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Enabling poor rural people
to overcome poverty

President's report

Proposed supplementary loan to the Republic of Cape Verde for the

Rural Poverty Alleviation Programme

Executive Board — Ninety-third Session
Rome, 24-25 April 2008

For: **Approval**

Note to Executive Board Directors

This document is submitted for approval by the Executive Board.

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Contents

Abbreviations and acronyms	ii
Recommendation for approval	iii
Map of the programme area	iv
Loan summary	v
I. The programme	1
A. Main development opportunity addressed by the programme	1
B. Proposed financing	1
C. Target group and participation	2
D. Development objectives	3
E. Harmonization and alignment	3
F. Components and expenditure categories	4
G. Management, implementation responsibilities and partnerships	4
H. Benefits and economic and financial justification	4
I. Knowledge management, innovation and scaling up	5
J. Main risks	5
K. Sustainability	6
II. Legal instruments and authority	6
III. Recommendation	6
Annex	
Important assurances included in the negotiated programme loan agreement	7
Appendices	
I. Key reference documents	
II. Logical framework	

Abbreviations and acronyms

ACD	community development association
CRP	regional partners' commission
FLM	Flexible Lending Mechanism
M&E	monitoring and evaluation
GPRS	Growth and Poverty Reduction Strategy
UNDP	United Nations Development Programme
UNOPS	United Nations Office for Project Services

