



*Impact of Financing / loans of Reef Company and its
Contribution*

*in Promoting Sustainable Agricultural / Rural
Development*

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Introduction

The importance of this study is in the fact that it is dealing with a basic and a core component of the development work which is sustainability, where you cannot talk about a real and effective comprehensive development without it, and the realizing of sustainability has become an urgent demand for all bodies and institutions working in the field of rural development, whether local, regional or international, and the achievement of sustainability has become a measure and a realistic indication of the success and effectiveness of all plans and programs, and development tools.

The goal of achieving sustainable development in the field of agriculture is of exceptional increasing importance due to the role of agriculture and its status as a productive sector / socially viable and main tributary for food security in particular, and an important element in the overall aspects of Palestinian life in general.

In this context and in line with the development priorities in the Palestinian rural areas and to ensure the enhancement of the effectiveness and impact of financing activities in the field of agricultural /sustainable rural development, Reef has consistently worked on tracking, monitoring and study the effect of its financing on agricultural and rural development, as part of its ongoing quest and keenness to strengthen its developmental role and increase its contribution to the overall national efforts for the advancement of the agricultural sector as a means and a tool to improve the livelihood of farmers and peasants, thereby enhancing their ability to survive and endure.

Problem of the study and the main questions

The research problem for this study represented in the limited and blurred effect of the contribution of financial services and lending provided by "Reef finance" in the promotion of sustainable agricultural projects and rural financed in particular, and thus promote the sustainability of agricultural and rural development in general, and, accordingly, the study seeks to answer the following questions: -

- 1 - What are the main sources for the production requirements for financed projects?
- 2 - What is the main objective of production in financed projects?
- 3 - What is the quality of fertilizers used in agricultural financed projects?
- 4 - What are the feeding patterns used in animal husbandry financed projects?
- 5 - Is experience and skills acquired by workers in financed projects and whether the younger generations benefit of it?
- 6 - Are there women's participation in the work within the financed projects, and what is the nature of this participation?
- 7 - Is the recycling and waste management resulting from the financed projects run in a professional manner and with a positive impact on the environment?
- 8 - Is there integration between plant and animal financed projects? Are there any reliance on self-operating in financed agricultural projects?
- 9 - Do financed projects rely on available and permanent water resources?
- 10 - What are the features of spatial / locational of financed projects in terms of locations and the nature of the ownership of the land projects exist on?
- 11-What are the marketing ways of the products of the financed projects?
- 12 - What are the sources of knowledge adopted in the management of financed projects? What are the sources of veterinary services and agricultural culture?
- 13 - What is the size of the membership of the owners of financed projects in the unions and different agricultural associations?

Objectives of the study

In light of the problem of the study and questions arising from it and on the basis of its overall objective to stand on the impact of financing of Reef Finance company on promoting the sustainability of agricultural and rural development, this study seeks to achieve the following sub-objectives: -

- 1 - Identifying the extent of reliance of financed projects by Reef company on local resources for production and supplies requirement.
- 2 - To identify the extent of targeting financed projects to satisfy the needs of the local market and achieve food security.
- 3 - Identify the extent of adoption of agricultural financed projects on natural and organic fertilizers, and the extent of adoption of the animal financed projects on natural pastures in the access to food.
- 4 - Identify the extent of acquisition of agricultural experience and knowledge by working in financed projects and its transition to younger generations.
- 5 - Identify the extent of reliance on self-employment for work within the financed agricultural projects and the extent and nature of the participation of women.
- 6 - Identify the level of integration between the financed projects (plant and animal) and the level of work in the recycling and management of residues and waste of these projects in ways and methods environmentally friendly.
- 7 - Identify the available sources of water and the extent of its ability to provide water permanently for financed agricultural projects.
- 8 - Identify locational and spatial features of financed projects in terms of their proximity or distance from residential areas, and in terms of the nature of the ownership of the land established on these projects.
- 9 - Identify the extent of the use of financed projects for direct marketing, and the extent of reliance on the inherited experience and knowledge in the management of these projects.
- 10 - Identify the rate and size of owners of financed projects members in the unions and various agricultural associations

Study Methodology

- 1 - The questionnaire was adopted as the main tool for data collection and data on key variables in the study, where the questionnaire was prepared and included elements and key indicators of sustainability in the field of agricultural / rural.
- 2 - The questionnaire has been tested in the field and then was modified in the light of the results of the field test.
- 3 - A random sample was sorted of 54 respondents, which constitute 5% of the research community constitute of the beneficiaries / finances owners / active loans until 31/12/2011 totaled 1085 beneficiaries.
- 4 - Project financed by the Reef Finance Company adopted as a research unit, and the owner of this project as a direct and primary source of information.
- 5 - The field team visited the targeted projects included in the sample for the collection of data and information by filling in the study questionnaire and that in the period between 20.03.2012 and 25.04.2012.
- 6 - SPSS was used to analyze and process the data and information.

Executive Summary

The field study data for the selected random sample of agricultural and rural financed projects by the Reef Finance Company revealed the facts and the following indicators:

1 - Agricultural projects constitute more than 74% of the total projects financed by Reef, including 57.2% of livestock projects, 15% plant agricultural projects, but agro-production projects does not exceed 1.9%.

