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REPORT AND RECOMMENDATION OF THE PRESIDENT

TO THE EXECUTIVE BOARD ON A PROPOSED

TECHNICAL ASSISTANCE GRANT

TO

FOUNDATION OF THE PEOPLES OF THE SOUTH PACIFIC INTERNATIONAL

FOR THE

**MAINSTREAMING OF RURAL DEVELOPMENT INNOVATIONS
PROGRAMME IN THE PACIFIC**

TABLE OF CONTENTS

ABBREVIATIONS AND ACRONYMS	ii
I. BACKGROUND	1
II. RATIONALE/RELEVANCE TO IFAD	1
III. THE PROPOSED PROGRAMME	2
IV. EXPECTED OUTPUTS/EXPECTED BENEFITS	3
V. IMPLEMENTATION ARRANGEMENTS	3
VI. INDICATIVE PROGRAMME COSTS AND FINANCING	3
VII. RECOMMENDATION	4
APPENDIXES	
I. LOGICAL FRAMEWORK	1
II. STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREAT ANALYSIS	11
III. ORGANIZATIONAL STRUCTURE	12
IV. PROGRAMME COSTS AND FINANCING PLAN	14

ABBREVIATIONS AND ACRONYMS

CBO	Community-based organization
FSPI	Foundation of the Peoples of the South Pacific International
LSSU	Learning, sharing and scaling up
MORDI	Mainstreaming of Rural Development Innovations
NGO	Non-governmental organization
PIC	Pacific Island Country

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I submit the following Report and Recommendation on a proposed technical assistance grant to Foundation of the Peoples of the South Pacific International in the amount of USD 2 million to finance the first phase of the Mainstreaming of Rural Development Innovations Programme in the Pacific.

I. BACKGROUND

1. During the preparation of the subregional strategic opportunities paper for the Pacific Island Countries (PICs), IFAD funded a workshop with area civil-society organizations to share experiences and views regarding development issues and priorities affecting rural communities in the Pacific. One of the salient findings was that a significant number of innovative, effective and well-targeted interventions in the Pacific are currently implemented by a growing number of grass-roots organizations. However, in many cases, these initiatives lack adequate capacity-building and/or the financial support required to consolidate, expand and sustain their achievements. In this context, the paper identified the present programme as offering a strategic opportunity for IFAD's future assistance to the Pacific subregion. The paper also suggested that the option of operating on a regional basis be considered, in order to reduce the administrative costs related to programme design and supervision while, at the same time, reaching out to most, if not all, IFAD member countries in the subregion. Finally, the paper recommended the use of grant funding for the regional programme, to take advantage of the opportunities opened up by IFAD's recently approved grant policy.

II. RATIONALE/RELEVANCE TO IFAD

2. Many PIC communities today face worsening conditions of hardship as a result of aid dependence, the failure of governments and other service providers to address the legitimate social and economic needs of rural communities, and the breakdown of structures that traditionally provided 'safety nets' to vulnerable families and individuals. With the loss of social cohesion, the resilience of many communities to recover from setbacks such as natural disasters has been weakened. Their voices, especially those of remote communities, are not heard in the capital cities of many PICs, with the result that the rural poor are largely excluded from official policy formulation processes, and receive an inequitable share of government development resources.

3. The proposed programme is directly relevant to all three of IFAD's corporate strategic objectives: (i) strengthening the capacity of the rural poor and their organizations; (ii) improving equitable access to productive natural resources and technology; and (iii) increasing access to financial services and markets. In addition, the programme is directly linked to the first of IFAD's grant policy objectives, i.e. building the pro-poor capacities of partner institutions, including community-based organizations (CBOs) and non-governmental organizations (NGOs). To a more limited extent, it also responds to the second objective, promoting pro-poor research on innovative approaches and technological options.

III. THE PROPOSED PROGRAMME

4. The target beneficiaries of the Mainstreaming of Rural Development Innovations (MORDI) Programme in the Pacific are poor, vulnerable rural communities in seven countries, namely: Cook Islands, Fiji, Papua New Guinea, Samoa, Solomon Islands, Timor-Leste and Tonga. Additional countries will be included, as they become members of IFAD. Priority will be given to youth and

women living in rural communities in remote and neglected upland areas and outer islands. Such areas are prone to natural disaster, subject to over-exploitation of natural resources (resulting in land degradation, erosion and damage to marine resources), and their inhabitants lack access to basic services.

5. The overall goal of the programme (see the logical framework in Appendix I) is to support sustainable livelihood opportunities, especially for youth and women, in remote rural communities of PICs, in line with the Millennium Development Goals. The programme has four objectives: (i) institutional strengthening of existing community-based organizations (CBOs); (ii) increasing employment and sustainable livelihood opportunities, especially for youth and women; (iii) documenting and sharing of learning from innovations and best practices; and (iv) establishing sustainable processes that enable rural communities to link up with national policy and planning processes. The programme has four components: (i) community empowerment; (ii) economic empowerment; (iii) learning, sharing and scaling up; and (iv) programme management.

6. **Community empowerment.** The main focus of the programme is to strengthen the social and political capital of rural communities, addressing both the capacity-building needs of CBOs and of the village community as a whole. The programme will support: (i) promoting participatory assessments and community planning to increase local awareness and enable the preparation of community development plans; (ii) assisting communities in implementing their own plans, relying on their own resources and analysing the dynamics governing policy formulation processes; and (iii) establishing links and communication with external institutions (government, private sector, NGOs) in order to increase community access to basic services and promote collective action aimed at favouring pro-poor changes.

