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REPORT AND RECOMMENDATION OF THE PRESIDENT

TO THE EXECUTIVE BOARD ON A PROPOSED

TECHNICAL ASSISTANCE GRANT

TO THE

**CORPORATION FOR REGIONAL RURAL DEVELOPMENT TRAINING
(PROCASUR)**

FOR THE

**REGIONAL RURAL DEVELOPMENT TRAINING PROGRAMME
(ARGENTINA, BOLIVIA, CHILE, PARAGUAY, PERU AND URUGUAY)**



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ABBREVIATIONS AND ACRONYMS

CIARA	Foundation for Training and Applied Research in Agrarian Reform
FIDAMERICA	Internet-based System of Information Exchange for IFAD Projects in Latin America
GIA	Grupo de Investigaciones Agrarias (Group for Agricultural Research)
IBRD	International Bank for Reconstruction and Development
IDB	Inter-American Development Bank
MERCOSUR	Southern Cone Common Market
PRAIA	Programa Regional de Apoyo a Pueblos Indígenas del Amazonía (Regional Programme in Support of the Indigenous Peoples of the Amazon Basin)
PREVAL	Programme for Strengthening the Regional Capacity for Evaluation of Rural-Poverty Alleviation Projects in Latin America and the Caribbean
PROCASUR	Corporation for Regional Rural Development Training
PRORECA	Programa Regional de Desarrollo de Camélidos Sudamericanos (Regional Support Programme for the Development of South-American Camelids)
PROSGIP	Programme for Strengthening Gender Aspects in IFAD Projects
RMD	Regional Programme Management Directorate
RUTA	Regional Unit for Technical Assistance
USAID	United States Agency for International Development



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I submit the following Report and Recommendation on a proposed technical assistance grant (TAG) to the Corporation for Regional Rural Development Training (PROCASUR) to support the Regional Rural Development Training Programme (Argentina, Bolivia, Chile, Paraguay, Peru and Uruguay), in the amount of USD 800 000 for a three-year period.

I. BACKGROUND

1. In April 1996, IFAD's Executive Board approved a technical assistance grant (TAG) in favour of the Group for Agricultural Research (GIA) (TAG-324) for the creation of a regional rural development training institution in order to support implementation of IFAD projects in Latin America. The regional institution was established in August 1999 under the name of PROCASUR, a non-profit corporation based in Santiago, Chile¹. The first phase of this TAG allowed IFAD projects to find viable solutions to implementation difficulties and provided a roster of regional training professionals. At relatively low cost, projects have been able to: (a) select the most capable professionals to implement projects; (b) develop long-term training plans; (c) solve design and implementation problems through the provision of advisory services and horizontal cooperation among projects; (d) further IFAD strategies for the region; and (e) provide information on training opportunities, materials and publications.

2. With the new phase, PROCASUR will consolidate its support to IFAD's operations in the region, facilitating their access to training and technical assistance services with a view to enhancing the impact of rural development activities. PROCASUR will operate in the technical-assistance services market, acting as a broker with responsibility for promotion and quality control, fostering demand and stimulating supply, while reducing transaction costs. As this market becomes increasingly competitive, PROCASUR will strengthen its organization and develop a plan of action to capture and consolidate clients while aiming at achieving financial sustainability.

II. RATIONALE/RELEVANCE TO IFAD

3. **Rationale.** The main challenge now faced by public and private institutions working in poverty-alleviation projects and programmes is finding policy instruments that increase the competitiveness of small-scale farmers and rural entrepreneurs. The modernization of regional economies, the changing role of the state and the appearance of regional integrated markets, such as the Southern Cone Common Market (MERCOSUR) are evidence that development instruments need to be reinforced and innovative tools created to fight rural poverty in the region.

¹ See Appendix I.