2-40.4% Of the projects financed by Reef Finance Company exist in adjacent sites for housing, while the proportion of financed projects that exist in either locations within the boundaries of the land on which the housing built or far away from residential areas, amounting to 59.6%.

3 - The percentage of projects financed by Reef Finance Company, which employs 2 workers without pay 96%, of which 51% are staffed by women, and nearly 75% employing 1-2 workers. The ratio of financed projects in which it employs paid workers amounts to approximately 18%, of which 4% employs women.

4 – The percentage of agricultural financed projects by Reef Finance Company that uses chemical fertilizers, 15% of which 3.8% are using these fertilizers by up to 29%, 7.4% uses it between 30-50%, while projects that use chemical fertilizers by more than 50% does not exceed 3.8%.

5 - Nearly 55% of the agricultural projects financed by Reef Finance Company depends on the natural fertilizer from within the sites where these projects exists, 27.3% rely on natural fertilizers resulting from self resources, and the projects that rely on natural fertilizers that are purchased from outside sites does not exceed 18.2%.

6-69.2% Of livestock projects financed by Reef Finance Company uses its wastes in fertilizing the soil, of which nearly 39% in the northern West Bank, 19% in the central West Bank, 7.7% in the South West Bank and 3.8% in the Gaza Strip.

7 - 54.5% of the projects financed by Reef Finance Company depends on the public network as a source of water used, and that 80.4% of the financed projects by the company relies on Palestinian sources to get their production requirements.

8 - The percentage of projects financed by Reef established on owned land 82%, where the family property forms 58.5% of this figure and personal / individual property 41.5%, and the proportion of projects established on leased land 10% and established on others 6%.

9 - Feed characterized as the most costly production elements / requirements, at 64.4% of the total projects financed by Reef Finance company, 6.7% of the projects are considering agricultural tools the most elements of production requirements, cost, 4.5% of the projects are considering veterinary medical treatment the most costly elements of production, 4.4%of projects considers water as the most costly elements of production requirement, while projects that considers labor, fertilizers and seedlings are the most costly does its percentage combined does not exceed 6.7%.

10 - nearly 30% of the projects financed by Reef Finance Company markets its products directly, while the percentage of projects that markets its products through dealers 19%, while the percentage of projects that are marketing their products using both methods directly and through dealers amounts to 38%.

11 –Field data Indicates that 69% of the owners of projects financed from Reef Finance company have acquired skills and experience and new knowledge through their work in these projects, as well as the sons of projects owners has benefited through their participation in acquiring and learning experiences and practical knowledge by working on these projects where the percentage of those who participated fully and partially in the acquisition of these experiences and learned 73.3%

12-51.2% of the owners of projects financed by Reef Finance Company depend in the management of their projects on their traditional and inherited agricultural experience, compared with 4.9% rely on veterinary and agricultural extension, those who rely on both sources are accounted for nearly 44%. As for the sources adopted by financed projects owners to get agricultural and veterinary extension, 69.2% of them depend on other farmers.

13 - 57.1% of the livestock projects financed by Reef Finance Company rely on pasture feeding by between 20-40%, while livestock projects that rely on grazing by less than 20% amounts to 28.6%, while the projects that depend on the pasture by more than 40% but not exceeding 14.3%. At the level of reliance on concentrated feed the data indicated that 89.5% of the livestock projects financed by Reef company depends in feeding on concentrated feed by more than 50%, while projects that rely on concentrated feed by 40-50% not exceeding 10.5% .

14 -The percentage of owners of rural projects financed by Reef Finance Company obtaining the membership of one of the agricultural unions or associations only 8.7%

15-75% of the projects financed by Reef finance is directing less than 16% of its products for family consumption, while 22.7% of the financed projects direct from 16-30% of its products for family consumption, the percentage of financed projects allocates more than 30% for family consumption do not exceed 2.3%.

Study Datum & Results

Statistical tables and graphs

Table (1) distribution of projects financed by Reef according to the type of project and area

Area	Type of project				Total
	Agricultural / vegetarian	Agricultural / Animal	Agricultural manufacturing	Others	
North WB	9.3%	20.3%	0	5.6%	35.2%
Middle WB	1.9%	13%	0	3.6%	18.5%
South WB	1.9%	12.8%	1.9%	5.6%	22.2%
Gaza Strip	1.9%	11.1%	0	11.1%	24.1%
Total	15%	57.2%	1.9%	25.9%	100%

