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Enabling the rural poor  
to overcome poverty

## **President's report**

### **Proposed loan to the Argentine Republic for the**

### **Rural Areas Development Programme**

Executive Board — Eighty-ninth Session  
Rome, 12-14 December 2006

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For: **Approval**

## **Note to Executive Board Directors**

This document is submitted for approval by the Executive Board.

To make the best use of time available at Executive Board sessions, Directors are invited to contact the following focal point with any technical questions about this document before the session:

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## **Abbreviations and acronyms**

COSOP	country strategic opportunities paper
IDB	Inter-American Development Bank

## **Recommendation for approval**

The Executive Board is invited to approve the recommendation for the proposed loan to the Argentine Republic for the Rural Areas Development Programme, as contained in paragraph 35.

## Map of the programme area



Source: IFAD

The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.

## **Argentine Republic**

### **Rural Areas Development Programme**

#### **Loan summary**

<b>Initiating institution:</b>	IFAD
<b>Borrower:</b>	Argentine Republic
<b>Executing agency:</b>	Secretariat of Crops, Livestock, Fisheries and Food
<b>Total programme cost:</b>	US\$44.8 million
<b>Amount of IFAD loan:</b>	SDR 13.1 million (equivalent to approximately US\$19.3 million)
<b>Terms of IFAD loan:</b>	18 years, including a grace period of 3 years, with an interest rate equal to the reference interest rate per annum as determined by the Fund annually
<b>Contribution of borrower:</b>	US\$25.2 million
<b>Contribution of beneficiaries:</b>	US\$290,000
<b>Appraising institution:</b>	IFAD
<b>Cooperating institution:</b>	Directly supervised by IFAD





# Proposed loan to the Argentine Republic for the Rural Areas Development Programme

## I. The programme

### A. Main development opportunity addressed by the programme

1. The proposed programme builds on the experience of previous initiatives in the country, while upgrading IFAD presence from a project to a programmatic approach. The programme strategy focuses on strengthening economic organizations of the rural poor population and aims at building members' capacity to drive sustained improvement of their social and economic conditions and interact positively with local, provincial and national institutions.

### B. Proposed financing

#### Terms and conditions

2. It is proposed that IFAD provide a loan to the Argentine Republic in the amount of SDR 13.1 million (equivalent to approximately US\$19.3 million) on ordinary terms, to help finance the Rural Areas Development Programme. The loan would have a term of 18 years, including a grace period of 3 years, and an interest rate equal to the reference interest rate per annum as determined by the Fund annually.

#### Relationship to the IFAD performance-based allocation system (PBAS)

3. The PBAS allocation for Argentina over the 2005-07 allocation period is US\$17.9 million. Following a reallocation of resources within the region according to the PBAS country scores, the loan amount has been increased to US\$19.3 million.

#### Country debt burden and absorptive capacity of the State

4. After restructuring its debt in early 2005 and paying off in advance its debt to the International Monetary Fund (IMF), the Argentine Government's capacity to service the country's debt can be ranked as satisfactory. The external debt stood at 42.5 per cent of GDP at year-end 2005, according to IMF estimates. Debt servicing currently represents 6.4 per cent of GDP (roughly one fourth the value of exports) and is expected to decrease over the coming years (5.9 per cent of GDP in 2008). Argentina has received four IFAD loans (approved between 1988 and 2004) for a total of SDR 45.7 million. Loan 648-AR was approved in December 2004 and is expected to be signed before the end of this year. The average loan amount was SDR 11.4 million. Argentina's repayment history over the past ten years, with the exception of 2002, has been fully satisfactory.

#### Flow of funds

5. At the request of the executing agency, the loan proceeds will be deposited in a special programme account at the Central Bank and will be channelled to a national programme account and to provincial programme accounts, in accordance with the annual workplan and budget, and with the programme execution agreements entered into by the borrower with each province satisfactory to IFAD. Provincial authorities will transfer funds to beneficiaries' organizations as set forth in the programme in accordance with the conditions and procedures established in the respective regulations and manuals.

