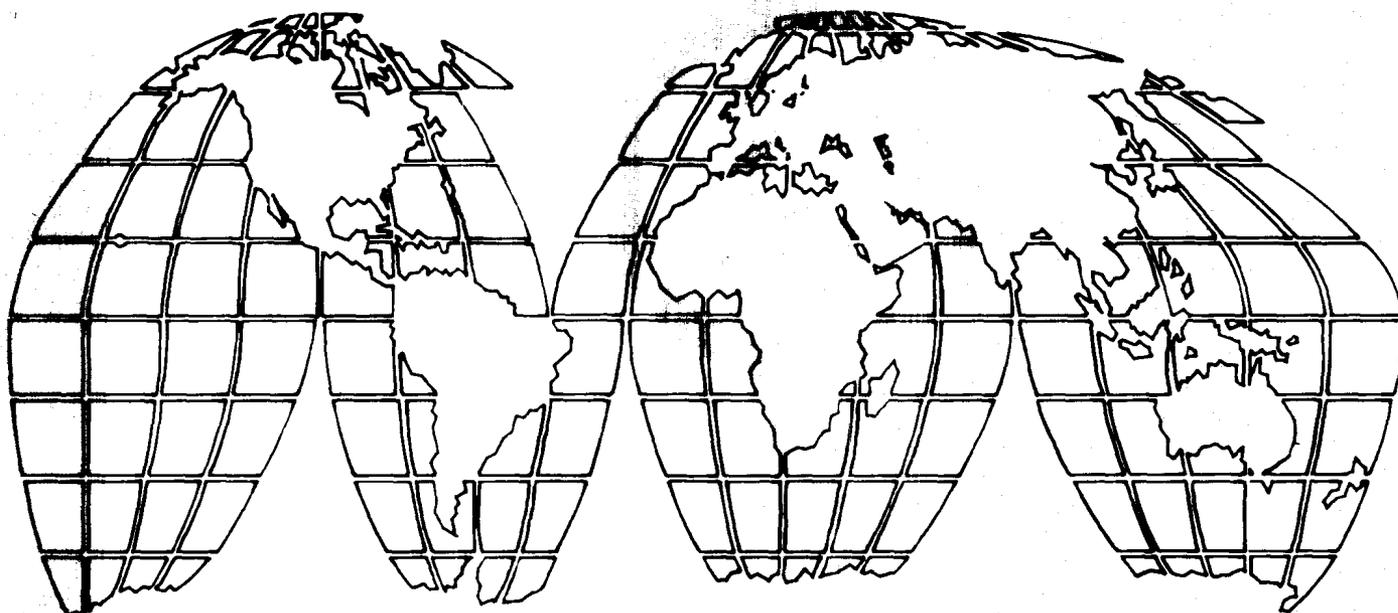


A.I.D. Evaluation Special Study No. 21

Program Review of the International Fund for Agricultural Development (IFAD)

BEST AVAILABLE



January 1985

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PROGRAM REVIEW
OF THE
INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT (IFAD)

AID EVALUATION SPECIAL STUDY NO. 21

Center for Development Information
and Evaluation
U.S. Agency for International Development

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FOREWORD

This program review of the International Fund for Agricultural Development (IFAD) was carried out by the Center for Development Information and Evaluation in the Bureau for Program and Policy Coordination of the U.S. Agency for International Development (USAID). The review is timely. It has been 10 years since the 1974 World Food Conference called for the establishment of IFAD and voiced "the need for a substantial increase in investment in agriculture for increasing food and agricultural production in the developing countries." The urgency of the world situation expressed then is no less important today. The stark images of famine in Africa only accentuate for us the seriousness of hunger and rural poverty still prevalent in many parts of the world.

It is thus desirable to review IFAD's performance. How has its mandate to assist small farmers and the rural poor and to promote food production in developing countries been carried out? What has been the impact of its program?

This program review provides some important insights on IFAD's policies and programs. I believe IFAD's special role in the international development community, to address the problems of hunger and poverty in the developing world, will be better understood as a result of this report.

M. Peter McPherson
Administrator
Agency for International Development
Washington, D.C.
January 1985

SUMMARY

The USAID program review of the International Fund for Agricultural Development was conducted from June to December 1984. The review assessed how well IFAD was fulfilling its mandate to alleviate hunger and malnutrition in the poorest areas of the world. The review examined IFAD's success in reaching its target group, in achieving its food production and income goals, in implementing sustainable projects, and in playing a special role among development donors. IFAD's policies and procedures, its performance, and its relationship to U.S. development assistance policies were also examined.

The review was carried out by USAID professional staff under the direction of the Center for Development Information and Evaluation. The review team visited a total of 19 projects in 14 countries, examined various IFAD reports and documents, and interviewed IFAD staff and others on several occasions.

IFAD's MANDATE AND STRUCTURE

IFAD was created with an unusual mandate and structure that define its role among international donors. IFAD was formed specifically to address "the need to increase food production in the poorest food deficit countries, the potential for increasing food production in other developing countries, and the importance of improving the nutritional level of the poorest populations in developing countries and the conditions of their lives."¹ IFAD's performance is shaped by its reliance on other development organizations to appraise, implement, and supervise its projects; its requirement to maximize cofinancing of projects with other donors; its small professional staff; its modest level of funding; and its broad range of eligible recipient countries. As a fund, IFAD provides supplementary financing; as a development agency, it advocates its specifically mandated objectives.

IFAD's PERFORMANCE

IFAD's first step in developing projects is to identify the target group. This is the essence of IFAD's poverty-centered approach, which is based on the belief that "the rural poor comprise the developing world's greatest untapped resource of

¹IFAD, Lending Policies and Criteria, 1978, p. 1.

labour, skills, and enterprise."² The review team found that IFAD's efforts to define, identify, and reach the poor have been generally successful and that all of the projects visited benefited small farmers or the landless.

The primary objective of IFAD's projects is to increase the production of low-cost foods and enhance the food purchasing power of the rural poor. Although IFAD's potential for increasing food production and incomes can only be estimated at this time given the newness of most projects, increased yields and incomes were already apparent in some projects. Over time, IFAD must provide leadership in developing new ways to stimulate increases in food production and rural incomes. During its site visits, the team found evidence to suggest that this leadership role is emerging in the design of credit projects, the promotion of donor involvement in higher risk projects, and the introduction of new and more appropriate technologies. Not all projects demonstrate IFAD's special role because, in some cases, IFAD's programmatic interests have been subordinated to those of other donors.

IFAD's poverty-centered approach has been successful in many IFAD projects. However, to find its "niche" as a leader in designing and implementing small farmer development projects, IFAD must continue to analyze its own and others' experience; it must spread the expertise it has gained with strategies appropriate to its mandate, for example, in quick-yielding food production projects.

Integrated Rural Development Projects. As a group, the projects visited by the review team showed good potential for increasing agricultural production, rural employment, and income. Social impacts also appeared to be positive. Startup delays were common and shortages of counterpart funds were frequent. Once underway implementation proceeded smoothly in most instances. The use of separate project management units contributed to this smooth implementation, but might hinder long-term institution building and limit project sustainability. The scale and intensity of inputs relative to host country capabilities may cause sustainability problems in some cases.

Irrigation Projects. The success of IFAD's irrigation projects has been mixed, which raises questions about IFAD's ability to appropriately target benefits from larger irrigation schemes. The review concluded that IFAD should participate in such irrigation projects only when their food production potential is high; poor farmers will be the predominant beneficiaries; operation,

²Ibid., p. 2.

maintenance, and equity issues can be effectively addressed; and IFAD's participation is essential to ensure that these objectives are met. IFAD's trend towards supporting smaller scale irrigation projects is a positive one.

Credit Projects. There is a natural congruence between IFAD's mandate to target project benefits and the individualized nature of credit delivery. IFAD-financed credit activities demonstrate a consistent pattern of innovation and experimentation in reaching the poor, but show some potential weaknesses related to sustainability of benefits.

Agricultural Production Projects. This diverse group of projects, which includes agricultural research, extension training, inputs, and livestock activities, has showed varied results to date. Some projects, such as the innovative Indonesian cattle project, promise immediate production increases, while others will have longer term and less direct impacts on small farmers and the landless.

IFAD IN RELATION TO U.S. DEVELOPMENT ASSISTANCE POLICY

The review team examined IFAD's program in relation to important concerns of U.S. development assistance policy: policy dialogue, private sector development, institutional development, and technology transfer.

IFAD shares USAID's recognition of the importance of these concerns, but IFAD's influence is constrained by a variety of factors, such as its reliance on cooperating institutions for project appraisal and supervision, its diverse membership, and its limited staff.

IFAD's strength in policy dialogue is its commitment to focusing the attention of other donors and host governments on the needs and capacities of the rural poor. Several IFAD projects have promoted the use of private merchants and firms or strengthened private small farm operations and rural enterprises. Although IFAD is concerned with strengthening institutional capacities through training and technical assistance, it has had difficulty developing adequate institutional and financial mechanisms to sustain long-term project benefits. Technology transfer is basic to IFAD's work with small farmers, and nearly all of IFAD's projects seek to transfer new technologies or to institutionalize improved means of technology transfer. IFAD has effectively combined project elements in new ways and applied labor-intensive technologies more appropriate to the needs of small farmers.

OTHER ISSUES

Women in Development. Women and girls are a vital part of the food production system in most developing countries and also play an extremely important role in family nutrition. They are also overrepresented among the poor and constitute a large share of IFAD's target population. IFAD recognizes the importance of women to the achievement of its development objectives and has demonstrated its ability, in some of the projects visited by the team, to enhance their productive roles. Women, however, remained underrepresented compared to the centrality of their role in achieving IFAD's objectives. More experimental activities are recommended.

Monitoring and Evaluation. IFAD places a high priority on monitoring and evaluation, especially on improving indigenous monitoring and evaluation capacities. Although progress has been made in a few projects, project-level monitoring and evaluation have proved more problematic than IFAD had envisioned.

CONCLUSIONS

IFAD is making a significant contribution to improving the economic condition of the rural poor in developing countries. It is increasingly well accepted as a donor institution by the developing countries because of its commitment to its special mission. Its small size and its focused and experimental approach to alleviating problems of rural poverty provide the basis for a leadership role.

IFAD has undertaken a thorough analysis of the causes and characteristics of rural poverty and has articulated a poverty-alleviation strategy. An equivalent analytical effort to articulate IFAD's specific role in the technical aspects of smallholder agricultural development is now called for, IFAD's expertise in implementing quick-yielding production strategies and poverty-oriented rural credit schemes is substantial after 7 years of experience. The application and dissemination of this knowledge to others is the key to IFAD's impact on the particular development problems IFAD was created to address.

Projects that best demonstrate IFAD's special character have well-defined target groups and clear mechanisms to reach them. Many are introducing quick-yielding food production techniques using technologies adapted specifically for small, low-income farmers. Some are introducing comprehensive packages of integrated services to remote or very poor, underdeveloped and geographically well-defined areas. Most emphasize the large-scale

production of low-cost foods with a large potential impact on production and on-farm employment.

Projects that lack a distinctive IFAD contribution tend to emphasize large-scale infrastructure investments, to provide services or introduce technologies that benefit IFAD's target group only indirectly or over the longer term.

Although IFAD has directly provided US\$1.8 billion in funding over the past 7 years, to be most effective it must combine with and redirect the resources of other donors and host countries. Cofinancing is thus an essential feature of IFAD's operations, and IFAD should pay greater attention to assuring that its own priority interests in serving the rural poor are fully represented in cofinanced projects. Broadening the range of institutions chosen for cofinancing, particularly for IFAD-initiated projects, will provide greater flexibility and offer more opportunities for spreading IFAD's influence.

