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Enabling poor rural people
to overcome poverty

President's report

Proposed loan to the Republic of Peru for the

Project for Strengthening Assets, Markets and Rural Development Policies in the Northern Highlands (Sierra Norte)

Executive Board — Ninety-second Session
Rome, 11-13 December 2007

For: **Approval**

Note to Executive Board Directors

This document is submitted for approval by the Executive Board.

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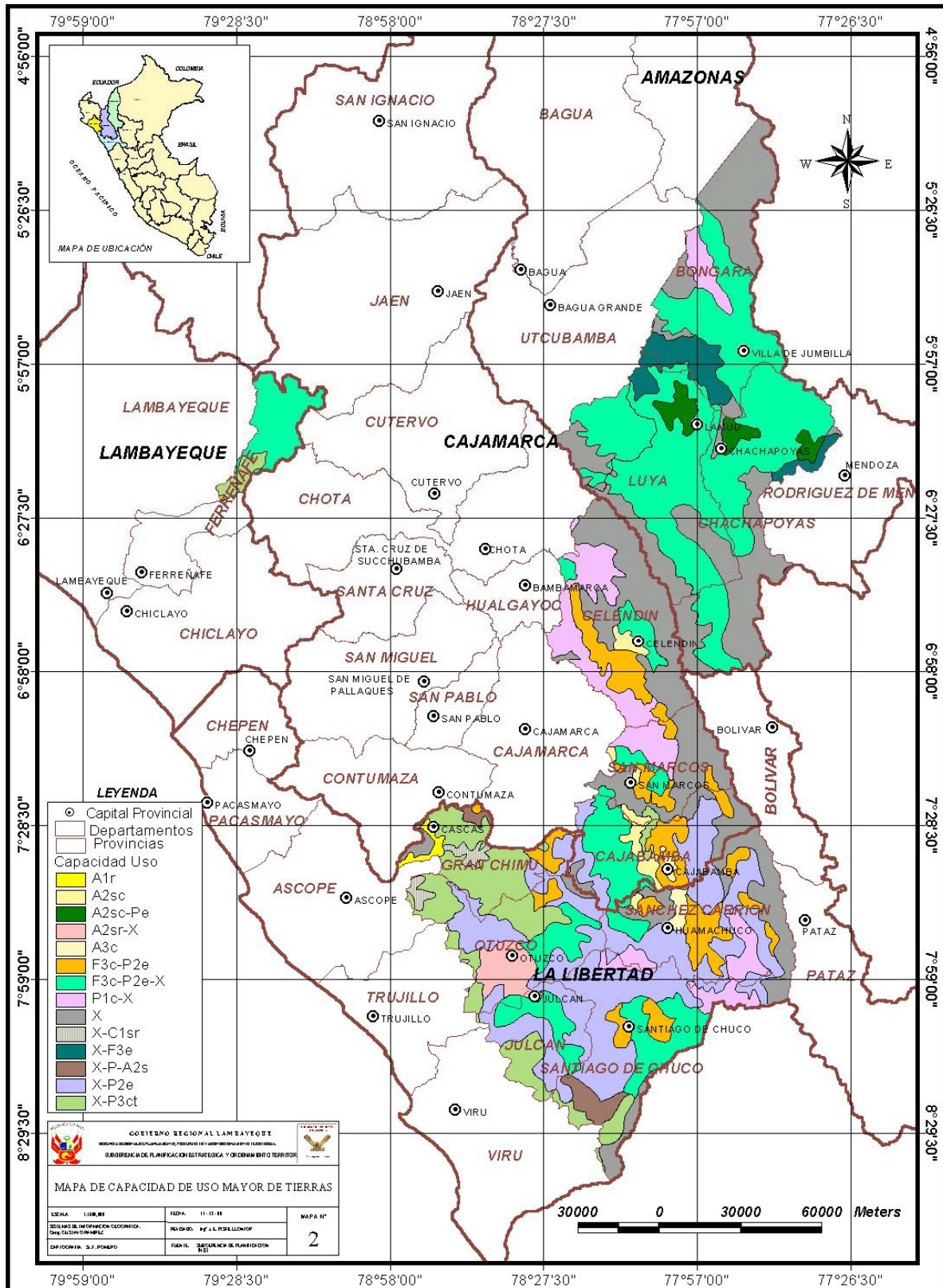
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Recommendation for approval