7. **Economic empowerment.** This component will address rural communities' lack of access to employment opportunities, financial services and markets, and the related technology and information. A separate MORDI Fund will be established in each participating country to support a broad spectrum of projects and activities. These will fall into two general categories: (i) *community-based projects*, which may include access to basic social services such as maternal and child care and primary education, small community facilities and infrastructure, activities directed at risk reduction and disaster preparedness (early warning systems, for example), and the promotion of traditional foodcrops; and (ii) *CBO-based projects*, which will consist mainly of income-generating activities, and for which support may be provided through matching funds, promotion of microfinance initiatives and creating access to markets. In parallel, external service providers will be mobilized to provide, as required, skills training, market and financial advice, and technical support and information.

8. **Learning, sharing and scaling up (LSSU).** Based on experience gained on the ground and relying on appropriate information and communication technology tools, MORDI will document and share innovations and best practices. In collaboration with the programme steering committee and the national advisory boards, the programme will identify, analyse and formulate key policy issues to be brought forward to the appropriate forums. Programme experience will be shared with other IFAD-supported initiatives in the region through the Knowledge Networking for Rural Development in Asia/Pacific Region (ENRAP) programme.

9. **Programme management.** A regional programme office will be established with the task of supervising the establishment of country programmes and structures, undertaking programme coordination, managing the monitoring and evaluation system, and implementing knowledge management activities through an LSSU unit. Country programme offices will be established under the responsibility of a country manager to be appointed by Foundation of the Peoples of the South Pacific International (FSPI).

IV. EXPECTED OUTPUTS/EXPECTED BENEFITS

10. Overall, it is expected that the MORDI programme will contribute to the reduction of rural poverty by enabling target communities to enhance their livelihoods and reduce their vulnerability. In particular, it is expected that it will improve: (i) the capacity of target communities to address the development challenges posed by their remoteness and isolation; (ii) employment and income-generating opportunities, especially for rural youth; and (iii) access to basic services. The programme will also document the most successful innovations and lessons learned, based on programme experience. This should lead to effective bottom-up policy dialogue with PIC governments and relevant regional and international agencies.

V. IMPLEMENTATION ARRANGEMENTS

11. FSPI will be the programme executing agency and will be responsible for overall programme coordination. Programme guidance will be provided by a programme steering committee (PSC) that will be established at the regional level and include regional NGO umbrella agencies,¹ regional organizations and the private sector (the Australia and New Zealand Banking Group). National advisory boards will be established at the country level, and day-to-day management and implementation will be decentralized to the country level. Programme management structures at the national level will be tailored, as appropriate, to the specific situations of individual countries. Each country programme office will be responsible, inter alia, for: (i) establishing and operating a MORDI Fund; and (ii) providing community support services through partnership arrangements with NGOs and other service providers and in collaboration with the field staff of the respective government agencies (regional and national programme organizational charts are shown in Appendix III). The country managers appointed by FSPI will be responsible, among other things, for transparent financial management, procurement, timely audit and financial reporting with regard to the activities of the respective country programme offices. More generally, the FSPI will coordinate and establish an appropriate level of accounting specifications, consolidation of accounts, and financial controls and will ensure timely financial reporting and audit for the programme.

VI. INDICATIVE PROGRAMME COSTS AND FINANCING

12. A programme approach will be followed that allows for adjustments to the individual situations and needs of the various PICs. The MORDI programme has been projected over a six-year implementation period, divided into two phases of three years each (indicative programme costs and the financing plan are shown in Appendix IV). IFAD will approve funding for the first phase for a total of USD 2 million: a regional grant of USD 400 000 and country grants totalling USD 1.6 million. The country-grant allocation will be decided on the basis of: (i) the phasing of programme implementation during its first three years, to be decided by the programme steering committee; (ii) the estimated absorptive capacity as reflected in the annual workplans and budgets; and (iii) the country scores included in the performance-based allocation system. The decision regarding continuation to a second phase will be taken upon completion of a mid-term review, which will assess programme performance and impact on the proposed target group. The first phase will also mobilize resources from FSPI and local NGOs (in the form of logistic and administrative support), local communities (in the form of beneficiaries' matching contributions) and the Australia and New Zealand Banking Group. The programme will investigate ways of encouraging recipients of remittances to allocate funds for development at the household and community level.

¹ FSPI, the Pacific Islands Association of NGOs (PIANGO), World Council of Churches (WCC), the Pacific Foundation for the Advancement of Women (PACFAW), the Pacific Concerns Resource Centre (PCRC) and the Secretariat of the Pacific Community.

VII. RECOMMENDATION

13. 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 Mainstreaming of Rural Development Innovations Programme in the Pacific, for a period of three years, commencing in 2005, shall make a grant not exceeding two million United States dollars (USD 2 000 000) to Foundation of the Peoples of the South Pacific International 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.