4. In this context, IFAD-funded projects in the region have contributed to alleviating rural poverty by: (a) reinforcing rural income-generating strategies; (b) ensuring the sustainability of technical-assistance services; (c) enhancing the participation of local governments as main actors in the design and implementation of rural development projects; and (d) including gender aspects in projects. However, poor training of project staff hinders maximizing the impact of project interventions. Public and private institutions have severe technical restrictions in designing and implementing appropriate poverty-alleviation policies. There is a severe shortage of trained professionals in promoting developmental rural business ventures. Furthermore, development of human resources is constrained by the high turnover of project staff, making it necessary to continuously train new project officials in a sporadic manner without a view to the long term. Training is extremely localized and does not allow for sharing of experiences among projects in the region.

5. **Relevance to IFAD.** In the Latin America and the Caribbean Region, IFAD is developing a strategy to finance TAGs that directly support IFAD-funded projects, with a view to strengthening training aspects, information exchange and coordinating technical assistance markets. These TAGs aim at meeting the needs and demands of projects that cannot find local solutions and interact by organizing joint events. FIDAMERICA (the Internet-based System of Information Exchange for IFAD Projects in Latin America) coordinates information; the Programme for Strengthening the Regional Capacity for Evaluation of Rural-Poverty Alleviation Projects in Latin America and the Caribbean (PREVAL) is responsible for the conceptual aspects of monitoring and evaluation. PROCASUR will be involved in the development of methodological and operational tools for training. PROCASUR has integrated lessons learned from other regional training programmes, such as the Foundation for Training and Applied Research in Agrarian Reform (CIARA) and the Regional Unit for Technical Assistance (RUTA) that operate in Central America and in the northern part of South America. It will also interact with both programmes in developing and implementing training activities.

III. THE PROPOSED PROGRAMME

6. The general objective of the programme will be to fund the activities of PROCASUR that aim at developing the capacity of human resources involved in the implementation of IFAD-funded projects and programmes in the southern cone of Latin America. Specific objectives include: (a) training human resources including project managers, technicians, technical service providers and local government personnel; (b) providing technical assistance services aimed at improving project implementation; and (c) furnishing information for the development of the rural training and technical assistance services market. Under the proposed grant, PROCASUR will undertake implementation of three main components: (a) training of professionals, technicians and local government staff; (b) technical assistance services; and (c) provision of information².

IV. EXPECTED OUTPUTS/EXPECTED BENEFITS

7. By the end of the TAG, it is expected that PROCASUR will have consolidated a portfolio of clients and created a market for technical assistance services able to meet the demand of IFAD-financed projects and other projects and programmes in the region. At the same time, PROCASUR is expected to achieve financial sustainability by mobilizing, through cost-sharing schemes, additional resources from clients and associated partners³.

8. PROCASUR will foster regional initiatives around the following themes: competitiveness, rural business ventures, gender in rural development projects, private technical assistance services, regional integration markets, rural local governments, and farmer participation. The programme will also

² A more detailed description of the components is attached in Appendix II.

³ See Appendix III.



organize small-scale farmer organizations in an annual exchange programme with the IFAD-funded regional programmes such as PREVAL, the Regional Support Programme for the Development of South-American Camelids (PRORECA), the Regional Programme in Support of the Indigenous Peoples of the Amazon Basin - Bolivia, Brazil, Colombia and Venezuela (PRAIA), the Programme for Strengthening Gender Aspects in IFAD Projects (PROSGIP), RUTA and CIARA, with a view to coordinating actions and integrating lessons learned throughout the continent.

V. IMPLEMENTATION ARRANGEMENTS

9. PROCASUR will be the recipient of the IFAD grant. Its responsibilities include: (a) establishing a regional programme management directorate (RMD); (b) proposing the name of a regional programme director to be selected to IFAD's satisfaction; and (c) maintaining the PROCASUR Board to provide guidance and define implementation policies.

10. The RMD will be entrusted with: (a) coordinating and guiding implementation of programme activities; (b) preparing annual plans of work and impact evaluation studies; (c) administering resources based on approved annual plans of work; and (d) monitoring and evaluating activities. The Board will be composed by the original founding members of the PROCASUR Corporation, two representatives of IFAD-funded projects and an IFAD representative. The RMD will be based in Santiago, Chile and will meet once a year in order to: (a) approve annual plans of work; (b) review and approve audited statements of expenditures; (c) approve expenditure proposals; and (d) define strategies and policies.

