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Enabling poor rural people
to overcome poverty

President's report

Proposed loan and grant to the Republic of Mauritius for the

Marine and Agricultural Resources Support 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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Recommendation for approval

The Executive Board is invited to approve the recommendation for the proposed loan and grant to the Republic of Mauritius for the Marine and Agricultural Resources Support Programme, as contained in paragraph 36.

Map of the programme area

Mauritius

Marine and Agricultural Resources Support (MARS) Programme

Potential Areas for Interventions



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 Mauritius

Marine and Agricultural Resources Support Programme

Financing summary

Initiating institution:	IFAD
Borrower:	Republic of Mauritius
Executing agency:	Ministry of Agro Industry and Fisheries
Total programme cost:	US\$17.23 million
Amount of IFAD loan:	SDR 3.45 million (equivalent to approximately US\$5.60 million)
Amount of IFAD grant:	SDR 0.25 million (equivalent to approximately US\$0.40 million)
Terms of IFAD loan:	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
Cofinanciers:	Government of Western Australia United Nations Development Programme/Global Environment Facility/Small Grants Programme
Amount of cofinancing:	US\$1.08 million
Terms of cofinancing:	Grants
Contribution of borrower:	US\$9.22 million
Contribution of beneficiaries:	US\$0.93 million
Appraising institution:	IFAD
Cooperating institution:	Directly supervised by IFAD

Proposed loan and grant to the Republic of Mauritius for the Marine and Agricultural Resources Support Programme

I. The programme

A. Main development opportunity addressed by the programme

1. Mauritius is undergoing a period of economic adjustment relating to the reduction in preferential market access and higher energy costs, which poses special challenges for the rural poor. The Government's response has been the launch of a reform programme involving measures – such as a pro-poor empowerment programme – that could present risks for poor rural communities. The Government has sought assistance from its development partners and requested that IFAD take the lead role in agriculture, rural development and pro-poor policy reform. The Ministry of Finance and Economic Development has introduced a medium-term expenditure framework, linked to programme-based budgeting. These tools require that the Ministry of Agro Industry and Fisheries, among other ministries, establish a pro-poor approach to service delivery. IFAD support for this process has been requested, with special emphasis on the needs of small-scale fishers and farmers who are most threatened by the overall reform process.

B. Proposed financing

Terms and conditions

2. It is proposed that IFAD provide to the Republic of Mauritius a loan in the amount of SDR 3.45 million (equivalent to approximately US\$5.60 million) on ordinary terms, and a grant in the amount of SDR 0.25 million (equivalent to approximately US\$0.40 million) to help finance the Marine and Agricultural Resources Support Programme. The loan will have a term of 18 years, including a grace period of three 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 allocation defined for Mauritius under the PBAS for one year is US\$1 million or US\$6 million over two cycles of three years. The programme will be implemented over six years.

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

4. The proposed programme is embedded in the Mauritius Reform Programme which is being supported by a number of development partners. It will be implemented entirely through government systems, including the pro-poor Empowerment Programme.

Country debt burden and absorptive capacity of the State

5. Real GDP growth fell to 3.0 per cent in 2004-2005 from 5-6 per cent in the 1990s and unemployment soared to almost 10 per cent. The Reform Programme represents a move towards greater fiscal discipline, removal of subsidies and reforms to the regulatory environment. International Monetary Fund (IMF) projections suggest that the reforms will help reduce the fiscal deficit of around 5 per cent of GDP to the target of 3 per cent. IMF forecasts that the current account deficit will decline from 7.5 per cent of GDP to 1.5 per cent over the remainder of the decade. Total external debt was 14.5 per cent of GDP in 2005-2006, with a debt service ratio of 8.2 per cent of exports. The debt service ratio is projected to decline to 3.5 per cent by 2009-2010, indicating an improving trend in debt sustainability.

Flow of funds

6. There will be a special account in United States dollars, a programme account in local currency, and programme accounts in local currency for each of the implementing agencies. The Government of Mauritius will pre-finance all programme activities and use the traceability functions of its accounting system to prepare statements of expenditure to support withdrawal applications.