The Executive Board is invited to approve the recommendation for the proposed loan to the Republic of Peru for the Project for Strengthening Assets, Markets and Rural Development Policies in the Northern Highlands (Sierra Norte), as contained in paragraph 35.

Map of the project area



Source: Subgerencia de planificación estratégica y ordenamiento territorial, Gobierno Regional Lambayeque

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.

Republic of Peru

Project for Strengthening Assets, Markets and Rural Development Policies in the Northern Highlands (Sierra Norte)

Loan summary^a

Initiating institution:	IFAD
Borrower:	Republic of Peru
Executing agency:	Ministry of Agriculture
Total project cost:	US\$21.7 million
Amount of IFAD loan:	SDR 9.05 million (equivalent to approximately US\$14.4 million)
Terms of IFAD loan:	18 years, including a grace period of approximately, but not exceeding, 6 years, with an interest rate equal to the reference interest rate per annum as determined by the Fund annually
Cofinancier:	Action Aid, Spain
Amount of cofinancing:	US\$1.0 million
Contribution of borrower:	National Government of Peru: US\$3.4 million Regional and local governments: US\$1.7 million
Contribution of beneficiaries:	US\$1.2 million
Appraising institution:	IFAD
Cooperating institution:	Directly supervised by IFAD

^a During negotiations, appraisal estimates for the total project cost and the contributions by the Government of Peru and the beneficiaries were reviewed and adjusted. Accordingly, the total project cost will be US\$21.7 million instead of US\$21.9 million. The contribution of the National Government of Peru changes from US\$2.8 million to US\$3.4 million; the regional and local governments contribution from US\$ 1.3 million to US\$1.7 million, and the beneficiaries' contribution from US\$2.4 million to US\$1.2 million. The IFAD loan remains at US\$14.4 million and cofinancing by Action Aid remains at US\$1.0 million. During negotiations, it was also agreed that in the first quarter of 2008 the overall project cost and financing estimates will be adjusted taking into account the above agreed modifications. An information note will be prepared for the April 2008 session of the Executive Board.

Proposed loan to the Republic of Peru for the Project for Strengthening Assets, Markets and Rural Development Policies in the Northern Highlands (Sierra Norte)

I. The project

A. Main development opportunity addressed by the project

1. The main issues addressed by the project include: (i) persistent poverty in the highlands of Peru; (ii) increased deterioration of natural resources; (iii) limited access to financial and non-financial services markets; (iv) exclusion based on lack of full citizenship rights; and (v) limited capacity to harmonize and implement concerted investments.

B. Proposed financing

Terms and conditions

2. It is proposed that IFAD provide a loan to the Republic of Peru in the amount of SDR 9.05 million (equivalent to approximately US\$14.4 million) on ordinary terms to help finance the Project for Strengthening Assets, Markets and Rural Development Policies in the Northern Highlands (Sierra Norte). The loan will have a term of 18 years, including a grace period of approximately, but not exceeding, six years, with 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 IFAD loan for this project falls within the three-year allocation (2007-2009) of US\$28,468,760.

Country debt burden and absorptive capacity of the State

4. The Government's proposed debt management plan focuses on improving the structure of public debt by increasing the share of local-currency-denominated and fixed-rate debt in the total debt. The amortization profile has been smoothed out in recent years, and authorities are contemplating new private-market and official debt operations to this effect. At end-November 2006, net international reserves stood at US\$16.2 billion, equivalent to over 325 per cent of short-term debt and 135 per cent of foreign currency deposits with the banking system. The Government has included the IFAD project in its National Public Investment System within planned foreign debt ceilings.