#### Supervision arrangements

6. The loan will be administered by IFAD, with the assistance of a service provider with experience of loan administration as cooperating institution for loan administration and procurement review and verification. Arrangements for direct technical supervision by IFAD will be established in partnership with multilateral or local institutions.

## **Exceptions to IFAD General Conditions for Agricultural Development Financing and operational policies**

7. Expenses incurred for capacity-building and technical services provided to beneficiary groups of the Rural Development Project for the Northeastern Provinces, which are also eligible under this loan, will be reimbursed after effectiveness and charged to the loan resources for a maximum amount of SDR 200,000 if incurred before loan signature but not before 1 July 2007.

### **Governance**

8. The following planned measures are intended to enhance the governance aspects of the IFAD loan: (i) independent auditing by the country's Auditor General; and (ii) use of competitive procurement systems both for participating government agencies and for beneficiaries' organizations.

## **C. Target group and participation**

### **Target group**

9. There will be 19,450 direct beneficiaries, of whom 11,540 are non-indigenous, family-based producers or adult rural workers (37 per cent of them women); 3,900 (divided equally between men and women) belong to indigenous communities; and 4,010 are young men and women. The non-indigenous population essentially needs opportunities for employment or stable productive activity and sufficient income to meet basic needs. The indigenous population is extremely vulnerable in terms of food security, health care, education and basic services. Women have a minimal level of participation in organizations and even less in management activities. Young people – faced with the lack of opportunities locally – drop out of school and tend to migrate to cities.

### **Targeting approach**

10. The direct beneficiaries will access the programme through organizations or existing economic groups, and are to be part of the target population. They have family incomes lower than three times the annualized monthly minimum wage for unskilled rural workers. In organizations where eligible beneficiaries so approve, up to 30 per cent of members belonging to other strata of the rural population may also be included, with a view to promoting greater linkage with the market or other obvious advantages in order to move up in the value chain of their products.

### **Participation**

11. The programme will seek effective participation by organized producers in managing programme resources, for instance in hiring support services, procuring goods, making investments, and performing other actions called for under the programme. As from start-up, the programme will foster active participation by organizations and their members in the preparation of situation assessments and the formulation of community or territorial plans and business plans linked to the value chain. Beneficiaries will also participate in the monitoring and evaluation of programme actions and outputs through participatory processes and by sitting on ad hoc evaluation committees. Women will have significant and gradually increasing participation in all processes relating to the aforementioned actions.

## **D. Development objectives**

### **Key programme objectives**

12. The general objective of the programme is to contribute to the sustainable reduction of rural poverty in 10 provinces of Argentina. To this end, it will (i) empower producer organizations/groups having high percentages of women and young members; (ii) carry out social and productive projects for indigenous groups or communities; (iii) foster the transformation of traditional farm and non-farm activities of rural poor households into sustainable, revenue-generating business activities; (iv) offer work and business opportunities to rural youth; (v) facilitate

access by beneficiaries and their organizations to business support services; and (vi) support institutional strengthening and policy dialogue in favour of rural poor people.

### **Policy and institutional objectives**

13. The programme modifies the approach taken under previous operations (based on regional projects) to adopt that of a national programme aimed at promoting national and provincial public investments and policies in favour of the rural poor and the strengthening and inter- and intra-agency coordination of executing agencies. Accordingly, the programme will seek to (i) ensure that rural producer organizations are sufficiently strengthened and trained to manage themselves and engage in revenue-generating business undertakings; (ii) galvanize the private supply of financial and technical support services for emerging organizations; and (iii) establish linkages at the local, provincial and national levels among the various sectors involved.

### **IFAD policy and strategy alignment**

14. The programme follows the recommendations of the 2003 IFAD country strategic opportunities paper (COSOP) for Argentina, the regional strategy and the policy framework. With regard to the COSOP, it pursues the strategic objective of empowering the rural poor population, especially small farmers, indigenous people and rural workers, building their capacities and strengthening their organizations. IFAD policies on gender, environmental sustainability and knowledge management cross-cut the entire programme framework.

