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Enabling poor rural people
to overcome poverty

President's report

Proposed loan to Belize for the Rural Finance Programme

Executive Board — Ninety-fifth Session
Rome, 15-17 December 2008

For: **Approval**

Note to Executive Board Directors

This document is submitted for approval by the Executive Board.

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Abbreviations and acronyms

| | |
|------|----------------------------|
| BCUL | Belize Credit Union League |
| M&E | monitoring and evaluation |
| PMU | programme management unit |

Recommendation for approval

The Executive Board is invited to approve the recommendation for the proposed loan to Belize for the Rural Finance Programme, as contained in paragraph 37.

Map of the programme area

Belize

Rural Finance Programme



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.

IFAD Map compiled by IFAD

Belize

Rural Finance Programme

Loan summary

| | |
|---------------------------------------|--|
| Initiating institution: | IFAD |
| Borrower: | Belize |
| Executing agencies: | Ministry of Economic Development (lead programme agency), Belize Credit Union League (programme party) Rural Credit Fund Trustee (programme party) |
| Total programme cost: | US\$6.04 million |
| Amount of IFAD loan: | SDR 2.05 million (equivalent to approximately US\$3.00 million) |
| Terms of IFAD loan: | 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 |
| Cofinancier: | Central American Bank for Economic Integration |
| Amount of cofinancing: | US\$1.91 million |
| Terms of cofinancing: | Parallel |
| Contribution of borrower: | US\$0.73 million |
| Contribution of credit unions: | US\$0.40 million |
| Appraising institution: | IFAD |
| Cooperating institution: | Directly supervised by IFAD |

Proposed loan to Belize for the Rural Finance Programme

I. The programme

A. Main development opportunity addressed by the programme

1. The Rural Finance Programme is based on the rationale that there is substantially unexploited economic potential among the rural population of Belize. This potential has been hindered by the lack of access to credit and other financial services (savings, insurance, remittances). The strengthening of inclusive and sustainable rural financial services tailored to the needs of poor farmers and small rural enterprises is a critical means to enhance rural development in the country and complement ongoing poverty reduction programmes.

B. Proposed financing

Terms and conditions

2. It is proposed that IFAD provide a loan to Belize in the amount of SDR 2.05 million (equivalent to approximately US\$3.00 million) on ordinary terms to help finance the Rural Finance 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 Belize under the PBAS is US\$3.00 million over the 2007-2009 allocation cycle.

Country debt burden and absorptive capacity of the State

4. Belize's external debt is managed under a strict financial policy, thus the country has adequate capacity to absorb and service the proposed loan. Since 1986, IFAD has provided loan funding to the country to finance two rural development projects for a total of SDR 3.85 million.

Flow of funds

5. IFAD loan proceeds will be deposited into a special account operated by the Ministry of Finance. The proceeds of the IFAD loan will be channelled to the Belize Credit Union League (BCUL) and to the Rural Credit Fund Trustee, directly from the IFAD loan account and/or from the special account as may be determined by the Ministry of Finance under two separate subsidiary agreements. Applications for withdrawals from the IFAD loan will be made by the person/s designated by the Ministry of Finance.
6. Withdrawals not exceeding in the aggregate the equivalent of US\$50,000 may be made from the loan account in respect of expenditures for recruitment of the programme management unit (PMU) staff and adjustments to the Belize Credit Union League (BCUL) existing accounting system, as appropriate. Such expenditures may be incurred before the date of the loan agreement but after the Executive Board approval.

Supervision arrangements

7. The programme will be directly supervised by IFAD.

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

8. No exceptions are foreseen.

Governance

9. The following planned measures are intended to enhance the governance aspects of the IFAD loan: (i) annual independent audits in accordance with international auditing standards and the IFAD Guidelines on Project Audits; (ii) subsidiary agreements between the Ministry of Finance and the two programme parties designated for the implementation of programme activities, and a memorandum of understanding between these organizations and each participating credit union.