Flow of funds

5. IFAD loan proceeds will be channelled through a special account to be opened with the Banco de la Nación. The lead project agency will open a project account in local currency with the Banco de la Nación for project operations.

Supervision arrangements

6. The project will be directly supervised by IFAD, with the support of Peruvian research institutions. The review of procurement, disbursement and financial matters may be contracted out to a qualified institution.

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

7. No exceptions are foreseen.

Governance

8. The following measures are planned to enhance the governance aspects of the IFAD loan: (i) use of private auditing firms and full adherence to IFAD's guidelines for audit reporting; (ii) support to capacity-building of the project implementation unit in financial management and procurement, in conjunction with other donors; and

(iii) use of a competitive and transparent awards system for the allocation of resources through the use of local resource allocation committees.

C. Target group and participation

Target group

9. The project's target group has been determined using both poverty lines and "unmet basic needs" approaches, based on the Government's poverty targeting mechanism. The estimated beneficiaries are 20,000 poor or extremely poor families, based on living standards measurement surveys, whose income is less than US\$1,040 per capita and who inhabit districts having a Human Development Index of less than 0.6.

Targeting approach

10. Project design incorporates geographic targeting, complying with IFAD's targeting approach. The project will use self-targeting mechanisms based on demand-driven implementation modalities. The mechanisms will be supported by: (i) appropriate funding levels; (ii) simple, appropriate instruments for subproject formulation by the poor; (iii) provision of technical assistance based on the potential of beneficiary groups; and (iv) support in valuing assets and assistance to the most vulnerable in fulfilling project requirements for receiving assistance.

Participation

11. The project will further participatory approaches implemented in the highlands region of Peru in previous IFAD projects, which are at the core of all interventions. Beneficiaries will identify and map their assets and those of their communities. Then they will identify, formulate and implement business ventures. The project will assist them in contracting the services they require for implementation. Rural women will be able to participate fully through the establishment of savings accounts. With project incentives, microinsurance will be provided for the most vulnerable. Institutional partners will participate through their involvement in the project's steering committee and in the allocation of project resources through the local resource allocation committees.

D. Development objectives

Key project objectives

12. The project's purpose is to reduce poverty and extreme poverty among the rural population – men, women and youth - of the Northern Highlands of Peru. Its main objective is to increase and/or add value to the human, social, natural, physical and financial assets of rural, poor, small-scale producers and entrepreneurs, particularly women and youth. Specific objectives include: (i) strengthening the capacity of local institutions, communities and rural organizations to manage their natural resources; (ii) strengthening and empowering the organizations of the rural poor in terms of their management capacities, market positioning and entrepreneurial activities through provision of financial and non-financial services; (iii) increasing the financial assets of rural poor women through savings mobilization and microinsurance; and (iv) furthering social and cultural capital while harmonizing and coordinating activities between public/private institutions and beneficiary organizations.

Policy and institutional objectives

13. The project will further three main policy and institutional objectives: (i) protecting and enhancing the natural and cultural heritage; (ii) increasing opportunities for rural growth; and (iii) consolidating and improving strategic partnerships in a territorial context.

IFAD policy and strategy alignment

14. The project is consistent with IFAD's country strategic opportunities paper, which proposed: (i) enhancing small-scale farmers' assets; (ii) supporting development of financial and non-financial services markets; (iii) contributing to development of

rural-urban linkages; and (iv) strengthening regional and local development. The project is fully aligned with the IFAD Strategic Framework 2007-2010.