## **E. Harmonization and alignment**

### **Alignment with national priorities**

15. Rural poverty reduction and rural development are stated priorities of the Government. At the initiative of the executing agency, a rural development strategy was recently prepared with support from IFAD, the Inter-American Development Bank (IDB) and the Government of Italy. The executing agency has supported – also with IFAD participation – the establishment and development of the National Forum on Family-based Agriculture, which brings together small and medium-sized rural producers from around the country with a view to promoting policies in favour of that sector. The proposed programme and other IFAD-supported operations fall fully within this framework.

### **Harmonization with development partners**

16. The World Bank and IDB both support rural development and poverty reduction activities. The operation most directly linked to rural poverty is the World Bank's Small Farmers Development Project (PROINDER), which could be complemented by the proposed IFAD programme. Other programmes – related more to infrastructure and microenterprise, animal and plant health, rural education, the environment and forestry development – also offer potential complementarities.

## **F. Components and expenditure categories**

### **Main components**

17. The programme has the following components: (i) strengthening of human and social capital (29 per cent of the base cost); (ii) development of rural businesses (44 per cent); and (iii) institutional development (27 per cent).

### **Expenditure categories**

18. The expenditure categories are as follows: (i) equipment and vehicles (1.8 per cent); (ii) studies and advisory services (6.1 per cent); (iii) training and technical services to the beneficiaries (43.8 per cent); (iv) funds for the beneficiaries (27.5 per cent); and (v) operating costs (20.8 per cent).

## **G. Management, implementation responsibilities and partnerships**

### **Key implementing partners**

19. These will be: the Secretariat of Crops, Livestock, Fisheries and Food of the Ministry of Economic Affairs and Production (the programme's executing agency); the Secretariat of Economic Policy and Secretariat of Finance of the Ministry of Economic Affairs and Production; the provincial governments; organizations of the target population; and private entities and NGOs.

### **Implementation responsibilities**

20. National-level coordination of the programme will be performed by a national coordination unit within the executing agency. In each participating province, the respective government will set up a unit to oversee coordination of programme execution at the provincial level. At the national level, the Secretary of the executing agency or his/her equivalent will set programme policy and strategies, and approve each year the workplans and budgets and any changes. In each province, the Minister for Production or his/her equivalent will monitor programme actions, review and approve annual workplans and support the coordination of the various levels of execution at the provincial level. The target population will be represented in each provincial coordination unit. Private entities or NGOs will be hired to provide technical support services to programme organizations.<sup>1</sup>

### **Role of technical assistance**

21. No external technical-assistance financing from IFAD or other donors is planned for carrying out this programme.

### **Status of key implementation agreements**

22. In addition to the signing of the loan agreement, loan effectiveness will be dependent mainly upon the Government (i) reaching an agreement on implementation with at least three programme provinces, based on the terms of the IFAD loan agreement and the programme design document; and (ii) having received IFAD's "no objection" to the programme implementation manual.

### **Key financing partners and amounts committed**

23. The total programme cost is US\$44.8 million. The sources of financing are IFAD (43.2 per cent), the Government (56.2 per cent) and the beneficiaries (0.6 per cent). IFAD will make a loan of approximately US\$19.3 million, and the Government will provide approximately US\$25.2 million.<sup>2</sup>

## **H. Benefits and economic and financial justification**

### **Main categories of benefits generated**

24. The programme will benefit 19,450 producers directly and some 50,000 others indirectly. Benefits include: (i) transformation of low-revenue-generating, traditional productive activities into sustainable businesses; (ii) inclusion of rural youth in productive activities; (iii) food security, especially for the indigenous population; (iv) facilities and services to benefit the community; (v) fostering a market of services for rural residents; (vi) strengthening of inter-institutional coordination and linkage with national and international programmes and institutions and the private sector; and (vii) broader IFAD policy dialogue by virtue of supporting a national programme.

### **Economic and financial viability**

25. The programme's features (demand-driven inclusion, strengthening of social capital, self-management of organizations, investment based on identifying opportunities and formulation of business plans by members) preclude the possibility of a classic economic analysis. Nevertheless, selected examples from a broad range of possible

<sup>1</sup> See appraisal report for organization chart.