C. Target group and participation

Target group

10. The programme will have national coverage. The target population includes 11,500 poor rural households, of which 4,000 households are considered extremely poor. The programme's direct beneficiaries, who include a high percentage of women and young people, will be small-scale farmers, microentrepreneurs, craft workers, subsistence fishers, rural wage workers and indigenous communities. An estimated 15,000 poor and extremely poor people will directly benefit from the programme over the seven-year implementation period.

Targeting approach

11. The programme's targeting strategy is in line with the IFAD Policy on Targeting and reflects the lessons learned in previous IFAD interventions. To this effect, emphasis will be placed on the adoption of appropriate measures to enhance the capacity of the programme to reach disadvantaged ethnic groups effectively – Mayans, in particular – and to address social, ethnic and gender diversity in its operations. The programme will pilot an innovative housing-based targeting tool.

Participation

12. Participating credit unions will receive a tailored institution- and capacity-building package to help them expand their credit operations and diversify their financial services (e.g. by mobilizing savings or offering insurance or cash transfers) and adapt them to the needs of the target population (poor rural clients). If eligible under the programme criteria, these credit unions will also be able to borrow from the programme's rural credit fund in order to enlarge their capacity to lend to their poor members/clients in rural areas.

D. Development objectives

Key programme objectives

13. The overall goal is to contribute to reducing the levels of poverty and extreme poverty of the rural population – men, women and young people – in Belize by increasing the incomes and assets of small farmers and other rural groups through improved rural financial services. The purpose of the programme is to expand and enhance inclusive and sustainable rural financial services for underserved small farmers and other rural groups in the country.
14. The specific objectives are to: (i) improve the governance, management and operational capabilities of credit unions; (ii) strengthen the BCUL in order to expand its capacity for developing, coordinating and training the credit union movement; (iii) provide rural financial services and, particularly, credit facilities for agricultural production and rural non-agricultural entrepreneurial activities; (iv) foster the capitalization of both credit unions and clients through the affiliation of the rural poor to the credit union movement, and the mobilization of savings; and (v) to establish a knowledge management system for information exchange and monitoring and evaluation (M&E).

Policy and institutional objectives

15. The programme will build on the experience of the credit union movement in Belize, which spans over sixty years, with the aim of consolidating its development and

expansion to rural areas, and of generating “know-how” that could help the Government formulate appropriate policies in agriculture and rural finance.

IFAD policy and strategy alignment

16. The programme stems from IFAD’s previous operation in the southern region of the country and aims at scaling up at the national level one of the most interesting experiences, i.e. the support provided to expanding rural financial services by building capacity and financing two credit unions. The consolidation of these unions is presently being supported by an IFAD country-specific grant.

E. Harmonization and alignment

Alignment with national priorities

17. Under the present National Poverty Elimination Strategy and Action Plan for 2007-2011, the Government is adopting the following strategy for rural poverty reduction: (i) a long-term commitment to improving social services (education, health, sanitation); (ii) a continuous process to decentralize investment decisions to local governments and rural community-based organizations; (iii) promotion of the expansion of financial services to rural areas; and (iv) strong leadership and coordination by the Ministry of Economic Development. Therefore, the Rural Finance Programme is fully aligned with national priorities and the national poverty reduction strategic framework.

Harmonization with development partners

18. Key development partners include: (i) the European Union, which is financing the largest complementary programmes (i.e. the Belize Rural Development Programme and a sugar rehabilitation programme); (ii) the Inter-American Development Bank, which is providing capacity-building, through its Multilateral Investment Fund, to the Credit Union Supervision Unit of the Central Bank of Belize and to the BCUL.

F. Components and expenditure categories

Main components

19. The programme has four components: (i) institution- and capacity-building (31 per cent of base cost); (ii) rural credit fund (41 per cent); (iii) rural shares and savings incentives (12 per cent); and (iv) programme management unit (PMU) and M&E (16 per cent).