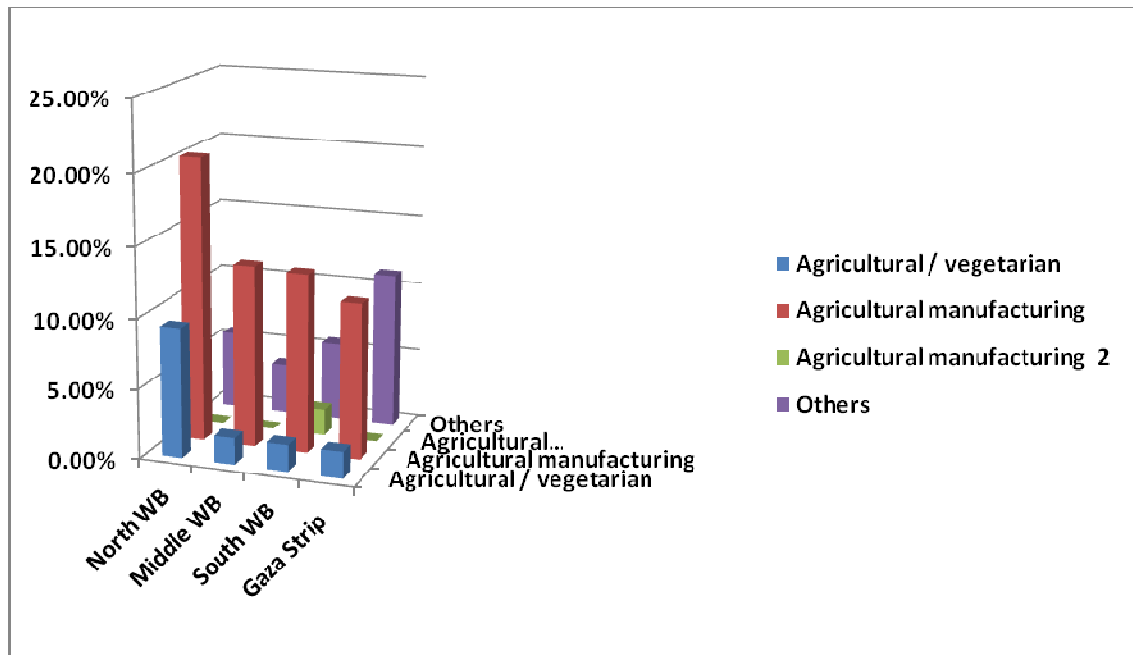


Table (2) Distribution of projects according to location and area

Area	Project location		
	Attached to residence	Within the borders of the land	Far from residential areas
North WB	15.4%	7.7%	9.6%
Middle WB	5.8%	7.6%	5.8%
South WB	7.7%	13.5%	1.9%
Gaza Strip	11.5%	7.7%	5.8%
Total	4.40%	36.5%	23.1%

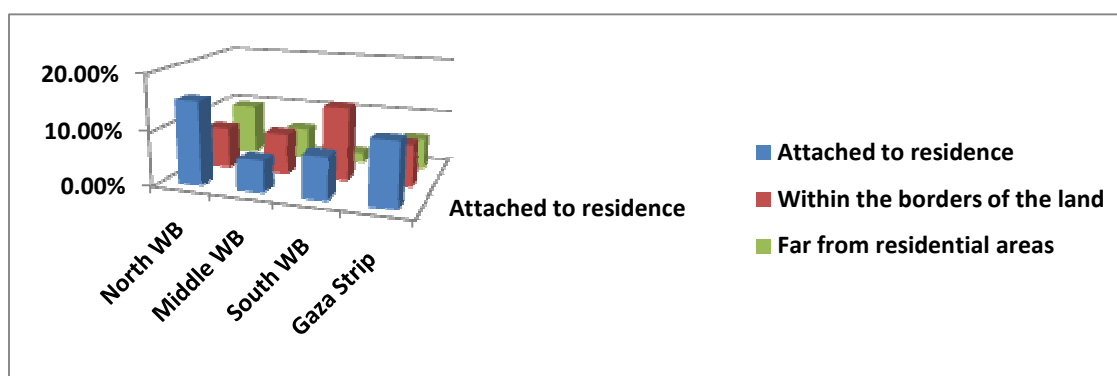


Table (3) distribution of projects according to the number of Un paid workers and area

Area	Number of workers / Males & Females						
	0	1	2	3	4	5	6
North WB	0%	9.8%	13.7%	2.5%	5.7%	2%	2%
Middle WB	2%	0%	11.7%	3.8%	2%	0%	0%
South WB	2%	5.9%	11.8%	2%	2%	0%	0%
Gaza Strip	0%	21.6%	0%	0%	0%	0%	0%
Total	4%	37.3%	37.2%	7.8%	9.7%	2%	2%

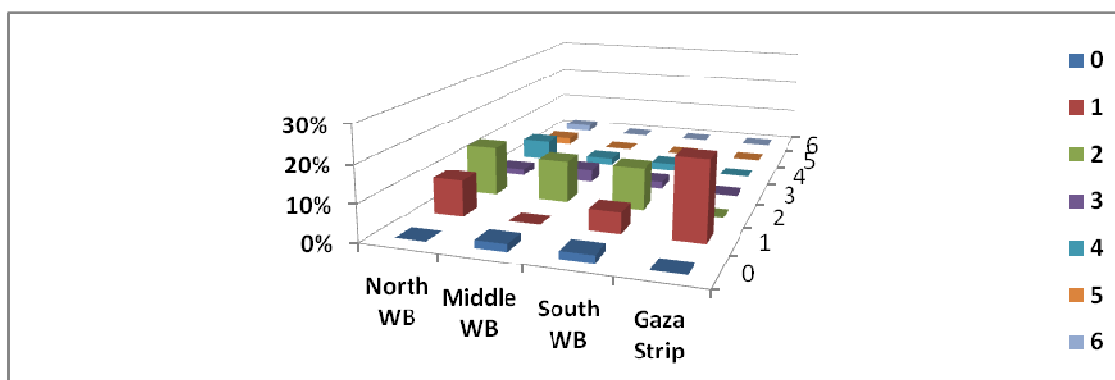


Table (4) distribution of projects according to the number of unpaid females workers and area