<sup>2</sup> See appraisal report for a breakdown of the costs by category and financing source.

rural businesses (both farm and non-farm) show prospects for increasing revenues and expanding the capital of organizations and their members. Strengthened economic organizations will favour the sustainability of economic actions, and their linkage into networks will give producers greater bargaining power and opportunities for technical and financial assistance. The formation of production chains will build capacity and sustainability and will contribute to regional economies.

## **I. Knowledge management, innovation and scaling up**

### **Knowledge management arrangements**

26. The programme includes information dissemination and knowledge management by the beneficiaries and at all levels of execution. The activities of promotion, training, communication, evaluation, systematization, exchanges, visits and meetings, which are a substantial part of the actions supported by the programme, are geared in that direction.

### **Development innovations that the programme will promote**

27. The programme introduces the following innovations vis-à-vis previous operations: (i) approach based on a national-level programme rather than regional projects; (ii) flexible and step-wise inclusion of provinces; (iii) inclusion exclusively of existing organizations/groups, with the possibility of including local members of higher socio-economic strata to bring greater dynamism and market linkage; (iv) specific targeting of young people; and (v) emphasis on local-level cooperation and linkages among organizations, and between organizations and private- and public-sector entities.

### **Scaling-up approach**

28. The programme is expected to strengthen policy dialogue on rural poverty reduction strategies and help to replicate on a national scale the methodology used and experiences gained during the execution of this and other IFAD-supported operations in Argentina.

## **J. Main risks**

### **Main risks and mitigation measures**

29. Loan effectiveness and disbursement under previous operations in Argentina have been slow. At appraisal, IFAD received assurances of the Government's commitment to the new programme and to existing IFAD-supported operations in Argentina. The main risks faced by the programme are (i) delays in loan contract signing if the Government and participating provinces are unable to reach agreement; (ii) insufficient supply of management and technical-support services; and (iii) poor use and administration of programme resources by grass-roots organizations. The following mitigation measures will be taken: (i) ensuring flexibility in the inclusion of provinces, providing for a step-wise process; (ii) promoting an adequate local and provincial supply of support services in both quantitative and qualitative terms; and (iii) training, follow-up and management assistance for organizations.

### **Environmental classification**

30. Pursuant to IFAD's environmental assessment procedures, the programme has been classified as a Category B operation in that it is not likely to have any significant negative environmental impact. Programme execution will take account of applicable environmental regulations and will ensure that projects and plans implemented under the programme are compatible with them.

## **K. Sustainability**

31. The sustainability of the programme's achievements and programme-facilitated services will hinge mainly on the capacity of beneficiaries' organizations to manage their development and link adequately with the public and private sectors. One of the programme's specific purposes is to promote sustainable businesses capable of linking with the provincial private sector and beyond. At the same time, the public

and private spaces created or promoted under the programme (technical and financial services) will have strengthened their capacities by incorporating methods and knowledge to meet the needs and demands of the population; some of these spaces will continue to operate after programme closing with resources from other public sources or new operations.

## **II. Legal instruments and authority**

32. A loan agreement between the Argentine Republic and IFAD will constitute the legal instrument for extending the proposed loan to the borrower. A summary of the important supplementary assurances included in the negotiated agreement is attached as an annex.
33. The Argentine Republic is empowered under its laws to borrow from IFAD.
34. I am satisfied that the proposed loan will comply with the Agreement Establishing IFAD.

## **III. Recommendation**

35. I recommend that the Executive Board approve the proposed loan in terms of the following resolution:

RESOLVED: that the Fund shall make a loan to the Argentine Republic in various currencies in an amount equivalent to thirteen million one hundred thousand special drawing rights (SDR 13,100,000) to mature on or prior to 1 October 2024 and to bear an interest rate equal to the reference rate per annum as determined by the Fund annually, and to be upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented herein.