Expenditure categories

20. There are eight expenditure categories: (i) vehicles and equipment (4.7 per cent of base cost); (ii) short- and long-term consultancies (21.8 per cent); (iii) credit funds (38.9 per cent); (iv) capitalization funds for share/savings incentives (11.1 per cent); (v) training (2 per cent); (vi) salaries (10.8 per cent); (vii) operation and maintenance (8.3 per cent); and (viii) trustee management fee (2.3 per cent).

G. Management, implementation responsibilities and partnerships

Key implementing partners

21. These will be: (i) the BCUL, which is the apex organization of the Belize credit union movement. Through a subsidiary agreement with the Government, it will act as the umbrella organization under which the PMU will operate; (ii) the Rural Credit Fund Trustee, which is the second-tier financial institution in charge of managing the credit trust fund and lending to eligible credit unions (first-tier financial institutions).

Implementation responsibilities

22. The programme will be implemented in a decentralized manner, with the Government (the Ministry of Finance and Ministry of Economic Development) maintaining control of policy decisions through its chairing of the programme oversight committee, while delegating – mostly to private-sector organizations – the actual implementation under specific subsidiary agreements.

Role of technical assistance

23. The programme will provide institutional strengthening and capacity-building at three levels: (i) BCUL; (ii) participating credit unions; and (iii) members of participating credit unions. The institution- and capacity-building activities and training for union members, staff and officials will be provided in two stages, focusing on: (i) members' rights and responsibilities, financial literacy and personal financial planning in addition to credit union governance and credit administration; and (ii) product development and implementation, and business planning and financial analysis. The activities of the latter will be oriented towards facilitating, by means of technical assistance, the implementation of the rural shares and savings incentives component.

Status of key implementation agreements

24. In addition to the loan agreement, the programme will be implemented through two subsidiary agreements between the Government and, respectively, the BCUL (component (i), (iii) and (iv)) and the Rural Credit Fund Trustee (component (ii)). The trustee will be selected through a competitive tendering procedure at the beginning of programme implementation. Every credit union eligible to participate in the programme will be required to enter into a memorandum of understanding with the PMU for the non-reimbursable components ((i) and (iii)) and with the trustee for the credit component. Technical assistance providers will be hired on the basis of the IFAD Procurement Guidelines.

Key financing partners and amounts committed

25. The total programme cost is US\$6.04 million over seven years. The sources of financing are IFAD (49.7 per cent), the Central American Bank for Economic Integration (31.5 per cent), the Government (12.1 per cent) and credit unions (6.7 per cent).

H. Benefits and economic and financial justification

Main categories of benefits generated

26. The principal benefits anticipated are: (i) growth in total individual membership of participating credit unions of 22 per cent (15,000 new members); (ii) 60 per cent (9,000) rural poor credit union members become savers, of which at least 40 per cent are women; (iii) 5,000 small farmers improve/expand agricultural activities through credit from the programme; (iv) 15,000 persons are trained in cooperativism and basic financial literacy, of which 60 per cent are women (includes all types of training); (v) the institutional strengthening package provided to participating credit union results in the widespread use of at least one new financial product that is better tailored to rural client needs; and (vi) at least one field officer from each participating credit union trained by the programme is providing services to the target population.

Economic and financial viability

27. Since this is a rural finance stand-alone programme, the analysis has focused on the viability of the most likely investments by the beneficiaries. Six farm models, representing the main agricultural systems in the programme area, were developed and used to estimate the farmers' incremental incomes as a result of programme interventions. In addition, five small rural business models were formulated. All the models show very positive results with an aggregate economic rate of return of 37 per cent.

I. Knowledge management, innovation and scaling up

Knowledge management arrangements

28. The programme has important elements of innovation. Therefore, its M&E system and knowledge management strategy have been designed accordingly. Programme progress will be continuously monitored and documented during implementation to feed the PMU and the programme stakeholders regularly with information. In this

way, the programme's strategy and instruments can be adjusted, with the aim of maximizing impact.

