portfolio of projects.

(1) Poverty Focus

282. IFAD's present development strategy was drawn by a SCGIM in 1992. The SCGIM concluded that Syria had little of the abject, grinding poverty of much of the developing world but the poor are part of a society in which many people are quite well off and in which many more are likely to prosper, as a result of a steadily growing and increasingly commercial economy. In particular the SCGIM identified the need to prevent the leakage and dilution of poverty alleviation measures through inadequate targeting and specificity and lax control of implementation; this was made more difficult because at the time there had been little concrete action to identify and describe the causes and conditions of poverty. The principal measures taken by GOS in the early '90s to combat poverty were the subsidization of basic foods and certain farm inputs. However, the SCGIM concluded that these were not sufficiently targeted at the needy, especially in remote rural villages.

283. There have been progressively stronger attempts in the present portfolio to direct project interventions towards the poor. This can be deduced from the increasing emphasis on activities complimentary to the core de-rocking components that lend themselves to better targeting, and has been assisted by the tacit acknowledgement by GOS of rural poverty, probably best illustrated by the relaxation of the official lending terms of CAB in order to reach the poor. Despite this, the main intervention adopted so far, de-rocking³⁵, does not in practice allow for clear targeting of the poor, and, as has been described previously poverty targeting criteria can be at odds with the proposed land development methods. In addition, the complimentary and supporting project activities aimed at women are also not specifically targeted at the poorest, but are intended for "the productive poor", those with some assets.

284. An important finding of the CPE therefore, is that whilst significant progress had been made in accepting the need to support the poorer sectors of the communities, and while land development has no doubt benefited the poor, scope still remains to improve the poverty focus of IFAD's future strategic approach. The problem is partly related to the targeting mechanisms built into the design of the projects, and partly to the continued lack of knowledge of the poverty situation. ***The CPE recommends that, as IFAD examines its future intervention strategy for Syria in the upcoming COSOP, the question of defining the causes of poverty and the identification of the poorer sectors needs to be given the highest possible priority if poverty alleviation is to be achieved. Strategically, the need is for a study on the causes, extent and depth of poverty.*** In the SCGIM, poverty was defined by geographic area. IFAD supported interventions have so far been in ASZs 1 and 2 for de-rocking and are now starting in ASZ 5 for the Badia. This leaves out ASZs 3 and 4, where there are also thought to be pockets of poverty: a poverty study should also consider the geographic spread of poverty.

285. In the newer projects, BRDP and JHADP, area assessments of average income compared to the poverty line have been used to target interventions. This has eased the poverty targeting criteria and recognized the *de facto* situation that project interventions needed to include entire communities or areas, when these have been accepted on the basis of income levels. To mitigate undesirable effects of de-rocking on income distribution a possible approach, which is evolving, therefore, is to introduce a sliding scale of charges as a cost recovery mechanism.

³⁵ De-rocking has been allocated 46% of overall resources in the portfolio.

(2) A Pro-Poor Credit Policy.

286. Following the economic liberalization policies pursued by GOS, subsidies and production quotas no longer dictate the pattern of agricultural production. The exception to this is CAB, which is used by GOS to provide subsidized credit and farm inputs, and may be used as a relief mechanism in times of hardship, by postponing or cancelling debts. The CPE was impressed at the flexibility shown by CAB in the organization's willingness to adjust its loan conditions to accommodate poverty alleviation criteria, and concluded that over the period of the present portfolio this approach was warranted and had almost certainly contributed to the flow of credit to women, although there is also evidence of leakage of credit away from the poorest groups.

287. However, many disadvantaged rural women and other landless poor still have no access to credit due to their inability to provide co-operative guarantees or personal guarantors acceptable to CAB. This remains a key to any poverty alleviation strategy. A conducive environment to tackle this issue is fast emerging, probably best seen in the objectives of the newly established Gender and Development Unit of MAAR, one of the aims of which is to ensure adequate access for women to resources. Government authorities are now more prepared to concede that the rural population contain assetless poor for whom financial resources must be provided to facilitate growth with equity through opportunities for the generation of increased incomes. The principle of collateral free lending has now been accepted by CAB. A firm foundation to design and implement structured initiatives for provision of micro credit and savings services linked with group activities and traditional community-based activities is also being built up through ongoing and planned pilot initiatives supported by other donors, for example the UNICEF and WHO Healthy Village programme, or the UNDP assisted Rural Community Development at Jebel Al-Hoss.