Lennart Båge  
President

## Summary of important supplementary assurances included in the negotiated loan agreement

(Negotiations concluded on 3 November 2006)

1. **Additional events of suspension.** (a) IFAD will suspend, in whole or in part, the right of the Government to request withdrawals of funds from the loan account if the audit has not been conducted satisfactorily within the six months following the established date. (b) IFAD may suspend, in whole or in part, the right of the Government to request withdrawals of funds from the loan account in the event that: (i) the national coordinator has been appointed without the prior consent of IFAD, or has been removed without due and timely notice to IFAD; (ii) IFAD has determined that the programme resources are not adequately reaching the target group or are benefiting persons other than the target group; (iii) the implementation agreement, or any of its provisions, has been transferred, waived, suspended, revoked, amended or otherwise modified without the prior consent of IFAD, and IFAD has determined that such transfer, waiver, suspension, revocation, amendment or modification has had, or is likely to have, a material adverse effect on the programme; (iv) the Government has failed to honour any commitment and IFAD has determined that such failure has harmed or is likely to harm the programme; and (v) the programme implementation manual, or any of its provisions or regulations, has been transferred, waived, suspended, revoked, amended or otherwise modified without the prior consent of IFAD, and IFAD has determined that such transfer, waiver, suspension, revocation, amendment or modification has had, or is likely to have, a material adverse effect on the programme.
2. **Programme implementation manual.** The national coordination unit, in consultation with the existing provincial implementing units, will prepare a draft implementation manual and regulations for the use and operation of funds, which will be incorporated into the implementation manual.
3. **Participation of women and members of indigenous populations.** The lead programme agency will ensure that women and members of indigenous populations are full participants and beneficiaries of all programme activities and, to this end, it will ensure that: (a) the gender approach is taken into account in all programme activities; and (b) the interests of indigenous populations who are programme beneficiaries are respected and that they have equal access to the various activities under the programme.
4. **Pest management practices.** The Government will ensure that no pesticide procured under the programme is among those proscribed by the Food and Agriculture Organization of the United Nations or is classified as extremely hazardous or highly hazardous by the World Health Organization.
5. **Monitoring and evaluation.** The programme's system for planning, monitoring, evaluation and knowledge management will contribute to the sound management of the programme and attainment of its objectives through the establishment of organized processes of participatory diagnostic analysis, planning and evaluation. The rural development policy and strategy will be based on this system and will be adjusted accordingly.
6. **Sustainability and environmental impact.** The programme will avoid generating any environmental damage and will seek, to the extent possible, to help revert existing processes of deterioration by building awareness among beneficiaries of potential environmental damage, providing training in the use of good practices, and preventing environmental damage as the result of activities or development plans.

7. **Insurance of programme staff.** The lead programme agency will insure programme staff against health and accident risks in keeping with applicable legislation of the Government.
8. **Implementation agreement.** The Government will sign an implementation agreement with each province to IFAD's satisfaction. Each such agreement will stipulate the provisions whereby each province will contract a legal obligation to carry out the programme, as well as the modality and amount of loan resources to be transferred to each province.
9. **Strategic partnerships.** The programme will establish contacts with other programmes and institutions that work in the field of rural development and have rural poverty reduction as an objective.
10. **Reflow fund.** In consultation with IFAD, the lead programme agency will establish and maintain a reflow fund that will receive all net income from credits granted to programme beneficiaries and financed under the loan within the framework of the investment fund.
11. **Procurement by beneficiaries' organizations.** These organizations will be responsible for administering the resources transferred under the programme, as set forth in the respective agreement, and they will select service providers and enter into the respective agreements in keeping with the regulations of the respective fund.
12. **Conditions precedent to disbursement.** No withdrawals may be made from the loan account until such time as IFAD has approved the annual workplan and budget for the first year of the programme. No withdrawals may be made under the heading of funds for transfer to beneficiaries until such time as IFAD has approved the regulations of the respective fund. No withdrawals may be made from the special account for a given province until the province has signed the implementation agreement and established the provincial implementing unit to IFAD's satisfaction, has duly opened the provincial account for the programme, and has provided evidence to IFAD's satisfaction of the availability of the provincial counterpart funds called for in the programme's annual workplan and budget.
13. **Conditions for effectiveness.** The loan agreement will become effective upon fulfilment of the following conditions precedent:
  - (a) the national coordination unit has been duly established and the national coordinator has been selected and appointed to IFAD's satisfaction;
  - (b) the Government has opened the special account;
  - (c) IFAD has indicated its no objection for the implementation manual, excluding the regulations;
  - (d) the Government has provided evidence of the initial budgetary allocation of counterpart funds;
  - (e) the loan agreement has been duly signed, and the signature and performance thereof by the Government have been duly authorized and ratified by the necessary institutional, administrative and governmental action;
  - (f) the Government has presented to IFAD a legal opinion issued by the Director-General for Legal Affairs of the Ministry of Economy and Production or other competent legal counsel; and