E. Harmonization and alignment

Alignment with national priorities

15. The project is aligned with Peru's National Strategy for Rural Development, National Food Security Strategy and the 2004 National Poverty Reduction Strategy. The rural development strategy involves establishing productive alliances, creating off-farm opportunities and strengthening regional governments, local development councils, communities, producer groups and civil society organizations. The poverty reduction strategy includes three pillars: (i) further economic growth, including that of the rural poor; (ii) provide universal social services; and (iii) extend decentralization of the State.

Harmonization with development partners

16. In addition to leveraging additional funding by the NGO Action Aid, this IFAD intervention will be harmonized with the World Bank's ALIADOS Project and with the Inter-American Development Bank's Program of Support Services to Gain Access to Rural Markets under the framework of rural development policies.

F. Components and expenditure categories

Main components

17. Project implementation includes four main components and a number of significant activities:
- (a) **Component 1: managing natural resources and valuing physical assets**
This component includes six main activities: (i) promotion and information dissemination; (ii) support for beneficiary participation; (iii) mapping tangible and intangible community assets; (iv) rewards for improvements in the management of natural resources; (v) furthering experience-sharing between beneficiaries and communities; and (vi) supporting the establishment of natural protected areas.
 - (b) **Component 2: developing business initiatives and strengthening financial assets**
This component includes the following activities: (i) promotion and dissemination; (ii) business identification and planning; (iii) technical assistance contracting and enhancement of the supply of technical support; and (iv) savings mobilization and microinsurance.
 - (c) **Component 3: strengthening territorial development and furthering knowledge management**
This component includes five main activities: (i) local investment planning and project design; (ii) enhancing citizenry; (iii) financing public private partnerships; (iv) implementing an integrated development support project in Lambayeque; (v) policy dialogue and knowledge management.

Expenditure categories

18. There are ten expenditure categories: (i) civil works US\$1.8 million (8.1 per cent); (ii) vehicles and equipment US\$0.2 million (0.8 per cent); (iii) technical assistance¹ US\$5.2 million (23.6 per cent); (iv) incentives US\$5.2 million (23.7 per cent); (v) matching grants US\$3.4 million (15.3 per cent); (vi) training US\$2.7 million (12.1 per cent); (vii) professional services US\$0.7 million (3.2 per cent); (viii) delegated transfers US\$0.5 million (2.3 per cent); (ix) salaries US\$1.8 million (8.3 per cent), (x) operational costs US\$0.6 million (2.5 per cent). The above

¹ Technical assistance in the context of this project is understood as a conditional cash transfer that allows beneficiary groups to contract a wide range of services.

amounts are subject to change as a result of the revision of project cost and financing estimates that will be carried out in the first quarter of 2008.

G. Management, implementation responsibilities and partnerships

Key implementing partners

19. The main implementing partners will be the agencies of the Ministry of Agriculture and the agrarian agencies established at the level of the four regional governments of the project area. Other implementing partners include supervised banking entities such as savings and loans organizations. Action Aid will be an important partner, contributing towards implementation of an integrated development intervention in two of the poorest districts in the country. The Regional Government of Lambayeque will cofinance activities in these districts.

Implementation responsibilities

20. The Ministry of Agriculture, through the Management of Natural Resources in the Highlands Unit, will be responsible for overall project implementation. A project implementation unit will be established in the city of Chachapoyas (Amazonas) with local project offices in the cities of Huamachuco (La Libertad), Celendin (Cajamarca) and Incahuasi (Lambayeque). Overall guidance for project implementation will be provided by a project steering committee composed of representatives of the Ministry of Agriculture, regional and local governments, the borrower and an IFAD representative who will have no voting rights. Allocation of resources for implementing beneficiary initiatives will be the responsibility of the local resource allocation committees composed of representatives of regional and local governments, beneficiary organizations and other civil society stakeholders. Implementation of infrastructure projects in Lambayeque will be the responsibility of the Regional Government and provision of education and health assistance will be the responsibility of Action Aid.