288. *To take full advantage of this situation, the CPE recommends a policy dialogue between the Government, IFAD and other donors to initiate actions in the new portfolio to develop alternative mechanisms that broaden credit outreach.* Given the flexibility already demonstrated by CAB, these might be promoted through CAB as part of the government's poverty alleviation measures: in this case support might be offered to CAB through project (or other) funding for institutional strengthening and "safety net" funds to compensate CAB for the increased transaction costs and loan risks. Such measures should be aimed at the longer term, so that when groups promoted through NGO/UN agency initiatives are ready to "graduate" to borrowing from the formal sector, then a suitable mechanism would be in place. However, such an approach should not discourage the formation of credit (and other) groups within the new line of projects. The recommendation in this case is for "self-help groups" or "enterprise groups" to be promoted, developing group liability or peer pressure as a substitute for collateral for loans, and promoting among the groups the habit of accumulating small savings (discussed further under participation).

289. The overall strategy being suggested is based on the emerging experience from the present portfolio, whereby groups of beneficiaries are formed and trained, and then linked to responsive government services, which channel project resources. To develop this approach will require further support for training in participatory methods.

(3) Participation and the Involvement of NGOs.

290. In the present portfolio the CPE concluded that, apart from a few exceptions, there was little evidence of support for the development of grassroots organizations, to allow the rural poor to express their own needs, contribute to the development process and sustain the development. However, this needs to be contrasted to the designs, which, with the exception of BRADP, did not actually prescribe an active role for beneficiaries, presumably on the basis of the highly centralized approach adopted by GOS at the time of design. However, beneficiaries have been keen to participate as individuals in de-rocking and some of the IGAs, but this type of involvement does not create the structured platform from which the rural poor can take control of and drive forward their own development.

291. Despite these limitations, the CPE would commend the approach to extension found in SRADP-II, in which the extension service has formed beneficiary groups to identify the key constraints and incorporates farmers' wishes in the work programmes – this is the start of participation. This approach was devised through the TA provided to the project, and was not a part of the design. The impression given is that so far this approach is demonstrating very real benefits both for the extension service and the farmer participants.

292. Some factors in the present portfolio seem to work against participation. For example, participation in decision-making can be counter productive if participants do not have full information on which to base their decisions, as is the case of some women who selected sewing, knitting or flower arranging as IGAs, but were not aware of the potential returns or the marketing constraints. Meaningless participation can also occur when the ideas and wishes of the participants are not taken into account (as may have happened in the case of farmers' groups selection of areas for de-rocking), or when traditional arrangements and agreements are not honoured (as may have occurred in the Badia with herders). Essentially, the litmus test is that beneficiaries are active participants involved in all stages of the development and not passive receivers of resources.

293. The preparation of a new pipeline of projects presents an invaluable opportunity to mainstream identified social issues. ***In particular the long-term benefits to both government and people of self-reliant and participatory development, which could be expanded from the base already established through the activities of the extension service in SRADP-II, should be supported.*** However, the capacity or interest of MAAR in this area is uncertain; if the Ministry accepts this role then IFAD needs to arrange for training in participatory approaches to be provided, probably through international NGOs, to both staff and beneficiaries.

294. In addition to these measures, the CPE found that the present interventions for women, whilst useful, did not compliment the main project activities, and appeared more as “add-ons” to the designs. There is considerable scope and potential benefits from a more comprehensive approach to defining the role of women and comprehensively supporting activities, which would, for example, increase women's access to resources. At the moment, the approach is too piecemeal. MAAR is in the process, assisted by FAO, of developing a Gender and Development Unit to mainstream the development of rural women³⁶. ***As part of the dialogue for a new pipeline of projects, IFAD should consider supporting this unit and balancing this with support for activity funding in specific projects which relates directly to the type of intervention.***

(4) Environmental Impacts.

295. In general the CPE was of the opinion that environmental issues were not given sufficient attention in the design and implementation of the present project portfolio. For the long-term sustainability of the flow of benefits from interventions, this is of concern. Mention has been made before of the possible effects of erosion on de-rocked areas, and the CPE has some concerns over the robustness of farming systems after de-rocking. In the operational recommendations the CPE suggests that MAAR address these problems urgently. ***However, the policy dialogue between IFAD and GOS in the context of developing the strategic thrust of IFAD's approach should include recommendation to give prominence to environmental factors.***

296. ***At the same time the CPE recommends a strategy which seeks to assist MAAR to optimize and assure the longer-term production from de-rocked areas. This might involve instigating soil conservation measures (and rehabilitating some de-rocked areas), promoting different crop mixes and helping to address the marketing/processing questions.*** Such a strategy would also address the issues concerning the sustainability of farming systems (see below).

³⁶ Through and FAO TCP grant (TCP/SYR/6714). Integration of Women in Agriculture and Rural Development, fourth mission report, December 1999.