- (g) at least three provinces have signed the implementation agreement to IFAD's satisfaction, have established the provincial implementing unit and have duly opened the provincial account for the programme.



## **Key reference documents**

### **Country reference documents**

Constitución de la Nación Argentina

Leyes General del Ambiente (06.11.2002) y del Régimen de Aguas (No. 25638)

Informes Económicos Trimestrales del Ministerio de Economía (Año 2005)

Informes anuales del Banco Central de la Nación Argentina (BCRA)

Censos Nacionales (año 2002). Instituto Nacional de Estadísticas (INDEC)

Estudios sobre Pobreza y Género (2004'2005) INDEC

### **IFAD reference documents**

IFAD/RIMISP, National Strategy for Rural Development (2006)

FIDA/RIMISP, Proposals to Institutionalise a Rural Development Strategy in Argentina (2006)

C. Trivelli, Rural Financial Markets: Principles, Paradigms and Experiences (2006)

A. Lambertini, C. Leyba, Evaluation of the Potential of Institutions and Financial Services for Micro-enterprises in Rural Argentina (2006)

Argentina COSOP

PDD and Key Files

Policy on Targeting

Policy on Gender

Policy on Private Sector Partnership and Development Strategy

## Logical framework

Objective hierarchy	Key performance indicators and targets	Monitoring mechanisms and information sources	Assumptions and risks
<b>Goal</b> Rural poverty for rural poor in prioritized zones in ten provinces of Argentina is significantly reduced	RIMS Impact Indicator 1: Reduction in child malnutrition RIMS Impact Indicator 2: Increase of assets of rural households	<ul style="list-style-type: none"> <li>Baseline, midterm and completion surveys</li> </ul>	
<b>Programme Purpose</b> Rural poor families, poor youth (with limited development opportunities) and poor indigenous people in ten provinces are mainstreamed into socio-economic development process in prioritized zones with high indices of poverty	<ul style="list-style-type: none"> <li>19 450 households (3 900 indigenous households) with improved food security</li> <li>70% of the organizations/groups with acceptable or higher revenue of their business</li> <li>85% of the organizations/groups practising good management methods of their business after completion of TA</li> <li>70% businesses managed by young people functioning after one year</li> <li>15% of enterprises supported by Programme have access to formal credit lines</li> <li>Function of community infrastructure of attended indigenous groups/communities</li> </ul>	<ul style="list-style-type: none"> <li>RIMS Impact Survey implemented at 1<sup>st</sup> year, before mid-term and before completion</li> <li>Results of Focus group discussions with organizations/associations</li> <li>Selected interviews with individual enterprises and organizations/groups</li> <li>Legal documents of the organizations/groups</li> <li>Assessments by indigenous groups/communities of functioning infrastructure and projects</li> </ul>	<ul style="list-style-type: none"> <li>Macro economic conditions favour the development of regional economic chains</li> <li>Third party investors maintain their demand-oriented services</li> <li>Rural development policy prioritizes provincial development and participation of beneficiary</li> <li>Complementary financial support from private/public financial institutions delivered</li> </ul>
<b>Output by component</b> <b>Strengthening Human and Social Capital</b> <b>Output 1:</b> Rural poor organizations/groups with strong membership of women and youth are strengthened and empowered in their management capabilities	<ul style="list-style-type: none"> <li>1376 organizations/groups with improved capabilities in management (37% of members are women)</li> <li>400 social projects (30% with youth participation) implemented with FIC (USD 1.2 million)</li> <li>414 social workers (40% women) trained in management</li> <li>966 organizations/groups with women active in management committees</li> </ul>	<ul style="list-style-type: none"> <li>Regular assessments of the service providers</li> <li>Records of Management Plans</li> <li>Documentation of systematization of experiences with social projects</li> <li>Records of training/Focus group discussions</li> </ul>	<ul style="list-style-type: none"> <li>Organizations/groups are not negatively interfered by social or political conflicts that hamper their integration in the economic development process</li> </ul>