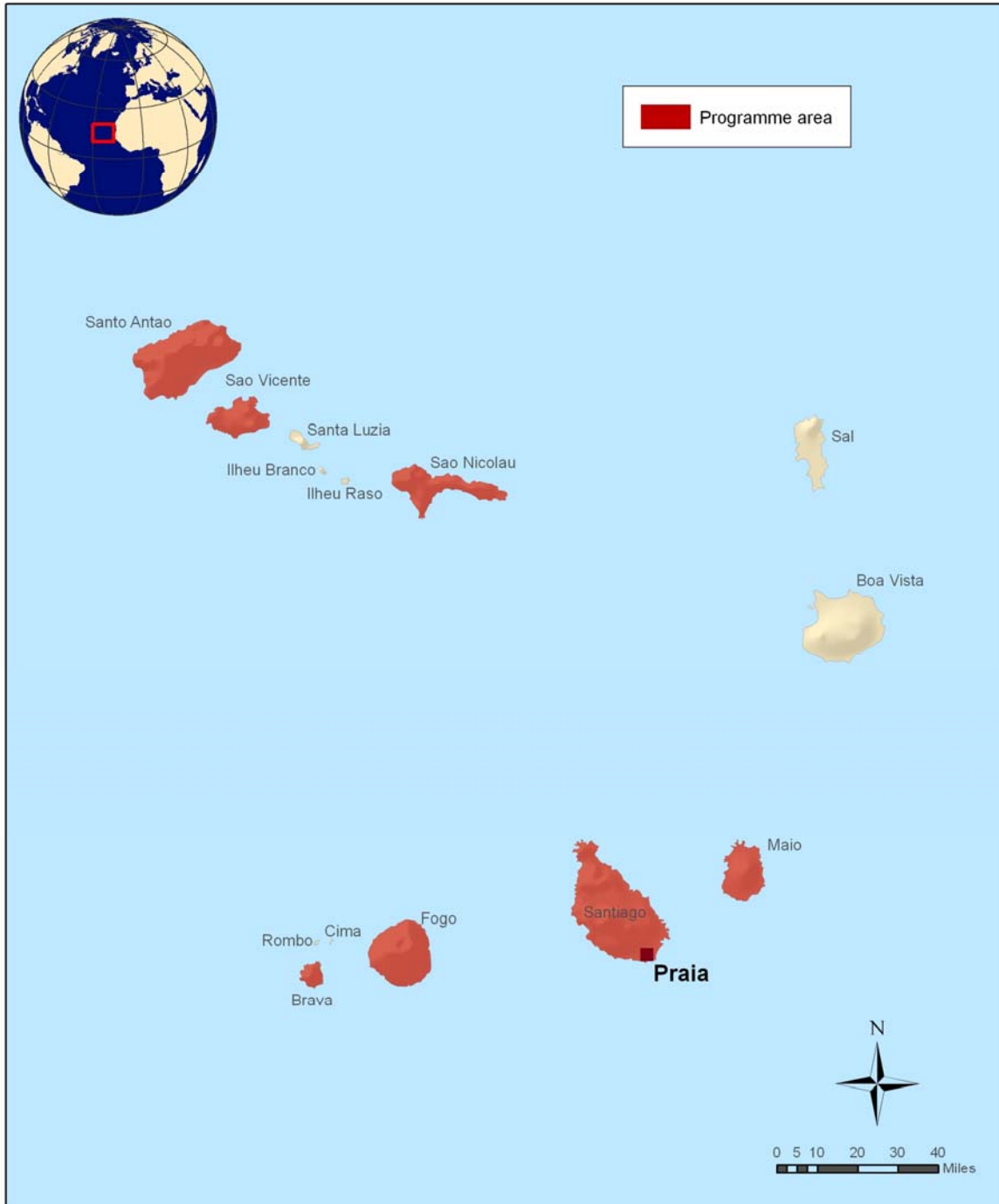
Recommendation for approval

The Executive Board is invited to approve the recommendation for the proposed supplementary loan to the Republic of Cape Verde for the Rural Poverty Alleviation Programme, as contained in paragraph 37.

Map of the programme area

Cape Verde

Rural Poverty Alleviation Programme, Supplementary Funding



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.

Map compiled by IFAD

Republic of Cape Verde

Rural Poverty Alleviation Programme

Loan summary

Initiating institution:	IFAD
Borrower:	Republic of Cape Verde
Executing agency:	Ministry of Labour, Family and Social Solidarity
Total programme cost:	US\$21.70 million
Amount of IFAD supplementary loan:	SDR 2.60 million (equivalent to approximately US\$4.25 million)
Terms of IFAD loan:	40 years, including a grace period of 10 years, with a service charge of three fourths of one per cent (0.75 per cent) per annum
Cofinancier(s):	Remaining funds from existing IFAD loan
Amount of cofinancing:	US\$4.01 million
Contribution of borrower:	US\$11.95 million
Contribution of beneficiaries:	US\$1.48 million
Appraising institution:	IFAD
Cooperating institution:	United Nations Office for Project Services

Proposed supplementary loan to the Republic of Cape Verde for the Rural Poverty Alleviation Programme

I. The programme

A. Main development opportunity addressed by the programme

1. The programme will strengthen the human and social capital of rural poor people so that they are further integrated into the fast-growing economy. The outcome of the existing Rural Poverty Alleviation Programme – funded under the Flexible Lending Mechanism (FLM) – will be scaled up to cover all rural areas of Cape Verde, using the legal, institutional and financial mechanisms that have been developed over the first two cycles of the programme and that have proved effective in reducing rural poverty.

B. Proposed financing

Terms and conditions

2. It is proposed that IFAD provide a supplementary loan to the Republic of Cape Verde in the amount of SDR 2.60 million (equivalent to approximately US\$4.25 million) on highly concessional terms to help finance the Rural Poverty Alleviation Programme. The loan will have a term of 40 years, including a grace period of 10 years, with a service charge of three fourths of one per cent (0.75 per cent) per annum. This loan will finance the programme jointly with the remaining proceeds of the loan approved in September 1999 (loan no. 510-CV).

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

3. The allocation defined for the Republic of Cape Verde under the PBAS is US\$4.27 million over the 2007-2009 allocation cycle. This is the first loan to Cape Verde for the current PBAS period.

Relationship to national medium-term expenditure framework criteria

4. The activities to be financed under the proposed supplementary funding for the expansion of the programme are fully aligned with Cape Verde's expenditure mechanisms.

Relationship to national sector-wide approaches or other joint funding instruments

5. The Government of Cape Verde has adopted – in consultation with bilateral and multilateral development assistance partners – a national poverty alleviation programme. The present initiative is a subprogramme of the national programme and is in line with the Growth and Poverty Reduction Strategy (GPRS) of the Government.

Country debt burden and absorptive capacity of the State

6. Since 2001, disciplined macroeconomic management has led to significant fiscal consolidation and supported strong economic growth with generally low inflation. The risk of debt distress remains low. Domestic debt is expected to continue to decline. Reflecting this solid performance, Cape Verde will graduate from least developed country status to being categorized as a medium-income country in 2008.