Area	# of workers			
	0	1	2	3
North WB	13.7%	17.6%	2%	2%
Middle WB	9.8%	9.8%	0%	0%
South WB	7.8%	15.7%	0%	0%
Gaza Strip	17.7%	3.9%	0%	0%
Total	49%	47%	2%	2%

Table (5) distribution of projects according to the number of paid workers and area

Area	# of workers / Males & Females				
	0	1	2	3	4
North WB	33.3%	0%	0%	2%	0%
Middle WB	13.7%	5.8%	0%	0%	0%
South WB	13.7%	3.9%	2%	0%	2%
Gaza Strip	21.6%	0%	0%	2%	0%
Total	82.3%	9.7%	2%	4%	2%

Table (6) distribution of projects according to the number of paid female workers and area

Area	# of female workers		
	0	1	4
North WB	36 %	0%	0%
Middle WB	20 %	0%	0%
South WB	18 %	2%	2%
Gaza Strip	22%	0%	0%
Total	96%	2%	2%

Table (7) distribution of projects according to the type of work inside it (paid work or unpaid work) and area

Area	Unpaid Work		Paid work	
	Exist	Don't exist	Exist	Don't exist
North WB	35.5%	0%	2%	33.3%
Middle WB	17.5%	2%	5.9%	13.7%
South WB	21.7%	2%	7.8%	13.7%
Gaza Strip	21.5%	0%	2%	21.6%
Total	96%	4%	17.7%	82.3%

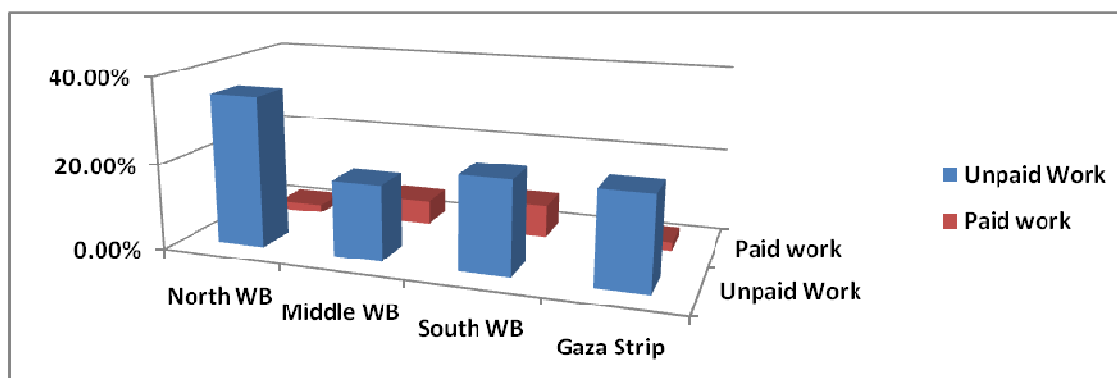


Table (8) Distribution of projects according to its use of chemical Manure and area

Area	Percentage of Manure Use %			
	0%	1-29%	30-50%	More than 50 %
North WB	25.7 %	1.9%	5.5%	1.9%
Middle WB	16.7%	1.9%	0%	0%
South WB	20.4%	0%	0%	1.9%
Gaza Strip	22.2%	0%	1.9%	0%
Total	85%	3.8%	7.4%	3.8%

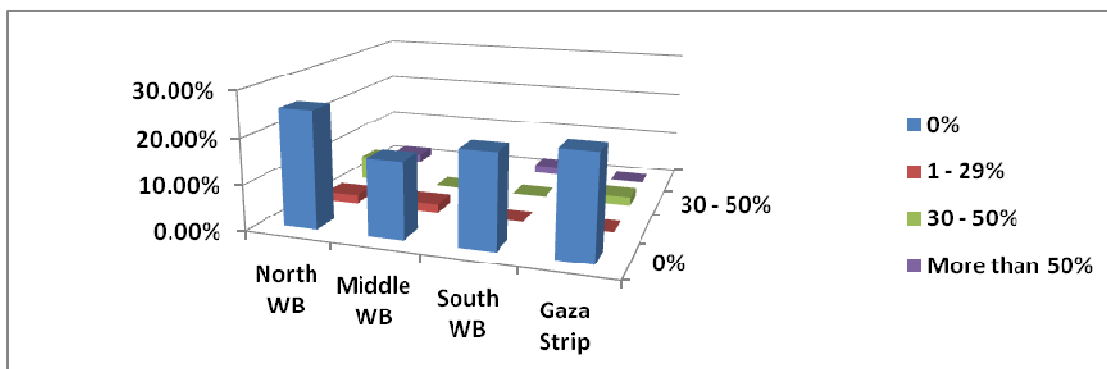


Table (9) distribution of the agricultural/ vegetarian projects according to the source of the natural manures used at it and area