<b>Output 2:</b> Productive and social investments projects for Indigenous communities implemented	<ul style="list-style-type: none"> <li>3900 beneficiaries(50% women) of indigenous organizations/communities have access FACA(USD 2.95 million)</li> <li>59 of community develop./productive (30% productive) projects implemented</li> <li>3900 beneficiaries trained in health/sanitation/nutrition</li> <li>No of Infrastructure for drinking water and schools constructed/rehabilitated in indigenous communities (target value to be defined in AWBP)</li> </ul>	<ul style="list-style-type: none"> <li>Records of the Fund</li> <li>Reports on projects implemented</li> <li>Training reports</li> <li>Reports on social auditing of infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>Regional government authorities are willing to attend indigenous communities for complementary activities</li> </ul>
<b>Business Development</b> <b>Output 3:</b> Agricultural and non-agricultural activities of rural poor households have been transformed into profitable and sustainable businesses mitigating environmental negative effects	<ul style="list-style-type: none"> <li>856 organizations/groups have established productive and marketing activities with FAE (USD 4.7 million)</li> <li>354 organizations/groups with improved businesses with the Revolving Fund FOCO( USD 3.165 million)</li> <li>46 organizations/groups have implemented industrial long-term investments with FI (USD 1.650 million)</li> </ul>	<ul style="list-style-type: none"> <li>Training reports</li> <li>Records of the different funds</li> <li>Focus group discussions</li> <li>Assessment by the organizations/groups of their investments/businesses</li> </ul>	<ul style="list-style-type: none"> <li>New sanitarian regulations do not limit the access to markets</li> <li>Provincial economic policies and regulations are in favour of small-scale businesses of rural poor households</li> </ul>
<b>Output 4:</b> Employment and business opportunities offered for poor youth	<ul style="list-style-type: none"> <li>1 500 young people (50% women) trained in business development and technical skills.</li> <li>750 young people have elaborated their business plan</li> <li>950 young people with access to FAE and /or FOCO</li> </ul>	<ul style="list-style-type: none"> <li>Training reports</li> <li>Records of FAE/FOCO</li> <li>Files and records of the business plans</li> </ul>	
<b>Output 5:</b> Beneficiaries and their organizations have better access to market oriented and entrepreneurial support services	<ul style="list-style-type: none"> <li>360 technical advisors trained in rural development issues, business administration ,entrepreneurship (50% women)</li> <li>1875 contracts with Technical Advisors/755 contracts with specialized technical advisors established</li> </ul>	<ul style="list-style-type: none"> <li>Training reports</li> <li>Records of the contracts</li> <li>Assessment of services by organizations/groups</li> </ul>	<ul style="list-style-type: none"> <li>Services are offered on time and in line with the procedural requirements of the Programme</li> <li>Terms of offering business assistance are sufficiently interesting to attract business and management advisors</li> </ul>
<b>Institutional Development</b> <b>Output 6:</b> Innovative poverty reduction instruments and mechanism with inter-and intrainstitutional harmonization and coordination processes enhanced to be incorporated in National and Provincial Rural Development Policies	<ul style="list-style-type: none"> <li>Programme innovations/instruments documented and divulgated</li> <li>Programme innovations taken on the agenda by interinstitutional Comités and Round tables</li> <li>Joint/supplementary projects activities (with private and/or public partners) agreed based on Programme experiences</li> <li>Scaling-up of project experiences from province to national level</li> </ul>	<ul style="list-style-type: none"> <li>Documentation of experiences/innovations</li> <li>Mutual agreements signed</li> <li>Records of meetings/seminars</li> </ul>	