Flow of funds

7. IFAD will establish a programme loan account in the name of the borrower. Over the four-year implementation period, the loan proceeds of supplementary funding will be disbursed on the basis of annual work plans and budgets and deposited into a special bank account with Cape Verde's Central Bank. Funds will be used to finance IFAD's share of the programme's eligible expenditures. The existing programme coordination unit will operate the loan bank account.

Supervision arrangements

8. The loan will be administered and supervised by the United Nations Office for Project Services (UNOPS) as the cooperating institution.

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

9. No exceptions.

Governance

10. The following planned measures are intended to ensure that the IFAD loan is managed along good governance principles: (i) contracts for service provision and procurement of goods and services will be awarded on a competitive basis and in accordance with the IFAD Procurement Guidelines and those of the cooperating institution. Staff contracts will be renewed on the basis of yearly performance; (ii) programme accounts will be audited by independent auditors selected through open competitive bidding procedures; and (iii) additional programme staff will be recruited on a competitive basis. The above measures will apply at the central and decentralized levels whenever financial resources are utilized and goods and services are procured. Specific benchmarks will be applied to community development associations (ACDs) and regional partners' commissions.

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

11. The programme will target approximately 60,000 persons belonging to ACDs working with the programme, including: (i) smallholder farmers, especially women heads of households; (ii) microentrepreneurs, including women; and (iii) young people.

Targeting approach

12. The targeting approach followed under the Rural Poverty Alleviation Programme is considered as best practice by IFAD's Technical Advisory Division; it has helped shape the IFAD Targeting Policy. The proposed programme will pursue this two-level targeting methodology, which entails area targeting and self-targeting. At the national and territorial levels, area targeting focuses on the poorest municipalities and communities and determines the amount of funding to be allocated to each local poverty alleviation plan. Self-targeting is implemented by ACDs during the preparation and implementation of the community plans and community microprojects. The latter are selected to cater for the needs of the entire community, inclusive of the poorest groups. This approach was applied successfully in the first and second cycles of the programme. The programme will adopt an ambitious gender strategy to involve women in leadership and decision-making.

Participation

13. The core purpose of the programme is to institutionalize a genuine community-driven development approach aimed at combating rural poverty by empowering poor rural people and their organizations. Based on the successful experience of the first and second cycles, the programme will establish several new regional partners' commissions (CRPs) with the participation of all relevant local partners (ACDs, municipalities, NGOs, private sector and public administration) to manage their development initiatives and the programme resources. At the grass-roots level, microprojects are designed and implemented by local partners under the leadership of the ACDs. Institutional and financial instruments were successfully established during the first and second cycles.

D. Development objectives

Key programme objectives

14. The programme's overall objective is to improve the living conditions of the rural poor. The purpose is to establish effective and sustainable policy and institutional instruments for rural poverty reduction as a means to implement the Government's GPRS. This will be measured by a decrease in the prevalence of poverty and by better food security and nutrition; greater asset ownership; improved access to markets; and higher production and productivity in agriculture, fisheries, livestock and income diversification.

Policy and institutional objectives

15. A key goal of the programme is to build effective and sustainable policy and institutional mechanisms for rural poverty reduction. The institutions established by the programme (CRPs and ACDs) and the planning, legal and financial instruments (i.e. the local poverty alleviation plans, framework agreements and programme contracts) will be used throughout the country as a means of combating rural poverty and implementing the GPRS. Moreover, adding a supplementary loan within the scope of an existing programme will contribute to building a strong IFAD country programme and reducing transaction costs.

IFAD policy and strategy alignment

16. The goal and the specific objectives of the programme are in line with the IFAD Strategic Framework 2007-2010, which emphasizes empowering rural poor people to achieve higher incomes and improved food security through, inter alia, better access to opportunities for rural off-farm employment and enterprise development, and to policy and programming processes at both the local and national level. Its strong focus on the poorest people in rural areas is consonant with IFAD's targeting policy.

