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President's report

Proposed loan to the Republic of Peru for the Sustainable Territorial Development Project

Note to Executive Board representatives

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Abbreviations and acronyms

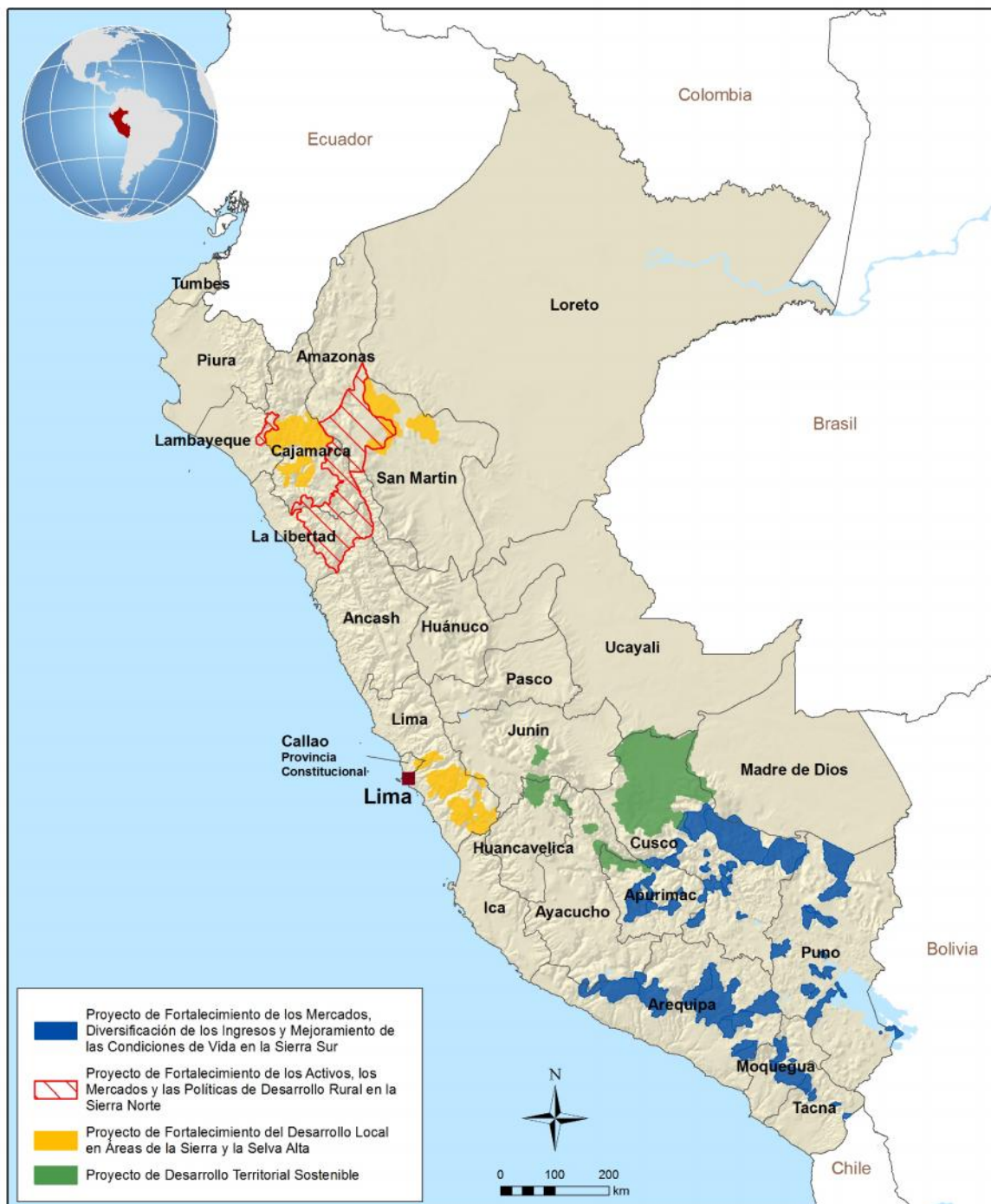
COSOP	country strategic opportunities programme
CEU	central executing unit
AOP	annual operating plan
SNIP	National Public Investment System
PCU	project coordination unit