11. Ongoing IFAD projects in the region will sign a cooperation agreement with the corporation in which all parties will state their responsibilities and obligations, including the financial aspects. Providers of training and technical assistance services in the region will be invited to participate in the activities of the programme on an open, competitive basis.

12. PROCASUR will submit an annual report to IFAD containing an in-depth analysis of activities undertaken using a monitoring and evaluation system developed for this purpose. There will be two evaluation exercises during the life of the proposed grant. These will be undertaken at the medium term and at the closing date.

13. Main evaluation indicators will include: (a) increasing the number of qualified regional training and technical assistance providers; (b) adoption of management tools; (c) incremental sustainability; and (d) increased information-sharing. PROCASUR will submit annual audited statements prepared by independent auditors selected to IFAD's satisfaction.

VI. INDICATIVE PROGRAMME COSTS AND FINANCING

14. The programme will be implemented over a three-year period and will have a total cost of USD 1 400 000, with an IFAD contribution of USD 800 000.



**Programme Costs and Financing and Estimated Allocation of IFAD Grant
(USD)**

Items	IFAD	PROCASUR	Beneficiaries	Total
I. Equipment	15 000	9 000	-	24 000
II. Staff and operational costs	358 000	85 000	-	443 000
III. Training	226 000	10 000	334 000	570 000
IV. Technical assistance services	185 000	9 000	136 000	330 000
V. Information	6 000	6 000	-	12 000
VI. Monitoring and evaluation	10 000	11 000	-	21 000
TOTAL	800 000	130 000	470 000	1 400 000

VII. RECOMMENDATION

15. I recommend that the Executive Board approve the proposed technical assistance grant in terms of the following resolution:

RESOLVED: that the Fund, in order to finance, in part, the Regional Rural Development Training Programme (Argentina, Bolivia, Chile, Paraguay, Peru and Uruguay), for three years, commencing in January 2000, shall make a grant to the Corporation for Regional Rural Development Training (PROCASUR) in an amount not exceeding eight hundred thousand United States dollars (USD 800 000) upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board in this Report and Recommendation of the President.

Fawzi H. Al-Sultan
President



APPENDIX I

THE PROCASUR CORPORATION

1. PROCASUR is a non-profit corporation established under Chilean law and based in Santiago, Chile. It includes seven Latin American institutions and one private development institution from the United States. Member organizations contribute their expertise in designing, formulating, implementing and monitoring rural development projects. The corporation capitalizes on the lessons learned in Phase I (GIA) and from the experiences of other IFAD-financed training programmes, such as RUTA in Central America and CIARA in the northern part of the continent.
2. The corporation provides technical assistance and training services to institutions involved in rural development projects and programmes in favour of the rural poor in the southern region of South America, mainly Argentina, Bolivia, Chile, Paraguay, Peru and Uruguay. Its chief purpose is to ensure the efficiency and effectiveness of initiatives aimed at alleviating rural poverty by training human resources responsible for the implementation of projects and programmes.
3. PROCASUR is involved in three main areas: (a) training human resources, including project managers, technicians, service providers and local government staff; (b) providing technical assistance services aimed at improving project implementation; and (c) providing information for the development of rural training and technical assistance services market. Since 1996, PROCASUR has worked with all IFAD projects and programmes in the region. The corporation has also worked with public-sector institutions as well as with local governments, the private-development sector and farmer organizations.
4. PROCASUR is distinctive because it provides assistance based on an understanding of client needs and the design of tailor-made solutions. Through a permanent relationship with the projects, PROCASUR receives information on their training needs and identifies new possibilities for intervention. Confronted with a specific request for assistance, PROCASUR identifies the most suitable providers in the region who can address the problems identified by its clients.
5. PROCASUR has concentrated its efforts on relevant topics geared at solving project implementation problems and assisting in widely disseminating IFAD approaches and strategies in Latin America. These include: (a) development of private technical assistance services; (b) needs assessment; (c) development planning; (d) extension methodologies; (e) incorporating gender perspectives in projects; and (f) development of farmer-business ventures. In the technical assistance field, special mention must be made of the innovative methodology developed for hiring project staff, the preparation of training plans, systematizing experiences and publishing results. In the information-dissemination field, PROCASUR has published a number of research papers and workshop proceedings, as well as having a computerized information system using the world-wide web.
7. In the last two years, PROCASUR has expanded its strategy by providing services to other development institutions and other multilateral development agencies such as the International Bank for Reconstruction and Development (IBRD), the United States Agency for International Development (USAID) and the Inter-American Development Bank (IDB). A number of agreements have also been signed with municipalities and local governments, which is opening the wide field of local development. PROCASUR recently signed an agreement with the Ministry of Agriculture of Chile for training civil servants in monitoring and evaluation procedures.