Lennart Båge
President

LOGICAL FRAMEWORK

Narrative Summary	Performance Indicators ¹	Means of Verification	Risks and Assumptions	Risk Management
Goal				
To promote improved sustainable livelihoods for vulnerable communities living in remote rural areas in Pacific Island Countries (especially among youth and women), in line with the Millennium Development Goals	<ul style="list-style-type: none"> • Number of households showing an improvement in household asset ownership index • Percentage reduction in the prevalence of child malnutrition • Changes in poverty, livelihood and quality of life indicators, using relevant data from the Government and IFAD as a baseline 	<ul style="list-style-type: none"> • Annual statistics of relevant government agencies • Supervision/evaluation reports • Programme progress reports • Household surveys 	<ul style="list-style-type: none"> • Widely varying country and community situations, political environments, social structures • Communities unable to abandon assistance mentality inherited from past development operations • Widely dispersed impacts • Excessive overheads and overall lack of efficiency 	<ul style="list-style-type: none"> • Programme flexibility fine-tuned to country situations. Action research approach • Phased approach with priority on building capacity and self-reliance; programme review after first three-year phase • Target districts within each country • Identification of synergies and partnership collaboration with existing institutions and projects relevant to the programme for implementation support and supervision
Objectives				
1. Institutional strengthening of existing CBOs	<ul style="list-style-type: none"> • Number of CBOs operational/functional, by type • XX² rural communities assisted in XX countries • XX CBOs assisted • Increased community awareness of planning, organizational, governance issues • Better capacity to articulate needs to appropriate service delivery agencies 	<ul style="list-style-type: none"> • Determination of baseline basic service access and priority needs at start-up from the participatory rural appraisal (PRA) process, and subsequent monitoring through community self-assessments • Programme monitoring and evaluation (M&E) reports • Reports of interventions from service delivery 	<ul style="list-style-type: none"> • National government lack of ownership • Regional and/or national-level NGOs unable to work together • Funds improperly managed • Poor quality of services provided to communities 	<ul style="list-style-type: none"> • Ensure MORDI country programmes fit national policy environment • Inclusive approach in selection of programme steering committee members • Regular audits; disbursement based on M&E reports • Eligibility criteria for selection of service providers. Community assessments of services received.

¹ Indicators in bold are Results and Impact Management System (RIMS) indicators. Where appropriate, indicators will be disaggregated by gender.

Country-level targets will be determined by the national advisory boards (NABs).

² Targets will be decided on a country-by-country basis at the beginning of programme implementation by each NAB.

Narrative Summary	Performance Indicators ¹	Means of Verification	Risks and Assumptions	Risk Management
	<ul style="list-style-type: none"> • X% increase in access to identified service needs • X% increase in expressed satisfaction with basic service delivery • Number of community workers operational 	agents		
2. Increasing employment and sustainable livelihood opportunities, especially for youth and women	<ul style="list-style-type: none"> • Increased household incomes among the approximately XX communities to be supported during and beyond implementation (2005-10). • XX% increase in youth employment among approximately XX communities • XX% reduction in youth-related social issues • XX% reduction in out-migration • Improved access to market information 	<ul style="list-style-type: none"> • Programme M&E reports • Determination of baseline income and employment at start-up from PRA process, and subsequent monitoring through community self-assessment • Supervision mission reports • External evaluations • Annual workplans and budgets (AWP/Bs) • Annual programme progress reports 	<ul style="list-style-type: none"> • National government reluctant to cooperate • Communities (including women and youth) reluctant to cooperate • Poor quality of proposals received • Funds improperly managed • Inconsistencies in selection process • Poor quality of back-up training and support provided • New CBOs established simply to access funds 	<ul style="list-style-type: none"> • Flexibility in MORDI country programmes to enable it to operate in different national policy environments • Full community participation in programme establishment and management • Training in proposal preparation delivered in start-up phase • Regular audits; disbursement based on M&E reports • Selection review at the national and regional level
3. Documenting and sharing of learning from best practices and innovations across the region	<ul style="list-style-type: none"> • Knowledge management unit established at FSPI regional office • Facilitation teams networking with LSSU unit and CBOs • Learning sessions conducted to assess and share approaches that add value • XX learning material produced (manuals, guidelines, toolkits) 	<ul style="list-style-type: none"> • Programme M&E reports • Supervision mission reports • Annual programme progress reports • Minutes of meetings of the programme steering committee (PSC) and national advisory board (NAB) 	<ul style="list-style-type: none"> • Agencies reluctant to share information • Poor quality of NGO documentation 	<ul style="list-style-type: none"> • Active networking between agencies through PSC and NAB structures • Agreements to recognize source of knowledge provided for sharing

Narrative Summary	Performance Indicators ¹	Means of Verification	Risks and Assumptions	Risk Management
	<ul style="list-style-type: none"> • Translation into appropriate local languages 			
4. Establishing sustainable processes that enable rural communities to link up with national policy and planning processes	<ul style="list-style-type: none"> • Effective bottom-up policy dialogue with PIC governments and relevant regional agencies in place • Number of enabling policies submitted to relevant national governments • Number of policy forums attended by MORDI community representatives 	<ul style="list-style-type: none"> • Programme M&E reports • National government policy documents • Policy submission documents • Supervision/evaluation reports • Annual programme AWP/Bs and progress reports 	<ul style="list-style-type: none"> • Governments reluctant to consider policy recommendations • Continuing mistrust between governments and civil society in many PICs • Generally weak local government structures 	<ul style="list-style-type: none"> • Policy dialogue between government and relevant stakeholders • Agreed mechanism and forums for policy dialogue in each country • Inclusive processes adopted to enhance local government awareness and receptiveness to programme activities as appropriate
Outputs (will address needs of each country individually)				
Outputs – Objective One				
1.1 Programme governance and management structures, partnerships and processes established/appointed in agreement with major stakeholders in seven PICs	<ul style="list-style-type: none"> • PSC formed and functioning • Regional and national staff appointed • NABs formed and functioning • In-country facilitation delivery teams selected and trained • Multi-stakeholder workshops conducted in eight countries 	<ul style="list-style-type: none"> • Programme M&E reports • English version of memoranda of understanding (MoUs) 	<ul style="list-style-type: none"> • Inability of NGOs to work together at the regional (PSC) and national (NAB) level • FSPI staff fail to accept PSC and NAB roles • Different approaches to national management needed in various PICs 	<ul style="list-style-type: none"> • Key stakeholders sign MoU to cooperate in implementing the programme as per design document • In-country multi-stakeholder workshops to select NABs • IFAD grant contract requires FSPI to work with agreed design document • Scoping study undertaken by FSPI to assess most appropriate structure by country • Work with existing CBOs; clear CBO eligibility criteria for livelihood assistance
1.2 Programme design reviewed to reflect individual country needs	<ul style="list-style-type: none"> • Individual country delivery mechanisms and workplans prepared • District selection criteria 	<ul style="list-style-type: none"> • Revised design document reflecting country-specific situations • Minutes of NAB meetings 	<ul style="list-style-type: none"> • Domination of design review by interest groups seeking to control the programme • Failure to reflect 	<ul style="list-style-type: none"> • In-country multi-stakeholder workshops and consultative processes • Separation of implementing