Map of the project area

Perú

Proyectos financiados por el FIDA en el país

Informe del Presidente



Las denominaciones empleadas y la forma en que aparecen presentados los datos en este mapa no suponen juicio alguno del Fondo Internacional de Desarrollo Agrícola (FIDA) respecto de la demarcación de las fronteras o límites que figuran en él ni acerca de las autoridades competentes.
 Mapa elaborado por el FIDA | 14-10-2015

Republic of Peru

Sustainable Territorial Development Project

Financing summary

Initiating institution:	IFAD
Borrower:	Republic of Peru
Executing agency:	Ministry of Agriculture and Irrigation, through the Agro Rural Programme
Total project cost:	US\$121.39 million
Amount of IFAD loan:	EUR ... million (equivalent to approximately US\$35.52 million)
Terms of IFAD loan:	Ordinary: repayment term of 18 years, including a grace period of three years, with an annual interest rate equivalent to 100 per cent of the IFAD reference rate
Contribution of the borrower:	US\$77.26 million
Contribution of beneficiaries:	US\$8.61 million
Appraising institution:	IFAD
Cooperating institution:	Directly supervised by IFAD

Recommendation for approval

The Executive Board is invited to approve the recommendation on the proposed loan to the Republic of Peru for the Sustainable Territorial Development Project, as contained in paragraph 43.

Proposed loan to the Republic of Peru for the Sustainable Territorial Development Project

I. Strategic context and rationale

A. Country and rural development and poverty context

1. The Republic of Peru, with GDP per capita in 2013 of US\$6,661, is currently classified among the middle-income countries. The Peruvian economy has been one of the best performing in Latin America, and visible progress has been made on poverty reduction in recent years according to the International Monetary Fund (IMF). However, Peru faced a challenging external context in 2014, together with problems in domestic supply and declining public subnational investment – aggravating the external shocks and leading to a marked deceleration in growth. Although real GDP growth declined to 2.4 per cent in 2014 compared to 5.8 per cent the previous year, Peru still posted double the regional average of about 1.2 per cent. Projections call for real GDP growth in 2015 of about 4 per cent thanks to the stimulus provided by the economic policies adopted.
2. Peru continued to reduce poverty and extreme poverty levels in 2014, although at a slower pace than in previous years. According to the National Statistics and Informatics Institute (INECI), poverty in 2014 stood at an estimated 22.7 per cent, 1.2 percentage points lower than in 2013 – meaning that over a quarter of a million (289,000) people exited poverty. Overall figures for 2014 show that there were 6,995,000 Peruvians living in poverty. Average monthly income per capita for the poorest rose by 2.2 per cent, mainly as a result of cash transfers under the Juntos, Pension 65 and Beca 18 programmes. The incidence of poverty was higher in rural areas at 46.0 per cent, three times the urban rate. Among the major causes of rural poverty, the fact that communities are poorly integrated with the market economy has been identified as one of the greatest obstacles to local development, particularly in the Sierra region, causing the population to emigrate towards urban centres.
3. A recent study by the World Bank shows that 4.3 per cent of Peru's surface area is occupied by agricultural activities. The main crops are coffee, potato, rice, cotton, asparagus, sugar and maize. A modern and competitive agro-export sector along the coast coexists with more traditional or subsistence farming in the Sierra and Selva regions. Primary agriculture accounts for 9 per cent of GDP. Over the last 12 years, Peruvian agriculture has grown at an average rate of 4.3. An estimated 2.35 million families – close to 10 million people – depend on agriculture, most of them concentrated in the Sierra. Agriculture in the Sierra poses major challenges: low yields; small and fragmented plots with high transaction costs; fragile soil with drainage, salinity and erosion problems; limited availability of water; a lack of connectivity and an unpredictable climate.

B. Rationale and alignment with government priorities and RB-COSOP

4. The project is based on IFAD's past and current interventions in Peru, is consistent with the strategic objectives set forth in the country strategic opportunities programme (COSOP) and takes into account the recommendations of the midterm

review that took place in November 2011. The project complies with both IFAD's own requirements and those of the National Public Investment System (SNIP), and contributes to: (i) strengthening territorial planning and citizen management processes; (ii) promoting strategic partnerships on public-private platforms for access to markets; (iii) promoting the organization of productive linkages between rural small enterprises; (iv) providing greater support for financial inclusion through savings, insurance and financial education; (v) including initiatives that favour sustainable natural resource management, with actions to mitigate and prevent the effects of climate change; and (vi) promoting actions to increase water availability and equal access to water, to help prevent social conflicts within the territory.