Development innovations that the programme will promote

29. The programme design has several innovative features: (i) it aims at national coverage through the scaling up of previous IFAD experiences in the southern districts of the country; (ii) implementation responsibility is delegated by the Government to the private sector (credit unions); (iii) it is a stand-alone rural finance operation as opposed to a typical multi-component integrated rural development project; (iv) it will provide pilot "matching-grant" incentives to beneficiaries willing to become a credit union member and open a savings account; and (v) its targeting and gender strategies.

Scaling-up approach

30. The programme is designated for national coverage, which in a small country such as Belize is not an issue. However, because of the level of innovation embedded in some of the activities, these will be initially undertaken on a pilot basis. Once the results have been assessed, the activities will gradually be scaled up.

J. Main risks

Main risks and mitigation measures

31. The programme faces two main risks: (i) credit unions' financial and management risks; (ii) credit union members' (clients) market- and agriculture-related risks. The planned mitigation measures include effective and timely M&E combined with specialized technical assistance for the credit unions. The role of the Central Bank of Belize, which is in charge of supervising the unions, will also be critical in this regard. International technical assistance providers will be hired for some selected and specialized areas, in which no in-country qualified service providers are available.

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. Key elements in support of sustainability include: (i) the expected increase in credit union membership, as well as the estimated capitalization of many of the unions; and (ii) successful negotiations with the Government to maintain the operations and the mandate of the rural credit fund after programme completion, for a period to be agreed.

II. Legal instruments and authority

34. A programme loan agreement between Belize 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.
35. Belize is empowered under its laws to borrow from IFAD.
36. I am satisfied that the proposed 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 loan to Belize in various currencies in an amount equivalent to two million and fifty thousand special drawing rights (SDR 2,050,000) to mature on or prior to 1 October 2026 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 to the Executive Board herein.

Lennart Båge
President

Important assurances included in the negotiated programme loan agreement

(Negotiations concluded on 14 November 2008)

Gender

1. The Government of Belize (the "Government") will ensure that gender concerns are mainstreamed in all Programme activities throughout the Programme implementation period. The Government will ensure that: (i) the Programme promotes the role of women as agents of change in the local social and economic development; (ii) priority in training is given to women; (iii) the Programme encourages women to take on leadership roles and participate in decision-making both within the family and at the community level; and (iv) priority is given to qualified women to work as Programme staff for the Programme.

Indigenous peoples' (IP) concerns

2. The Government will ensure that the concerns of the IP are given due consideration in implementing the Programme and, to this end, will ensure that:
 - (a) The Programme is carried out in accordance with the applicable provisions of the relevant IP national legislation;
 - (b) The IP are adequately and fairly represented in all local planning for Programme activities;
 - (c) IP rights are duly respected;
 - (d) IP communities participate in policy dialogue and local governance;
 - (e) The terms of Declarations, Covenants and/or Conventions ratified by the Government on the subject are respected; and
 - (f) The Programme does not involve encroachment on traditional territories used or occupied by indigenous communities.

Monitoring

3. The Lead Programme Agency will ensure that the Programme Management Unit (PMU) monitors the Programme and generates data and information on Programme activities and outcomes in a manner satisfactory to IFAD. The Lead Programme Agency will also perform results-and-impact monitoring to gather information on Programme impact, including rapid nutrition and asset surveys using IFAD's standard methodology.

Pest management practices

4. 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 (WHO).

Resource protection

5. The Government will take all reasonable measures to ensure that existing laws are enforced to safeguard water, forest and wildlife resources in the Programme Area. The Government will take all measures to ensure sustainability of the Programme without any detriment to the environment, promoting local participation during Programme Implementation which is essential for environment sustainability.

Operation and maintenance

6. The Government will ensure that adequate human and financial resources are provided to support the operation and maintenance of Programme financed

investments and the recurrent costs of the Programme operations both during and after the Programme implementation period, at least for the useful life of such investments.

Insurance

7. The Government will insure Programme personnel against health and accident risks in accordance with its customary practice in respect of its national civil service. The Government will insure all vehicles and equipment used in connection with the Programme against such risks and in such amounts as may be consistent with sound practice. The Government may, in either case, finance such insurance from the proceeds of the Loan.