PROGRAMME COMPONENTS

Training of Professionals, Technicians and Local Government Staff

1. Activities under this component will respond to training needs from all those involved in the implementation of rural development projects in the region. The programme will design national and regional training activities aimed at responding to identified training needs by the staff of IFAD-funded project-executing units, private professionals and technicians, and officials and technicians of local municipal governments.
2. The programme will, on an annual basis and jointly with IFAD-funded projects in the region, identify and determine training needs, and design tailor-made solutions for each client. A plan of work per project and a comprehensive regional programme will be established and will include common requests. Regional initiatives will be built around the following themes: (a) competitiveness and rural business ventures; (b) gender in rural development projects; (c) private technical assistance services; (d) regional integration markets; (e) rural local governments; and (f) farmer participation.
3. Under this component, the programme will train most of IFAD-funded project staff and rural development professionals in IFAD's project area. It will involve 15 small-scale farmer organizations in an annual competitive exchange programme and with the IFAD-funded regional programmes such as CIARA, PREVAL, PRORECA, PRAIA, PROSGIP and RUTA.
4. The programme will prepare three comprehensive regional training activities that will provide solutions to identified training requirements. They will develop appropriate instruments and training products, and expand job opportunities for rural development technicians in the region.

Technical Assistance Services

5. The main objective of this component will be to increase the number of specialized providers¹ of training and technical assistance, bearing in mind the specific needs and specificity of IFAD's operational strategies in the region. In particular, the programme will: (a) develop the plans of small-scale farmers and rural entrepreneur businesses to increase their income through project interventions; (b) incorporate gender considerations in projects so as to allow women to fully participate and benefit from project activities; and (c) use appropriate training methodologies to assist project implementers in fully understanding IFAD's operational strategies. As part of this main objective, the programme will provide training and up-to-date information to both providers of technical assistance and project staff so that a regional training and technical assistance market is constituted.
6. The programme will provide technical assistance services aimed at supporting the launching of new projects in the region. More specifically, the programme will: (a) organize workshops to assist in selection of project staff; (b) develop methodologies for training and technical assistance services; (c) design training plans; and (d) sketch new support services to project demand.

¹ Defined as technicians, professionals and peasants who provide technical assistance services as extensionists and promoters of public and private institutions or as free-lance professionals, who offer their services in the marketplace. Although the latter are increasingly important in the region, they do not have any support to improve their knowledge and training.



APPENDIX II

7. Programme technical assistance will be implemented in consultation with each project, emphasizing a cost-sharing mechanism. In principle, technical assistance requests coming from project executing units will be financed by client projects. It is estimated that during the life of the grant, the programme will implement no less than 40 technical assistance advisory services.

Provision of Information

8. The component includes two main activities: (a) compiling information on the supply of training and technical assistance services in the region both in terms of contents and individuals; and (b) training of regional professionals.