(5) The Sustainability of Farming Systems.

297. Although the land developments in the portfolio provide a rapid method of increasing production, they could also affect the sustainability of the farming systems they are intended to enhance. This is not just because of the possible environmental impacts discussed above, but also because of changes in the farm mix and the need, in order to realize the benefits of the capital investment in de-rocking, for farmers to be able to sell their produce. The issues are in livestock feed, crop processing and marketing and water resources.

298. Livestock feed. In the present portfolio, with the exception of BRDP, livestock feed issues are not being addressed. The bottleneck in the development of the livestock sector is shortage of feed; present production levels of feed cannot sustain the present livestock populations, which also makes them very susceptible to natural disasters, such as drought. For small farmers the integration of livestock into the farming system is important to enhance robustness of the farming unit and to benefit from the synergy between crops and livestock. Until El Badia rangelands are substantially developed and until cropping patterns are adopted in settled farming areas which include adequate forage production, the dependence on concentrates, barley and crop residues will continue to expand. Unless the government is prepared to legislate or interfere with market conditions to discourage the increase in livestock numbers, then other measures to rationalize forage resources are urgently required. The present subsidies on livestock feed encourage unsustainable increases in livestock numbers. ***One possible strategic measure to be considered is the total liberalization of animal feed imports, production and marketing.*** Such a measure may induce an increase of feed prices at the beginning, but it would also reduce subsidy payments, match the demand for animal feeds to the actual requirements, and stimulate forage production in the medium to long run.

299. Output Diversification. A second issue, which could affect the sustainability of farming systems in reclaimed land, is that the range of outputs is too narrow and could eventually endanger benefits generated by the project interventions. From a technical aspect virtual mono-cropping, as presently seen in many areas, is dangerous as it can result in disease and pest spread, and from an economic viewpoint is a poor policy for small farmers, who can reduce risk to farm incomes by spreading their range of outputs. In addition, opportunities for higher value products are being missed. The CPE concluded that there was an urgent and strategic need to address crop diversification, processing and marketing. To address these problems requires, firstly, research on alternative crops to be undertaken in conjunction with national and regional organizations to develop appropriate solutions in the different ASZs. Secondly, GOS needs to review the price and marketing policy for basic grains (which encourages the production of wheat), and the marketing situation for apples and olives. ***The intention should be to adjust and/or develop new strategies and devise a pro-active programme to promote the development of a dynamic price and marketing policy for agricultural products. This should include the requirements for storage, processing, grading and packaging in order to ensure access to export markets where this appropriate.***

300. Water issues. Finally, there remains the question of water issues, which cover both agricultural and domestic use. Efficiency in water use is an essential measure of sustainability and for many of the rural poor, water is the key to sustaining or improving their livelihoods. In a recent FAO discussion paper³⁷ it was pointed out that it is the urban poor and rural families that are susceptible to food insecurity, especially in severe droughts, whilst at the same time application inefficiencies at the farm result in the largest percentage of total water losses. Whilst the present interventions pay some attention to water issues, the CPE concluded that they were generally insufficient, and need to receive consistent and stronger emphasis including water conservation, harvesting etc in the future portfolio. In particular, the CPE was concerned to find that the maintenance and management of rehabilitated springs beyond project life had not been assured. Whereas there is an acceptance of the need for a community approach, this is not being promoted. ***The CPE recommends that this dimension is considered as one***

³⁷ Preliminary Report of the Current Situation of Food Security in Syria: FAO-Syria. November 1999.

of the main strategic thrusts of IFAD's future approach in Syria. Locally accepted solutions for rehabilitation, conservation and community management of water resources should be addressed urgently.

301. Modern irrigation techniques that can save water and increase the efficiency of use could also be extended, especially where irrigation is based on underground water. *Any improvement of water utilization techniques could be undermined if the proliferation of illegal wells continues³⁸, therefore there is also a complimentary and urgent need for appropriate laws to control and protect the exploitation of water resources.*

(6) Decentralization and the Enabling Environment.