Supervision arrangements

7. The programme will be supervised directly by IFAD.

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

8. Since the programme will be cofinanced by the Government of Western Australia and key technical assistance will be provided by Australia, it is proposed that an exception be made to allow procurement from Australia, which is not a member of the Fund. This arrangement will be reflected in the programme financing agreement as an exception to the Fund's General Conditions.

Governance

9. A high standard of governance will be assured through continuation of the current arrangements under the IFAD-supported Rural Diversification Programme. Stringent and transparent administrative and financial procedures will be maintained. Formats for financial statements and progress reports will be agreed with IFAD, and checked for compliance by supervision missions. Annual financial statements of the programme will be subject to audit by the Director of Audit.

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

10. The principal target groups are: (i) all of the rural poor who will benefit from the pro-poor reform agenda; (ii) small-scale fishers (about 3,800 households); (iii) around 25 per cent of small-scale cane planters (about 6,500 households); (iv) retrenched rural textile workers and other unemployed youth and women, including prisoners (about 4,800 individuals); and (v) households affected by natural disasters or epidemics, such as the 500 pig farmers affected by the recent disease outbreak.

Targeting approach

11. Support for the reform agenda will make a major contribution to policies that address the intractable problems of rural poverty. All of the rural poor will potentially benefit, but the interventions offered will be more applicable to fishers, cane planters, and women's and community groups, particularly on the island of Rodrigues. The interventions will all unfold through existing government agencies, most of which have already identified the vulnerable groups. For area-based activities, targeting strategies will include: (i) selection of areas with large numbers of poor households; (ii) a focus on areas where households face the risk of sliding into poverty following job losses and/or declining income from sugar production or fishing; and (iii) interventions that are likely to be of particular interest to the poor, but less attractive to the better off.

Participation

12. The programme's support for community development will be implemented through the Empowerment Programme by continuing the process of community engagement and consultation initiated under the Rural Diversification Programme. The Empowerment Programme aims to ensure broad participation in the reform process by increasing opportunities for the unemployed to find work, creating special initiatives to assist women and young people entering the workforce, and providing assistance to small and medium-scale entrepreneurs.

D. Development objectives

Key programme objectives

13. The goal is to support the pro-poor reform agenda within the overall reform process. This will be achieved through three objectives: (i) facilitate the development of pro-poor policies and programmes within the Ministry of Agro Industry and Fisheries and the Rodrigues Regional Assembly and assist the Ministry in managing marine resources sustainably; (ii) improve in a sustainable way the livelihoods of coastal communities threatened by overexploitation of the marine environment; and (iii) assist rural households, including smallholder cane planters, in diversifying their income-generating enterprises and improving their employment prospects.

Policy and institutional objectives

14. The programme will deepen IFAD's engagement in policy and institutional reform in the realms of agriculture, rural poverty and marine resources, by continuing the implementation support and technical assistance being provided under the current Rural Diversification Programme.

IFAD policy and strategy alignment

15. The programme is in line with the IFAD Strategic Framework 2007-2010, which emphasizes IFAD's comparative advantage in the policy and institutional dimensions of rural poverty and the goal of empowering the rural poor. It is also closely aligned with the strategic objectives of sustainable natural resource management, improved technologies and services, transparent and competitive markets, transparent policy processes, and opportunities for off-farm employment and enterprise development. In addition, the programme is guided by the 2005 country strategic opportunities paper, developed jointly by IFAD and the Government, which is aimed at helping poor rural households adapt to economic restructuring by improving their ability to participate in the fast-growing sectors of the economy.

E. Harmonization and alignment

Alignment with national priorities

16. The programme is consistent with the national priorities embodied in the Reform Programme and its associated fiscal, policy and institutional initiatives, together with the various sectoral policy frameworks relating to aquaculture and agriculture.

Harmonization with development partners

17. The programme has been developed in full consultation with all partners active in Mauritius. IFAD maintains contact with donors through the United Nations Resident Representative and the Ministry of Finance and Economic Development.

F. Components and expenditure categories

Main components

18. The programme has three components: (i) support for pro-poor reform and institutional change; (ii) marine resource management; and (iii) diversification of rural incomes and employment.