Role of technical assistance

21. Technical assistance contracted by beneficiaries themselves in the open market has proven successful in Peru and will be geographically scaled up to the Northern Highlands. Technical support is also being considered for harmonization of the efforts of regional and local governments towards enhancing the impact of rural development interventions – interventions that in turn involve the participation of these governments and the private sector.

Status of key implementation agreements

22. Implementation arrangements will require legislation to reflect fully the roles and responsibilities of the project implementation unit. A subsidiary agreement will be signed between the Ministries of Finance and Agriculture and detailed memorandums of understanding will be concluded with the Regional Government of Lambayeque and Action Aid.

Key financing partners and amounts committed

23. The total project cost is US\$21.7 million over 5 years. The National Government will contribute US\$3.4 million (15.7 per cent). Beneficiaries will contribute US\$1.2 million (5.5 per cent). Regional and local governments will contribute US\$1.7 million (7.8 per cent) and Action Aid US\$1.0 million (4.6 per cent).

H. Benefits and economic and financial justification

Main categories of benefits generated

24. The project will benefit rural poor households by: increasing the value of their physical assets; improving production, marketing and management of on- and off-farm enterprises through the contracting of technical assistance; and reducing livelihood risks through savings mobilization and microinsurance.

Economic and financial viability

25. A series of enterprise models for investments were developed and a cost-benefit analysis conducted. The financial results show incremental returns and net annual farm family benefits. It was estimated that beneficiary incomes would increase to US\$447-US\$1,083 over the life of the project. Considering a 12 per cent discount rate, the internal rate of return would be 16.5 per cent over a ten-year period. The economic analysis shows a cost-benefit ratio of 1.76 and an internal rate of return of 20.2 per cent. The above amounts are subject to change as a result of the revision of project cost and financing estimates that will be carried out in the first quarter of 2008.

I. Knowledge management, innovation and scaling up

Knowledge management arrangements

26. Knowledge management arrangements established during implementation of previous projects will be developed further. IFAD and the Government have successfully involved a number of research institutions, which have been active in analysing innovative aspects of the interventions. The project implementation unit will seek collaboration with these institutions, both local and foreign.

Development innovations that the project will promote

27. The project will further the innovative approaches pursued earlier, include private-public partnerships and the use of an assets-based approach. It will move from needs assessments to full asset mapping and valuing approaches, instituting annual discussions between national, regional and local governments on rural development policies and the alignment of interventions. The project will facilitate this process, which has not been tried previously in Peru.

Scaling-up approach

28. It is expected that lessons being learned from implementing activities in the Southern Highlands, which have similar conditions, will be scaled up to the North and that it will be possible by midterm of the Northern Highlands project to have a comprehensive approach to development of the highlands.

J. Main risks

Main risks and mitigation measures

29. The project faces three main risks: (i) reduced political commitment to highlands development; (ii) centralized administration of project implementation and politicized intervention; and (iii) unwillingness of beneficiary groups to cofinance activities. These risks can be mitigated by strong stakeholder participation, adequate field presence and capacity-building, and by instilling a sense of ownership of initiatives and demonstrating the benefits to be accrued.

Environmental classification

30. Pursuant to IFAD's environmental assessment, the project has been classified as a Category B operation in that it is not likely to have any significant negative environmental impact. Subprojects to be funded will be screened for possible negative impact.

K. Sustainability

31. Dialogue between national, regional and local authorities on aligning investments in favour of the rural poor will be of key importance for sustainable development. As communities acquire the knowledge to better their physical assets and continue to do so, improved management of natural resources will become sustainable.

II. Legal instruments and authority

32. A project loan agreement between the Republic of Peru and IFAD will constitute the legal instrument for extending the proposed loan to the borrower. Important assurances included in the negotiated agreement are attached as an annex.
33. The Republic of Peru 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 Republic of Peru in various currencies in an amount equivalent to nine million fifty thousand special drawing rights (SDR 9,050,000) to mature on or prior to 15 September 2025 and to bear an interest rate equal to the reference interest 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

Important assurances included in the negotiated project loan agreement

(Negotiations concluded on 19 November 2007)

Pest management

1. The Government of the Republic of Peru (the Government), through the organization responsible for the project (ORP), will ensure that pesticides procured under the project do not include any pesticides banned by the competent national authority in accordance with the recommendations of the Food and Agriculture Organization of the United Nations or classified as extremely hazardous or highly hazardous by the World Health Organization.