302. IFAD strategy supports the principle of decentralization of government as a means to give local groups more say in the development process and to move decision-making closer to the people. The present arrangements in Syria are that management and direction are still highly centralized, but there is some evidence of the enhanced involvement of the provincial directorates of MAAR in the implementation of project activities: the positive experience of SRADP-II with field units of the provincial directorates such as agricultural extension and WID serves as a proxy model, which could be adapted and adopted for the implementation of other project components. *With the more participatory approach proposed for the new pipeline, the devolving of authority becomes more necessary.* In addition, there is a need to upgrade the autonomy of project managements, so that after approval of the AWPB, the project director is made accountable, but also controls, all project activities and expenditures. Whilst this appears as an operational recommendation for the present projects it is unlikely that much change can be achieved in the present portfolio, *but the CPE recommends that this aspect be fully explored in future deliberations between GOS and IFAD.*

303. To support this process project designs in the new portfolio should pay particular attention to the needs for institutional strengthening in the more devolved structures, including training in participatory approaches for project management and other staff expected to implement these approaches. It may also be appropriate to have Community Development Officers in all PMUs, reporting to the Project Directors. TA could initially be used for this purpose. In order to formalize the role of beneficiaries in the new portfolio consideration should also be given to the introduction of participatory M&E, and to the introduction of joint staff/beneficiary annual workshops to formulate the outline of the annual work programmes.

304. The preceding sections have touched on strategic issues, such as the poverty focus, participation, sustainability of the farming systems and environmental impacts etc, which taken together seek to create an enabling environment which is ever more conducive to the goal of alleviating rural of poverty, and hence supporting GOS development policy. In the present portfolio the main factor detracting from the enabling environment has been the ultra slow and difficult procurement process, which has reduced the potential rate of implementation. **For IFAD, when disbursements in one project become very slow, it hinders the approval of further project loans. There is a need therefore, in discussions to try and identify factors which could affect implementation and the enabling environment and agree how these can be overcome or avoided.**

³⁸ Reportedly in 1999 nearly 47% of the total 135,000 wells were illegal.

B. Summing Up: Proposed Areas of Strategic Emphasis.

305. The strategic areas discussed above have emerged from the work of the CPE. The COSOP will need to look wider than these subjects, which are based solely on an analysis of the present portfolio, but they do provide some specific points which the CPE considers should be included in the TORs for the forthcoming COSOP, and should be part of discussion on the future country strategy.

- Poverty Focus. There is a need for a comprehensive and wide ranging poverty study to define the causes, characteristics, consequences and locations of the rural poor and to identify ways in which they can be best reached. This study should also have a geographic dimension, relevant to the various ASZs, in order to ensure that interventions can be well directed to poverty pockets. The COSOP should prepare draft TORs for such a study, ensuring all points of relevance to the new pipeline of projects are covered.
- The method of targeting has evolved so that area targeting should now be accepted as the more appropriate mechanism for targeting in Syria. Whilst this is inclusive of wider groups and communities, it could be coupled to a cost recovery mechanism designed on a sliding scale to benefit most those with the least resources, but so that those with more assets are required to make greater contributions. This needs to be further defined as a key implementation strategy.
- The IFAD strategy in the new pipeline of projects should primarily support efforts to remove constraints to production, processing and marketing for the poor. Land development activities will continue to be supported by GOS with equipment recently procured for SRADP and CMADP. IFAD's involvement in this sub-sector should be less prominent (if at all). If undertaken, it should necessarily be associated with appropriate environmental assessments, soil and other conservation measures and cost recovery mechanisms. This general strategy needs to be interpreted (also in retrospect) in terms of a possible intervention to assist MAAR, focussing on the question of the sustainability of farming systems in de-rocked areas. This will rely on the development of policies and strategies that address the issues of environmental conservation, animal feed, crop diversification, processing and marketing.
- Water Resources. As a consideration of environmental impacts and also farming systems sustainability, a future portfolio needs to give higher priority to the efficiency and sustainability of water resource utilization and to address the issues of illegal wells. The COSOP needs to investigate the present circumstances and legal aspects and define an approach for the new pipeline.
- Rural Financial Services. IFAD should continue to support CAB, which has shown itself to be responsive to providing credit to the poor. However, there is a need to devise a mechanism to broaden the outreach of credit to reach the poorest groups. This mechanism will probably require additional support to CAB, which needs to be specified. In addition, group formation (for credit and other activities) should be promoted as a means of receiving the credit resources, but the exact mechanisms to do this need to be agreed with GOS, so that a common approach can be adopted for all new projects.
- Participation. Built on the present project experience, practical ways should be sought to extend the long-term benefits to both government and people of self-reliant and participatory development. This will probably need a role to be defined for intermediaries (e.g. NGOs) who are skilled in social mobilization and participation (for training and support to beneficiary groups and project staff). The process needs to be linked to the provision of services from government and semi-government agencies (such as GUP and GUW). The COSOP should define realistic objectives for this mechanism, and describe the processes involved.
- Gender. As part of the dialogue for a new pipeline of projects, IFAD might consider supporting an overall strategy for gender, and balancing this with specific funding in each project which relates

directly to the type of intervention. The intention would be to avoid a “piecemeal” approach to gender in each project.