Expenditure categories

19. There are seven expenditure categories: (i) community development grants (22 per cent); (ii) training and demonstrations (20 per cent); (iii) technical assistance (13 per cent); (iv) civil works (11 per cent); (v) vehicles, equipment and materials (8 per cent); (vi) studies (6 per cent); and (vii) recurrent costs (20 per cent).

G. Management, implementation responsibilities and partnerships

Key implementing partners

20. The programme will be implemented through mainstream institutions and programmes. It will be coordinated by the Ministry of Finance and Economic Development and implemented by various agencies, principally the Ministry of Agro

Industry and Fisheries and its associated parastatals, and the Empowerment Programme. This will involve the selection of an implementation team from the latter ministry, which will be supported by a facilitation team and the provision of international technical assistance. A small coordination team will be set up within the Rodrigues Regional Assembly.

Implementation responsibilities

21. The first component will be implemented by the Ministry of Agro Industry and Fisheries and will involve all departments and associated parastatals. The second will be the responsibility of the Fisheries Division of the Ministry, working in close collaboration with the Rodrigues Regional Assembly. The third component will be implemented by the agriculture department of the Ministry, the Agricultural Research and Extension Unit and the parastatals responsible for sugar sector reform. Community development activities will be implemented by the Empowerment Programme in conjunction with non-governmental organizations and community-based organizations.

Role of technical assistance

22. The Government has requested technical assistance in the formulation of a pro-poor agricultural sector strategy, which will include reforms to fisheries policy. Resources from the Rural Diversification Programme are being used to provide such technical assistance, together with an evaluation of capacity in the Empowerment Fund. The proposed programme will support ongoing technical assistance in these fields.

Status of key implementation agreements

23. The programme will be implemented entirely within government systems. Implementation readiness has been enhanced by the creation of the in-country programme development team and development of transitional arrangements between the Rural Diversification Programme and the proposed programme under the guidance of the facilitation team. The appraisal mission reached agreement on a number of issues that will enhance implementation readiness, including the use of Rural Diversification Programme resources to address key policy and institutional issues.

Key financing partners and amounts committed

24. The total programme cost is US\$17.23 million over six years. IFAD will provide a loan under ordinary terms amounting to US\$5.60 million, plus a grant of US\$0.40 million. Cofinancing is expected to amount to around US\$1.08 million and will be provided by the Government of Western Australia and by the United Nations Development Fund/Global Environment Facility/Small Grants Programme. Beneficiaries will contribute about US\$0.93 million. The remaining US\$9.22 million will be contributed by the Government, with part of the Government's contribution (about US\$2.3 million) drawn from the IFAD loan supporting the Rural Diversification Programme. The Government's contribution will include some US\$3.0 million to fund community development grants through the Empowerment Programme.

H. Benefits and economic and financial justification

Main categories of benefits generated

25. The programme will make a major contribution to rural poverty reduction through support for a new agricultural sector strategy, which will include the identification of pro-poor targets and indicators, together with a major overhaul of fisheries management policy. These initiatives will have far-reaching impacts thanks to more focused support services and more sustainable natural resource management. Indirect beneficiaries are also expected to be numerous, as a result of enhanced local economic activity and access to community facilities and services.

Economic and financial viability

26. The programme will generate economic and financial returns through: (i) more sustainable management of marine resources; (ii) establishment of high-value

aquaculture enterprises; (iii) support to diversify away from sugar production on difficult and marginal lands; and (iv) increased productivity and employability of retrenched workers and other rural dwellers. Even with benefits valued at the lower end of the range of possibilities, the economic and financial returns are likely to be robust, more than justifying programme costs.

I. Knowledge management, innovation and scaling up

Knowledge management arrangements

27. The policy and institutional reforms to be supported by the programme will lead to the modernization of governance arrangements in the agricultural and fisheries sectors, whereby institutions are transformed from welfare-oriented service providers to knowledge managers and facilitators of change.

Development innovations that the programme will promote

28. By supporting the policy and institutional reform process, IFAD will help the Government respond to the need to acquire a more pro-poor focus and protect the most vulnerable. The introduction of fisheries management plans is also an example of innovative changes in approach. The programme will lead to the availability of a menu of technical options, many of which will be new to the islands of Mauritius and Rodrigues.