Narrative Summary	Performance Indicators ¹	Means of Verification	Risks and Assumptions	Risk Management
	agreed with NAB <ul style="list-style-type: none"> • Identification of partner institutions and their role in the programme 	<ul style="list-style-type: none"> • Programme reports 	appropriate needs	structures and MORDI Fund
1.3 Target districts and communities selected according to agreed criteria	<ul style="list-style-type: none"> • Target districts selected in consultation with NAB 	<ul style="list-style-type: none"> • Programme M&E reports • Final list of target districts with basis for selection 	<ul style="list-style-type: none"> • Political interests interfere in district selection • Community leaders in selected districts unwilling to cooperate • NGOs select areas based on areas where they already operate • NGOs/CBOs not present in remote communities in some countries 	<ul style="list-style-type: none"> • Use of objective and clear criteria in district selection • Appropriate protocols established for relating with traditional village leadership • Collaborative networking between NGOs at NAB level • Creation and training of facilitation teams to work in communities in target districts
1.4 Facilitation team members identified, trained and deployed	<ul style="list-style-type: none"> • XX facilitators selected and trained according to agreed criteria • Guidelines for facilitators produced • Facilitation teams working on-site 	<ul style="list-style-type: none"> • Facilitation team training reports • Programme M&E reports 	<ul style="list-style-type: none"> • ‘Pirating’ of NGO staff by MORDI programme • Lack of qualified facilitators in some countries, especially women • Different levels of understanding and appreciation of participation and PRA among facilitators 	<ul style="list-style-type: none"> • NAB agreement to broker options, including secondment agreements for key staff • Training of local facilitators by external experts • Guidelines developed to address social constraints for women on working in communities • Joint training conducted in village environment
1.5 Community assessments, plans and needs articulated through participatory learning activities	<ul style="list-style-type: none"> • Baseline community data established • Needs assessed (e.g. PRA) for each community, and document available in local language or appropriate media 	<ul style="list-style-type: none"> • Facilitation team field reports • Programme M&E reports • PRA (or equivalent) document in relevant language 	<ul style="list-style-type: none"> • Failure to embrace participation of all sections of community in needs assessment • Routine exercises driven by output targets undermines integrity of PRA • Leaders dominate discussions 	<ul style="list-style-type: none"> • Trained facilitators skilled in ensuring full participation and in-depth assessments • Realistic time frames to gain community trust • Regular feedback and review sessions between facilitators • Engagement with community follows traditional methods
1.6 Communities and CBOs	<ul style="list-style-type: none"> • XX activities and projects 	<ul style="list-style-type: none"> • Facilitation team field 	<ul style="list-style-type: none"> • Local elites capture 	<ul style="list-style-type: none"> • Participatory processes serve as

Narrative Summary	Performance Indicators ¹	Means of Verification	Risks and Assumptions	Risk Management
mobilized to address needs and plans that increase access to services and reduce exposure to risks and vulnerability	being implemented to address prioritized needs and services <ul style="list-style-type: none"> • XX communities able to access external assistance and services • Degree of community contribution and commitment generated • XX communities with disaster preparedness plans in place 	reports <ul style="list-style-type: none"> • Programme M&E reports • Community self-assessment reports • Country manager reports 	benefits <ul style="list-style-type: none"> • Lack of commitment to self-assessments by external agencies 	social pressure <ul style="list-style-type: none"> • Cross-checking between community assessments and facilitation team reports
1.7 Community institutions strengthened and governed in accountable, transparent and inclusive fashion	<ul style="list-style-type: none"> • XX CBOs assisted • XX community plans prepared and submitted • XX requests for services from appropriate service delivery agencies • X% increase in access to identified service needs 	<ul style="list-style-type: none"> • Monitoring through community self-assessments • Programme M&E reports • Reports of interventions from service delivery agents 	<ul style="list-style-type: none"> • Institutions collapse at programme completion • Traditional structures threatened by new CBOs 	<ul style="list-style-type: none"> • Linkages established between community and government, and private sector service mechanisms • Well-skilled facilitators at community levels • System for mandatory and regular rotation of leadership positions in CBOs • Ensure cohesion between community's aspirations and the needs of women and youth
Outputs – Objective Two				
2.1 Sustainable livelihood and income-generating proposals supported	<ul style="list-style-type: none"> • XX activities funded and implemented within budget by phase • XX amount local contributions committed • XX funds disbursed • XX beneficiary households • X% decrease in food-insecure households by the end of year 6 	<ul style="list-style-type: none"> • Programme M&E reports • Programme financial reporting • Annual audit reports 	<ul style="list-style-type: none"> • Inconsistent, subjective funding decisions • Inability to work within agreed budget • Women and youth not sufficiently literate or numerate to prepare investment proposals • Natural disasters 	<ul style="list-style-type: none"> • Clear, transparent processes for approval, disbursement, audit, etc., at the country level • Regular monitoring by country managers and programme coordinator to identify inconsistencies • Facilitators trained to assist in preparation of investment proposals; simplified application formats • Separation of implementing