IFAD relies on cooperating institutions to design and implement its projects. These arrangements have proved to be both advantageous and problematical for IFAD. They should be examined to determine how IFAD's influence over its projects can be strengthened.

Because of its membership structure, IFAD has been under considerable pressure to respond to requests from a large number of countries. While this effort to reach all member countries is understandable, it limits and diffuses IFAD's impact. A greater concentration of program activity in fewer countries might well be preferable.

In sum, IFAD's performance during its first 7 years is a positive beginning. IFAD's special role in identifying new approaches to increasing food production and incomes among the rural poor is emerging. This is at least as important and as urgent an aspect of international development programs now as it was when IFAD was created.

1. INTRODUCTION

The U.S. Agency for International Development's (USAID) program review of the International Fund for Agricultural Development (IFAD) was conducted during the summer and fall of 1984. Interest in IFAD's progress had been growing within the donor community and within IFAD itself, especially given the continuing discussions regarding IFAD's second replenishment. The Canadian Government carried out its own assessment of IFAD in early 1984. At about the same time, the Federal Republic of Germany evaluated three IFAD projects in its review of donor-financed self-help efforts. IFAD also undertook its own mid-term evaluations of 14 projects. By the end of 1984, IFAD had been in operation for 7 years. It had completed 6 projects, was implementing 160 projects, and was developing 86 more. About US\$1.8 billion had been committed in 84 developing countries. The USAID Administrator believed that a more extensive review of IFAD's program would be particularly helpful at this time to inform decisions on IFAD's future.

2. METHOD OF THE REVIEW

The IFAD program review was guided by a series of questions on issues of most importance to the United States. These questions were developed through discussions within USAID and with key personnel from other U.S. Government agencies participating in the Intra-Governmental Working Group on IFAD (Departments of Treasury, State, and Agriculture). They focused on IFAD's success in fulfilling its mandate to alleviate the problems of widespread hunger and malnutrition in the poorest areas of the world. The questions fell into the following categories:

- IFAD's Target Group: How well has IFAD targeted assistance to poor small farmers and the rural landless?
- IFAD's Food Production and Income Impact: Has IFAD's assistance increased agricultural production, access to food, and/or incomes in food-deficient areas?
- IFAD's Special Role: Have IFAD's projects addressed problems that other donors address insufficiently or targeted assistance to groups or regions that others do not reach? In light of IFAD's narrow program focus on small farmers and the rural landless, has IFAD developed new or innovative forms of assistance?
- Project Implementation and Sustainability: Have IFAD projects been implemented satisfactorily? Has IFAD's unique structure (requirements to maintain minimal

staff, to work through cooperating institutions, and to cofinance projects with other donors) functioned effectively? Will IFAD's interventions be sustainable after projects are completed?

These questions define the general themes of the review. Within this framework, other issues relating to IFAD's policies, procedures, and projects were also examined. These include IFAD's performance in the sectors covered by its project portfolio, the relationship of IFAD's program to U.S. development assistance policies, and IFAD's stated interest in women in development and monitoring and evaluation activities.

The review synthesized information from a variety of sources, including IFAD documents (annual reports, policy statements, project identification and appraisal reports, project supervision reports, and consultant reports), documents of cofinancing institutions, interviews with IFAD staff, interviews with representatives of cooperating institutions, and field visits to a sample of IFAD projects throughout the world. This information was analyzed in relation to the key questions outlined previously.

The review was conducted by a team of eight current and one retired AID officers from July through October 1984. After analyzing core documents, the review team visited IFAD headquarters to clarify the scope and purpose of the study and to collect additional data. Interviews were conducted with IFAD managers, with U.S. and other executive board members, with the Food and Agriculture Organization Investment Center staff, and with others.

The team then prepared for site visits, selecting a sample of projects that provided for variation in project characteristics, including geographic location, substantive focus, size, financing, and initiating institution (IFAD or other). The sample was limited to countries where USAID missions could assist with logistics and provide country expertise. The review team also considered IFAD's views concerning which projects were especially successful or problematic, and which could be visited in a short timeframe.

The site visits were not intended to be project evaluations. Teams spent only 3 to 5 days visiting each project. Although team members observed project activities and interviewed a range of host government officials, project managers, cooperating institution officials, and project beneficiaries, data collection was necessarily limited. Neither expected nor actual project rates of return could be calculated. The site visits were intended to give experienced development officers an overview of project management, activities, problems, and goals as a basis for assessing IFAD as an institution.

The project sample encompassed a range of significant IFAD project characteristics. Geographically, it included five projects in Latin America and the Caribbean, three projects in the Near East, three projects in Africa, and eight projects in Asia. Substantively, it included six agricultural production, three irrigation, six integrated rural development, and four credit projects. Two of the projects were started in 1978, four in 1979, six in 1980, four in 1981, one in 1982, and two in 1983. Five projects were IFAD initiated and solely financed, three were IFAD initiated and cofinanced, and 11 were non-IFAD initiated and cofinanced.

The review did not directly compare IFAD's activities with those of other donors. It did not examine specific issues related to the replenishment of IFAD's funding, nor did it consider IFAD's internal management. The goal of the review was to assess IFAD's special contribution to alleviating hunger and improving food production among small farmers and the rural poor.

3. DESCRIPTION OF IFAD

IFAD was established to address complex and widespread problems of rural poverty in the developing world. It seeks to increase food production, raise incomes, and enhance nutritional levels among the poorest and most food-deficient populations. Other development agencies and international lending institutions share these concerns and many, including USAID, have programs to address them, but IFAD is the only donor to "specialize" in these issues.

IFAD was created with an unusual mandate, structure, and size. These characteristics, and the interplay among them, define IFAD as an institution with a special role among international donors. Significantly, its primary program purpose--increasing the self-reliance of small farmers and the rural poor--is one that other donors have found extremely difficult to achieve. IFAD's challenge is to finance activities that, "although poverty focused, represent economically sound developmental efforts."¹

This section briefly describes those distinguishing elements of IFAD that define the context for a review of IFAD's program.

¹IFAD, 1983 Annual Report, p. 27.

3.1 IFAD's Mandate

IFAD was created in the mid-1970s at a time when economic development strategies were being reassessed worldwide. Robert Ayres in his book Banking on the Poor describes these changes at the World Bank: "Particularly after 1973 the Bank diversified . . . its funds away from an almost exclusive concern with funding projects of basic economic infrastructure towards projects explicitly devoted to the alleviation of poverty in less developed countries."²

This new emphasis on poverty alleviation was simultaneously taken up by other international organizations, bilateral donors, and national governments. In the United States the Foreign Assistance Act of 1973 mandated a change in the "whole approach to development by concentrating on the needs of the poor."³

One major element of this new poverty-oriented development strategy was the identification of smallholder agriculture as a target for greatly increased assistance. While many, if not all, donors developed their own programs to accomplish this, the need was considered to be so large that a specialized agency was also conceived.

The 1974 World Food Conference recognized

the need for a substantial increase in investment in agriculture for increasing food and agricultural production in the developing countries; that provision of an adequate supply and proper utilization of food are the common responsibility of all members of the international community; and that the prospects of the world food situation call for urgent and coordinated measures by all countries;

and resolved

that an International Fund for Agricultural Development should be established immediately to finance agricultural development projects primarily for food production in the developing countries.⁴

²Robert L. Ayres, Banking on the Poor (Cambridge, Massachusetts: MIT Press, 1983), p. 1.

³Ayres, p. 9.

⁴From the Agreement Establishing IFAD, 1977, p. 2.

The agreement establishing IFAD became effective at the end of 1977. IFAD's mandate was spelled out in this agreement and in IFAD's Lending Policies and Criteria, published a year later.

The objective of the Fund shall be to mobilize additional resources to be made available on concessional terms for agricultural development in developing Member States. In fulfilling this objective the Fund shall provide financing primarily for projects and programmes specifically designed to introduce, expand or improve food production systems and to strengthen related policies and institutions within the framework of national priorities and strategies, taking into consideration: the need to increase food production in the poorest food deficit countries; the potential for increasing food production in other developing countries; and the importance of improving the nutritional level of the poorest populations in developing countries and the conditions of their lives.⁵

Since 1978, IFAD has translated this original guidance into an operational program. While the broad thrust of IFAD's original mandate is clear, considerable refinement and definition of the ideas and concepts have been necessary.

The process of defining the target group, analyzing the causes and characteristics of rural poverty, and developing a philosophy and approach has taken IFAD time. It also paralleled the task of setting up the new organization, establishing a staff, and initiating a large portfolio of projects. The process culminated in the publication of "Towards an Investment Strategy for the Rural Poor" in the 1983 Annual Report. Here IFAD synthesizes its first 6 years of experience in the analysis of rural poverty. This publication and earlier reviews of credit and integrated rural development activities represent benchmarks in IFAD's understanding of its mandate and its development of an organizational "imprimatur" specifically addressing the food production needs of the rural poor.

3.2 IFAD's Structure

Just as IFAD's mandate reflected the international development community's concerns when IFAD was created, so did its

⁵IFAD, Lending Policies and Criteria, 1978, p. 1.

administrative and organizational structure. The donors widely agreed that they should avoid creating another large bureaucracy in the already extensive United Nations system. Thus IFAD was required to remain small by operating with a minimum staff and cooperating with other institutions and using their expertise as much as possible.

IFAD's funding was also limited. Its resources were meant to be catalytic, to "mobilize additional resources" toward its objectives. IFAD was therefore required to cofinance a portion of its projects with other donors. Finally, IFAD membership was open to every member of the United Nations, and IFAD's program was expected to be worldwide in scope. These elements of IFAD's structure have had important implications for IFAD's program.

3.2.1 Cooperating Institutions⁶

IFAD's creators assumed that the international development community already possessed strong project design, preparation, appraisal, and implementation skills and that these capabilities need not be duplicated in a new organization. Indeed, many countries that had objected to the creation of a new international development institution insisted that IFAD should be small and rely largely on the technical expertise of existing development organizations. The clear implication was that IFAD would serve as a conduit of development funds, playing only a limited role in developing and administering its projects. The services of the World Bank, the Food and Agriculture Organization (FAO), the regional development banks, and other institutions would be used for project appraisal and implementation.

IFAD's projects are, for the most part, well supervised, reflecting the capacities of the cooperating institutions overseeing them. Yet although IFAD's relationships with its cooperating institutions have been generally satisfactory, there are difficulties inherent in this arrangement. The cooperating institutions are primarily responsible for administering their own programs. They have their own development priorities and are likely to be less familiar with IFAD's objectives. The cooperating institutions already have heavy workloads, and their staffs may have little incentive to work on IFAD projects. From time to time these problems have caused some cooperating institutions to limit their involvement in IFAD activities.

⁶See Appendix A for a list of projects administered by IFAD's cooperating institutions.

Therefore, although the basic feasibility of these arrangements has been demonstrated, modifications and increased flexibility are now indicated. In particular the workload constraint poses a continuing problem for several of the cooperating institutions. Adjustments will be required in the immediate future to assure adequate technical and administrative support for IFAD's program.

3.2.2 Cofinancing and Project Initiation

Given the enormity of the problems IFAD was created to address relative to its limited resources, IFAD's creators emphasized the importance of cofinancing for IFAD's projects. This was to serve several purposes. First, by cofinancing projects with other donors, IFAD would expand the resources available for small farmer, poverty-oriented development activities. Second, by cofinancing projects, IFAD could influence others to reorient their own resources to benefit small farmers and the rural poor. Third, IFAD was intended to become an institution with expertise in development strategies to benefit the rural poor. Cofinancing would provide a mechanism through which professionals from IFAD and other institutions could learn from each other and share and exchange their specialized knowledge.