Scaling-up approach

29. All new income-generating enterprises will begin with feasibility studies and pilot or demonstration programmes before wider adoption. This applies particularly to lagoon aquaculture enterprises with significant potential for scaling up throughout the lagoons of both islands.

J. Main risks

Main risks and mitigation measures

30. A key risk faced by the programme relates to management of change. As economic reform proceeds, there may be resistance to change among the civil service and stakeholders in general. The reform process uses the public sector as a means of driving change and requires "accompanying measures" to allow for a progressive approach. In addition, a flexible approach will be essential so that the nature and rate of change can be adjusted in accordance with stakeholders' responses. However, significant support is needed for those who have not benefited from the prosperity experienced by the mainstream.

Environmental classification

31. 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 provided certain safeguards are adopted. Only proven technologies and practices will be used in the interventions, and these will be regularly monitored to ensure that any negative environmental impacts are addressed without delay.

K. Sustainability

32. The programme will support initiatives to reinvigorate the Mauritian economy by reducing reliance on the state and enhancing the efficiency and effectiveness of government services. This will create a leaner, more focused and ultimately more sustainable institutional structure that is more responsive to the needs the rural poor. A large part of the programme will also depend on commercial incentives to encourage change and underpin sustainability.

II. Legal instruments and authority

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

III. Recommendation

36. I recommend that the Executive Board approve the proposed financing in terms of the following resolution:

RESOLVED: that the Fund shall make a loan to the Republic of Mauritius in various currencies in an amount equivalent to three million four hundred and fifty thousand special drawing rights (SDR 3,450,000) to mature on or prior to 15 July 2026 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.

RESOLVED FURTHER: that the Fund shall provide a grant to the Republic of Mauritius in various currencies in an amount equivalent to two hundred and fifty thousand special drawing rights (SDR 250,000) and 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 programme financing agreement

(Negotiations concluded on 9 April 2008)

Pest management

1. 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 WHO.

Insurance of programme personnel

2. The Government will insure key programme personnel against health and accident risks to the extent consistent with its customary practice in respect of its national civil service.

Fraud and corruption

3. 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.

Subsidy reduction

4. The Government undertakes to maximise recourse toward the reduction of income subsidy payments, in particular the bad weather allowance, as a result of exits from the current system, retirements, and avoiding new commitments. In addition, from the current base level of subsidies, the Government undertakes to support the introduction and tracking of specific levels of reductions during implementation life of the programme and to inform IFAD on a periodic basis of its progress in this regard.

Staff redeployment

5. The Government confirms its support to the Ministry of Agro Industry and Fisheries (MAIF) and the Rodrigues Regional Assembly in introducing feasible measures to reduce the Fisheries Protection Services staff resources currently required to manage the bad weather allowance programme and to be redeployed for implementation of activities under the "Support for the Pro-Poor Reform Agenda within MAIF" Sub-Component and "Marine Resource Management" Component of the programme.

Training

6. Because the success of the marine interventions depends very largely on upgrading of fisheries management capabilities within Ministry of Agro Industry and Fisheries, the Government confirms its commitment to a programme of training in fisheries management.

Land study

7. The Government undertakes to implement the findings of the land study foreseen under the "Sustainable Land Management" Sub-Component and to ensure provision in the programme for retraining and/or relocation of affected poor sugar growers.

Community development and mentoring

8. The Government confirms its commitment that the community development and mentoring aspects of the programme will be fully implemented.

Monitoring and evaluation

9. The Government confirms its commitment to implementing the pro-poor monitoring system devised for the six Ministry of Agro Industry and Fisheries programmes. The baseline study, to be undertaken in programme year one, will introduce appropriate and specific outcome indicators, including pro-poor and intermediate indicators. The

Government agrees to track progress towards meeting these agreed outcomes on a regular basis.