9. The first activity entails systematizing lessons and experiences learned in the provision of training and technical assistance in order to design and develop contents and methodologies that are more responsive to identified needs. Information will be available by updating the information procured by the programme that is already available over the Internet. The programme will aim at augmenting the existing database. New institutional providers, individual consultants and new training material titles will be included. The final object will be the establishment of a virtual market for training and technical assistance, allowing IFAD-funded projects to: (a) disseminate regionally requests for training and technical assistance; (b) organize international tendering for services; (c) select the most appropriate and qualified providers; (d) access the competitive services on a cost-effective basis; and (e) compile a regional roster of training and technical assistance providers.

FOUNDING PARTNERS AND PROGRAMME CLIENTS

Grupo de Investigaciones Agrarias (GIA, Chile)
 Enterprise Worldwide (USA)
 Centro de Estudios y Promoción Agraria (CEPA, Bolivia)
 Instituto de Fomento de la Comercialización Campesina (IFOCC, Perú)
 Servicios para el Desarrollo (SASE, Perú)
 Centro Paraguayo de Estudios Sociológicos (CPES, Paraguay)
 Programa Regional de Desarrollo de Camélidos Sudamericanos (PRORECA, Bolivia)
 Programa Regional de Apoyo a Pueblos Indígenas del Amazonía (PRAIA, Bolivia)

PROGRAMME CLIENTS 1996 – 1999

I. IFAD PROJECTS

225-AR Programme of Credit and Technical Support for the Small Producers in Northeast Argentina
 417-AR Rural Development Project for the Northeastern Provinces (PRODERNEA)
 149-BO Cotagaita-San Juan del Oro Agricultural Development Project
 218-BO Chuquisaca South Rural Development Project
 266-BO Consolidation and Development of Smallholder Settlements in the Department of Santa Cruz Project
 354-BO Camelid Producers Development Project in the Andean High Plateau
 373-BO Sustainable Development Project by Beni Indigenous People
 445-BO Small Farmers Technical Assistance Services Project (PROSAT)
 374-CL Agricultural Development Project for Peasant Communities and Smallholders of the Fourth Region
 426-CO Rural Micro-enterprise Development Programme
 296-GM Cuchumatanes Highlands Rural Development Project
 310-PG Peasant Development Fund Project - North-eastern Region of Paraguay
 297-PE Promotion of Technology Transfer Project to Peasant Communities in the Highlands
 386-PE Management of Natural Resources in the Southern Highlands Project
 332-UR National Smallholder Support Project

II. OTHER PROJECTS AND INSTITUTIONS

Unidad de Proyectos y Cooperación Técnica, Ministerio de Agricultura, Ganadería y Pesca (Uruguay)
 Fondo de Desarrollo Campesino (FDC, Bolivia)
 Fondo Nacional del Medio Ambiente (FONAMA, Bolivia)
 Proyecto de Desarrollo de Comunidades del Secano Costero (Chile, SECANO/Banco Mundial)
 Asociación de Municipios Rurales de la Araucanía (Chile, AMRA)
 Oficina de Políticas Agrarias (ODEPA, Ministerio de Agricultura, Chile)
 Instituto Nacional de Desarrollo Agropecuario (INDAP, Ministerio de Agricultura, Chile)
 Corporación Nacional Forestal (CONAF, Ministerio de Agricultura, Chile)
 Instituto Nacional de Investigaciones Agropecuarias (INIA, Ministerio de Agricultura, Chile)
 Servicio Agrícola y Ganadero (SAG, Ministerio de Agricultura, Chile)
 FAO Regional Asociación de Productores del Diguillín (Chile)
 Corporación Nacional de Desarrollo Indígena (CONADI, Chile)
 Programa Nacional de Apoyo a la Transferencia de Tecnología (PRONATTA, Colombia)
 Dirección de Política Sectorial, Ministerio de Agricultura y Desarrollo Rural (DIPOSE, Colombia)
 Proyecto de Apoyo a la Microempresa y al Pequeño Productor (ADEX-USAID/MSP, Perú)