Monitoring and evaluation (M&E)

2. The project M&E will be the responsibility of the project M&E specialist. The project will be responsible for complying with IFAD directives on the presentation of indicators and data in the context of the results and impact management system. The project implementing unit will sign an institutional agreement with the National Statistics and Information Institute on the conduct of a household survey in the project areas, at the outset, by way of a baseline study, at midterm and upon closing.

Baseline study

3. The project implementing unit will conclude the project baseline study within six (6) months following the effective date of the project loan agreement.

Start-up workshop

4. The ORP will organize a project start-up workshop in Chachapoyas within three (3) months following the effective date. The government policies and strategies applicable to the project, and the project approach and strategies, will be presented at this workshop.

Insurance of project personnel

5. The ORP will ensure that the project implementing unit personnel are insured against risks of health, accident and death, within the framework of the applicable national regulations.

Gender focus

6. The project, in all its activities, and particularly the component in support of financial intermediation, will act in such a way as to favour primarily women and gender equity.

Counterpart funds

7. The contribution of the Government will cover all such contributions as may be required by national legislation and all taxes and tariffs on imports of goods, public works and services acquired under the project.

Fraud and corruption

8. The Government will promptly bring to the attention of IFAD any allegations or concerns of fraud and/or corruption in relation to the implementation of the project of which it has knowledge or becomes aware.

Suspension

9. (a) IFAD will suspend the right of the Government to request withdrawals from the loan account if the required audit has not been satisfactorily concluded within six (6) months of the due date.
- (b) IFAD may suspend, in whole or in part, the right of the Government to request withdrawals from the loan account if any of the events outlined in the project loan agreement or any of the following circumstances should occur:
 - (i) The project manager has been removed from the project without the prior consent of the project steering committee;
 - (ii) The project operations manual, or any provision thereof, has been modified without the prior consent of the project steering committee, and said committee has determined that such modification has had a material adverse effect on the project; or
 - (iii) IFAD has given notice to the Government that credible allegations of corrupt or fraudulent practices in connection with implementation of the project have come to the attention of IFAD and the Government, following verification, has failed to take appropriate action to remedy the matter to the satisfaction of IFAD.

Conditions precedent to effectiveness

10. The project loan agreement will become effective subject to the fulfilment of the following conditions precedent:
 - (a) The project manager has been appointed in accordance with the project loan agreement;
 - (b) The project steering committee has been duly established in accordance with the provisions of the project loan agreement;
 - (c) The ORP has been set up in accordance with the required legal provisions and its technical, administrative, economic, financial and autonomous management capacity has been established in accordance with the applicable national legislation;
 - (d) The project implementing unit has been set up as stipulated in the project loan agreement;
 - (e) The Government, through the ORP, has duly opened the special account and the ORP has duly opened the project account;
 - (f) The project loan agreement has been duly signed and the signature and performance thereof by the Government has been duly authorized and ratified by all necessary institutional, administrative and governmental action; and
 - (g) A legal opinion, issued by the Office of the Attorney General of the Ministry of Economy and Finance, covering the points set forth in the project loan agreement and in form and substance acceptable to IFAD, has been delivered to IFAD.

Key reference documents

Country reference documents

Trivelli, Carolina Hildegard Venero, Rosa Morales, Johanna Yancari y Roberto Piselli, MINAG IEP, 2006 Definición del Ambito de Intervención para el Proyecto: Fortalecimiento de los Actores, Activos, Mercados y Políticas para el Desarrollo Rural.

del Carpio Olga MINAG, IICA 2006 Marco Institucional en el Área del Proyecto.