- Environmental Impacts. It is crucial to agree with GOS that environmental issues will be given the appropriate weighting in any new projects. The COSOP needs to provide a clear statement in this regard. In addition IFAD should find ways to assist MAAR to address environmental and sustainability issues in the present portfolio (emerging from the study on environmental issues in de-rocking described in the operational recommendations).
- Decentralization. The findings for the present portfolio are that the implementation of projects could be improved if more autonomy of the project directors could be combined with additional decentralization of government services. Support for decentralization of government services should be included as a strategic element in the new portfolio. Practical and acceptable ways to do this need to be explored. The identification of the institutional strengthening necessary for this will be necessary, plus practical methods of ensuring that beneficiary participation can play a significant part in the implementation of the new projects. This approach needs to be further defined and agreed.

306. In addition, the CPE would suggest that the COSOP consider:

- Production Activities in ASZs 3 and 4. To date IFAD de-rocking interventions have taken place in ASZs 1 and 2, and BRDP will bring interventions to ASZ 5. However, some of the most disadvantaged areas in Syria are found in ASZs 3 and 4; to define the potential for these areas further investigations should be undertaken in conjunction with Regional Organizations (e.g. ICARDA) which are knowledgeable about the technology appropriate to conditions in these zones. In both areas farming systems are mainly based on the mono-cropping of cereals, linked with livestock production. Actual yields of most crops are far below potential. In ASZ 3 it would be possible to consider the development of cereal cropping mainly through diversification of activities and improvement of production techniques. For ASZ 4, it would be more beneficial to develop linkages between cropping and livestock production systems. The inclusion of fodder cropping and some semi-intensive livestock production systems could also be considered.
- Joint Donor Approaches. The idea of policy dialogue should be extended to a wider comprehension of other donor interventions, investigating the possibilities of co-financing and ensuring that participatory approaches are more or less uniform. Adaptation and expansion of replicable development models piloted under other donor financing, which use community- based, participatory and poverty targeted approaches should be a prime target. Present experience also argues for a future IFAD focus on smaller, better-targeted and more intensively supervised loans (i.e. with a local partner).

C. Operational Recommendations

307. This section presents the key recommendations of the CPE for the ongoing project portfolio.

(1) Social Issues

- Women’s limited access to Resources. Whereas targeting of women has succeeded, targeting of the poorest women has not usually been achieved. It has been most successful in extension, less in training and rarely succeeded with credit. Activities targeting women should be more poverty sensitive and consider poorer women’s constraints to access. These include: women’s lack of traditional participation in marketing, time constraints, limited control over their time, decisions and income, and lack of social access to appropriate guarantors for credit.
- Selection of IGAs. Where women did expect income from IGAs and took out loans for expensive equipment, the CPE found that credit had sometimes become a liability that risked deepening

poverty, rather than the reverse. Hence some IGAs have not contributed to the achievement of the poverty alleviation objectives of the projects. The recommendation is to revise the identification, analysis and promotion of women's IGAs, so that there is more assurance that IGAs promoted will be profitable.

- Women need to be provided with better information on credit. Conditions of credit should be fully explained, including the interest rate and repayment requirements (traditional concerns over interest payments appeared to be a problem with poorer women). Savings needs to be emphasized and women's savings groups (Jamia) should be encouraged. Loan repayment requirements may also need to be explained to husbands or fathers.
- Village level leadership training. The training of village level group and committee members will be an important aspect of participatory capacity development under approved as well as future IFAD projects. Training used under ECSWA (administrative skills and co-operatives management) and under the HVP (training in participatory approaches) can be adapted for IFAD projects and replicated.