Suspension

10. (a) IFAD may suspend, in whole or in part, the right of the Government to request withdrawals from the loan account and grant account if:
 - (i) IFAD, after consultation with the Government, has determined that the material benefits of the programme are not adequately reaching the Target Group, or are benefiting persons outside the Target Group to the detriment of Target Group members.
 - (ii) The Programme Implementation Manual, or any provision thereof, has 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.
 - (iii) The Government has defaulted in the performance of any covenant set forth in the Agreement and such default shall continue unremedied for a period of thirty (30) days, and IFAD has determined that such default has had, or is likely to have, a material adverse effect on the programme.
 - (iv) IFAD has given notice to the Government that credible allegations of corrupt or fraudulent practices in connection with the programme have come to the attention of IFAD, and the Government has failed to take timely and appropriate action to address the matters to the satisfaction of IFAD.
 - (v) Procurement has not been or is not being carried out in accordance with the Agreement.
- (b) Notwithstanding the above, if the audit required by the Agreement has not been satisfactorily concluded within twelve months of the financial reporting date set forth therein, IFAD will suspend the right of the Government to request withdrawals from the loan and grant account.

Conditions precedent to withdrawals

11. No withdrawals will be made from the loan or grant accounts for expenditures under the "Reform of Marine Resources Policy" or the "Alternative Income Generating Activities" Sub-Components (except for pilot aquaculture projects in Rodrigues) unless the Government has confirmed to the satisfaction of IFAD that the requirements of all relevant "trigger points" have been met as of the date of such withdrawal.

Conditions precedent to effectiveness

12. This Agreement will become effective in accordance subject to the fulfilment of the following conditions precedent:
 - (a) the Government has opened the special account;
 - (b) the Government has established the Steering Committee and the MAIF Team, the Facilitation Team, and the Rodrigues Programme Coordination Team;
 - (c) this Agreement has been duly signed, and the signature and performance thereof by the Government has been duly authorised and ratified by all necessary administrative and governmental action; and
 - (d) a favourable legal opinion, issued by the Government's Attorney General 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

Ministry of Agro-Industry and fisheries (2007): "Strategic Options in Crop Diversification and Livestock Sector (2007-2015)".

Ministry of Agro-Industry and Fisheries (2006): "Multi-Annual Adaptation Strategy. Action Plan 2006-2015; Safeguarding the Future through Consensus".

Ministry of Finance and Economic Development (2007): "Budget Speech (2007-2008) Consolidating the Transition and Securing Full Employment".

Ministry of Finance and Economic Development (2007): "Programme – based Budget 2007–2008 to 2009 – 2010 [indicative]".

Economist Intelligence Unit (2007). Mauritius. Country Profile 2007: "The Economist Intelligence Unit, London, UK"

IFAD reference documents

IFAD (2008). Marines and Agricultural Resources Support (MARS) Programme: Appraisal Report and Key Files, International Fund for Agricultural Development, Rome.

IFAD (2007). Marine and Agricultural Resources Support (MARS) Programme: "Consultative Workshop on MARS Programme (4-6 July 2007)."

IFAD (2005). Learning Notes for Investment:

- i. Gender, International Fund for Agricultural Development, Rome
- ii. Community Development Funds, International Fund for Agricultural Development, Rome
- iii. Project Targeting, International Fund for Agricultural Development, Rome
- iv. Monitoring and Evaluation, International Fund for Agricultural Development, Rome.

IFAD (2005). Republic of Mauritius. Country Strategic Opportunities Paper (COSOP), Africa II Division, Programme Management Department, International Fund for Agricultural Development, Rome.

IFAD (2003). Republic of Mauritius. Rural Diversification Programme (RDP): "Mid-Term Review Report, International Fund for Agricultural Development, Rome"

IFAD Strategic Framework (2007-2010)