Area	Source of Natural Manures		
	From inside the location	From outside the location	From individual resources
North WB	36.3%	18.2%	9.1%
Middle WB	0%	0%	9.1%
South WB	18.2%	0%	0%
Gaza Strip	0%	0%	9.1%
Total	54.5%	18.2%	27.3%

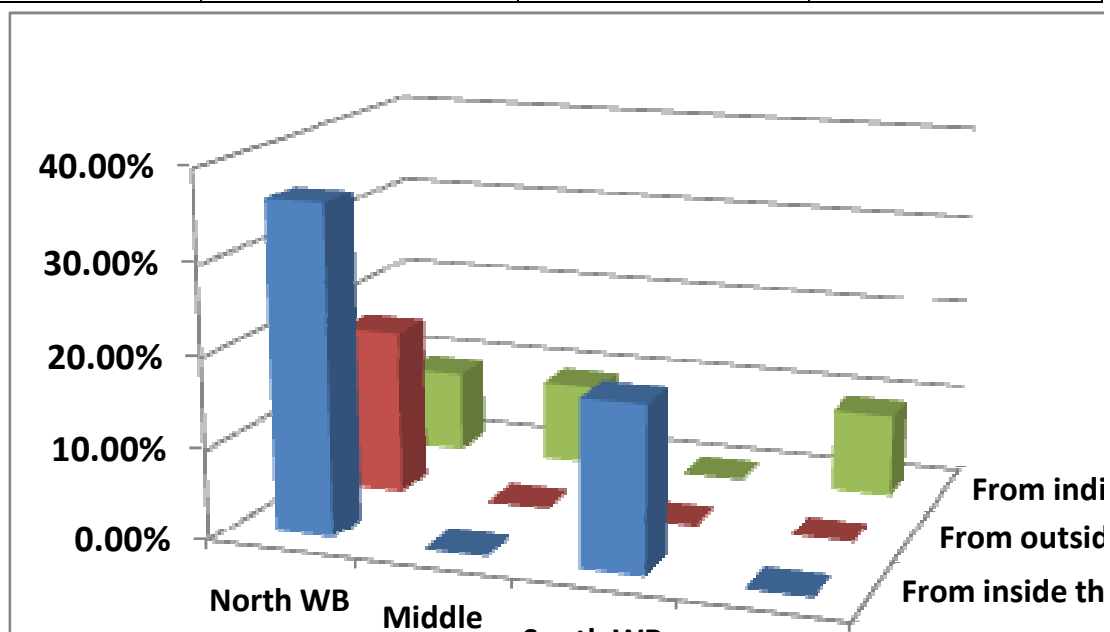


Table (10) distribution of agricultural/ animal projects according to the use of its wastes in soil fertilizing and area

Area	Uses the waste in fertilizing soil	Don't use wastes in soil fertilizing
North WB	38.5%	7.7%
Middle WB	19.2%	0%
South WB	7.7%	0%
Gaza Strip	3.8%	23.1%
Total	69.2%	30.8%

TABLE (11) Distribution of animal wealth projects according to its reliance on pastures percentage

Percentage of reliance	Percentage of projects #
Less than 20 %	28.6%
20-40%	57.1%
41-50%	14.3%
Total	100%

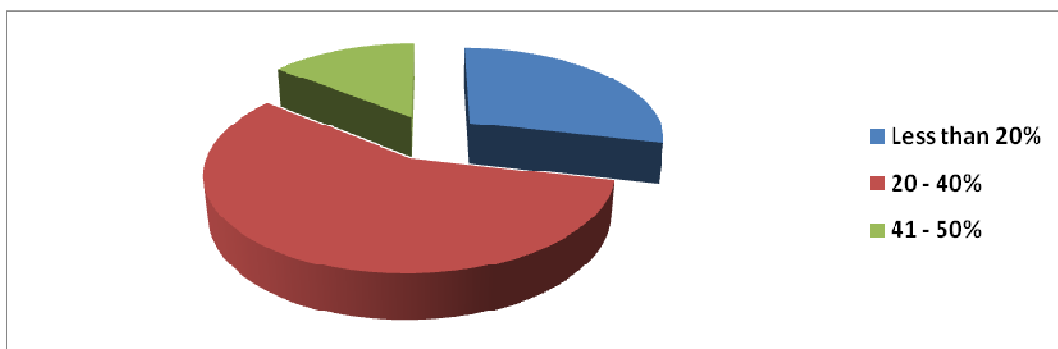


Table (12) Distribution of animal wealth projects according to its reliance on concentrated feed

Percentage of reliance	Percentage of projects #
20-40%	10.5%
41-50%	89.5%
Total	100%

Table (13) distribution of projects according to the source of water used in it

Water Source	Percentage
Public network	54.5%
Collecting Well	16%
Artesian Well	15.9%
Spring	4.5%
Collecting pool	4.5%
Others	4.6%
Total	100%

Table (14) distribution of projects according to family consumption rate of its products

Consumption rate	Percentage of projects #
Less than 5%	15.9%
5-10%	52.3%
11-20%	25%
21-30%	4.5%
More than 30%	2.3%
Total	100%