(2) Farming Systems

- EIAs for De-rocking areas. To avoid and/or mitigate any undesirable side effects from de-rocking, it is highly recommended that a special team be formed in MAAR (with international support if needed) to undertake a full evaluation of the countrywide experience of land reclamation. The objectives of the evaluation should be: (i) to review the technical aspects of de-rocking and to assess the risks of soil erosion (plus defining appropriate mitigation measures); (ii) to look at the effects on the water balance in general, including underground water recharge; (iii) to evaluate the impacts on farming systems, and particularly on the livestock sub-sector, and (iv) to assess the impacts on local flora and fauna.
- The Utilization of De-rocked Land. Whilst more land continues to be developed through de-rocking, the CPE saw numerous sites which were poorly utilized and/or partly abandoned. This needs to be investigated and rectified. If the reclamation is found to be deficient, projects should consider giving priority to the rehabilitation of such land. (CMADP has already adopted this approach; SRADP II, in particular, should devote the remaining period of project life to rehabilitation.)
- Diversification of Crops. Whilst the scope of research into the diversification of crops and the preparation of specific packages of technical recommendations for each ASZ need to be addressed for the longer term, under the present portfolio activities should be started which might have short term impacts, for example:
 - Walnut expansion in ASZs 1 and 2, especially in high altitudes;
 - Screening of fig tree varieties (local and from other countries) and promotion of promising varieties, mainly in ASZs 3 and 4;
 - Development of cosmetic and pharmaceutical plants;
 - Consider the production and processing of truffles, which are highly appreciated internationally and for which there is a good market in the Gulf States.
- Regional Comparative Advantage. The principle of regional comparative advantage should be applied to the promotion of different crops, livestock and outputs. This is in order to promote the efficiency of production and to ensure the maximum competitive advantage in regional markets. For example, goat cheeses, apples and milk products all have preferred production zones.
- De-rocking Charges. As farmers are repaying only about one-third of the full cost of the de-rocking operations, and given the substantial benefits to the farmers from land development, consideration

should be given to introducing a sliding scale of charges related to the amount of land de-rocked. By this means the amount of subsidy could be decreased as the land holding increased.

- Training for Rangeland management. Syria is suffering from a tremendous shortage of range management specialists, but rangeland development and management will be a major growth area for the future. To address this need it is recommended that priority be given to providing training at all levels for rangeland management.
- Milk Marketing. Consideration should be given to the organization of the milk sub-sector at national level: the study carried out on milk in SRADP II should be duplicated in all other areas where milk production is important.
- Coordination of Research Activities. The CPE found evidence that programmes dealing with genetic manipulation of breeds were being duplicated, and recommends that these programmes should be synchronized and harmonized. In particular this concerns ACSAD and MAAR, as both organizations are involved in *Awassi* sheep and *Shamy* goat protection and promotion activities. Criteria and modalities of selection should be commonly agreed and research results exchanged in total transparency.
- Immunization Records. Due to the mobility of livestock (mainly sheep) within the five ASZs and to the possible unawareness of some sheep breeders or hired shepherds, contagion risks are high. This requires a programme of education on the possible risks, plus an enforcement of immunizations; the mission recommends that owners be required to keep records of immunizations for all animals.

(3) Water Development

- The Efficiency of water use. As there is a particular problem with the depletion of ground water, projects, which include the possibility of irrigation, should also promote modern irrigation techniques that can save water and increase the efficiency of use. To emphasize the efficiency of water use to farmers and planners a scale could be derived to compare the gross water used to the production of the crop. Hence crops could be ranked on their relative efficiency of water use.
- Water harvesting. Run-off reservoirs, as proposed for the Tartous area (but also applicable to Lattakia and many other sites in Syria), are traditional methods of water harvesting. Whilst these can and should be further promoted, the CPE recommends that some of the technical parameters are re-considered, for example, measures could be taken to limit evaporation, and to minimize pollution and contamination. In addition, more attention should be given to the construction and use of underground cisterns to collect roof water.

(4) Rural Credit

- Promote Savings: Savings mobilization offers advantages of consumption smoothing and source of funds in times of emergencies for low-income clients. As part of the project-supported credit programmes, savings schemes should be introduced to foster and institutionalize the savings habit among the project beneficiaries.
- Revolving Fund: CAB should set up a Revolving Fund to deposit repayments of livestock and other IGA loans under SRADP-II. The Fund should be used to provide new loans for these activities.
- Provide Information: If individuals are encouraged to take credit for inherently risky activities, and all small businesses have a degree of risk, then they must be fully involved and informed. If not, then the responsibility lies heavily with the project staff. A key role for the projects must therefore be the supply of adequate information for decision-making.