Bernaola Alejandro, MINAG, 2006 Dinámica y desarrollo del mercado de productos y servicios agrarios rurales en las regiones de La Libertad, Amazonas, Cajamarca y Lambayeque.

MINAG, 2006 Experiencias Exitosas de Programas y Proyectos de Desarrollo Rural en el Peru

IFAD reference documents

IFAD, 2002 Country Strategic Opportunities Paper
Trudel, Monique, Illia Rosenthal, Ludwig Huber, Pierre de Zutter, Análisis cualitativo de los activos y de los sueños de la población rural pobre en ocho comunidades de los departamentos de Apurímac, Ayacucho y Huancavelica

IFAD, 2004 Evaluación Temática sobre Experiencias Innovadoras de los Proyectos del FIDA en el Perú

IFAD, 2000 Evaluación Terminal del Proyecto de Fortalecimiento de los Sistemas de Extensión en la Sierra (FEAS)

IFAD, 2002 Evaluación Preterminal del Proyecto de Manejo de los Recursos Naturales en la Sierra Sur (MARENASS)

IFAD, 2006 Evaluación Preterminal del Proyecto de Desarrollo del Corredor Puno-Cusco

Other miscellaneous reference documents

Escobal, Javier, y Martin Valdivia, GRADE, 2004 Perú: hacia una estrategia de desarrollo para la Sierra rural

Molano, Olga Lucía, 2006 Esta casa es con plata de cuyes. Identificación y valorización de los activos de los pobres rurales

Pérez Antonio, Banco Mundial, 2006 Hacia la competitividad agropecuaria y la equidad rural. Perú La Oportunidad de un País Diferente. Banco Mundial

ITAD, 2005 IFAD Independent External Evaluation

Caballero José Maria Caballero, Carolina Trivelli, y Maria Donoso Clark, Banco Mundial, 2006 Desarrollo Territorial. Perú La Oportunidad de un País Diferente

Zutter, Pierre de, 2004 Diez claves de éxito para el desarrollo rural.