E. Harmonization and alignment

Alignment with national priorities

17. The programme is consistent with the Government's GPRSs (for both 2004-2007 and 2008-2010). The programme's components fully support the GPRS framework for achieving economic growth, reducing poverty, tackling food insecurity, increasing job opportunities especially for youth and developing the social capital of the targeted population. The programme interventions will contribute directly to four pillars of the GPRS, namely: (a) promote good governance, reinforcing effectiveness and guaranteeing equity; (b) develop human capital; (c) improve and develop basic infrastructure; and (d) improve the effectiveness and sustainability of the social protection system.

Harmonization with development partners

18. Given the size of Cape Verde's economy and its positive governance record, most development partners have opted for budget support to finance their development activities. Over the past years, the programme has closely cooperated with the World Bank, the African Development Bank, the Austrian Development Agency and the United Nations Development Programme (UNDP) under the National Poverty Alleviation Programme, where one programme coordination unit was established to coordinate all donor interventions. Such an approach facilitated knowledge-sharing and synergy-building during the preparation and implementation of the local poverty alleviation plans. The latter were used as instruments to harness the efforts and resources of all local stakeholders, including donors. Moreover, Cape Verde's role as one of the pilot countries for the "Delivering as One" initiative, has led to regular exchange of information and knowledge under the programme with other United Nations agencies such as the Food and Agriculture Organization of the United Nations and UNDP, through the United Nations Coordinator.

F. Components and expenditure categories

Main components

19. The programme has four components: (i) financing of the local poverty alleviation plans (PLLP) and the CRP; (ii) demonstration activities; (iii) training and capacity-building; and (iv) programme management.

Expenditure categories

20. There are five disbursement categories: (i) financing of PLLP and demonstration activities (32 per cent); (ii) equipment and supplies (2 per cent); (iii) technical assistance, training, animation and studies (8 per cent); (iv) salaries and allowances (42 per cent); and (v) operating costs (16 per cent).

G. Management, implementation responsibilities and partnerships

Key implementing partners

21. The Ministry of Labour, Family and Social Solidarity is the lead executing agency. Implementation will be carried out by the National Poverty Alleviation Programme's coordination unit, staffed by a national coordinator; and experts in social mobilization, monitoring and evaluation (M&E) and financial management; in addition to support personnel. Local-level activities will be implemented by the CRPs and ACDs. The CRPs are equipped with a small technical unit; and a robust M&E system will also be established within the CRPs.

Implementation responsibilities

22. At the national level, a council for poverty reduction will be established in order to ensure both coordination among the various sectors and partners involved in the programme and effective linkages with the GPRS.

Role of technical assistance

23. Technical assistance will be used to strengthen local institutions through innovative approaches to decentralized cooperation and solidarity-building.

Status of key implementation agreements

24. The physical implementation of programme activities will be entrusted to the CRPs and ACDs together with their partners, such as NGOs and service providers. The Ministry of Environment, Agriculture and Fisheries will also be involved in programme implementation, along with municipalities and other partners.

Key financing partners and amounts committed

25. The total cost of the third cycle of the programme is US\$21.70 million over four years. The sources of financing are: (i) an IFAD supplementary loan of approximately US\$4.25 million (20 per cent); (ii) the remaining funds from the existing IFAD loan, which amount to US\$4.01 million (18 per cent); (iii) the Government's contribution of US\$11.95 (55 per cent); and (iv) a contribution by beneficiaries and their local partners of US\$1.48 million (7 per cent).

H. Benefits and economic and financial justification

Main categories of benefits generated

26. The social capital development process is an essential step towards sustainable development. Enhancing social cohesion and fostering solidarity among all members of the community, coupled with the creation and empowerment of community-based institutions, partnership-building and capacity-building will facilitate not only the mobilization of funds but also the choice, financing and implementation of social and economic community projects. This in turn will contribute to improving quality of life and increasing food production and income.

Economic and financial viability

27. The programme emphasizes demonstrating and promoting demand-driven activities that are both economically and financially viable, such as dryland and micro-irrigated agriculture, livestock, fisheries, food-processing and artisanal activities. These efforts are expected to increase incomes significantly: from 5 per cent to 200 per cent. The financial rate of return for these activities is between 10 per cent and 65 per cent. The programme will partner with institutions that could facilitate access to business development services and financial services.