Narrative Summary	Performance Indicators ¹	Means of Verification	Risks and Assumptions	Risk Management
2.2 Capital delivery modes agreed and established	<ul style="list-style-type: none"> Secure systems established and operating for fund delivery in remote areas Number of CBOs with group common fund (fund established with community's mobilized savings and financial support from the programme) Value of group common fund 	<ul style="list-style-type: none"> Programme M&E reports Programme financial reporting Annual audit reports Country manager spot audit reports 	<ul style="list-style-type: none"> Lack of banking infrastructure in remote communities Physical safety of funds 	structures and MORDI Fund <ul style="list-style-type: none"> Realistic community contingency plans in place Collaborate with Australia and New Zealand Banking Group (ANZ) rural banking project in Fiji and examine its potential for replication in other PICs Provide secure cash boxes Clear protocols on accountability during the transfer process
2.3 Access to credit and savings services for target groups	<ul style="list-style-type: none"> Number of active savers Value of savings mobilized Number of active borrowers Transparent and accountable fund management processes in place at community level XX households able to access affordable credit 	<ul style="list-style-type: none"> Programme M&E reports Programme financial reporting Annual audit reports Country manager spot audit reports 	<ul style="list-style-type: none"> Lack of banking infrastructure in remote communities Funds controlled by leaders Physical safety of funds Failure to maintain capital base 	<ul style="list-style-type: none"> Collaborate with ANZ rural banking project in Fiji and examine the potential for replication Review best practices of microcredit systems in other PICs Mandatory rotation of leadership positions in group Clear criteria for fund access, especially in relation to bad debts
2.4 Establish linkages with agencies that provide support services for income-generating activities (e.g. market information research findings, extension support)	<ul style="list-style-type: none"> Linkages established, types of services provided reflect communities' expressed needs XX% sustainable activities after year 6 	<ul style="list-style-type: none"> Programme M&E reports Programme management reporting Facilitator field reports 	<ul style="list-style-type: none"> Inherent limitations of remote areas in relation to communication, transport and market linkages Lack of government and private-sector interest in serving remote regions for reasons of politics or profit 	<ul style="list-style-type: none"> Use of innovative, cost effective communication technology Target district focus provides critical mass of demand Networking of similar enterprises to scale up demand

Narrative Summary	Performance Indicators ¹	Means of Verification	Risks and Assumptions	Risk Management
Outputs – Objective Three				
3.1 Communities empowered with access to best and innovative pro-poor practices	<ul style="list-style-type: none"> • XX% increase in opportunities in target communities • Information and educational materials produced and distributed to target communities • Critical analysis of innovations and practices with traditional methods • Number and types of innovations tested and adapted at the community level 	<ul style="list-style-type: none"> • Programme M&E reports • Programme management reporting • Facilitator field reports • Community self-assessment exercises 	<ul style="list-style-type: none"> • Barriers of language, translation facilities and literacy • Failure to share innovations equitably in community • Limited range of skills of facilitators on some topics to be introduced • Innovations seen as threat to traditional risk management strategies • Prescribed introduction of innovations without reference to existing methods 	<ul style="list-style-type: none"> • Use of innovative, cost-effective communication technology • Use of appropriate local media • Use of inclusive processes • Community-led field trials to incorporate innovations into existing traditional methods
3.2 NGO strategic partnerships to address key issues (e.g. land tenure, market information, microcredit, microenterprise) established to assist remote communities	<ul style="list-style-type: none"> • XX partnerships formed and providing assistance to remote communities • XX NGOs engaged in collaborative assistance delivery 	<ul style="list-style-type: none"> • Programme M&E reports • Programme management reporting • NGO feedback and reports • Facilitator field reports • Community feedback 	<ul style="list-style-type: none"> • NGOs unable to work together effectively • Self-interest of NGOs blurs poverty focus 	<ul style="list-style-type: none"> • Facilitating role of PSC and NABs
Outputs – Objective Four				
4.1 M&E system capturing strategic community concerns	<ul style="list-style-type: none"> • Quality monitoring reports received by the FSPI programme director within agreed time frames; monitoring messages built into future AWP/Bs • PRA output used as M&E baseline 	<ul style="list-style-type: none"> • Facilitator field reports • MORDI programme director's report 	<ul style="list-style-type: none"> • Reports not submitted on time or in agreed format at each level (CBO, country manager) • Poor quality field reports • Capacity of facilitators to write, and to document lessons 	<ul style="list-style-type: none"> • Regular follow-up by relevant country manager • Facilitator training • Simple reporting format

Narrative Summary	Performance Indicators¹	Means of Verification	Risks and Assumptions	Risk Management
4.2 Key policy-related issues identified and assessed	<ul style="list-style-type: none"> • Identification of common themes and issues arising from M&E analysis 	<ul style="list-style-type: none"> • Programme M&E reports • Minutes of PSC and NAB meetings 	<ul style="list-style-type: none"> • Analysis of M&E messages not of high quality 	<ul style="list-style-type: none"> • M&E analysis shared according to relevant strengths • Submissions complemented by existing NGO studies
4.3 Policy advice developed on the basis of assessment of community feedback.	<ul style="list-style-type: none"> • Analysis of participating country rural development policy framework • Policy workshops at the regional and country level • Policy review and recommendations submitted to national governments • Government responses to policy submissions reflect community needs 	<ul style="list-style-type: none"> • MORDI programme director's reports • Monitoring of changes in policy by LSSU unit 	<ul style="list-style-type: none"> • Stakeholders fail to reach consensus on policy submissions • Governments reluctant to accept or act on policy submissions 	<ul style="list-style-type: none"> • Stakeholders (in PSC) review and agree on policy documents prior to presentation to the Government • Agreement between governments and the programme on appropriate policy dialogue entry points • PSC targets key forums for presenting policy submissions