Key programme staff

8. The Borrower will ensure that PMU Staff remain in such role until the Programme Completion Date, subject to satisfactory performance.

Legal framework

9. The Borrower will continue to support the development and coming into force of an enabling legal environment for microfinance institutions.

Authorizations

10. The Government will provide any Programme Party with such delegations of authority or other authorizations as may be required under its national procedures to implement the Programme in accordance with this Agreement.

Coordination

11. The Government will make effective arrangements to co-ordinate with other international agencies operating in the Programme Area to ensure that: (i) uniform policies are adopted for the same sector or activity; (ii) Programme activities financed by different donors in the same province or district are carefully phased to avoid constraints on the available human and financial resources; (iii) the involvement of Credit Unions continues throughout the Programme implementation period without any change which would have a material adverse effect on the Programme's goal, purposes and objectives; (iv) the Programme financing from all Financiers is in accordance with the agreed financing plan; and (v) the lessons learned from beneficiary impact assessments are given due consideration in future policy formulation.

Use of programme vehicles and other equipment

12. The Lead Programme Agency will ensure that:
 - (a) The types of vehicles and other equipment procured under the Programme are appropriate to the needs of the Programme; and
 - (b) All vehicles and other equipment transferred to or procured under the Programme are dedicated solely to Programme use.

Fraud and corruption

13. 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 becomes aware.

Suspension

14. (a) IFAD may suspend, in whole or in part, the right of the Government to request withdrawals from the Loan Account, upon the occurrence of any of the events set forth in the General Conditions or any of the following events:
 - (i) The Programme Coordinator has been removed from the Programme without the prior concurrence of IFAD;

- (ii) The Central American Bank for Economic Integration Co-financing Agreement has failed to enter into full force and effect within nine (9) months of the Effective Date, and substitute funds are not available to the Government on terms and conditions acceptable to IFAD;
 - (iii) The right of the Government to withdraw the proceeds of the Central American Bank for Economic Integration loan has been suspended, cancelled or terminated, in whole or in part, or the Central American Bank Economic Integration loan has become due and payable prior to the agreed maturity thereof; or any event has occurred which, with notice or the passage of time, could result in any of the foregoing;
 - (iv) The Trustee Subsidiary Agreement and/or any of the First-Tier Subsidiary Loan Agreement, or any provision thereof, has been waived, suspended, terminated, amended or otherwise 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;
 - (v) Any competent authority has taken any action for the dissolution of the Lead Programme Agency or the suspension of its operations, or any action or proceeding has been commenced for the distribution of any assets of the Lead Programme Agency among its creditors;
 - (vi) The PIM, or any provision thereof, has been waived, suspended, terminated, amended or otherwise 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;
 - (vii) IFAD, after due consultation with the Government, has determined that the material benefits of the Programme are not reaching the Target Group, or are benefiting persons outside the Target Group;
 - (viii) The Government and/or the Lead Programme Agency has(ve) defaulted in the performance of any covenant set forth in the Programme Loan Agreement, and IFAD has determined that such default has had, or is likely to have, a material adverse effect on the Programme;
 - (ix) 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 matter to the satisfaction of IFAD; and
 - (x) Procurement is not being carried out in accordance with the Programme Loan Agreement.
- (b) Notwithstanding the above, IFAD will suspend, in whole or in part, the right of the Government to request withdrawals from the Loan Account if the Audit Reports required under the Programme Loan Agreement has not been satisfactorily completed within twelve (12) months after the financial reporting period set forth therein.