Logical framework

Narrative Summary	Verifiable Indicators a/	Means of Verification	Assumptions and Risks
Goal/Purpose: Support the design and implementation of the Government's pro-poor reform agenda within the framework of the Mauritius Reform Programme, the MTEF and the PBB approach.	<ul style="list-style-type: none"> Income and living standards of rural households in areas targeted by the six MAIF programmes 	<ul style="list-style-type: none"> GOM Household income and expenditure surveys, baseline studies, programme evaluation. 	<ul style="list-style-type: none"> Reform Programme can be maintained Users of marine resources able to reach agreement on sustainable management Govt. able to enforce regulations on sustainable marine resource management Renewed growth of employment opportunities
Component 1: Pro-poor Reform and Institutional Change			
Objectives: (i) facilitate the development of pro-poor policies and programmes within MAIF and the RRA; and (ii) assist MAIF to manage fish resources in a way which results in sustainable and profitable fisheries	<ul style="list-style-type: none"> Adoption of pro-poor indicators Improved effectiveness and efficiency of service delivery Sustainable fisheries management policy framework developed and implemented Profitability from fishing and proportion of fishers' income derived from fishing 	<ul style="list-style-type: none"> Supervision reports Reports of the Facilitation Team Programme progress reports and M&E AWPBs submitted Fish Catch Assessment Survey (CAS) reports 	<ul style="list-style-type: none"> High quality TA contracted Adequate counterpart funding and staff provided Proactive acceptance of reform measures
Outputs: (i) Support for the pro-poor reform agenda within MAIF and RRA; and (ii) Reform of marine resources policy	<ul style="list-style-type: none"> Reform agenda and PBB mainstreamed Sustainable marine resource management policy developed and adopted 	<ul style="list-style-type: none"> Agricultural and fisheries sector strategy documents and budgets Marine resource policy documents 	<ul style="list-style-type: none"> MAIF and RRA maintain their commitment to pro-poor reform and institutional change Policies mainstreamed and adequately funded
Component 2: Marine Resource Management			
Objective: Sustainably improve the livelihoods of coastal communities threatened by over-exploitation of the marine environment.	<ul style="list-style-type: none"> Income generated from small scale, lagoon-based aquaculture activities in Rodrigues Profitability of fishing and proportion of fishers income derived from fishing 	<ul style="list-style-type: none"> Catch-per-fisherman-day data MAIF annual statistics bulletin Periodic surveys of poverty levels and income of small scale fishers 	<ul style="list-style-type: none"> CAS system is accurate and covers both lagoon and off-lagoon fisheries Collection of information on income and profitability of fishers is carried out regularly
Outputs: (i) Alternative income generating activities; (ii) Capacity building and infrastructure support; (iii) Community development support; and (iv) Technical and vocational training	<ul style="list-style-type: none"> Number of commercially successful aquaculture enterprises established Amount of TA provided, infrastructure developed and number of persons trained Number of community development projects supported Number of people receiving technical and vocational training 	<ul style="list-style-type: none"> Project and GOM reports Empowerment fund records of community development activities supported IVTB records on training delivered Employment and unemployment statistics 	<ul style="list-style-type: none"> Technically and commercially viable aquaculture enterprises will be identified and successfully piloted Recipients of technical and vocational training will be able to find worthwhile employment opportunities
Component 3: Diversification of Rural Incomes and Employment			
Objective: Assist rural households, including smallholder cane planters to diversify their on- and off-farm income-generating enterprises, and improve their prospects for gaining employment.	<ul style="list-style-type: none"> Income generated from intensified and diversified agricultural enterprises Income generated from non-agricultural enterprises and/or sustainable employment Increased household income as result of training 	<ul style="list-style-type: none"> Household income and expenditure surveys, programme M&E system, evaluations Independent assessments and evaluations 	<ul style="list-style-type: none"> Risk of saturating local markets for alternative (non-sugar) agricultural commodities Employment opportunities available Resistance to change addressed and impetus of reform maintained
Outputs: (i) Support for development of the crop and livestock sectors; (ii) Strategic advice and mentoring for farmers; (iii) Sustainable land management; (iv) Community development support; and (v) Technical and vocational training	<ul style="list-style-type: none"> Training facilities upgraded, courses delivered, demonstrations and pilot programmes completed Area of land converted to non-sugar crops Area of marginal land successfully retired Number of community development projects supported Number of people receiving technical and vocational training 	<ul style="list-style-type: none"> Project reports Land use data Empowerment fund records of community development activities supported IVTB records on training delivered Employment and unemployment statistics 	<ul style="list-style-type: none"> Viable alternative crop and livestock enterprises can be tested and demonstrated. Sugar planters will be willing to undertake intensification and diversification. Recipients of technical and vocational training will be able to find worthwhile employment opportunities