Yet the requirement that IFAD cofinance many of its projects created a dilemma--how could IFAD join in projects with other donors while at the same time developing and maintaining a distinct role as a donor organization? IFAD was created to assist groups that other donors would not or could not reach, but how could this be accomplished in joint projects with these same donors?

The problem was most acute when IFAD's own staff, organizational capacities, and program philosophy were still undeveloped. Through cofinancing, IFAD could join in projects (or project components) oriented toward the needs of its target groups without bearing the burden of project development. While IFAD's cofinanced projects are consistent with IFAD's objectives, some bear little of IFAD's imprint in program or project design.

As IFAD has gained experience, its influence on cofinanced projects has increased. IFAD has initiated more of its own projects and interested other donors in cofinancing them. Such participation by other donors in IFAD-initiated projects would appear to be the preferred cofinancing mechanism for IFAD's program.

3.2.3 Country Eligibility

IFAD may extend assistance to any "developing Member State," but explicitly concentrates on the "poorest populations in the poorest food deficit countries."⁷ IFAD makes loans on highly concessional, intermediate, or ordinary terms depending on a country's per capita income. Because of IFAD's mandate most of its assistance goes to lower income countries. More than half of IFAD's loan funds from 1978 to 1984 went to countries with less than US\$400 per capita GNP.

However, IFAD's lending policies lack an explicit ceiling on income criteria for loan recipients, meaning that any "developing Member State," regardless of its per capita GNP or GDP, technically qualifies for IFAD assistance. Further, IFAD's Lending Policies and Criteria require that approximately one-third of its loans be on intermediate or ordinary terms. Some donors including the United States, have questioned these policies. IFAD's mandate may require changes in loan criteria to permit an even greater concentration of its resources in the poorest countries.⁸

3.3 IFAD's Size

IFAD is in every way a modest institution. Its program, administrative costs, and staff are all smaller than those of other international financial institutions. Resource levels have been maintained roughly at US\$1 billion over a 3-year period, or US\$300-350 million per year. This compares with the World Bank's program at approximately US\$12 billion per year, the International Development Association (IDA) at US\$3 billion per year, and the Inter-American Development Bank (IDB) at US\$3.5 billion per year. USAID's development assistance program level is about US\$1.9 billion per year. At this stage, IFAD relies solely on donor contributions for funding and does not borrow on international money markets as do other international financial institutions. IFAD's program level also has been subject to some uncertainty resulting from prolonged funding negotiations among its donors.

Controversies surrounding IFAD's funding have resulted in delays in individual donor contributions after funds have been pledged. One donor has not completed payment on the initial

⁷IFAD, Lending Policies and Criteria, p. 1.

⁸See Appendix C for a complete list of IFAD loan recipients and relevant country characteristics.

pledge. Others, including the United States, did not complete payment within the time period of the first replenishment. Although the institution can approve projects "subject to the availability of funds" in certain cases, the failure of some of IFAD's donors to comply with payment schedules has made long-term planning difficult.

IFAD's staff is also small--only 80 professionals. Although the limited size of IFAD's staff has contributed to a strong sense of purpose and efficient administration, it has also posed problems. It has, for example, limited IFAD's participation in project implementation and supervision, as well as IFAD's ability to improve rapport with developing countries. This creates a dilemma: IFAD is held accountable for the unique character of its investments by the donors but lacks the staff to make its presence directly felt in many significant management aspects of its program. There are a variety of possible mechanisms for addressing this issue. These will need to be considered in the near future.

In summary, IFAD's performance is shaped by its distinctive mandate and its structure, the key elements of which are the following:

- An emphasis on small farmer food production and assistance to poorer rural population groups
- An obligation to rely on other development organizations for the appraisal, implementation, and supervision of its projects
- A requirement to maximize cofinancing of its projects with other donors
- A small professional staff
- A modest level of funding
- A broad recipient country eligibility at various stages of development
- An institutional accountability for the uniqueness and success of its projects despite limited direct control

Operating within this policy and programming structure, IFAD combines the roles of a fund and a development agency. As a fund, its role is to provide supplementary financing for other development agency projects consistent with its mandate. As a development agency, it must be an advocate and pacesetter for the accomplishment of the development objectives set forth in its mandate. IFAD's distinctiveness rests in its ability to promote an orientation of donor and developing country resources toward

food production by the poorer groups of small farmers and other rural poor. Its success depends on its ability to identify opportunities to achieve this purpose, to persuade others to cooperate, and then to demonstrate what can be achieved. At the same time, IFAD's ability to accomplish these objectives is constrained by its internal structure and by the policies, preferences, and capabilities of cooperating and cofinancing institutions and host country governments. Further refinements will be necessary to address the problems that have emerged.

IFAD is relatively new. Its performance over the past 7 years must be viewed in relation to its structure and distinctive characteristics. IFAD's understanding of its mission, its acceptance by developing countries and the donor community, and its ability to perform within its unique operating requirements are evolving with time and experience.

4. FINDINGS

4.1 IFAD's Target Group

IFAD's most distinguishing characteristic is its commitment to assisting low-income small farmers and the rural landless. IFAD's Lending Policies and Criteria states that "its major target groups, irrespective of the stage of economic development of the country, will be the small and landless farmer."⁹ IFAD's program is based on the belief that "the rural poor comprise the developing world's greatest untapped resource of labour skills and enterprise."¹⁰ Food production, nutritional levels, and incomes can be raised by channeling resources directly to the rural poor.

Although IFAD was established specifically to meet the needs of this target population, other donors also provide development assistance to small farmers and the rural poor within their broader mandates. Because these donors, including USAID, have had difficulty in defining poverty, and thus in channeling productive assistance to particularly impoverished groups, the review team paid particular attention to IFAD's performance in this regard.

⁹p. 2.

¹⁰Ibid.

When the review team asked IFAD staff, "What are you doing differently from other donors?", the most often repeated response was that IFAD "begins with the target group." This is the essence of what IFAD calls its poverty-centered approach. IFAD's stated approach to improving food production is first to identify a "target population," then to identify one or more key constraints to production, and finally to identify key interventions. This differs from the approach of some other international donors (and many developing countries) who place a greater emphasis on food production goals than on assisting any particular population groups. These donors identify targets of production opportunity first. The choice of the target population evolves from the process of identifying which production activity will be financed.

Beginning with its Lending Policies and Criteria, and extending through other major program and policy documents, IFAD defines qualitative and quantitative guidelines for identifying target groups for IFAD assistance. Projects are to be identified in geographic areas characterized by low incomes, small holdings, and limited access to developmental services. Other factors such as the degree of physical or cultural "isolation" are also considered. Particular subgroups among the poor, such as fishermen, pastoralists, and female heads of households are explicitly identified to receive IFAD assistance.

The review team found that all of the projects visited benefited small farmers or the landless. The most common criterion to identify this target group was landholding size (number of hectares owned or, if not owned, farmed as a tenant). Maximum size of holding for project participants varied, but in only one project did it exceed 10 hectares and in most cases it was 5 hectares or less. For example, three sample projects had the following characteristics:

- Chuguisaca North Rural Development Project (Bolivia): An extremely isolated highland area with a high degree of absolute poverty among target households, which have no more than 5 hectares of land.
- Smallholder Cattle Development Project (Indonesia): Serves recent transmigrants from Java and other islands, relocated on new land in Sumatra with an average farm holding of 2 hectares.
- Grameen Bank, component of the Small Farmer Credit Project (Bangladesh): Borrowers are landless or near landless poor possessing no more than 0.2 hectares of land.

In addition to landholding size, IFAD also applied other criteria. In Tunisia, a middle-income country, the two poorest

provinces (based on per capita income) were selected for assistance. In the Gambia, female rice growers in an isolated swamp area will benefit from the clearing and irrigation of swamps. In the Dominican Republic, poor farm families with an annual income below US\$400 are being settled on lands allocated under a land reform program. In all of these cases, the specificity of the criteria for identifying IFAD's target group was such that project benefits accrued almost exclusively to groups of poor small farmers or the rural landless.

In some projects IFAD assistance was less specifically targeted; project benefits accrued to IFAD's primary target population but to some degree also to less disadvantaged households within the projects' geographic boundaries. Such was the case, for example, in the Yemen Arab Republic. In the Tihama Region, half of the population lives in absolute poverty and 70 percent are sharecroppers, but the IFAD/World Bank investments in infrastructure and agricultural services will also benefit landowners. Similarly, the Haitian Rivière Blanche irrigation scheme serves small farmers (3-5 hectares) but also a few of the country's largest landholders who own substantial parcels within the project area. In the Alto Mayo Rural Development Project in Peru, IFAD is assisting poor farmers who had earlier migrated to the remote region, some of whom had already achieved higher income levels prior to the project's initiation. Furthermore, in Dominica, the very poorest farmers were excluded because they could not meet the collateral requirements for IFAD loans. And in other cases, where IFAD is supporting broadly defined national needs, such as in the Thailand Agricultural Research Project, institutions are receiving aid that will benefit small farmers only partially and indirectly.

These examples indicate the operational limitations of a purist approach to targeted aid. It is not always possible or desirable to limit assistance solely to the poorest small farmers. Impoverished people are not always in readily identifiable and accessible groups. Although poverty may be endemic to certain regions where poor soils, rough terrain, drought, isolation, or other factors are at work, there still may be substantial variations in the wealth of the inhabitants. On the other hand, in the poorest developing countries, the bulk of the population are so severely impoverished that distinctions among "target groups" are less relevant. In the Pakistan Small Farmer Credit Project, for example, in which farmers with fewer than 10 hectares qualified for assistance, this group constituted 90 percent of the country's farmer population.

Furthermore, IFAD has sought to balance its goal of assisting the rural poor with its goal of increasing agricultural production in a sustainable way. In Kenya, for example, IFAD

chose to participate in a World Bank agricultural extension project assisting small farmers in areas of high production potential, even though there are clearly more disadvantaged farmers in other areas of the country. This suggests that IFAD weighs other factors in selecting project opportunities, in addition to "starting with the target group."

Although the review team concluded that IFAD's efforts to define, identify, and reach the poor have been generally successful, the team agreed with IFAD's own mid-term evaluations that "the degree of impact on the poorest and women is varied."¹¹ IFAD will need to continually seek out new means of assisting poorer groups that would otherwise be bypassed.

This is especially important in cofinanced projects initiated by other donors that may not always share IFAD's programmatic emphasis on small farmers and the rural poor, and in which IFAD's ability to ensure specificity in identifying the target group may be limited.

4.2 IFAD's Impact on Food Production and Rural Incomes

IFAD was established at a time when a special development program to address the problem of widespread hunger in the world was considered an urgent necessity. The primary objective of the organization is therefore to promote the production of low-cost foods and enhance the food purchasing power of the rural poor. IFAD's Lending Policies and Criteria spells out the approach to be taken to accomplish these objectives:

First, by alleviating the specific constraints which impinge on productivity such as lack of inputs, water, and new technologies, on previously cultivated lands.

Second, by bringing new land under cultivation where a return to the rural poor can be anticipated.

Third, by addressing policy and institutional problems which impact negatively on agricultural production by and for low income groups.¹²

¹¹IFAD, Synthesis of Mid-Term Evaluations, June 1984.

¹²pp. 3-4.