II. Project description

A. Project area and target group

5. The project area covers the area of influence of the Apurímac, Ene and Mantaro River Valley (VRAEM), corresponding to the periphery in contrast to the central part or direct intervention area. Both of these areas are considered priorities by country authorities in view of their high incidence of poverty and extreme poverty and their exclusion from the country's development.
6. The selected area encompasses 27 districts in seven provinces in the departments of Ayacucho, Huancavelica, Junín, Apurímac and Cusco. Included are a highland or Sierra area at between 3,000 and 4,500 metres, a number of inter-Andean valleys at between 1,500 and 3,000 metres, a foothills or Ceja de Selva area at between 300 and 1,500 metres and part of the Amazon plain or Selva at less than 300 metres.
7. Within this area, 76.5 per cent of the population is rural, using the strict definition of a disperse rural population. That percentage rises to 87 per cent if villages with less than 2,000 inhabitants are included. In addition, 74 per cent of the population in the area are living below the monetary poverty line. Of these, 39 per cent are extremely poor and 33 are poor but not extremely poor – values that place these districts among the country's most vulnerable. Among those living in the project area, 73 per cent are under 29 years of age and 66 per cent are indigenous.
8. The 27 districts located in the project area have a combined population of 58,681 families. Of these, the project will serve 50,936 rural families who are living in conditions of rural poverty according to the 2014 national household survey.
9. Among the 50,936 poor rural families making up the project's target population, 27,000 families will benefit from the development services to be provided under components 1 (governance and investments in territorial natural resources) and 2 (local economic initiatives), and 23,936 poor rural families will benefit from activities under component 3 (connectivity and territorial infrastructure). The remaining 7,745 families (13 per cent of the population in the intervention area), who reside in areas considered urban in Peru, will not be included in the project's target population.

B. Development objective of the project

10. The goal of the project is to contribute to reducing poverty among rural families through social and productive inclusion. The development objective is to increase the human, social, natural, physical and financial assets of the project beneficiaries.

C. Components/results

11. The project will be implemented over six years and will include the implementation of three major components, in addition to project management and administration:
 - (a) Component 1. Governance and investments in territorial natural resources. This component will address the community and family level and

will build institutional capacities in the territory, including in local and provincial governments, supporting initiatives to improve communal goods and properties. The component objectives will contribute to improving the endowment and quality of natural resources in territories owned by the beneficiaries and their community and indigenous associations – including adapting to and mitigating climate change, and building capacities and competencies for sustainable natural resource management and development.

- (b) Component 2. Local economic initiatives. The objective of this component is to build a sustainable network of associations among potential project beneficiaries to promote and expand opportunities for economic development and social inclusion, providing support for economic activities by interest groups such as farmers organizations together with financial inclusion of families and associations. In a fragile and diverse associational context, the component will support the creation, development and consolidation of economic associations of beneficiaries that are oriented towards improving their livelihood strategies and achieving greater and better participation in markets for goods and services. To this end, the component will implement a flexible and cumulative strategy with specific arrangements to support rural producers organizations, based on the various types and levels of associative development among rural people.
- (c) Component 3. Connectivity and territorial infrastructure. The objective of this component is to bring about an overall improvement in physical conditions in the area of influence where the project beneficiaries are located, in order to generate synergies with interventions under the other components. In a context of relative isolation caused by deteriorating rural roads, minimal internet service and limited development of water and natural resources as a result of low levels of investment in irrigation, the project will, inter alia, facilitate market access in the intervention area for rural people, create jobs with start-ups or contracting of communal or associational microenterprises for routine maintenance of rehabilitated roads, provide for irrigation infrastructure at community level, and promote water harvesting and collection.
- (d) Component 4. Project management and administration. Under this component, support will be provided on a cross-cutting basis to the three preceding components to achieve the results and meet the targets set by the project. This component includes project administration, knowledge management and M&E.