I. Knowledge management, innovation and scaling up

Knowledge management arrangements

28. This programme has been designed on the basis of lessons learned from the two intercycle reviews, in line with the FLM approach. It has benefited from extensive dialogue with CRPs, ACDs, rural organizations and municipalities in addition to other civil society and government organizations and donor projects. It has also helped to sharpen IFAD's targeting strategy and formulate a structured approach to community-driven development in West and Central Africa. The programme will pursue its knowledge-sharing methodology at the grass-roots level. M&E will be improved and used as a learning and knowledge-sharing tool. Implementation workshops at the CRP and ACD levels will continue to be convened to discuss progress, learn from experience, and showcase success stories and innovative ideas. Beyond Cape Verde, knowledge-sharing and learning mechanisms include networking through FIDAFRIQUE, the Rural Poverty Portal and exchanges with IFAD-financed projects in Brazil and in West and Central Africa.

Development innovations that the programme will promote

29. The first and second programme cycles have built significantly on institutional innovation (e.g. CRPs, and legal, financial and planning instruments) and demonstration activities as a way for creating a collaborative framework for fighting rural poverty. The programme will continue to foster innovation especially by developing (i) decentralized cooperation with entities in other countries (twinning of institutions, e.g. between municipalities, schools, and farmers' organizations); (ii) remittance mechanisms and effective use of migrants' financial resources and skills for development purposes (in conjunction with the IFAD-managed Financing Facility for Remittances; and (iii) market outlets (e.g. fair trade).

Scaling-up approach

30. The present proposal is in itself the result of the scaling-up of an existing programme across the whole country. More CRPs will be created and the establishment of ACDs will be expanded and intensified. Also envisaged under the programme is the establishment of a network of CRPs and ACDs, the creation of a programme website, and a drive towards the involvement of the private sector, for example through Cape Verdean citizens living abroad.

J. Main risks

Main risks and mitigation measures

31. The programme faced a number of risks at the early stages of implementation, associated with the fragility of the institutional structure underpinning the participatory approach, the establishment of partnerships and the active involvement of local government institutions. Most of these risks were mitigated if not eliminated thanks to solid commitment by central and local government to the strategy of the programme and the endorsement of its implementation instruments, and to the close follow-up and commitment of the cooperating institution (UNOPS) and IFAD. Another contributory factor was the full adoption of the programme's principles and approach by the rural population, which is borne out in the impressive number of successfully established and fully operational ACDs and CRPs. The transparency and good governance evident at the central and local level over the

past six years have certainly played an important role in the mitigation of the above risks. The programme will take advantage of this by reinforcing these mechanisms. However, the lack of adequate financial and human resources to allow CRPs and ACDs to perform their functions remains a risk. This will be mitigated by proactively identifying the needs for counterpart funding and creating mechanisms to allow the Government to disburse its contributions regularly. The risk associated with human resources will be mitigated through close follow-up of contractual arrangements, and the implementation of a performance assessment system for programme staff. The main risk – related to the sustainability of the institutional architecture – will be mitigated by the integration of programme-established institutions into the delivery mechanisms of the GPRS, and the implementation of a consolidation and exit strategy. A mid-term review will be fielded to measure progress and take corrective measures towards achieving the programme outcomes.

Environmental classification

32. 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.

K. Sustainability

33. Programme sustainability is fostered by (i) its institutional focus, which ensures effective participation of the rural poor and efficient use of the resources allocated to the programme; (ii) the recognition of the programme-established institutions at the local, regional and national levels, and their strong and supportive relationship with the GPRS; (iii) the allocation of sizeable amounts of counterpart funding from the Government's budget; and (iv) the expansion of the local partnership arrangements at the CRP and ACD levels, which will enable mobilization of additional resources, knowledge and efforts.

II. Legal instruments and authority

34. A programme loan agreement between the Republic of Cape Verde and IFAD will constitute the legal instrument for extending the proposed supplementary loan to the borrower. Important assurances included in the negotiated agreement are attached as an annex.
35. The Republic of Cape Verde is empowered under its laws to borrow from IFAD.
36. I am satisfied that the proposed supplementary loan will comply with the Agreement Establishing IFAD.