Most of IFAD's anticipated impact on food production and incomes can only be estimated at this time. Many of the 19 projects visited are still making improvements in infrastructure and have not yet resulted in improvements in production. Even in projects where production improvements are underway, quantitative data are often lacking.

Yet some projects have begun showing results. In Dominica, the supply of pork, poultry, and vegetables has increased as a result of IFAD activities. A sample of borrowers in the IFAD/World Bank Small Farmer Credit Project in Pakistan have increased their incomes by 100 percent. The incomes of borrowers under the IFAD-financed Grameen Bank project in Bangladesh increased at a rate 10 times the national average, according to a recent survey. Yields from the second rice crop being produced in the Gambia's Jahaly and Pacharr Project are estimated at 7.0 metric tons per hectare, compared with 4.5 planned and 1.0 obtained prior to the project. The review team concluded that substantial production increases are likely to occur in nearly all of the projects visited, although some project goals (e.g., in Bolivia) appear overly optimistic.

The team did not see any projects addressing problems outside the range of agriculture/income-related issues appropriate to IFAD's mandate. However, subactivities in several projects will only indirectly affect production. In the Yemen Southern Uplands IRD Project, for example, project components were dedicated to health, literacy, and home economics goals.

There is an essential link between IFAD's objective of reaching and assisting the target population and the goal of alleviating hunger. The low-income, small producers in IFAD's target group both need more food and are an instrument for producing it. IFAD must therefore direct its project assistance not only to groups in need, but to groups that also have some means of utilizing the assistance productively. The need to keep these elements in balance is a dynamic element in IFAD's programming. There must be tradeoffs between the needs of the target groups and their potential for productive use of IFAD assistance, between improving nutrition through increased food production or through increases in rural incomes overall, and between the objective of channeling assistance to small farmers with access to land or to other small producers with no access to land. IFAD's Lending Policies and Criteria raised the issue straightforwardly: "There exist opportunities for some low-income people to earn income by raising their food output, though this requires careful specification of the production processes, with particular regard to the impact on technology and labour utilization. At the same time, the purchasing power of poor people as a whole must rise, so that demand for the basic food sources

increases alongside with supply"13 To date, IFAD has maintained these competing sets of concerns in reasonable balance.

4.3 IFAD's Leadership Role in Small Farmer Development

IFAD was created to play a special role among donors in increasing agricultural production through directing assistance to the rural poor. This specialization carries with it a responsibility to function as an "expert." Over time, IFAD should provide leadership in developing new ways to stimulate increases in food production and rural income. Ideally, IFAD's program should both reflect and determine the most effective small-farmer-oriented economic development practices around the world. This is the "comparative advantage" that was intended to result from IFAD's specialization.

The review team therefore examined IFAD's policies and activities to determine whether they demonstrated the organization's special role. On the institutional level, the team asked whether IFAD undertook projects that were more "risky" than other donors, and if so, whether IFAD was successful in implementing them. The team also asked whether IFAD performed more effectively in reaching the rural poor, whether IFAD's interventions were innovative, and whether they reached previously ignored populations in new ways.

The site visits suggest that IFAD has indeed begun providing leadership. The following areas are among those in which IFAD leadership is demonstrated:

- Several of IFAD's credit projects are providing new sources of funds to many new borrowers. In Pakistan, Bangladesh, Dominica, and Tunisia, low-income groups without previous access to formal credit are being systematically assisted in obtaining credit for the first time. These projects incorporate new forms of credit delivery and innovative uses of collateral substitution.
- Several IFAD projects have combined existing approaches and service delivery mechanisms in new, more effective ways. In Thailand, combined extension and credit teams are delivering coordinated services to poor farmers in an experimental effort. In Yemen, women are being

13p. 4.

trained to perform agriculture extension services to rural households.

- Several IFAD projects have convinced other development institutions to undertake new kinds of projects previously considered too risky. In Bangladesh, the Grameen Bank has successfully demonstrated to other donors the credit worthiness of landless borrowers. In Indonesia, another donor will likely join the second phase of a cattle distribution project which was initially believed to be too risky.

- Some IFAD projects have introduced new or more appropriate technologies. In Haiti low-cost, labor-intensive rock and wire dams and terraces are replacing capital-intensive, permanent structures that have become inoperable. In Bangladesh, IFAD is financing low-cost fertilizer storage units rather than the more complex and costly facilities being financed by other donors, including USAID.

Some projects, although consistent with IFAD's mandate, do not demonstrate the organization's special role. Two of IFAD's earliest projects provide good examples. In Thailand, IFAD cofinanced the rehabilitation and expansion of a large-scale irrigation system with the World Bank, which shows no particularly distinctive IFAD features. Likewise, the integrated rural development project that IFAD cofinanced with IDB in the Dominican Republic lacks any discernible IFAD imprint.

The review team concluded that IFAD's special role will be most evident in projects with the following characteristics:

- The projects are implemented in areas where the production of basic food crops predominates or where the potential is high.

- The projects emphasize low-cost food crops for domestic consumption (except when production for export is essential to raising incomes of the rural poor).

- The projects are directly and immediately relevant to low-income, smallholder farming.

- The projects introduce new, quick-yielding technology or methods of service delivery.

- The projects increase employment opportunities for the landless poor as part of food production strategies or, where this is not feasible, in other rural development activities.

Over time, IFAD is delineating a special role for itself. Its poverty-centered programming approach has clearly met with success in many IFAD projects. For IFAD to ensure that its degree of specialization as an institution is achieving the desired ends, and for IFAD to establish its "niche" as a leader in designing and implementing small farmer development projects, it must continue to analyze its own and others' experience. It must also develop further strategies and approaches appropriate to its mandate. In particular, IFAD's experience and expertise in quick-yielding food production strategies should be articulated to further guide IFAD's own program and to share its findings with others. What is needed is an analytical effort by IFAD, equivalent to that which produced the 1983 Annual Report chapter on poverty alleviation, but focusing specifically on technical issues in stimulating food production and rural incomes.

4.4 IFAD's Performance by Type of Project

IFAD groups its projects into Integrated Rural Development, Irrigation, Credit, Fisheries and Livestock Development, and Agricultural Development categories. Although these terms suggest strict divisions among the types of IFAD projects, in practice projects tend to overlap categories. Projects that have titles that would imply a singular focus may include several types of activity. The Cul de Sac Agriculture Development Project in Haiti, for example, constructs health centers and potable water stations as well as an irrigation system. In fact, nearly all IFAD projects have either multiple components or are coordinated and intermixed with collateral development activities.

For the purposes of this review, projects visited by the team have been grouped into the following categories (some appear more than once):

1. Integrated Rural Development and Resettlement

Peru: Alto Mayo Rural Development
Dominican Republic: Consolidation and Development of Rural Settlements
Bolivia: Chuquisaca North Rural Development
Yemen: Second Southern Uplands Rural Development
Yemen: Third Tihama Development
Gambia: Jahaly and Pacharr Rural Development

2. Agricultural Production (Extension, Research, Inputs, Livestock)

Liberia: Smallholder Rice Seed Production
Thailand: National Adaptive Research
Bangladesh: Fertilizer Sector Programme
Kenya: National Extension
Indonesia: Smallholder Cattle Development
Tunisia: Development of Small and Medium Farms in Kef and Siliana

3. Credit (Agricultural and Non-Agricultural)

Dominica: Agricultural Credit for Food Production
Tunisia: Development of Small and Medium Farms in Kef and Siliana
Pakistan: Agricultural Development Bank
Bangladesh: Fertilizer Sector Programme
Yemen: Second Southern Uplands Rural Development
Thailand: Agricultural Credit
Indonesia: Smallholder Cattle Development
Peru: Alto Mayo Rural Development
Bolivia: Chuquisaca North Rural Development

4. Irrigation

Haiti: Cul de Sac Agricultural Development
Thailand: Second Northeast Irrigation
Gambia: Jahaly and Pacharr Rural Development
Pakistan: On-Farm Water Management

4.4.1 Integrated Rural Development and Resettlement

The integrated rural development (IRD) projects covered by this review were all cofinanced with other donors and all employed an IRD approach to serve undeveloped, isolated areas or areas under cultivation for the first time. This is consistent with the stated objectives in the Lending Policies and Criteria: "The Fund, while initially stressing quick maturing projects, will also consider cooperation with other agencies to support long-term major investments in land and water development to achieve large increments in agricultural production, possibly bringing into cultivation unexploited lands."¹⁴ In some cases IFAD contributes a portion of the funds for the overall project; in others IFAD finances only certain subactivities.

The IRD projects visited had the following common elements:

- They are all large in scale and comprehensive in design.
- They have numerous subproject activities, some of which are not directly related to agricultural production.
- They have high investments in infrastructure relative to other costs.
- They have medium- to long-term goals.
- They were managed by new organizational units established exclusively to implement the project.

As a group these projects showed good potential for increasing agricultural production, rural employment, and incomes. With the exception of a few projects in which the target population included both poor and somewhat more advantaged farmers, benefits were narrowly targeted to the rural poor. Although social impacts, such as increased national integration of previously marginal groups, are difficult to measure, they also appeared to be positive.

All the IRD projects visited had experienced startup delays or difficulty in obtaining counterpart funds, but once they were underway, implementation proceeded smoothly, except in Bolivia. Some of this positive performance may be related to project management units (PMUs) that were set up for the life of the project outside normal lines of bureaucratic authority. However, such PMUs may have a negative effect on institution building and project sustainability. In addition, IRD projects present special problems of sustainability because of the scale and intensity of inputs relative to the continuing financial and administrative capabilities of several host countries. For example:

- In the Dominican Republic, the Government's large international debt jeopardizes its development commitments. Unless the Government's financial situation improves, the resources required to continue servicing the IFAD/IDB-financed resettlement schemes will be difficult to secure.
- In Yemen, the Government has not yet made plans for providing the additional resources needed to continue the high level of farmer services provided by the projects.

- In Bolivia, the scope of the project appears too large to sustain, given the country's severe fiscal crisis.

4.4.2 Irrigation

Irrigation projects visited by the review team in Thailand, Pakistan, Haiti, and the Gambia share the following characteristics:

- Projects are dedicated largely to renovating, rehabilitating, or extending existing irrigation infrastructure.
- Project subelements address operation, maintenance, and equity issues raised by the introduction and expansion of water resources; for example, by creating water-user groups.
- Demand for water is very high in the areas served and lack of water appears to be a significant agricultural production constraint.
- Beneficiaries are largely, but not exclusively, low-income, small farmers.

IFAD's ability to target assistance specifically to small farmers is diminished somewhat by the size and scope of many irrigation projects and by IFAD's role as a junior partner with other development donors. Irrigation projects also present special sustainability problems associated with the need to operate and maintain complex water supply systems after project completion. IFAD's projects have attempted to address this problem in part through the creation of small farmer water-user groups, but the effectiveness of these groups varies.

IFAD's irrigation projects appear to be having mixed success. In Pakistan, preliminary surveys indicate that the project (which builds on a successful USAID pilot project) is achieving the planned increases in incomes and crop yields, but it demonstrated no special mechanisms to ensure that benefits are targeted to the poorer producers. In Haiti, problems with initial feasibility studies caused delays in startup. Ultimately the project required reformation and a 3-year extension. In Thailand, the project construction is progressing satisfactorily, but small farmer user groups are not yet functioning effectively. Also in Thailand, plans for postconstruction operation and maintenance and dry season water allocation appear to be nonexistent.

Although the irrigation projects have elements of success, they also raise questions about IFAD's ability to specifically target the benefits from large-scale irrigation. The review

concluded that IFAD should participate in such projects only if the following conditions are met:

1. The potential for food production impact is high.
2. Poor farmers are the predominant beneficiaries.
3. Operation, maintenance, and equity issues are addressed.
4. IFAD's participation is essential to ensure that these objectives are met.