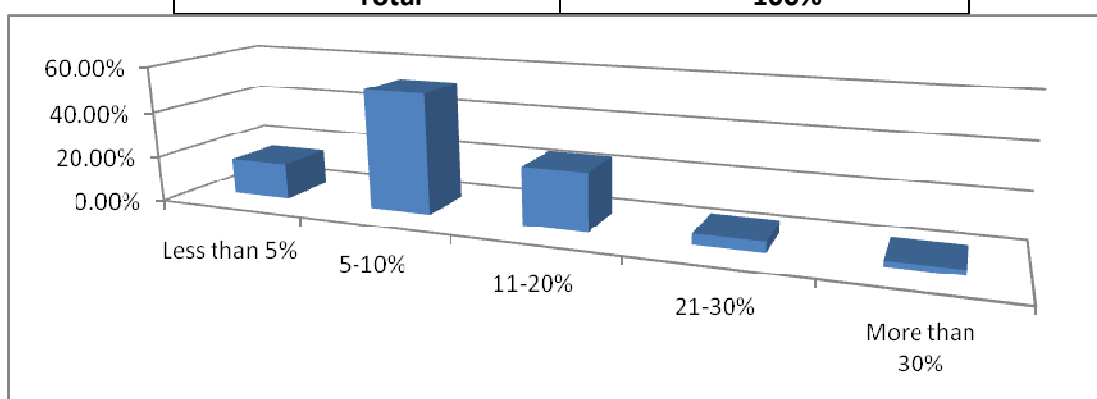


Table (15) distribution of projects according to the source of production supplies

Source of Supplies	Percentage %
Palestinian	80.4%
Israeli	10.9%
Arabic	4.4%
Foreign	4.3%
Total	100%

Table (16) distribution of projects according to land type on which these projects are located

Land ownership	Percentage %
Possessed land	82%
Rented land	10%
Warranty	6%
Others	2%
Total	100%

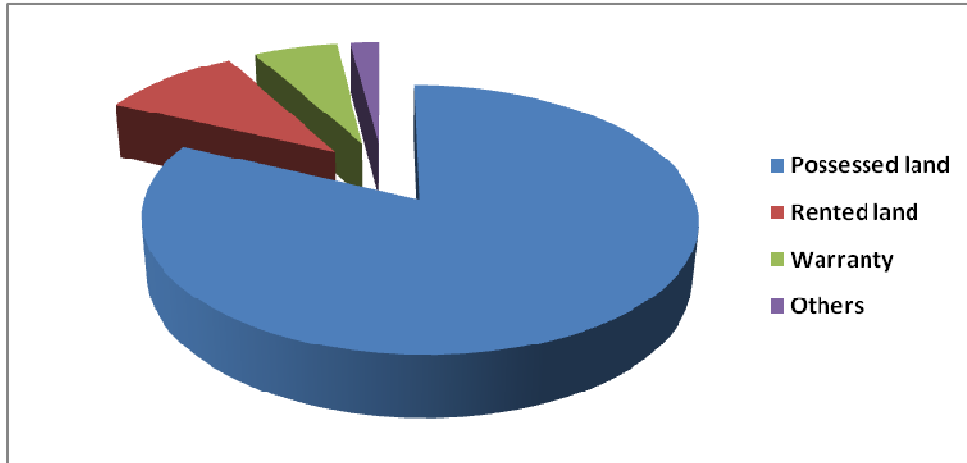


Table (17) distribution of projects erected on possessed lands according to possession type

Possession type	Percentage
Family possession	58.5%
Individual possession	41.5%
Total	100%

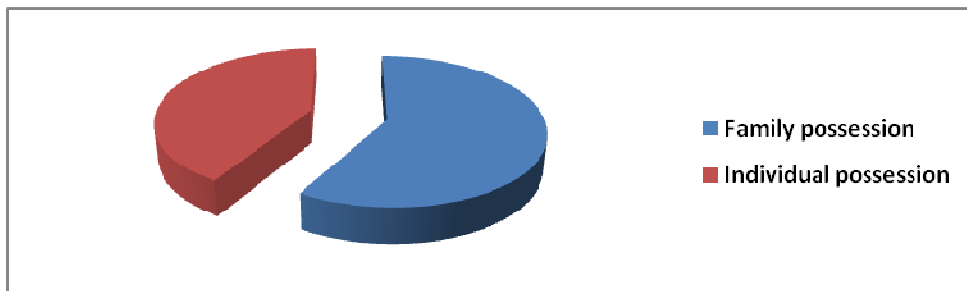


Table (18) distribution of projects according to the most costing production supplies

Production Supplies	Percentage
Feed	64.4%
Agricultural tools	6.7%
Veterinary treatments	4.5%
Water	4.4%
Manures	2.2%
Work forces	2.2%
Saplings	2.3%
Others	13.3%
Total	100%

Table (19) distribution of projects according to its products' marketing process / method

Marketing method	Percentage
Directly through the project's owner	29.8%
Through merchants	19.1%
From the above two methods	38.3%
Through other ways	12.8%
Total	100%

Table (20) distribution of projects owners according to their acquisition rate to new experiences through working on these projects

Acquisition rate	Percentage
Gained new experience/ knowledge	68.9%
Didn't gain new experience/ knowledge	31.1%
Total	100%

TABLE (21) distribution of projects owners according to their sons participation rate in acquiring new experiences/ knowledge through working on these projects