III. Project implementation

A. Approach

12. The project will employ the following five main approaches:

- (a) Territorial development: This approach combines two main aspects: (i) institutional development to promote consultations among local and external actors and include poor people in production transformation processes and benefits; and (ii) production transformation to link the territory's economy with dynamic markets.
- (b) Community-driven development: Implies a degree of delegation of accountability to communities to manage their own development, including the design and implementation of subprojects. This approach facilitates access to social, human, financial and physical capital and assets by rural poor people, by transforming development agents from top-down planners to bottom-up providers of client-oriented services.

- (c) Geographical targeting: Takes into account government priorities defining the VRAEM area of influence as a priority area in view of the high incidence of poverty.
- (d) Scaling up: The project is consistent with the scaling up approach adopted by IFAD, encompassing the various dimensions of scaling up: (i) fiscal and financial; (ii) political; (iii) policy-based; (iv) organizational; (v) cultural; and (vi) learning-based.
- (e) Social inclusion as cross-cutting intervention: The project benefits rural men, women and young people in situations of extreme poverty and recognizes the tangible and intangible assets of campesino and indigenous populations. This approach promotes the empowerment of the target groups and rural associational development.

B. Organizational framework

- 13. The agency responsible for the project will be the Ministry of Agriculture and Irrigation, through the Agro Rural programme acting as a central executing unit (CEU) with the legal authority to administer the project, in close coordination with three of its branches located in the regions of Huancavelica, Ayacucho and Cusco, and with close coordination and collaboration from municipal and provincial administrations.
- 14. Project implementation will be the responsibility of a project coordination unit (PCU) reporting to Agro Rural through its agrarian development director and in charge of coordinating physical and financial activities and monitoring progress on the targets set. The PCU will be composed of a project coordinator and seven specialists in the following areas: (i) M&E; (ii) financial inclusion and entrepreneurship; (iii) infrastructure; (iv) natural resource management and climate change; (v) social inclusion; (vi) administration; and (vii) accounting.

C. Planning, M&E, learning and knowledge management

- 15. The project will employ a system of planning, M&E, learning and knowledge management that is in line with national regulations and with IFAD guidelines.
- 16. Planning. The project will be implemented on the basis of annual operating plans (AOP) and procurement plans subject to IFAD no objection. Progress made on implementing the plans will be recorded in semi-annual progress reports.
- 17. M&E. The responsible agency, through the PCU, will conduct the baseline study during the first 12 months of implementation, and will set up the M&E system and an M&E plan that will be an integral part of the AOP. The system will report on progress made in the process of strengthening associational social capital throughout project implementation using participatory instruments. Agro Rural will provide information to the SNIP monitoring operating system (SOSEM), which will allow for verification of progress made on implementing public investment projects.
- 18. Knowledge management and learning. The main objective of learning and knowledge management activities will be to enhance existing knowledge assets in the project intervention area and disseminate content in an appropriate and timely way to inform users.

D. Financial management, procurement and governance

- 19. Financial management. The financial management of the project will be the responsibility of Agro Rural under the CEU procedure, as follows: (i) include project resource requirements in its annual budget and arrange for approval by the Ministry of Economy and Finance; (ii) implement and supervise implementation of the project; (iii) perform financial and accounting administration and disbursement functions; (iv) conduct tenders and contracting processes; and (v) hire external auditors. Project accounting will be done using the integrated financial information

system that is mandatory for all public sector entities including budget and administrative modules.