IFAD staff noted that more recently developed projects have emphasized smaller scale irrigation projects, a trend that the review team supports.

4.4.3 Credit

The review team found that IFAD-financed credit activities share a number of positive attributes:

- The projects bring credit to first-time, previously "unbankable" borrowers in innovative ways.
- The projects demonstrate flexibility in design, a willingness to take needed policy initiatives, and an ability to use creative institutional arrangements.
- The projects successfully address specific "high-risk" factors that have made other donors and national governments unwilling to serve the credit needs of certain populations.
- The projects recognize that credit alone is insufficient and that credit supervision, technical assistance, markets, and transport services are also necessary for production effects to be achieved.

There seems to be a natural congruence between IFAD's mandate to target project benefits and the highly individualized nature of credit delivery. Taken together, the IFAD-financed credit activities demonstrate a consistent pattern of innovation and experimentation which promise substantial productive benefits for the rural poor. The achievements of several IFAD credit projects stand out and are described below.

- The Grameen Bank in Bangladesh. This project is successfully providing noncollateral loans to the landless. Strict eligibility criteria limit loans to the landless rural poor. Women especially are actively and

systematically encouraged to participate. Potential borrowers are formed into groups of five who jointly guarantee the loans and share a common interest in repayment. The largely illiterate borrowers can make oral applications to visiting bank agents. Member groups meet weekly, exercise group discipline on members, and contribute 5 percent of each loan to a group-controlled fund. Each group member buys a share in the bank, receives dividends, and is required to maintain some minimum amount of savings. The Bank's loan recovery rate is 99 percent compared to a national average of 50-60 percent. The incomes of borrowers have increased at a rate 10 times the national average.

-- The Small Farmer Credit Project in Pakistan. This project has succeeded in shifting the national agricultural bank's lending toward smaller farmers through an outreach program designed to serve previously ineligible borrowers. The project has created a cadre of "mobile credit officers" who travel to villages on motorcycles and bicycles to identify new borrowers, take oral loan applications, and supervise farmers' use of credit. Collateral requirements have been substantially reduced compared to the traditional agricultural development credit program. As a result, the loans to small farmers rose from 40 to 70 percent of the bank's business. A sample of new borrowers showed twice the increase in income of a sample of nonborrowers.

-- Agricultural Credit for Food Production in Dominica. This project provided the first source of formal credit to small producers, who are the island's primary producers of food. After Hurricane David damaged or destroyed 80 percent of the island's structures in 1979, the IFAD project created a new small farmer window in the National Agricultural and Industrial Development Bank. While the artificially low (5.5 percent) on-lending interest rate may create sustainability problems, the project has successfully enabled small producers to begin utilizing agricultural credit. The project coordinates supervision of credit with on-farm services and technical assistance, and tailors loan eligibility to meet the specific needs of smaller producers. Security is provided through a guarantor rather than through fixed assets; thus landless producers, such as coastal fishermen, can also obtain credit. After 2½ years, 75 percent of the loan funds have been disbursed and a 94-percent repayment rate has been achieved.

-- The Credit Component of the Indonesian Cattle Project. Although not the main project element, this component is necessary for the project's overall success. Eligible

farmers are organized into 10-person groups led by a key farmer. Each member receives a cow and establishes a loan account for its value. The farmer agrees to repay the loan within 6 years by delivering two calves, whose value is credited to the farmer's account. Because the value of these calves is expected to be greater than the cost of the initial loan plus interest, the surplus will be returned to the farmer. The project combines elements of group guarantee and in-kind credit, with well-defined extension and service inputs. However, as in the case of the Dominica project, the artificially low (6 percent) interest rate may create sustainability problems.

Although the review team concluded that IFAD's credit projects share many positive aspects, there were also some areas of potential weakness. As in projects in other sectors, the team found that too little was being given to project sustainability over the long term. In particular, the delivery of "cheap" credit presents potential problems, because it is unlikely that host countries would be able to continue to subsidize credit after project completion. In addition to sustainability concerns, cheap credit could also result in misallocations of resources by borrowers.

IFAD's policy in making loans to intermediate credit institutions is that relending rates (to farmer-borrowers) should be both positive in real terms and nondiscriminatory wherever possible. That is, interest rates should exceed the rate of inflation and should be the same for all sectors of the economy. This is not, however, the policy or practice of some borrowing countries. IFAD makes loans in such cases only if the credit has special justification and if the country agrees to move toward positive real interest rates and the elimination of discrimination among economic sectors. In practice, this means that interest rates are less than positive in a few IFAD projects at this time.

4.4.4 Agricultural Production

This category includes agricultural research, extension, training, inputs, and livestock projects--a range of activities that makes it difficult to characterize the group as a whole. The review team noted that some projects in this group affect agricultural production directly (e.g., livestock and rice production projects), whereas others affect production only indirectly (e.g., research and extension projects).

Agricultural production projects were designed to meet a variety of needs. The Bangladesh fertilizer project, for

example, was part of a multidonor effort to finance badly needed fertilizer imports. The Liberia rice seed project sought to provide farmers with a reliable off-farm source of improved, high-yielding rice seeds. The Thailand agricultural research project and the Kenya extension project are designed to reorient national research and extension systems toward the production activities of small farmers.

While projects in this group demonstrate good potential for a positive production impact, results to date have been varied. The Indonesia cattle project promises rapid and substantial production increases for transmigrant farmers, but results from the Thailand research and Kenya extension projects remain in the future. The Liberia rice seed project has not yet produced a superior seed, but small farmers have benefited substantially from the introduction of more reliable sources and the availability of a greater volume of certified seed.

4.5 The Relationship of the IFAD Program to U.S. Development Policy

4.5.1 Policy Dialogue

IFAD and USAID share a belief that inappropriate host country policies impede economic development and that policy changes are often an essential component in economic progress. IFAD's commitment to policy dialogue is stated explicitly in its Lending Policies and Criteria:

The attainment of [IFAD's] objectives . . . will require . . . improvements in . . . relevant policies concerning such matters as pricing, credit, marketing, subsidies and cost recovery. Deficiencies here can generate constraints both of a short-run and long-run nature, in recognizing the full impact of physical investments. The Fund would encourage governments to review and adjust their policies to strengthen their incentives for increased production by Fund's target groups. There is need to develop a wide variety of basic institutions of agricultural development supported by a package of economic policies and incentives."¹⁵

Such policy initiatives were evident in a number of the projects the team discussed with IFAD staff and in the following projects visited:

- In Bangladesh, IFAD participated in a joint donor effort to phase out the subsidization of fertilizer sales.
- In Yemen, IFAD secured Government approval for a land-tenure study intended to examine economic implications of tenant farming.
- In the Gambia, the Jahaly and Pacharr project represents an increasing emphasis on irrigation in the Government's agricultural programs as a long-range measure to offset the effects of recurrent drought.
- In Pakistan, loan negotiations with the Government resulted in formal ordinances requiring the establishment of water-user associations as each water course is improved, to ensure the farmers' contribution to maintenance and utilization of irrigation schemes.

IFAD's major strength in the policy area is its commitment to focusing the attention of other donors and host governments on the needs and capacities of the rural poor:

IFAD recognizes that it is one of many sources of finance, that its activities are a small part of a much larger effort and that external finance is only one of the elements of agricultural development. IFAD will, therefore, attempt to play a catalytic role in raising the proportion of nations and external funding directed at improving the well being and self-reliance of the poor.¹⁶

This influence is brought to bear through joint activities, cofinanced with other donors, as well as through IFAD's own policy dialogues with national governments, especially in its Special Programming Missions, of which there have been 24 since 1978.

IFAD has suggested that its small size, narrow focus, and membership structure give it special advantages and have resulted in special success in policy dialogues.¹⁷ Although IFAD may have

¹⁶IFAD, Lending Policies and Criteria, p. 2.

¹⁷IFAD, 1983 Annual Report, p. 38.

advantages in particular cases (especially in increasing the allocation of development resources to IFAD's target group), the review team concluded that IFAD's character also constrains its policy influence. IFAD's resources are limited compared to those of other donors. IFAD's small staff has limited time for direct contacts with host governments. IFAD is often the smaller partner in larger projects in which other donors take the lead policy dialogue role. IFAD's program is geographically dispersed and consists of only one or two projects in most countries. Finally, IFAD must cope with the diverse views of its members on the directions that policy change should take. The review team concluded, however, that IFAD's influence would be increased if, over time, project funds were concentrated in those countries where policies are moving in appropriate directions.

4.5.2 Private Sector

IFAD's Lending Policies and Criteria does not state an explicit policy regarding the use of public or private sector organizations. Project implementation may involve the public sector, the private sector, or a combination, and the review team saw examples of all three. In Bangladesh and Indonesia, for example, projects used private fertilizer merchants and cattle traders. In Kenya, private traders were the major providers of pesticides in connection with the reoriented extension program.

The situation was more complicated in Dominica where the IFAD project provided capital for the state Marketing Board--a Government intermediary established for the distribution and marketing of farm produce. In practice, the Marketing Board provided much less efficient services than the independent "hucksters" (market people) who abound on the island. During the course of the project, the government reoriented the Marketing Board to emphasize interisland trade and exports. This was a concession to the independent "huckster" system and reflected the Government's recognition (supported by IFAD and the Caribbean Development Bank) that its role in distribution and marketing should be limited. Similarly, project managers in the Dominican Republic, with IFAD and IDB agreement, are permitting farmers to work their own plots within the collectives, rather than rigidly enforcing the communal farming system as originally designed.

4.5.3 Institutional Development

IFAD clearly expressed its commitment to institutional development:

The Fund will accord higher priority to activities that strengthen the technical and institutional capacity essential for agricultural and rural development The Fund will encourage the development of local capabilities and skills . . . so as to progressively reduce dependence on foreign assistance and expertise; to assist countries in expanding the supply of trained personnel and their integration into sound institutional structures that permit effective response to local conditions and problems; to assist local institutions in the design and implementation of monitoring systems appropriate to the special objectives of IFAD-financed projects.¹⁸

However, the review team was unable to discern a consistent pattern of support for institutional development in the projects visited. Several specific areas of concern were identified:

1. IFAD did not always adequately consider the long-range sustainability of project activities and benefits during project design.
2. Projects did not always obtain adequate host country commitments. This was reflected in insufficient counterpart contributions, inadequate host government capacity to sustain recurring costs, and insufficient institutionalization of project management.
3. IFAD's financial policies are inconsistently applied. Some projects provide assistance on sustainable terms, whereas others do not.
4. IFAD's use of separate project management units, outside of regular bureaucratic channels, may be efficient for implementing projects, but may also contribute to institutional weaknesses that threaten long-term project sustainability.

The review team concluded that the lack of adequate institutional and financial mechanisms to sustain long-term project benefits was an important weakness in IFAD's program.

¹⁸IFAD, Lending Policies and Criteria, p. 8.

4.5.4 Technology Transfer

Technology transfer is fundamental to IFAD's goal of stimulating agricultural development among small farmers. Although a supportive policy environment and sufficient private incentives are necessary conditions for agricultural growth, technological change--new ways of applying knowledge for practical use--can directly increase production and productivity. Therefore, nearly all of IFAD's projects seek to transfer new techniques of agricultural production or to institutionalize improved means of technology transfer itself, as the following projects demonstrate:

- In Kenya, the IFAD/World Bank project introduced training and visitation (T and V) systems, pioneered elsewhere, as an improved basis for diffusing new agricultural technology.
- In Haiti, IFAD and IDB are financing the construction of a locally repairable irrigation system that can be operated and maintained by small farmer groups.
- In Indonesia, IFAD provided plows, cattle, and extension services enabling recent transmigrants to greatly expand their agricultural acreage.
- In Bangladesh, IFAD developed low-cost fertilizer storage containers useful to small farmers.
- In Pakistan, IFAD supported mobile "bankers on bikes," able to reach and assist small farmers in the countryside.