III. Recommendation

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

RESOLVED: that the Fund shall make a supplementary loan to the Republic of Cape Verde in various currencies in an amount equivalent to two million six hundred thousand special drawing rights (SDR 2,600,000) to mature on or prior to 1 March 2048 and to bear a service charge of three fourths of one per cent (0.75 per cent) per annum, and to be upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board herein.

Lennart Båge
President

Important assurances included in the negotiated loan agreement

(Negotiations concluded on 10 April 2008)

Pest management

1. The Government of Cape Verde (the Government) will comply with the International Code of Conduct on the Distribution and Use of Pesticides and ensure that pesticides procured under the programme do not include any pesticides classified as extremely hazardous or highly hazardous by the World Health Organization.

Monitoring and evaluation

2. The monitoring and evaluation system implemented under the programme will enable its impact to be measured and monitored in accordance with the basic principles of the IFAD results and impact management system. Monitoring and evaluation will be conducted separately.
3. Responsibility for monitoring will lie with supervision missions conducted by the coordinator of the programme coordinating unit (PCU). Physical monitoring of the implementation of microprojects financed by regional commissions of partners (CRPs) will be performed centrally by the PCU either directly or through local service providers contracted for the purpose. Financial monitoring will be performed by the PCU administrative and finance officer, who will advise CRP accountants and monitor accounting and reporting on contracting results. Reports will be drafted in accordance with procedures approved by IFAD.
4. At the local level, the implementation of microprojects will be monitored by the president of each CRP either directly or through local service providers contracted for the purpose.
5. Evaluation of programme impact will be the responsibility of the PCU but entrusted to professionals recruited locally or other specialists, with the involvement of the beneficiaries. Impact evaluation will include annual reporting on the development of the core programme partnership, with special attention to the institutional development of common interest groups and communities and their role in the decision-making process within CRPs. Impact evaluation will also include an in-depth analysis of a limited but representative sample of microprojects financed by the CRPs. The evaluation will verify that the CRP members who are programme beneficiaries belong to the target group; that a sufficient number of CRP decision-makers also belong to the target group; and that the quality of the core CRP partnership is satisfactory. The evaluation reports will be discussed with the CRPs to extract lessons and decide on any adjustments to be made to the amounts allocated to the local poverty alleviation programmes of CRPs. The impact evaluation report will be endorsed by the PCU coordinator and addressed to the national poverty reduction committee.

Responsibility for the payment of taxes

6. The Government will assume the payment of all taxes on imports, the procurement and supply of goods and services, and civil engineering works financed by the loan. The value of such waiver will be considered part of the counterpart funding requirement of the Government.

Insurance of programme personnel

7. The Government will insure key programme personnel against health and accident risks to the extent consistent with sound commercial practices.

Establishment of CRPs

8. The Government undertakes to grant the CRPs the status of accredited public good associations, provided they meet the conditions set forth in the decree-law of 14 March 1998.

Use of programme vehicles and other equipment

9. The Government will ensure that:
 - (a) All vehicles and other equipment transferred to or acquired under the programme are used exclusively for the programme and implementation thereof.
 - (b) The types of vehicles and other equipment transferred to or acquired under the programme correspond to the needs of the programme.

Recruitment

10. The recruitment of programme personnel will be by national competition published in the national press, in accordance with current government procedures prohibiting all discrimination and based on renewable one-year contracts that may not, under any circumstances, exceed the duration of the programme. Decisions on the recruitment of key programme officers such as the programme coordinator, the administrative and finance officer, the monitoring and evaluation specialist and the outreach specialist, and any decision to terminate their contracts, will be made in agreement with IFAD. The programme personnel will be subject to annual performance evaluations conducted as stipulated in the procedures manual. Their contracts may be terminated based on the results of such evaluations. The management of personnel will be conducted in accordance with the government procedures in effect in the country. The Government will encourage women to apply to technical positions under the programme and, all other qualifications being equal, female candidates will be preferred.

Fraud and corruption

11. 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 programme of which it has knowledge or become aware.