Conditions precedent to withdrawal

15. (a) No disbursement will be made in respect of expenditures under the Loan until:
- (i) The Government has opened the Special Account and the PMU Account;
 - (ii) A copy of the signed Belize Credit Union League Ltd. Subsidiary Agreement, substantially in the form approved by IFAD, has been delivered to IFAD; and all conditions precedent to the effectiveness or

- validity thereof (other than the effectiveness of the Loan Documents) have been fulfilled;
- (iii) The Programme Implementation Manual (PIM) has been approved by IFAD in draft; a copy of the PIM, as adopted by the PMU, has been delivered to IFAD;
 - (iv) The PMU has submitted a draft AWP/B for the first Programme Year to the Government and IFAD for approval, and such draft AWP/B has been approved in accordance with the time frame specified in the Programme Loan Agreement;
 - (v) The Government has deposited counterpart funds equivalent to US\$140,000 into the PMU Account to cover the first year of Programme implementation.
- (b) No disbursement will be made in respect of expenditures for the Rural Credit Fund until:
- (i) A Trustee acceptable to IFAD has been duly selected by the Government based on a competitive and transparent process;
 - (ii) The Trustee Subsidiary Agreement has been approved by IFAD in draft; a copy of the signed Trustee Subsidiary Agreement, substantially in the form so approved, has been delivered to IFAD; and all conditions precedent to the effectiveness or validity thereof (other than the effectiveness of the Loan Documents) have been fulfilled;
 - (iii) A model loan agreement between the Trustee so selected and the Credit Unions have been approved by IFAD; and
 - (iv) The Government has lodged in a bank account acceptable to IFAD counterpart funds equivalent to no less than 50 per cent of the proceeds of the IFAD-financed Community-Driven Agriculture and Rural Development Project credit fund, available at the Effective Date.

Conditions precedent to effectiveness

16. The Programme Loan Agreement will become effective in accordance with the General Conditions, subject to the fulfilment of the following conditions precedent:
- (a) The Lead Programme Agency has duly established the Programme Oversight Committee;
 - (b) The Lead Programme Agency has duly established the PMU and recruited its staff;
 - (c) The Programme Loan Agreement has been duly signed, and the signature and performance thereof by the Government have been duly authorized and ratified by all necessary administrative and governmental action; and
 - (d) A favourable legal opinion, issued by the Government's Solicitor General in respect of the matters set forth in the Programme Loan Agreement and in form and substance acceptable to IFAD, has been delivered by the Government to IFAD.

Key reference documents

Country reference documents

National Poverty Elimination Strategy and Action Plan (NPESAP) 2007-2011

Poverty Map (2006)

National Poverty Assessment (2002)

Population Census (2000)

Belize Farmers Registry Report

Labour Force Survey 2006

National Gender Policy (2002)

Credit Union Annual Reports

UNDP – Human Development Report

FAO – Belize Food security Assessment and Vulnerability Analysis

IFAD reference documents

Project design document (PDD) and key files, working papers

IFAD Rural Finance Policy

IFAD Targeting Policy

IFAD Gender Action Plan

Administrative Procedures on Environmental Assessment

Office of Evaluation - Completion Evaluation of the CARD project (475-BZ)