Every development donor is involved in technology transfer. What characterizes IFAD is its concern with technology that is immediately and specifically applicable to the needs of small farmers and the rural landless.

IFAD has also provided grants for research at major international and regional agricultural research centers. Although these research projects are relevant to small farmers, their benefits are neither direct nor immediate. Moreover, IFAD provides only a very small portion of the funding for agricultural research in the developing world. Given this small contribution, the review team concluded that IFAD's funding should be highly selective and focus only on applied research that has a potential for immediate application or a direct relevance to ongoing IFAD projects.

The review team did not discover any "new" agricultural technologies developed by IFAD. Yet IFAD has effectively combined project elements in some new ways--taking experimental ideas, disseminating them, and demonstrating them in practice. In most projects IFAD has also concentrated on tools and techniques that are labor--not capital--intensive, that are appropriate to the needs of small farmers, and that yield relatively quick returns in increased productivity or income.

4.6 IFAD's Approach to Women in Development

In most developing countries women and girls are a vital part of the food production system, and their productivity is essential to national economic growth. They also play an important role in family nutrition. Yet despite widespread recognition of the importance of women to economic development, many donors, including USAID, have had difficulty devising appropriate strategies to reach them. An inadequate understanding of gender-based patterns of behavior, especially of the key production roles that rural women play, has hampered project design. Rural services often focus on male heads of households, ignoring the significance of women's contribution to production and to the overall development of local communities.

Women are overrepresented among the world's poor and constitute a disproportionately large share of IFAD's target population. IFAD's Lending Policies and Criteria recognizes the importance of women to the achievement of development objectives and noted that the "promotion of the role of women in development would also receive attention." In many of the IFAD projects the team visited, assistance was targeted to women. The Kenya National Extension Project has trained extension workers (including women) to work with rural women's groups to help improve the food production skills of their members. Women farmers are participating in the Kef and Siliana project in Tunisia and some are receiving loans under the IFAD credit scheme. In Liberia, where women play a key role in rice farming, project managers are actively seeking to employ women farmers as "outgrowers" of seed. In the Southern Uplands project in Yemen, 34 home economics centers are being established and female extension agents are being trained; this is particularly significant in Yemen, where the population of rural working-aged men has been significantly depleted through outmigration to nearby oilproducing areas. In the Gambia, the need to reallocate land to women, who were the original tillers of the swamps, caused delays and required redesign of elements of IFAD's Jahally and Pacharr project.

These and other efforts demonstrate IFAD's ability to enhance the productive roles of poor rural women. However, with the exception of the Grameen Bank project, women have been

underrepresented in IFAD's credit projects. In Dominica, where 37 percent of the rural households are headed by females, less than 6 percent of the IFAD project borrowers are female. In Pakistan, a small-scale experimental credit outreach program for women has been marginal to the larger project. The success of the Grameen Bank in delivering credit to extremely poor rural women indicates that much more can be achieved.

Even when projects make no specific effort to target women and girls, they are affected by project activities. The review team was concerned that the designs of some IFAD projects may be based on erroneous assumptions about the availability of unpaid family labor to achieve planned production increases.

Providing this unpaid labor may well have unintended negative consequences for female welfare. Research from many developing countries shows, for example, increases in school dropout rates among girls during peak cultivation periods and in areas of intensified agriculture. Yet if women and girls do not provide unpaid labor, the project's production goals may be jeopardized.

Finally, IFAD's projects inadequately consider the significant role that women's incomes play in family nutrition. Research from a number of countries shows that improvements in family nutrition correlate much more strongly with increases in female income levels than with increases in male or aggregate family incomes. This would imply that targeting assistance specifically to raise female incomes may be especially relevant to IFAD's nutrition goals.

4.7 IFAD's Monitoring and Evaluation System

IFAD places a "high priority" on improving indigenous monitoring and evaluation capabilities, and accords "special significance" to monitoring and evaluation as an institution-building effort. Since 1980 IFAD has required that each project have an approved monitoring and evaluation plan within 6 months of project implementation.

IFAD's Operational Guidelines on Monitoring and Evaluation specify the following:

- (a) Monitoring information and on-going evaluation should directly assist in the more efficient management and implementation of the particular project to which it relates;
- (b) Monitoring information and on-going evaluation should be available to assist in the management of

similar projects running in parallel in the same or other countries;

- (c) The results of on-going and ex-post evaluations should assist in the design of new projects in the same or different countries;
- (d) All monitoring information and evaluation results should also be available as inputs to wider policy formulation at national and international levels.¹⁹

Monitoring and evaluation should, in other words, be an integral part of project development, management, and planning.

IFAD seeks to institutionalize project monitoring and evaluation through the use of monitoring and ongoing evaluation (MOE) teams that serve project managers, but answer directly to national monitoring and evaluation units. IFAD's guidelines also specify a variety of quantitative and qualitative data--core data, baseline data, survey data, interview data, target group surveys, special studies, implementation studies, studies of extraneous conditions, ongoing evaluations, and mid-term reviews--that the MOE should collect and a range of methods that the MOE should use.

IFAD's mid-term evaluations concluded that project-level monitoring and evaluation was less successful and more problematic than IFAD had envisioned. IFAD's Synthesis of Mid-Term Evaluations stated that "the M&E [monitoring and evaluation] systems in operation on most of the fourteen projects are inadequate" This report also noted that although "all project managements have established routine progress and financial reporting," and some have developed useful day-to-day management information systems, none (with the possible exception of Malawi) had successfully initiated larger monitoring and evaluation efforts. The report concluded that "those baseline surveys that have been done have either been inadequate or it has not been possible to process them in a timely manner," that "most M&E units suffer from belated appointment of or inadequate staff and poor facilities," that there was "too much reliance on expatriate technical assistance," and that "the designed systems were more sophisticated than the project or country needed and generated more output than the M&E units could handle or management comprehend."²⁰

¹⁹IFAD, Operational Guidelines on Monitoring and Evaluation, 1979, pp. 12-13.

²⁰IFAD, Synthesis of Mid-Term Evaluations, June 1984.

This review team reached similar conclusions. Four of the projects visited by the team lacked any identifiable monitoring and evaluation unit. Implementation monitoring was judged good-to-excellent in seven projects, adequate in eight, and inadequate or nonexistent in five. Only one of the projects visited (in the Dominican Republic) was conducting useful and effective evaluation studies. Most evaluation activities observed were being conducted by national agencies, staffed by expatriates, and poorly integrated with project management. Many M&E units were just beginning to collect data several years after project initiation. The quality of data being collected was generally poor.

IFAD's approach to monitoring and evaluation activities has evolved, and more recent working plans have recognized that monitoring and evaluation must be more directly linked--and more directly accountable--to project management. IFAD has recognized that guidance for data collection and analysis must be simpler, more precise, and focused on data that are more directly useful to project managers. IFAD has also recognized that local monitoring and evaluation units should emphasize project monitoring, while central units should emphasize project evaluation.

IFAD recognizes that the development of effective, indigenous monitoring and evaluation institutions will be a long-term process. One of IFAD's significant contributions toward this end has been its catalytic role in mobilizing interest in monitoring and evaluation throughout the UN system, culminating in the development of UN-wide monitoring and evaluation guidelines for rural development.

However, IFAD still needs to clarify how monitoring and evaluation information can be made more useful in its own projects. The Synthesis of Mid-Term Evaluations, for example, points out that host country managers must be convinced of the value of monitoring and evaluation, a task that would be easier if monitoring and evaluation activities were clearly more useful. The most pressing need is to simplify data collection activities so that the volume and quality of information are more appropriate for use by project decision-makers.

5. CONCLUSIONS

1. The review team concluded that IFAD is making an important contribution to improving the economic conditions of the rural poor in developing countries. IFAD is increasingly well accepted as a donor institution by the developing countries because of its commitment to its special mission. This provides the basis for a leadership role in small farmer development.

2. Over the past 7 years, IFAD has provided US\$1.8 billion in funding focused on small farmers and the rural poor in developing countries. To be most effective, IFAD must combine with and redirect other donor and host country resources and spread its influence and expertise. To do this, IFAD must demonstrate an increasing competence in introducing projects that address the particular development problems of small farmers and the rural poor.

3. IFAD has undertaken a thorough analysis of the causes and characteristics of rural poverty and has articulated a poverty-alleviation strategy. This is an important step. An equivalent analytical effort is called for that articulates IFAD's specific role in the technical aspects of smallholder food and agricultural development. IFAD's expertise in the realm of quick-yielding production strategies and poverty-oriented rural credit schemes is significant after 7 years of experience. IFAD should give attention to analyzing and synthesizing its and other donor experience in these activities. This knowledge, its application and dissemination, is the key to IFAD's leadership role in developing improved approaches to small farmer development.

4. Some of IFAD's projects clearly demonstrate IFAD's specialized character. Other projects, while consistent with IFAD's broad mandate, lack a distinguishing IFAD "imprimatur."

The projects included in this review that best demonstrate IFAD's special character have the following characteristics:

- They have well-specified target groups and clear mechanisms to reach them (such as the credit projects in Bangladesh, Pakistan, and Dominica, which are bringing new, previously ineligible, borrowers into the credit market).
- They introduce quick-yielding food production techniques using technologies scaled and adapted specifically for small, low-income farmers (such as the rice seed production project in Liberia, fertilizer storage in Bangladesh, and cattle distribution in Indonesia).
- They introduce a comprehensive package of integrated services to remote or very poor, undeveloped, and geographically well-defined areas (such as the agricultural development project in Haiti's Cul de Sac region, the swamp reclamation project on the south bank of the Gambia River, and the two integrated rural development projects in the Yemen Arab Republic).

- They emphasize the large-scale production of low-cost foods with a large potential impact on production and on-farm employment (such as in the Alto Mayo project in Peru).

Projects lacking a distinctive IFAD contribution tended to have the following characteristics:

- They emphasize large-scale infrastructure investments (such as the Northeast Thailand irrigation project or the consolidation of settlements project in the Dominican Republic).
- They provide services or introduce technologies that benefited IFAD's target group only indirectly or over the longer term (such as the Thailand adaptive research project).
- They benefit largely undifferentiated target groups and lack mechanisms that direct benefits primarily to poorer farmers or the landless (such as the Pakistan on-farm water management project).

5. Cofinancing is an essential feature of IFAD's operations. IFAD should give greater attention to the identification and selection of other-donor-initiated projects for cofinancing, in order to assure that its own priority interests in serving the rural poor are fully represented. IFAD's "comparative advantage" as a specialized, narrowly focused development organization can and should be evident in the choice of all projects, its own and those cofinanced with other donors. Broadening the range of institutions chosen for cofinancing, and placing a greater emphasis on cofinancing for IFAD-initiated projects, will provide IFAD with greater flexibility and offer better opportunities to spread IFAD's influence.

6. IFAD's project design and implementation capacity rests largely with cooperating institutions. Although IFAD's projects suffer from the range of implementation problems common to all donors (delays in startup, staffing, procurement, securing approvals, and in completing feasibility work), once initiated they are generally well implemented. Nevertheless, IFAD's oversight of these activities should be strengthened, especially with regard to securing host country commitments for project support, such as counterpart funds, and designing postproject mechanisms for sustaining benefits. This raises implications for IFAD staffing which need to be further examined.