Activities		
Output 1.1	1.	Key programme staff selected
	2.	PSC members appointed and MoUs signed
	3.	Office facilities established at the regional and national level
	4.	Multi-stakeholder workshop held in the country to select NAB and confirm in-country structure
	5.	Facilitation delivery teams trained to participate in programme
Output 1.2	1.	Workshop held by programme staff with NAB and other national stakeholders in each country to ensure design reflects local needs
	2.	MORDI Fund project review and approval committee selected
	3.	District selection criteria agreed upon with NAB
	4.	Partner institutions identified
Output 1.3	1.	Selection of districts and communities according to agreed criteria finalized by country manager
	2.	Selections confirmed by NAB

Output 1.4	1.	Facilitators recruited
	2.	Facilitators trained
	3.	Guidelines and protocols for community engagement established for each PIC
	4.	Facilitation teams deployed on site
Output 1.5	1.	MORDI programme presented to local community leadership and, where appropriate, local government
	2.	Community-level PRAs undertaken and baseline established
	3.	Participatory planning undertaken based on identified needs in PRA
	4.	PRA reports and plans prepared and translated as necessary
Output 1.6	1.	Workshops held to plan implementation by appropriate beneficiary group
	2.	Meeting held with local government and NGO networks to respond to plan needs
	3.	Contacts made with appropriate external service providers
	4.	Proposals for small community projects prepared and submitted to national MORDI Fund committee
	5.	Community self-assessment process established
	6.	Regular facilitation team reports presented
Output 1.7	1.	Engagement of NGOs and others for providing training
	2.	Capacity-building provided as per PRA and training needs assessment
	3.	Regular monitoring by facilitation teams of delivery quality and attainment levels
	4.	Continuing community self-assessments
Output 2.1	1.	Eligibility criteria established for project applicants
	2.	Selection criteria established for project proposals
	3.	Project implementation manuals prepared
	4.	Criteria established for recruitment of service providers
	5.	Preparation of MORDI Fund manual by regional coordinator, with flexibility to reflect local conditions
	6.	CBO investment plans prepared and submitted
	7.	Proposals screened quarterly by MORDI Fund review and approval committee
	8.	CBO training provided on preparation of MORDI Fund applications
Output 2.2	1.	Innovative options examined for secure fund transfers
	2.	Protocols developed for accountability during fund transfers
	3.	Steps taken to ensure that financial reporting and accounting systems are in place

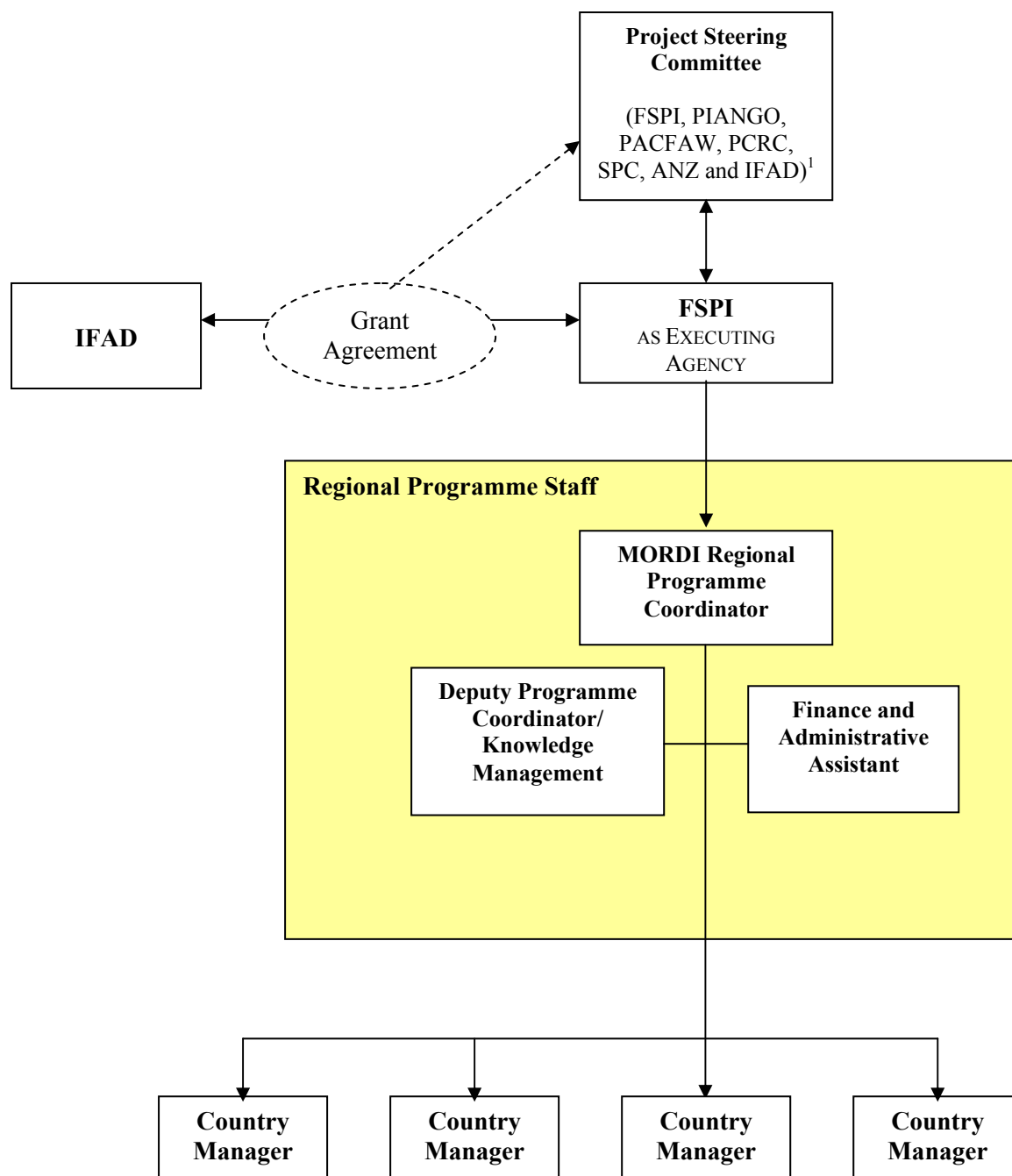
Output 2.3	1.	Review conducted of best practices on microcredit and savings services in PICs
	2.	Transparent and accountable fund management processes developed
	3.	Sustainable criteria and systems developed by CBOs for individual borrowers
Output 2.4	1.	Linkages established with agencies providing livelihood support services
	2.	Review conducted of most cost-effective options in communications for remote communities
	3.	Networks established of like enterprises as basis for scaling up demand and empowerment in negotiations for services and markets
Output 3.1	1.	Pro-poor innovations and best practices identified and disseminated, using appropriate technology and local media
	2.	Identified innovations analysed for appropriate match to local traditional practices
	3.	Local field trials encouraged of adapted innovations
Output 3.2	1.	Innovative and strategic NGOs identified and engaged
	2.	Partnerships negotiated and agreed
	3.	In-country sharing and learning sessions conducted at thematic workshops
	4.	Services being delivered to CBOs by NGO partnerships
	5.	Partnerships being facilitated and sustained by PSC and NABs
Output 4.1	1.	M&E system established in each country with simple reporting format, using PRA as baseline data and with realistic number of key indicators measured
	2.	Facilitators trained to gather field data and present reports
	3.	Regular field monitoring provided by country manager
	4.	M&E messages reflected in AWP/Bs
Output 4.2	1.	Key issues from field reports reviewed regularly for purposes of policy analysis
	2.	Potential policy themes discussed by PSC and NABs
Output 4.3	1.	Rural development strategy framework analysed in each country
	2.	Partner NGOs for selected policy themes identified and engaged
	3.	Policy workshops held at the regional and country level by LSSU unit
	4.	Policy reviews and recommendations submitted to governments
	5.	Policy submissions followed up on by LSSU unit and partner NGOs

STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS ANALYSIS

Strengths	Weaknesses
<ul style="list-style-type: none"> • Multi-stakeholder partnership to leverage comparative advantages • Regional approach allows for sharing and learning • FSPI reputation for integrity • FSPI professional staff resources, network in ten PICs, with 30-year track record in service delivery • Synergy with other FSPI programmes • Community-based development built around empowerment • ANZ banking expertise available • Multi-stakeholder regional programme steering committee provides platform for NGO and private-sector collaboration • Technical back-up network across region available through Secretariat of the Pacific Community • World Council of Churches (WCC) social services network available across the region, including remote communities • Inherent strength and resilience of PIC community structures and social fabric 	<ul style="list-style-type: none"> • Decentralized management makes task of executing agency difficult • Agriculture programmes of the Secretariat of the Pacific Community only accessible via government agencies • Fragmented nature of Pacific NGO community • Geographic realities of the Pacific subregion make coordination expensive • Focus on remote communities exacerbates logistical and cost realities • Weaknesses of CBOs in remote rural communities • CBO focus on youth and women may be inappropriate in some communities – viewed with scepticism in wider community • Community facilitators may be output-driven rather than quality and impact-driven • Lack of human resource capacity for facilitation tasks in some countries • Empowerment via self-reliant community development processes is an unfamiliar process in some countries
Opportunities	Threats
<ul style="list-style-type: none"> • NGOs at the regional and national levels to work together more effectively, especially in submissions to governments, e.g. policy • NGOs to increase the impact of their social service and poverty reduction programmes by more effective networking of comparative strengths • Rural communities to acquire capacity to actively demand services, not passively accept handouts • Provides rural communities with a voice in the policy process • Influence ANZ rural banking activities and extend them beyond Fiji • Empowerment of youth and women within the community context • Dissemination of low-cost communication in PICs through specialized e-mail/ radio technology • Community-based information technology developments continue to reduce impact of remoteness • Greater use of public radio in rural and community development • Capture existing resources, e.g. remittances, to ensure sustainability • Cofinancing partners can join as programme becomes established and develops 	<ul style="list-style-type: none"> • Multi-stakeholder partnership unable to function as a team • Empowerment via community development processes is politically threatening in some countries • Empowerment of youth and women can upset community cohesion and dynamics • General air of mistrust between civil society and PIC governments • Start-up with too many countries undermines effectiveness of operations • MORDI Fund resources overshadow real intent of the MORDI programme • FSPI lacks authority to coordinate the programme properly • Scepticism about regional programmes undermines the MORDI programme at the national level