World Bank, 2002 Rural Development Strategy for the Peruvian Sierra

World Bank, 2005 Opportunities for All, Poverty Assessment

Logical framework

Objective hierarchy	Key performance indicators and targets (RIMS indicators are in ITALICS)	Monitoring mechanisms and information sources	Assumptions and risks
Goal Poverty and extreme poverty levels of the rural population – men, women and youths- of the Northern Highlands of Peru reduced	<ul style="list-style-type: none"> Reduction in child malnutrition (reference: current estimation 40% in rural areas of the highlands),¹ Reduced poverty conditions in project area estimated at 65.6% extreme poor and 30.6% poor² 	<ul style="list-style-type: none"> Baseline, midterm and completion surveys 	
Project Purpose Rural poor small - scale producers and entrepreneurs, particularly women and youths, have increased and/or added value to their human, social, natural, physical and financial assets in the Northern Highlands of Peru	<ul style="list-style-type: none"> 20 000 households (incl. 12 000 women and 7282 youths as direct beneficiaries)with incomes US\$1040 and in districts with HDI of ≤0.6. Improved food security at year 5 benefiting 60 000 people 60 % of beneficiary households applying improved technologies with increased production Increased assets of rural households³:60 % of HH with increased physical assets (e.g. housing improvements, land,) ,15 % of HH with increased human assets (e.g. education especially girls),25 % of beneficiary HH with increased social assets (e.g. citizenship), 60 % of beneficiary women with increased financial assets through savings accounts At least 40% of district development plans implemented over a time horizon of five years At least 100 rural organizations benefit from additional resources from third parties 	<ul style="list-style-type: none"> RIMS Impact Survey implemented in 1st year, before mid-term and before completion Methods and tools to be defined according to Baseline M+E table (see Main text Appendix 8) 	<ul style="list-style-type: none"> Clearly defined mechanism for decentralization process and poverty reduction Political environment favourable for inter/intra institutional initiatives Gov. supp. funds for social investment made available to regional/municipal govts
Component: Output 1: Capacities of local institts., communities and rural orgs. strengthened to manage their natural resources and reverse processes of deterioration for productive and economically viable activities	Managing Natural Resources and Valuing Physical Assets <ul style="list-style-type: none"> 400 rural organisations(= 8600 HH) with improved capacities in NRM 115 community asset maps and NRM plans elaborated (participation of 1800 HH)) 200 rural animators / development workers with improved NRM knowledge 8400 ha of land improved through soil and water conservation by 2800 contests US\$2.4 million directly transferred to communities/organisations by means of contests on natural resource management 	<ul style="list-style-type: none"> Records of contests, documentation of mgmt plans, Training records, cultural/assets maps 	<ul style="list-style-type: none"> Rural production patterns not affected by climate conditions No major difficulties in implementing financial transfer mechanisms
Component	Developing Business Initiatives and Strengthening Financial Assets		
Output 2: Rural poor small - scale producers and entrepreneurs including women and youths and their organisations strengthened and empowered in terms of their management capacities, marketing position and entrepreneurial activities	<ul style="list-style-type: none"> 575 leaders of groups trained in business and entrepreneurship (including. 350 women) 1440 individual producers with improved business plans (700 women) 6700 HH (incl. 200 individual small-scale entrepreneurs) co-financed business plans. 2000 individuals (25% women) trained in business and technical skills. 230 women's organisations trained in business and entrepreneurship 2880 technical assistance contracts and support services signed 360 technicians of service providers trained in marketing and business development 135 organizations (2000 HH) with improved knowledge in concepts of equity, citizenship. 20 joint production investments between migrants and orgs./communities established 12 networks of beneficiary organisations established 300 producers' groups with women in leadership positions 	<ul style="list-style-type: none"> Records of contests Documentation of business plans Contracts with service providers M&E reports of service providers 	<ul style="list-style-type: none"> Terms of offering business assistance are sufficiently interesting to attract advisors Economic policies and regulations are in favour of small-scale businesses of rural poor households Services are offered on time in line with procedural requirements
Output 3: Rural poor increase financial assets through saving mobilizations and micro insurance	<ul style="list-style-type: none"> 12000 women with saving accounts and 36 000 persons with micro insurance 3000 women trained in financial asset management 	<ul style="list-style-type: none"> Records on saving accounts and insurance 	<ul style="list-style-type: none"> Beneficiary contributions committed and accounts maintained
Component	Strengthening Territorial Development and Furthering Knowledge Management		
Output 4: Harmonization and coordination activities between public/private institutions and beneficiaries organisations enhanced	<ul style="list-style-type: none"> 100 Public and Private Partnership investments 100 local/municipal co-financed development plans designed 4000 project users formalised and registered (citizenship) 50 % women 345 local public/private actors trained in poverty reduction methods/project strategies 2 public infrastructure and 35small- scale irrigation infrastructure built,15 modules of agricultural support financed 1 module of nutritional support administered to benefit 1000 children (Ferreñafe) 	<ul style="list-style-type: none"> Contracts with PPP partners Local/municipal plans Training records 	<ul style="list-style-type: none"> Investments with PPP projects on time and in line with project requirements
Output 5: Good practices and innovations incorporated in pro-poor knowledge management systems	<ul style="list-style-type: none"> Projects of local/regional institutions apply good practices, 5 analytical documents on good practices and innovation 	<ul style="list-style-type: none"> Project produced and distributed documents Rural dev. policy docs. 	

¹ Figures by MIMDES, Peru.

² FONCODES Poverty Map, 2006.

³ Assets indicators according to lessons learned by MARENAS and CORREDOR Projects.