7. IFAD's policies are generally consistent with U.S. development assistance policy emphases. IFAD policy and program documents evidence a commitment to establishing positive policy

environments, forming viable institutions, transferring appropriate technologies, and enhancing private enterprise. These objectives are being achieved to some degree in many of IFAD's projects, but will require further emphasis in IFAD's dialogue with host governments and in project design. In particular, IFAD should give more attention in the design of projects to the long-term institutionalization of project management if project benefits are to be sustained.

8. IFAD has articulated an ambitious and comprehensive approach to monitoring and evaluation, but has not successfully institutionalized monitoring and evaluation at the project level. IFAD should provide more specific guidance to orient project monitoring and evaluation toward data collection and analysis that is smaller in scale and more immediately useful to project management.

9. Although IFAD ascribes priority to women as a target group, its success in reaching them has been limited. This has been the case for many donors, but IFAD's mandate implies a significant role for IFAD in women-oriented project activities. More experimental work is needed by IFAD in this regard.

10. Because of its membership structure, IFAD has been under considerable pressure to respond to requests from a large number of countries. IFAD's 1983 Annual Report notes that member countries not previously receiving IFAD loans will be given priority. This effort to reach all member countries, while understandable, limits the impact IFAD could achieve through a greater concentration of program activity in fewer countries.

In sum, IFAD's overall performance during its first 7 years represents a positive beginning. IFAD's special role in identifying new approaches to increasing food production and incomes among the rural poor is emerging. Its concentrated attention on and growing experience with programs for the poorer small farmers and landless people is a significant and urgent dimension of today's international development efforts.

APPENDIX A

NUMBER OF PROJECTS ADMINISTERED BY
IFAD'S COOPERATING INSTITUTIONS

Cooperating Institutions	Cofinanced		Exclusively Financed by IFAD	Total
	Coop. Inst. Initiated	IFAD Initiated		
World Bank (IBRD/IDA)	54	13	25	92
Asian Development Bank (ADB)	11	1	5	17
II Previous Page Blank I : (IDB)	11	4	-	15
African Development Bank (AFDB)	1	8	4	13
Office for Project Execution (OPE), UNDP	-	2	8	10
Arab Fund for Economic & Social Development (AFESDB)	1	3	2	6
Caribbean Development Bank (CDB)	-	2	1	3
Central American Bank for Economic Integration (BCIE)	-	1	1	2
Andean Development Bank (CAF)	-	1	-	1
Total	78	36	46	160

Sources: IFAD, Progress Report on Project Implementation,
6 March 1984. IFAD, 1984 Draft Annual Report,
11 December 1984.

APPENDIX B

IFAD PROJECT REVIEW SUMMARYTable B-1. IFAD Project Review Summary
(by region)

Project Name (Cooperating Institution)	Country	Sector	Date	Type ^a	Percent		
					IFAD Funding	Dispersed thru 1983	Loan Rate
<u>LAC</u>							
Cul de Sac Agric. Dev. (IDB)	Haiti	Irrig.	10/78	Co.	N/A	47%	1%
Consolidation & Dev. of Rural Settl. (IDB)	Dom Rep.	IRD	12/79	Co.	28%	29%	4%
Ag. Credit for Food Production (CDB)	Dominica	Credit	9/80	IFAD only	100%	66%	1%
Chuquisaca N. Rural Dev. (CAF)	Bolivia	IRD	12/81	IFAD & Co.	96%	6%	4%
Alto Mayo Rural Dev. (IBRD)	p	Previous Page Blank	82	Co.	42%	1%	4%
<u>NEAR EAST</u>							
Dev. Small/Med. Farms in Kef & Siliana (AFESD)	Tunisia	Ag. Dev. (Cred.)	12/80	IFAD & Co.	94%	18%	4%
Third Tihama Dev. (IDA)	N. Yemen	IRD	3/79	Co.	22%	13%	1%
S. Uplands Rural Dev. (IDA)	N. Yemen	IRD	9/80	Co.	29%	41%	1%
<u>AFRICA</u>							
Jahally & Pacharr Rur. Dev. (AFDB)	Gambia	IRD	12/81	IFAD & Co.	31%	35%	1%
National Extension (IDA)	Kenya	Ag. Dev. (Ext.)	9/83	Co.	29%	---	1%
Smallholders Rice Seed (IBRD)	Liberia	Ag. Dev.	4/81	IFAD only	100%	20%	4%
<u>ASIA</u>							
Fertilizer Sector Program (IDA)	Bang.	Ag. Dev.	12/79	IFAD only	100%	86%	1%
Small Farmer Ag. Credit (ADB)	Bang.	Credit	9/80	IFAD only	100%	23%	1%
Smallholder Cattle Dev. (IBRD)	Indon.	Ag. Dev. (Cattle)	5/80	IFAD only	100%	31%	4%
Ag. Dev. Bank (IDA)	Pakistan	Credit	6/79	Co.	51%	93%	1%
On-farm Water Mgmt. (IDA)	Pakistan	Irrig.	12/81	Co.	24%	25%	1%
Second N.E. Irrig. (IBRD)	Thailand	Irrig.	10/78	Co.	N/A	46%	4%
National Adaptive Res. (IBRD)	Thailand	Ag. Dev. (Res.)	9/80	Co.	31%	3%	4%
Ag. Credit Project (IBRD)	Thailand	Credit	4/83	Co.	24%	---	4%

^aCo. = Cofinanced.

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Table B-2. IFAD Project Review Summary
(by sector)

Project Name (Cooperating Institution)	Country	Sector	Date	Type ^a	Percent		
					IFAD Funding	Dispersed thru 1983	Loan Rate
<u>AGRICULTURAL DEVELOPMENT</u>							
Dev. Small/Med. Farms in Kef & Siliana (AFESD)	Tunisia	Ag Dev. (Cred.)	12/80	IFAD & Co.	94%	18%	4%
National Extension (IDA)	Kenya	Ag. Dev. (Ext.)	9/83	Co.	29%	---	1%
Smallholders Rice Seed (IBRD)	Liberia	Ag. Dev.	4/81	IFAD only	100%	20%	4%
Fertilizer Sector Program (IDA)	Bang.	Ag. Dev.	12/79	IFAD only	100%	86%	1%
Smallholder Cattle Dev. (IBRD)	Indon.	Ag. Dev. (Cattle)	5/80	IFAD only	100%	31%	4%
National Adaptive Res. (IBRD)	Thailand	Ag. Dev. (Res.)	9/80	Co.	31%	3%	4%
<u>IRRIGATION</u>							
Cul de Sac Ag. Dev. (IDB)	Haiti	Irrig.	10/78	Co.	N/A	47%	1%
On-farm Water Mgmt. (IDA)	Pakistan	Irrig.	12/81	Co.	24%	25%	1%
Second N.E. Irrig. (IBRD)	Thailand	Irrig.	10/78	Co.	N/A	46%	4%
<u>IRD</u>							
Consolidation & Dev. of Rural Settl. (IDB)	Dom. Rep.	IRD	12/79	Co.	28%	29%	4%
Chuisaca N. Rural Dev. (CAF)	Bolivia	IRD	12/81	IFAD & Co.	96%	6%	4%
Alto Mayo Rural Dev. (IBRD)	Peru	IRD (Cred.)	12/82	Co.	42%	1%	4%
Third Tihama Dev. (IDA)	N. Yemen	IRD	3/79	Co.	22%	13%	1%
S. Uplands Rural Dev. (IDA)	N. Yemen	IRD	9/80	Co.	29%	41%	1%
Jahally & Pacharr Rur. Dev. (AfDB)	Gambia	IRD	12/81	IFAD & Co.	31%	35%	1%
<u>CREDIT</u>							
Ag. Credit for Food Production (CDB)	Dominica	Credit	9/80	IFAD only	100%	66%	1%
Small Farmer Ag. Credit (ADB)	Bang.	Credit	9/80	IFAD only	100%	23%	1%
Ag. Dev. Bank (IDA)	Pakistan	Credit	6/79	Co.	51%	93%	1%
Ag. Credit Project (IBRD)	Thailand	Credit	4/83	Co.	24%	---	4%

^aCo. = Cofinanced.

Table B-3. IFAD Project Review Summary
(by approval date)

Project Name (Cooperating Institution)	Country	Sector	Date	Type ^a	Percent		
					IFAD Funding	Dispersed thru 1983	Loan Rate
<u>1978</u>							
Second N.E. Irrig. (IBRD)	Thailand	Irrig.	10/78	Co.	N/A	46%	4%
Cul de Sac Ag. Dev. (IDB)	Haiti	Irrig.	10/78	Co.	N/A	47%	1%
<u>1979</u>							
Fertilizer Sector Program (IDA)	Bang.	Ag. Dev.	12/79	IFAD only	100%	86%	1%
Consolidation & Dev. of Rural Settl. (IDB)	Dom. Rep.	IRD	12/79	Co.	28%	29%	4%
Third Tihama Dev. (IDA)	N. Yemen	IRD	3/79	Co.	22%	13%	1%
Ag. Dev. Bank (IDA)	Pakistan	Credit	6/79	Co.	51%	93%	1%
<u>1980</u>							
Dev. Small/Med. Farms in Kef & Siliana (AFESD)	Tunisia	Ag. Dev. (Cred.)	12/80	IFAD & Co.	94%	18%	4%
Smallholder Cattle Dev. (IBRD)	Indon.	Ag. Dev. (Cattle)	5/80	IFAD only	100%	31%	4%
National Adaptive Res. (IBRD)	Thailand	Ag. Dev. (Res.)	9/80	Co.	31%	3%	4%
S. Uplands Rural Dev. (IDA)	N. Yemen	IRD	9/80	Co.	29%	41%	1%
Ag. Credit for Food Production (CDB)	Dominica	Credit	9/80	IFAD only	100%	66%	1%
Small Farmer Ag. Credit (ADB)	Bang.	Credit	9/80	IFAD only	100%	23%	1%
<u>1981</u>							
Smallholders Rice Seed (IBRD)	Liberia	Ag. Dev.	4/81	IFAD only	100%	20%	4%
On-farm Water Mgmt. (IDA)	Pakistan	Irrig.	12/81	Co.	24%	25%	1%
Chuquisaca N. Rural Dev. (CAF)	Bolivia	IRD	12/81	IFAD & Co.	96%	6%	4%
Jahally & Pacharr Rur. Dev. (AfDB)	Gambia	IRD	12/81	IFAD & Co.	31%	35%	1%
<u>1982</u>							
Alto Mayo Rural Dev. (IBRD)	Peru	IRD (Cred.)	12/82	Co.	42%	1%	4%
<u>1983</u>							
National Extension (IDA)	Kenya	Ag. Dev. (Ext.)	9/83	Co.	29%	---	1%
Ag. Credit Project (IBRD)	Thailand	Credit	4/83	Co.	24%	---	4%

^aCo. = Co-financed.