Suspension at the initiative of IFAD

12. IFAD may suspend, in whole or in part, the right of the Government to request withdrawals from the loan account if:
 - (a) The counterpart funds are not made available on terms satisfactory to IFAD.
 - (b) The manuals, or any provision thereof, or the annual work programmes and budgets and associated procurement plan have been waived, suspended, terminated, amended or modified without the prior consent of IFAD, and IFAD has determined that such waiver, suspension, termination, amendment or modification has had, or is likely to have, a material adverse effect on the programme.
 - (c) IFAD has notified the Government that credible allegations of fraud and corruption in connection with the programme have been drawn to its attention and the Government has failed to take appropriate and timely action to remedy the situation to the satisfaction of IFAD.
 - (d) Procurement has not been or is not being carried out in accordance with IFAD's contracting guidelines.

Suspension in the event of Government default in respect of audit

13. IFAD may suspend the right of the Government to request withdrawals from the loan account if it has not received the audit reports within six months following the six-month period provided for in the loan agreement.

Conditions precedent to effectiveness

14. The loan agreement will become effective subject to the fulfilment of the following conditions precedent:
 - (a) The loan agreement has been signed by a duly accredited representative of each of the parties; and
 - (b) A favourable legal opinion, issued by the Government's Attorney General or another judicial authority agreed to by IFAD in respect of the matters set forth in the Agreement and in form and substance acceptable to IFAD, has been delivered by the Government to IFAD.

Key reference documents

Country reference documents

Poverty reduction strategy paper

IFAD reference documents

Rural Poverty Alleviation Programme (PLPR) - Appraisal Report (1999)

Programme de lutte contre la pauvreté rurale (PLPR) – Orientations et programme de travail pour la phase 3 (2007)

Programme de lutte contre la pauvreté rurale (PLPR) – Rapport d’examen de la phase 2 (2007)

Programme de lutte contre la pauvreté rurale (PLPR) - Rapport d’examen de la phase 1 (2004)

Programme de lutte contre la pauvreté rurale (PLPR) –Orientations et programme de travail pour la phase 2 (2004)

IFAD SF 2007-2010

IFAD KM Strategy

IFAD Innovation Strategy

IFAD Anti-Corruption Policy

IFAD’s regional strategy for Western and Central Africa

Various learning notes (targeting, water management, rural finance, marketing)