- Streamline Credit Planning: Annual credit plans should be prepared and circulated before the beginning of the financial year to which they relate in order to avoid delays and ensure timely delivery of credit. To achieve this, the EUs should start estimating the demand for credit for the various activities well in advance (from the beginning of September). The demand estimates should be prepared with community participation.
- Determination of Loan Amounts and Repayment Periods: SSR in use at present is over 3 years old. It does not permit determination of loan amounts based on local variations and incorporates pre-fixed repayment periods. Instead, therefore, typical activity models should be prepared and reviewed periodically to determine loan amounts and repayment periods to suit each activity.
- Appraisal of Women's IGA Loans: Loans for women's off-farm and home-based activities should be evaluated in terms of interest and ability of the beneficiary to run an income generating operation and commercialize marketing of the merchandise. Loans for non-earning activities, which would result in increasing family financial burden, should be discontinued.
- Include Working Capital: For each specific IGA an assessment should be undertaken to estimate working capital needs and include appropriate provision in the loan.
- Provide Marketing Support: Along with the expansion of coverage of the project-supported credit activities, consideration should be given to provide marketing support, in particular for perishable produce such as milk and dairy products. This would, where appropriate, include processing for which loans could be given, as well as provisions within project allocation for investments in storage, processing and transportation.
- Ensure Sustainability: A beginning should be made to associate CAB branch staff with the staff of EUs in the processing and appraisal of loan applications as well as during post-credit supervision visits to not only facilitate eventual recovery of loans but also ensure post-project sustainability of credit operations. In addition, CAB project area branches should be requested to maintain separate and up-to-date data on loan repayment rates for project loans and their regular programme loans. Their declining loan repayment rates threaten the viability and sustainability of the project supported credit activities. CAB should, therefore, make strenuous efforts to ensure timely recovery of loans and substantially improve the loan repayment rates.
- Implications of Decree on Loan Rescheduling: Due to two successive droughts, GOS (by Presidential Decree N°. 2 of April 2000) has rescheduled the repayment of all loans due as on 31 December 1999 over a period of five years from the beginning of 2001 and the payment of interest has been waived if rescheduled loans were repaid on time. The financial implications for CAB should be examined for appropriate follow up action to avoid erosion of CAB's financial (and lending) capacities.

(5) Organization and Management

- Autonomy of Project Management. The involvement of the Ministry, the Minister and the deputy Ministers in the daily operations of the projects should be reduced. The project management should be more autonomous, and the project director should be made accountable for all project activities and expenditures, after receiving policy guidelines from the Minister and after the approval of AWP&B by the CPCC.
- Upgrading the M&E Units. The position of M&E Units and its officers should be reconsidered. The head of the M&E Unit should be assigned as an adviser to the Project Director in planning, implementation and strategy formation. At the province level, specific monitoring units should be established that are solely responsible for M&E and planning, and that should not be involved as "Programme Support Divisions" or responsible for implementation of project activities. The overall intention is to upgrade and strengthen the M&E function within the projects.

- Redundant Staff. The government should avoid employing or deploying staff beyond the operational needs of the project. In addition to costs incurred, unmotivated, untrained, underpaid employees adversely affect project implementation. In fact many temporary employees have educational qualifications which are irrelevant to the needs of the projects. The projects' staffing should be lean, efficient and well paid. The systems of incentives in SRADP II, linked to production (i.e. rate of land reclamation per operating unit) has produced good results and should be adapted and adopted by other projects.
- Staff Training. There is an urgent need to upgrade and increase the training of the workforce, especially in the newer projects, CMADP, JHADP and BRDP. These projects should utilize the experience of SRADP in training of drivers of heavy machinery and mechanics. Training in computer skills, M&E, and finance should also be intensified. Training could be more cost effective and relevant if undertaken in country or in other Arab states such as Egypt, Morocco or Kuwait.
- Management of the Special Account. The special account should be carefully managed to ensure timely replenishment. Its prudent and efficient utilization helps the implementation of project activities, for example, through timely procurements. If IFAD agrees to the capitalization of the operational expenses of land development (and reimbursement from the loan proceeds), then the special account should be increased to an appropriate level depending on the situation of each project.

(6) Monitoring and Evaluation

- Progress Report Contents. In addition to physical descriptions, the M&E Units should seek to make some form of qualitative assessments of the implementation experience. The CPE recommends that, in addition to physical and financial progress, progress reports aim to provide more information on *who* has access to project services and inputs; *beneficiary reactions* to project interventions and the performance of credit provided under the project. In addition, Annual Reports should aim to include information on³⁹:
 - The extent of participation of IFAD's target group in implementation;
 - An examination of a selection of investment proposals for IGAs, showing extent of village involvement/contributions, number of beneficiaries and expected returns;
 - An estimate of the numbers and categories of beneficiaries, and the nature of direct and indirect benefits.
- Workshops for Consolidating M&E systems. The CPE concluded that it would be beneficial to the projects if a series of workshops could be arranged to compare M&E systems. The purpose would initially be to help establish report formats, to streamline activities and to develop standard procedures. The projects would also benefit from assistance in selecting the most appropriate indicators that are both informative and easy to collect.
- Funds for Studies and Surveys. The extent of the M&E is being limited by non-use of studies and surveys to compliment directly monitored activities. The reason for this is the lack of allocation of funds for studies and surveys: the mission strongly recommends that this restriction is lifted. Incentives are required for extension workers, field working units and credit officers to collect information through contact with beneficiaries as necessary; procedures to enable this should be established.