Sons participation rate in acquiring new experiences/ knowledge	Percentage
Participate in acquiring new experience/knowledge	40%
Don't participate in acquiring new experience/knowledge	26.7%
Partially participate in acquiring new experience/knowledge	33.3%
Total	100%

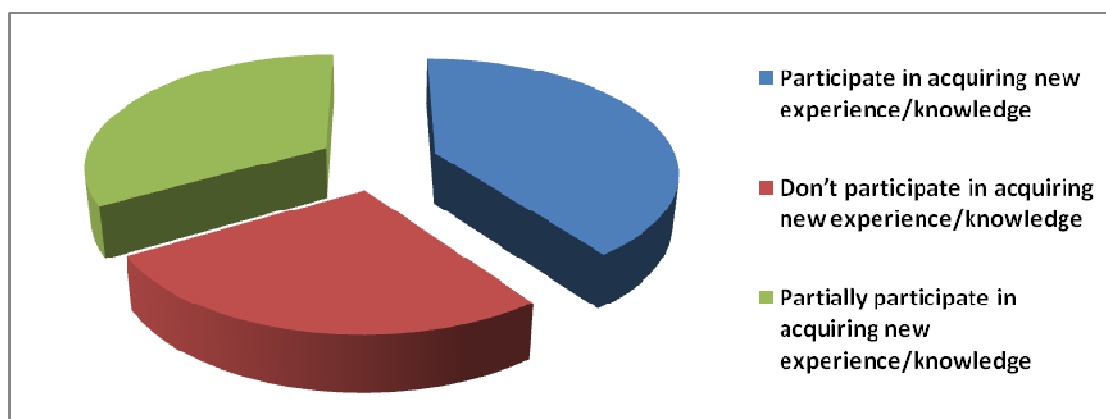


Table (22) distribution of projects' owners according to their possessing of packaging /packing machines

Possession packing / packaging machines	Percentage
Own packing / packaging machines	13.6%
Don't packing / packaging machines	86.4%
Total	100%

Table (23) distribution of projects owners according to their membership in agricultural charity t cooperative societies /unions

Membership	Percentage
Member at agricultural charity t cooperative societies /unions	8.7%
Non member at agricultural charity t cooperative societies /unions	91.3%
Total	100%

Table (24) distribution of projects owners according to the applied resources of in project management

Resource of project management	Percentage
Inherited / traditional agricultural experience	51.2%
Veterinary / agricultural counseling	4.9%
Both resources	43.9%
Total	100%

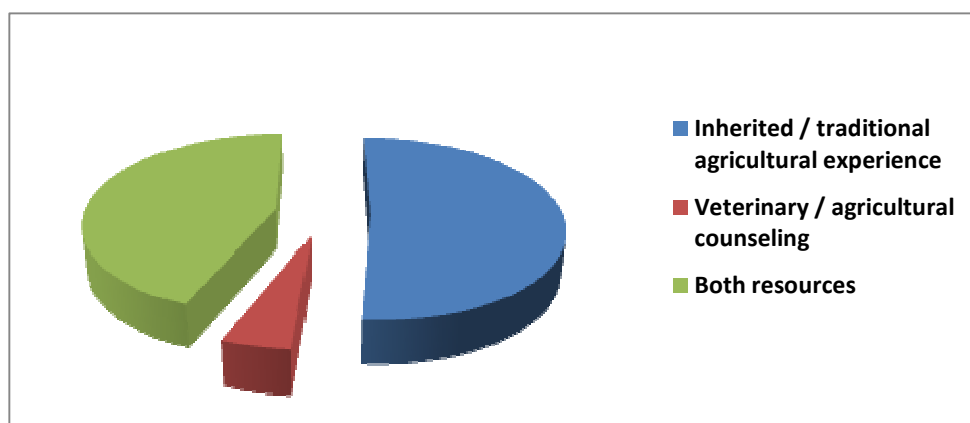
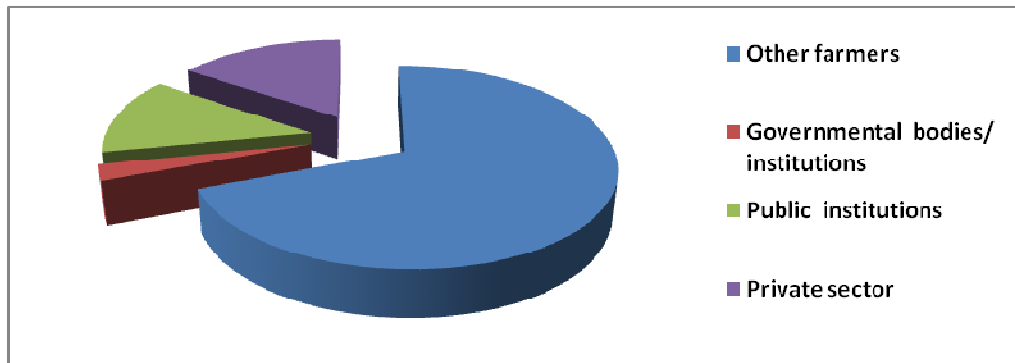


Table (25) distribution of project owners according to the source of agricultural counseling and veterinary services provided to them

Source of agricultural counseling and veterinary services	Percentage
Other farmers	69.2%
Governmental bodies/ institutions	2.6%
Public institutions	12.8%
Private sector	15.4%
Total	100%



Conclusions and recommendations

In light of the data and the results of the study, it can be extracted and focus on several conclusions and recommendations as is highlighted by the following: -

1 - It is obvious from the data of the study that the majority of projects financed by Reef company are projects that are not adjacent to the housing and away from residential areas and this is an indication of the observance of the environmental factor in the construction and establishment of these projects, which promotes the environmental basics for the sustainability of these projects and thus contribute positively to strengthen the sustainability of development in rural areas in general.