IFAD policy on Rural Finance, 2000

Prerequisites of Gender Sensitive Design

Private-Sector Partnership and Development Strategy

Administrative Procedures on Environmental Assessment

Logical framework

NARRATIVE SUMMARY	Outreach (target population)	VERIFIABLE INDICATORS ¹	SOURCES OF VERIFICATION	ASSUMPTIONS AND RISKS
DEVELOPMENT GOAL: <i>Improve the living conditions of the rural poor people</i>	<ul style="list-style-type: none"> Small farmers, women, vulnerable groups and youth in the rural areas of Cape Verde 	<ul style="list-style-type: none"> 80% of households (HHs) with improved food security, compared to the pre-programme situation 80% drop in child malnutrition incidence compared to pre-programme conditions. 50% increase in HH asset ownership of poor compared to pre-programme situation. PLPR is fully integrated in the GPRSP 80% decrease in poverty prevalence compared to pre-programme situation. 	<ul style="list-style-type: none"> GPRSP and MDG Progress and Monitoring Reports QIBBS and human development statistics 	<ul style="list-style-type: none"> GoCV commitment to comply with the objective of MDG Willingness of Government to allocate adequate funding for implementing the PNLDP GoCV commitment to create a national spirit of social cohesion as a means of combating rural poverty.
SPECIFIC OBJECTIVE: <i>Establish effective and sustainable policy and institutional instruments for rural poverty reduction as a way of implementing the GPRS at all levels</i>	<ul style="list-style-type: none"> Community-based institutions such as CRPs, ACDs , private sector and NGOs and rural community at large 	<ul style="list-style-type: none"> At least 80% of the established CRPs and ACDs operate in accordance with PLPR criteria At least 80% of CRPs and 50% of the ACDs have established operational partnerships with the public institutions, private sector, international cooperation and NGOs At least 80% of the PLLP (local poverty alleviation plans) are gender sensitive , complement existing initiatives by other donors, include a good balance of social and economic activities and cater for the needs of the vulnerable and the youth. At least 80% of gender-specific outcomes as set forth in the PLLP are achieved. At least 80% of micro-projects in the PLLP respect the targeting policy of PLPR At least 60% of micro-projects focus on income generating activities 	<ul style="list-style-type: none"> Program impact assessment studies and surveys Program progress reports CRP / ACD annual reports PLLP completion reports UNOPS supervision reports Mid-term review report 	<ul style="list-style-type: none"> Continued commitment of Government to (i) Poverty Alleviation as a national strategy; (ii) decentralisation and de-concentration; and (iii) implementing macroeconomic policies that are conducive to poverty reduction. Commitment of all stakeholders to participate in poverty reduction efforts. Willingness of the communities to (i) participate in the building up of social capital; and (ii) share costs of poverty reduction efforts
OUTPUT A: (1) Local community-based poverty alleviation institutions are created , trained and capacitated; (2) effective partnership within CRP for poverty alleviation is effectively mobilised; and (3) Pilot innovative development activities are successfully implemented	<ul style="list-style-type: none"> Communities with out access to community based organisations Communities without access to capacity building and training and in need of new technologies 	<ul style="list-style-type: none"> Four to six additional CRPs and 175 ACDs are established in the newly added rural areas; , 20 demonstration activities in the areas of the newly established CRPs are established during the first year of cycle 3 of the PLPR At least 10 NGOs participate actively in CRP activities including participation in the implementation of micro projects ACDs participating in CRP are majority stakeholders At least 80 % of households participate in the demonstration activities of the various modules At least 50% of the household who participated in the demonstration activities adopt the tested technologies 	<ul style="list-style-type: none"> Program progress reports Municipality monitoring and evaluation reports UNOPS supervision reports Supervision mission, mid-term review and completion report Annual reports of CRPs Mid-term review report 	<ul style="list-style-type: none"> Continued proactive participation of the municipalities as PLPR partners especially at active members in CRPs
OUTPUT B: PLLPs are designed in a participatory way and community-based micro-projects are designed, implemented and evaluated by communities	<ul style="list-style-type: none"> Communities including women and youth who have not had an opportunity for generating income 	<ul style="list-style-type: none"> Each CRP to design and implement its PLLP along the participatory process described in the programme manual of operations Service contracts related to projects of local groups are financed through development fund At least 110 projects are funded each year starting from year one of the third phase At least 80% of the design target funds are disbursed At least 80% of micro-projects are evaluated by communities PLLPs include ambitious targets related to women leadership and participation in decision-making 	<ul style="list-style-type: none"> M&E reports and data Supervision reports Mid-term review report Annual audit reports Programme completion report 	<ul style="list-style-type: none"> Government support and approval of the participatory process in selecting and implementing the sub-projects is maintained
OUTPUT C: Capacities of CRPs and ACDs are built to enable them to design and implement micro-projects and to manage their institutions	<ul style="list-style-type: none"> Community leaders, staff of community based institutions 	<ul style="list-style-type: none"> At least two community leaders from each of the established ACDs are trained Technical assistance support is provided in participatory and animation methods to all CRP and all ACDs Overseas training of CRP members in management and democracy is provided to 3 staff from each CRP A partnership is concluded with a specialized agency to build linkages to financial services and provide business development services 	<ul style="list-style-type: none"> M&E reports and data Annual work plan and budget s Supervision mission reports Mid-term review report 	<ul style="list-style-type: none"> The communities and partners commitment to the concepts of the program and self discipline in implementing the local poverty alleviation plans
OUTPUT D: The program is coordinated in a decentralised manner, acting as a catalyst for building social capital in poor areas as a means for eradicating rural poverty in a sustainable way	<ul style="list-style-type: none"> All stakeholders 	<ul style="list-style-type: none"> By the end of the first year, the PCU is reinforced by additional staff at the centre and at the islands levels. By the middle of the second year, the M&E/MIS system is fully operational and the M&E manual is revised and circulated for application, A rapid ongoing effect/impact surveys are carried out regarding critical programme outputs and the outcome of the survey is reported in annual progress reports By the end of each year, CRPs annual reports are retrieved collated and published Programme Implementation Stratus Reports receive good ratings A consolidation and exist strategy is implemented, and closely reviewed at Mid-term 	<ul style="list-style-type: none"> M&E reports and data Annual work plan and budget s Supervision mission reports Mid-term review report 	<ul style="list-style-type: none"> PCU is empowered by Government to operate in line with the national policies and rules and the PLPR strategy and approach