Table B-4. IFAD Project Review Summary
(by cofunding)

Project Name (Cooperating Institution)	Country	Sector	Date	Type ^a	Percent		
					IFAD Funding	Dispersed thru 1983	Loan Rate
IFAD INITIATED AND SOLELY FINANCED							
Fertilizer Sector Program (IDA)	Bang.	Ag. Dev.	12/79	IFAD only	100%	86%	1%
Smallholder Cattle Dev. (IBRD)	Indon.	Ag. Dev. (Cattle)	5/80	IFAD only	100%	31%	4%
Ag. Credit for Food Production (CDB)	Dominica	Credit	9/80	IFAD only	100%	66%	1%
Small Farmer Ag. Credit (ADB)	Bang.	Credit	9/80	IFAD only	100%	23%	1%
Smallholders Rice Seed (IBRD)	Liberia	Ag. Dev.	4/81	IFAD only	100%	20%	4%
IFAD INITIATED AND COFINANCED							
Dev. Small/Med. Farms in Kef & Siliana (AFESD)	Tunisia	Ag. Dev. (Cred.)	12/80	IFAD & Co.	94%	18%	4%
Chuquisaca N. Rural Dev. (CAF)	Bolivia	IRD	12/81	IFAD & Co.	96%	6%	4%
Jahally & Pacharr Rur. Dev. (AfDB)	Gambia	IRD	12/81	IFAD & Co.	31%	35%	1%
COFINANCED							
Second N.E. Irrig. (IBRD)	Thailand	Irrig.	10/78	Co.	N/A	46%	4%
Cul de Sac Ag. Dev. (IDB)	Haiti	Irrig.	10/78	Co.	N/A	47%	1%
Consolidation & Dev. of Rural Settl. (IDB)	Dom. Rep.	IRD	12/79	Co.	28%	29%	4%
Third Tihama Dev. (IDA)	N. Yemen	IRD	3/79	Co.	22%	13%	1%
Ag. Dev. Bank (IDA)	Pakistan	Credit	6/79	Co.	51%	93%	1%
National Adaptive Res. (IBRD)	Thailand	Ag. Dev. (Res.)	9/80	Co.	31%	3%	4%
S. Uplands Rural Dev. (IDA)	N. Yemen	IRD	9/80	Co.	29%	41%	1%
Alto Mayo Rural Dev. (IBRD)	Peru	IRD (Cred.)	12/82	Co.	42%	1%	4%
National Extension (IDA)	Kenya	Ag. Dev. (Ext.)	9/83	Co.	29%	---	1%
On-farm Water Mgmt. (IDA)	Pakistan	Irrig.	12/81	Co.	24%	25%	1%
Ag. Credit Project (IBRD)	Thailand	Credit	4/83	Co.	24%	---	4%

^aCo. = Cofinanced.

Table B-5. IFAD Project Review Summary
(by loan summary)

Project Name (Cooperating Institution)	Country	Sector	Date	Type ^a	Percent IFAD Funding	Percent Dispersed thru 1983	Loan Rate
<u>1%</u>							
Fertilizer Sector Program (IDA)	Bang.	Ag. Dev.	12/79	IFAD only	100%	86%	1%
Ag. Credit for Food Production (GDB)	Dominica	Credit	9/80	IFAD only	100%	66%	1%
Small Farmer Ag. Credit (ADB)	Bang.	Credit	9/80	IFAD only	100%	23%	1%
Jahally & Pacharr Rur. Dev. (AFDB)	Gambia	IRD	12/81	IFAD & Co.	31%	35%	1%
Cul de Sac Agric. Dev. (IDB)	Haiti	Irrig.	10/78	Co.	N/A	47%	1%
Third Tihama Dev. (IDA)	N. Yemen	IRD	3/79	Co.	22%	13%	1%
Ag. Dev. Bank (IDA)	Pakistan	Credit	6/79	Co.	51%	93%	1%
S. Uplands Rural Dev. (IDA)	N. Yemen	IRD	9/80	Co.	29%	41%	1%
National Extension (IDA)	Kenya	Ag. Dev. (Ext.)	9/83	Co.	29%	---	1%
On-farm Water Mgmt. (IDA)	Pakistan	Irrig.	12/81	Co.	24%	25%	1%
<u>4%</u>							
Smallholder Cattle Dev. (IBRD)	Indon.	Ag. Dev. (Cattle)	5/80	IFAD only	100%	31%	4%
Smallholders Rice Seed (IBRD)	Liberia	Ag. Dev.	4/81	IFAD only	100%	20%	4%
Dev. Small/Med. Farms in Kef & Siliana (AFESD)	Tunisia	Ag. Dev. (Cred.)	12/80	IFAD & Co.	94%	18%	4%
Chuquisaca N. Rural Dev. (CAF)	Bolivia	IRD	12/81	IFAD & Co.	96%	6%	4%
Second N.E. Irrig. (IBRD)	Thailand	Irrig.	10/78	Co.	N/A	46%	4%
Consolidation & Dev. of Rural Settl. (IDB)	Dom. Rep.	IRD	12/79	Co.	28%	29%	4%
National Adaptive Res. (IBRD)	Thailand	Ag. Dev. (Res.)	9/80	Co.	31%	3%	4%
Alto Mayo Rural Dev. (IBRD)	Peru	IRD (Cred.)	12/82	Co.	42%	1%	4%
Ag. Credit Project (IBRD)	Thailand	Credit	4/83	Co.	24%	---	4%

^aCo. = Cofinanced.

APPENDIX C

DISTRIBUTION OF IFAD PROJECT ASSISTANCE

The following table on IFAD recipient countries identifies the IFAD member countries eligible for IFAD loans, their GNP per capita, population, and number and amount of approved projects. The data on IFAD projects is as of December 1984 and includes all projects from 1978.

Lower income countries with per capita income below US\$440.00 received 54 percent of the total value of approved projects and 49 percent by number. IDA-eligible countries, those with per capita GNP of US\$790 and below received 79 percent by value of IFAD's loans. One project was approved for a country in the upper-middle income group. The income groupings are based on the World Bank's World Development Report, 1984 (The Table of Basic Indicators).

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Table C-1. GNP Per Capita and IFAD Recipient Countries

Country ^a	GNP per Capita in 1982 ^b (US\$)	Population in Mid-1982 (millions)	Approved Projects as of December 1984)	
			Number	Amount (SDRm) ^c
Bhutan	NA	1.2	1	5.5
Lao PDR	NA	3.6	1	6.6
Chad	80	4.6	-	-
Bangladesh	140	92.9	7	122.6
Ethiopia	140	32.9	2	24.1
Guinea Bissau	170	0.8	1	6.5
Nepal	170	15.4	3	27.3
Afghanistan	NA	16.8	-	-
Equatorial Guinea	NA	0.4	-	-
Vietnam	NA	57.0	-	-
Mali	180	7.1	2	20.2
Zaire	190	30.7	2	18.8
Burkina Faso	210	6.5	2	21.8
Malawi	210	6.5	3	31.8
Maldives	NA	0.2	1	1.9
Uganda	230	13.5	2	31.2
Mozambique	NA	12.9	1	17.7
India	260	717.0	5	148.5
Rwanda	260	5.5	2	12.9
Burundi	280	4.3	2	17.6
Tanzania	280	19.8	1	7.1
Somalia	290	4.5	3	20.4
Haiti	300	5.2	3	18.8
Benin	310	3.7	2	19.3
Central African Rep.	310	2.4	2	5.2
China	310	1,008.4	3	75.9
Guinea	310	5.7	1	9.9
Niger	310	5.9	1	9.7
Madagascar	320	9.2	3	24.9
Sri Lanka	320	15.2	4	44.1
Togo	340	2.8	1	7.4
Comoros	340	0.4	1	3.2

Table C-1. GNP Per Capita and IFAD Recipient Countries (cont.)

Country ^a	GNP per Capita in 1982 ^b (US\$)	Population in Mid-1982 (millions)	Approved Projects as of December 1984)	
			Number	Amount (SDRm) ^c
Cape Verde	350	0.3	1	2.2
Ghana	360	12.2	1	9.6
Gambia	360	0.7	2	8.9
Sao Tome & Principe	370	0.1	1	2.1
Pakistan	380	87.1	6	88.4
Kenya	390	18.1	2	10.9
Sierra Leone	390	3.2	3	19.6
Angola	NA	8.0	-	-
Sudan	440	20.2	4	39.2
Mauritania	470	1.6	2	8.8
Yemen PDR	470	2.0	3	17.1
Djibouti	480 ^d	0.4	1	1.0
Western Samoa	NA	0.2	1	1.4
Liberia	490	2.0	2	12.2
Senegal	490	6.0	1	10.4
Yemen AR	500	7.5	4	29.1
Lesotho	510	1.4	1	4.9
Bolivia	570	5.9	3	26.3
Indonesia	580	152.9	3	72.7
St. Vincent & Grenadines	620	0.1	-	-
Zambia	640	6.0	2	21.0
Honduras	660	4.0	2	18.6
Solomon Islands	660	0.2	1	1.5
Guyana	670	0.8	-	-
Tonga	675 ^e	0.1	1	1.0
Egypt	690	44.3	3	55.5
El Salvador	700	5.1	1	5.1
Dominica	710	0.1	1	1.2
St. Lucia	720	0.1	1	2.0
Grenada	760	0.1	1	1.4
Thailand	790	48.5	3	40.5
Cuba	NA	9.8	1	11.1
Papua New Guinea	820	3.1	1	9.1
Philippines	820	50.7	3	23.8

Table C-1. GNP Per Capita and IFAD Recipient Countries (cont.)

Country ^a	GNP per Capita in 1982 ^b (US\$)	Population in Mid-1982 (millions)	Approved Projects as of December 1984)	
			Number	Amount (SDRm) ^c
Zimbabwe	850	7.5	1	16.7
Nigeria	860	90.6	-	-
Morocco	870	20.3	2	35.3
Cameroon	890	9.3	2	22.8
Botswana	900	0.9	1	6.8
Nicaragua	920	2.9	2	18.9
Swaziland	940	0.7	1	5.7
Ivory Coast	950	8.9	1	2.7
Belize	1,080	0.2	-	-
Guatemala	1,130	7.7	1	5.0
Congo	1,180	1.7	1	4.3
Mauritius	1,240	0.9	1	5.3
Peru	1,310	17.4	2	27.4
Dominican Rep.	1,330	5.7	2	18.3
Jamaica	1,330	2.2	1	8.9
Ecuador	1,350	8.0	1	5.2
Turkey	1,390	46.5	2	26.9
Tunisia	1,390	6.7	2	21.6
Costa Rica	1,430	2.3	1	4.4
Colombia	1,460	27.0	1	6.8
Seychelles	NA	0.1	-	-
Paraguay	1,610	3.1	3	16.5
Syria	1,680	9.5	1	15.7
Jordan	1,690	3.1	2	20.6
Lebanon	NA	2.6	-	-
Korea, Rep.	1,910	39.3	-	-
Fiji	1,950	0.7	-	-
Panama	2,120	1.9	2	15.9
Chile	2,210	11.5	-	-
Brazil	2,240	126.8	1	15.6
Iraq	NA	14.2	-	-

Table C-1. GNP Per Capita and IFAD Recipient Countries (cont.)

Country ^a	GNP per Capita in 1982 ^b (US\$)	Population in Mid-1982 (millions)	Approved Projects as of December 1984)	
			Number	Amount (SDRm) ^c
Mexico	2,270	73.1	1	17.5
Algeria	2,350	19.9	-	-
Argentina	2,520	28.4	-	-
Uruguay	2,650	2.9	-	-
Iran	NA	41.2	-	-
Barbados	2,900	0.3	-	-
Surinam	NA	0.4	-	-
Malta	3,800	0.4	-	-
Cyprus	3,840	0.6	1	4.7

^aIncluded are those countries with GNP per capita up to US\$4,000 in 1982.

^bGNP per capita figures are from the World Bank, World Development Report, 1984.

^cSDR = \$0.9962

^d1981 figures.

^eFigure is from the Asian Development Bank, Key Indicators.

Source: IFAD, December 1984.