2 - According to data of the study that the majority of projects financed by Reef company rely on unpaid work and self-employment, where a female labor force forms essential textures for this work and what this means to enhance operational productivity of women and contribute to elaborate them from the circle of house work "non-productive", and perhaps this is a factor sustainability enhancement of these projects and for the sustainable development in rural areas in general.

3 - Data of the study revealed that the majority of the agricultural projects financed by Reef company rely on natural fertilizers and the dependence on chemical fertilizers still limited, in addition to availability of the largest proportion of natural fertilizer sources from self resources and within sites, and this is an important factor in the sustainability of these projects and in achieve environmental and food security, and thus it is considered an important element in the input of sustainable agricultural and rural development

4 -It is observed from the data of the study the existence and availability of the base and a good basis of integration between animal and plant projects, especially in the use of natural fertilizers to fertilize agricultural land and use the leftover plant crops as food for animals .. etc, this integration forms an enhancing element, for the sustainability of agricultural projects / plant, animal and thus a supporting factor of sustainable development in the Palestinian rural areas.

5 - Study data revealed that the majority of projects financed by Reef company established on land owned by the owners of these projects (and regardless of the fact that this property family ownership / or individual / personal ownership), and this fact forms a factor of sustainability and communication for development projects in different Palestinian rural areas.

6 - The data and the results of the study showed that the majority of projects financed by Reef company depend in marketing of their products on direct marketing / from the producer to the consumer and as a consequent of economic preferences promote the continuation of the project and its sustainability.

7 - The data and the results of the study indicated that a majority of owners of financed projects have acquired them and their sons accumulating productivity and practical experience and skills through their work in these projects, which would enhance the sustainability of productivity for these projects and their impact in strengthening the sustainability of rural development in general.

8 – It is observed from the data and the results of the study that the majority of owners of agricultural projects financed by Reef company rely in the management of their projects on inherited agricultural knowledge and expertise, also depend on agricultural extension on other farmers in rural locations, and this self-reliance is one of the important factors for the sustainability of agricultural projects, contiguity and thus contribute to the strengthening and the support of sustainable agricultural / rural development.

9- The results of the study revealed the need to give more attention to the financing of small and medium agro-production projects.

10 - The results of the study confirms on the importance of strengthening the role of environmental standards and public health when approving the agricultural and rural projects submitted for financing through the link to approve the financing of projects to the extent of taken into account the conditions and the environmental and health requirements.

11 - Work to provide more interest in projects targeting organic and natural agriculture projects

12 - Give more attention and focus on financing collaborative, group and complementary projects

Appendix Questionnaire

• Project owner..... Name of Locality / village

• Project type

() plant agricultural () animal agricultural () Agro-production() marketing agricultural

() others, select

• Project site

() Adjacent to the residence () Within the borders of the land on which the house is built () Far from residential areas

• Workers in the project

- The number of unpaid workers The number of women of them

- The number of paid workers The number of women of them.....

• Fertilizers used in the project

() Natural and percentage of use% () Chemical and percentage of use%

-What are the sources of natural fertilizers?

() From within the site () from off-site () of self resources,

and whether the waste of the project is used to fertilizer and improve the soil

() Yes () No

And based on what animal projects depends in nutrition?

() On pastures and with a percentage of.....%

() on concentrated feed and with a percentage of

- Project water resources
 Public network collection well artesian well spring water collection pond
 Others, select

- Re sources of production requirements
 Palestinian Israeli Arab foreign
 - Is the land the project established on:
 owned Rent leased others, select
 If the land is owned, is it: family property personal property

- What are the most costly productive elements in the project?
 Feed veterinary treatments pesticides fertilizers water
 Labor seedlings agricultural tools Others,select

- Percentage of family consumption of the products of the project%
 How is surplus marketed?
 Directly through the owner of the project
 through the merchants
 Through the above two ways through other ways, select

- Do you pack or cans the product ? Yes no
 Do you have the special tools or machines? Yes no

- Have you learned new knowledge, experience and professional skills through working on the project?
 Yes No, what are the most prominent of these knowledge and experience
 Are children involved in learning the professional expertise and knowledge?
 Yes no
- Do you depend in managing your agricultural project on:
 Inherited Agricultural / traditional experience veterinary and agricultural extension
 on both sources
 What are the sources of agricultural extension and veterinary services?
 From other farmers from government agencies private sector NGOs

- Are you a member of any of the unions and agricultural cooperative and charitable societies?
 Yes no

- Do you think of developing your project? Yes no
 What are the obstacles that you face?