³⁹ This work should be given out to suitable organisation, and commissioned as special evaluation studies.

APPENDIX I

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APPENDIX II

LIST OF PERSONS MET

Ministry of Agriculture and Agrarian Reform (MAAR)

H.E. Asaad Mustafa	Minister
Mr. Arfan Aloush	Deputy Minister
Dr Hassan Ahmed	Deputy Minister
Mr. Zuhair Darwish,	Director, Agricultural Extension Department
Ms. Raeda Ayrub,	Head WID Unit
Mr. Mohamed Khazma,	Director, Agricultural Economics Department

Cooperative Agricultural Bank (CAB)

Mr. Mustafa I Dawa,	Director, Credit Department, Head Office, Damascus
Mr. Mohammed Saeed Ageel,	Deputy Director, Credit Department, Head Office, Damascus
Mr. Mohammed Sabah Saqual,	Branch Director, Aleppo
Mr. Yacoub Saleem,	Branch Head of Credit, Aleppo
Mr. Mohammed Abbas,	Branch Director, Latakia
Mr. Mansoor Wakeel,	Branch Director, Sweida
Mr. Fawaz Ahmad,	Director for SRDP Loans, Sweida
Mr. Zaidan Sa' dat,	Branch Director, Qatana, Rural Damascus

Project Staff

Mr. Abdal Gadi Arshid	Project Director, SRADP II
Mr. Naser Al-Samara,	Agricultural Extension Coordinator, SRADP II PMU, Kissweh
Mr. Moutaz Baghdad,	Credit Coordinator, Provincial PMU, Latakia
Ms. Nadia Sheikh Mohammed,	Agronomist, M & E Unit, JHADP PMU, Binan
Eng. Ibrahim Shiha	Provincial Project Director, CMADP, Homs
Eng. Hasan Al Lubnani	Director, Extension Unit, CMADP, Homs
Eng. M.M. Rashid	Project Director, JHADP
Eng. Al Yas. Andrawes	JHADP
Eng. Isam Zal-Noun	Ali Al Ali Project
Eng. Mahmond Hafiz	Financial Manager, JHADP
Mr Abdel Gadir Al Esa	Deputy Minister, Provincial Director, Aleppo
Mr Mohiel Din Abu Dan	Deputy Provincial Director, Aleppo
Mr Amin Abdel Aziz	Provincial Director, BRDP, Dir Ezzor

Dr Abdel Mohsin A. Omen	Director, Agriculture, Dir Ezzor Province
Mr Ahmed Al Mihidi	Director, Desertification Control Project
Mr Khalid Shawkat	Director, CMADP
Mr Samir Azzan	Chief, Machinery Unit
Mr Atlia Al Hinidi	

CARE International

Lana Balkar	Trainer
Johan Ramon	Country Representative

ICARDA, International Centre for Agricultural Research in the Dry Areas

Mustapha Bounejmate	Forage, Pasture and Range Specialist, Natural Resource Management Project
Adriana Bruggeman	Agricultural Hydrology Specialist, Natural Resource Management Project
Luis Iniguez, PhD	Senior Small-Ruminant Scientist, Natural Resource Management Program
Ahmed Mazid, PhD	Agricultural Economist, Natural Resource Management Program
Farouk Shomo	Economic Research Associate, Natural Resource Management Program
Mahmoud B. Solh, PhD	Assistant Director General for International Cooperation
Richard Tutwiler, PhD	Program Leader, Natural Resource Management Program

United Nations Development Programme (UNDP)

Mr. Omar Imady,	Program Officer, Damascus
Ms. Inass Sarraj,	Sr.Program Assistant, Damascus
Mr. Abdul Razzak Doksi,	National Project Manager, Rural Community Development at Jebel Al-Hoss, Binan

Food and Agriculture Organization of the United Nations (FAO)

Mr. Salim Zahouch,	Programme Assistant, Damascus
Mr. Mohammed Mirreh,	Chief Technical Adviser, Range Rehabilitation and Establishment of a Wildlife Reserve in the Syrian Steppe Project, Palmyra
Emad Zaki El Hawary	Chief Technical Advisor

World Food Programme (WFP)

Mr. Tarek Shayya, Programme Officer, Damascus

United Nations Children's Fund (UNICEF)

Mr. Narinder Sharma Programme Coordinator, Damascus

Ms. Siham Dillo, Programme Officer, Damascus

United Nations Development Fund for Women (UNIFEM)

Mr. Aref Al-Sheikh, Project Coordinator, EU/UNIFEM Women's Economic
Empowerment Project, Damascus