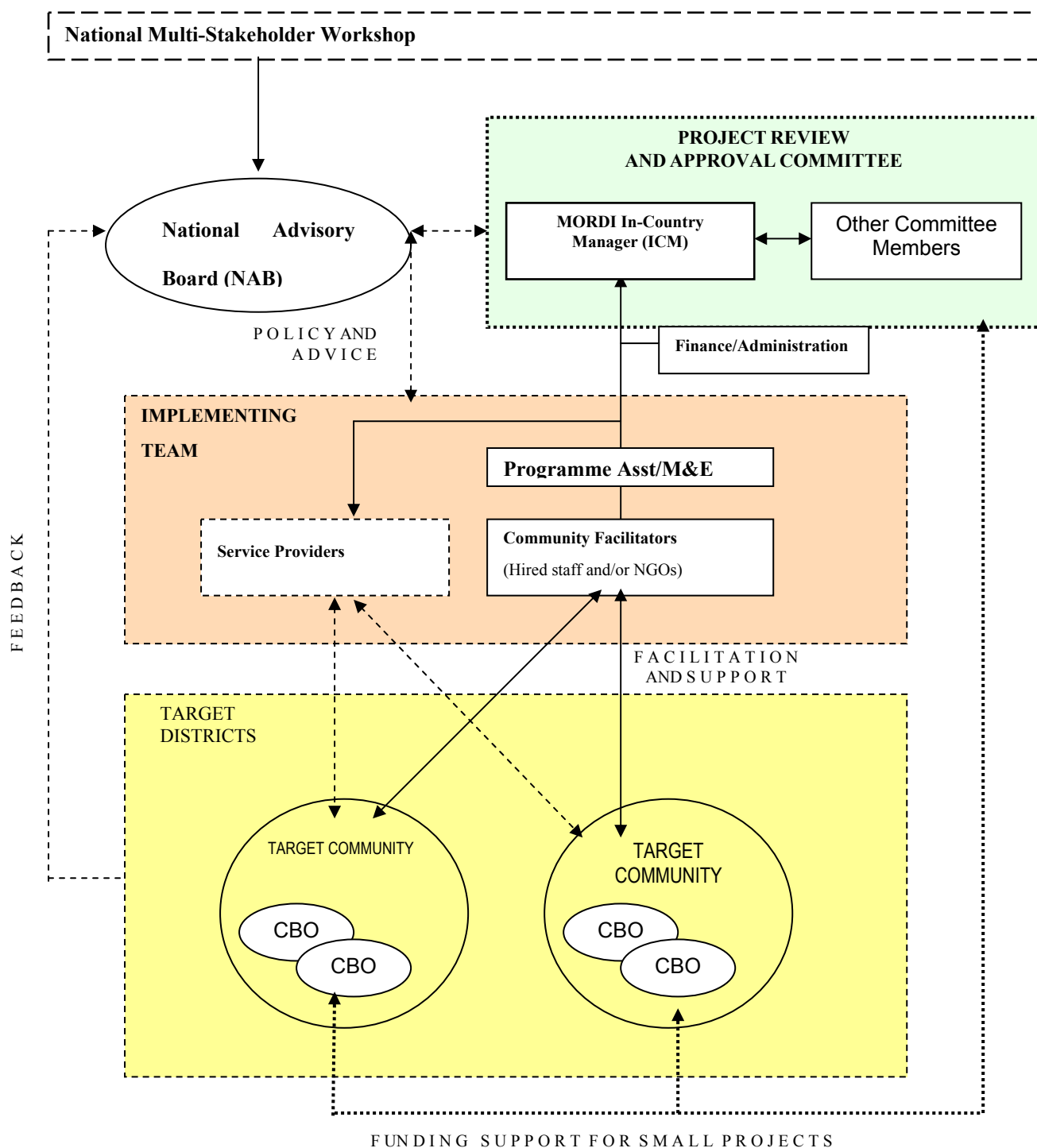
ORGANIZATIONAL STRUCTURE

Figure 1: MORDI Programme’s Regional Structure



¹ ANZ – Australia and New Zealand Banking Group
 PIANGO – Pacific Islands Association of NGOs
 PACFAW – Pacific Foundation for the Advancement of Women
 PCRC – Pacific Concerns Resource Centre
 SPC – Secretariat of the Pacific Community

Figure 2: Programme Management Structure at the Country Level



APPENDIX IV

PROGRAMME COSTS AND FINANCING PLAN

Table 1: MORDI Programme Indicative Costs by Component and by Year
(USD '000)

Component	2005	2006	2007	2008	2009	2010	Total	Share
1. Community empowerment	177.2	267.9	206.8	81.7	73.6	58.4	865.7	15%
2. Economic empowerment	52.5	197.5	331.0	809.0	918.0	445.0	2 753.0	49%
3. Learning, sharing and scaling up	58.2	73.5	75.6	84.4	85.8	85.8	463.3	8%
4. Programme management	156.6	230.4	267.4	366.6	266.6	279.6	1 567.2	28%
Total budget:	444.5	769.3	880.8	1 341.7	1 344.0	868.8	5 649.1	100%
% Expenditure by year	8%	14%	16%	24%	24%	15%	100%	

Table 2: MORDI Programme Indicative Financing Plan
(USD)

Year	IFAD	FSPI	Other NGOs	Local Communities	Private Sector	Total
2005	444 500	22 200	22 200	1 800	30 000	520 700
2006	769 300	38 500	38 500	5 400	30 000	881 700
2007	880 900	44 000	44 000	7 200	30 000	1 006 100
Subtotal Phase I¹	2 094 700	104 700	104 700	14 400	90 000	2 408 500
2008	1 341 700	67 000	67 000	8 400	30 000	1 514 100
2009	1 344 000	67 200	67 200	9 600	30 000	1 518 100
2010	868 800	43 400	43 400	9 600	30 000	995 200
Total:	5 649 200	282 300	282 300	42 000	180 000	6 435 800
%	88%	4%	4%	1%	3%	100%

¹ Estimated amount subject to changes during preparation of the annual workplan and budget.