Logical framework

| Objective hierarchy | Key performance indicators and targets | Monitoring and information sources | Assumptions and risks |
|--|--|---|--|
| <p>Goal To contribute to the reduction of poverty and extreme poverty levels of the rural population – men, women and youth – of Belize by increasing the incomes and assets of small farmers and rural population through improved rural financial services.</p> | <ol style="list-style-type: none"> 10 000 rural households with improved assets by year 7. 2% (under a low-growth scenario for the country a whole) to 4% (under a high growth scenario) reduction rural poor by year 7. 4% to 8% of reduction by year 7 of incidence of rural poverty on households headed by women. | <ul style="list-style-type: none"> RIMS survey (baseline, mid term, end of project) Annual Participatory Evaluations, End of second year Review, Mid-term evaluation | <p>The % reduction in poverty is based on past performance. During the 1996-2002 period between PARs, economic growth was a high 8% p.a. but poor people actually rose from 33% to 33.5%, although poor households fell slightly from 25.3% to 24.5%. It is assumed women will receive special attention from the RFP and will benefit from the RFP at about a 50% higher rate than men.</p> |
| <p>Project Purpose Provide increased access by the small farmers and rural poor population in Belize, to inclusive and sustainable financial services (e.g.: credit, savings, capitalization) with the purpose of improving productivity and income.</p> | <ol style="list-style-type: none"> 30% of new CU members with credit are still an active borrowers at the end of the programme. 60% of new CU members with deposit accounts remain as active savers at the end of the Programme. 30% of participating trained youth and women run a business with/without credit at the end the programme. No less than 80% of all participant CU show improved performance in terms of (i) Portfolio at risk; (ii) Operational self-sufficiency; (iii) Active borrowers/personnel; (iv) Steadily increased total assets, loans and deposits | <ul style="list-style-type: none"> RIMS survey (baseline, mid term, end of project). Annual Participatory Evaluations, End of second year Review, Mid-term evaluation Focus groups Programme M&E reports | <p>Access to land and regularization of tenancy would continue to be facilitated by GOB policies.</p> |
| <p>Output 1: Governance, managerial and operational capabilities of CUs strengthened.</p> | <ol style="list-style-type: none"> At least 1 field officer from each participating CU trained by the programme is providing services to the target population. Institutional strengthening package provided to participant CU resulting in at least one new financial product better tailored to rural client needs being widely used. Loan portfolio performance by participating CUs shows: (i) Portfolio at risk less than 15%; (ii) Loan loss rate less than 3%; (iii) Institutional capital at least 5% of total assets; (iv) External credit to total assets less than 25% | <ul style="list-style-type: none"> Monthly CU reports Focus groups CU Audit reports. | <ul style="list-style-type: none"> Current interventions of other programs to support the CU movement are continued. |
| <p>Output 2: BCUL strengthened in its capabilities for developing, coordinating and providing leadership to the CUs movement.</p> | <ol style="list-style-type: none"> Feasibility studies for at least 2 new products and services for CU developed and tested. BCUL incorporates PM&E system developed for RFP as internal management and KM tool at year 5." | <ul style="list-style-type: none"> Financial statements Consultancy reports Annual Participatory Evaluations, End of second year Review, Mid-term evaluation | |
| <p>Output 3: Rural financial services and, particularly, credit facilities for agricultural non agricultural entrepreneurial and other selected activities provided.</p> | <p><u>All information disaggregated by sex:</u></p> <ol style="list-style-type: none"> 9 000 rural poor individuals have access to credit, of which at least 40% are women. 5 000 small farmers improve/expand agricultural activities through credit from the programme. At least 25% of loans go to start, improve or expand non-agricultural income generating activities (e.g. processing, small commerce, rural ecotourism, small workshops, etc) among the rural poor. | <ul style="list-style-type: none"> Programme M&E reports Monthly CU reports Surveys on productive lines Focus groups | <ul style="list-style-type: none"> Farming techniques are well known. Extension services would continue to work and improve progressively. Basic social and productive infrastructure provided by the GOB and EU funded projects |
| <p>Output 4: Incentives for affiliation of rural poor to the CU movement provided and the mobilisation of savings promoted.</p> | <ol style="list-style-type: none"> Total CU individual membership has grown by 22% (15 000 new members), of which at least 15% are very poor (indigent). 60% (9 000) rural poor members of CU become savers, of which no less than 50% increase their savings over maximum fostered by the programme. 15 000 persons trained in cooperativism and basic financial literacy, out of which 60% women (includes all types of training) | <ul style="list-style-type: none"> Monthly CU reports Programme Credit and Savings database Focus groups Training reports | <ul style="list-style-type: none"> Local governance and fostering of local participation policies and legislation would be maintained. |
| <p>Output 5: Knowledge Management System for information exchange and M+E information established.</p> | <ol style="list-style-type: none"> Members of POC and Programme Manager make use of M&E reports in management decisions. PMU archives are a useful source of information for management and are kept up-to-date. Institutional learning of programme implementation has been duly gathered and communicated, and is available as reference. | <ul style="list-style-type: none"> Programme Website Operational reports Systematization reports | |