20. Flow of funds. The Ministry of Economy and Finance will open a sub-account in euros within the single Treasury account as a designated account to receive IFAD loan proceeds. These funds will then be transferred to a project operating account in local currency, to be opened at Banco de la Nación and administered by Agro Rural. The borrower will open an account in local currency to hold the counterpart funds. Agro Rural will transfer the project proceeds to the CEU, which will make payments for procurement and allocate resources to fund initiatives by the project users.
21. Procurement. The procurement of works, goods and services will take place in accordance with IFAD guidelines on procurement of goods and services. The PCU, together with the administrative office and procurement unit of Agro Rural, will prepare a procurement plan as part of the AOP specifying the procurement method and identifying the goods and services required, in addition to timelines, estimated costs, procedures and sources of financing. Procurement will be done generally by the producers organizations benefiting from the project and hence receiving specific technical training including, inter alia, procurement of minor works and procurement of production equipment and information technology equipment needed for information systems management.
22. Audit. The audit arrangements will include internal processes and will adhere to IFAD's guidelines on project audits. In accordance with national regulations, Agro Rural is subject to internal audit by its internal control office, which reports to the Office of the Comptroller General (CGR). The annual consolidated financial statements of the project will be audited independently in accordance with terms of reference acceptable to IFAD, in accordance with international auditing standards and IFAD guidelines on project audits. An external auditor acceptable to both IFAD and CGR will be employed. All project accounts will be audited, including both IFAD financing and counterpart funds. The audit report will be submitted to IFAD within six months after the close of each fiscal year. For audit purposes the fiscal year will coincide with the calendar year.

E. Supervision

23. The project will be directly supervised by IFAD in accordance with the prevailing guidelines on direct supervision.
24. Approximately six months after the start-up workshop, IFAD will send a first supervision mission with the following objectives: (i) identify potential problems or difficulties encountered in the initial implementation; (ii) review progress made against the targets set; (iii) review the AOP being implemented and proposals for the subsequent AOP; (iv) consult with project users on their perceptions of the project and their participation levels; (v) review expenses incurred and procurement carried out to date; (vi) verify compliance with the financing agreement; (vii) prepare the project status report; and (viii) perform the financial management evaluation. Commencing in year two of project implementation, and in accordance with the guidelines on direct supervision, IFAD will send a mission that, in addition to meeting the objectives outlined above, should focus specifically on analysing the process of social mobilization and formation of groups of potential beneficiaries, paying special attention to rural women and young people and indigenous peoples.

IV. Project costs, financing, benefits

A. Project costs

25. The project will have a total cost of approximately US\$121.386 million. The first component calls for spending of US\$7.757 million (equivalent to 6.4 per cent), and the second for spending of US\$56.542 million, representing 46.6 per cent of the

total. The third component will involve spending of US\$44.779 million (36.9 per cent) and the fourth component US\$12.308 million (10.1 per cent).

Table 1
Project costs by component and financier
(Thousands of United States dollars)

Component	IFAD		Beneficiaries		Borrower/ counterpart		Total	
	Amount	%	Amount	%	Amount	%	Amount	%
1. Governance and investments in territorial natural resources	5 323	68.6	0 058	0.8	2 376	30.6	7 757	6.4
2. Local economic initiatives	27 382	48.4	8 548	15.1	20 612	36.5	56 542	46.6
3. Connectivity and territorial infrastructure					44 779	100	44 779	36.9
4. Project management and administration	2 816	22.9			9 492	77.1	12 308	10.1
Total	35 521	29.3	8 606	7.1	77 259	63.6	121 386	100

B. Project financing

26. Financing for the different project components includes: IFAD, US\$35.5 million, or 29.3 per cent of the total; the Government of Peru, ordinary resources in the amount of US\$77.3 million, or 63.6 per cent; and beneficiaries, US\$8.6 million or 7.1 per cent of total project cost.

Table 2
Project costs by expenditure category and financier
(Thousands of United States dollars)

Expenditure category	IFAD loan		Beneficiaries		Borrower/ counterpart		Total	
	Amount	%	Amount	%	Amount	%	Amount	%
1. Works					55 131	100.0	55 131	45.4
2. Vehicles					419	100.0	419	0.3
3. Equipment and supplies	168	45.3			204	54.7	372	0.3
4. Consultancies	2 984	56.6			2 286	43.4	5 270	4.3
5. Grants and subsidies	28 213	60.7	8 548	18.4	9 746	21.0	46 507	38.3
6. Training	4 156	74.3	58	1.0	1 378	24.7	5 592	4.6
7. Salaries and benefits					6 546	100	6 546	5.4
8. Operating costs					1 549	100	1 549	1.3
Total	35 521	29.3	8 606	7.1	77 259	63.6	121 386	100.0

C. Economic analysis and benefit summary

27. Project implementation calls for obtaining the following benefits for participating families and communities: an increase in physical assets for communities, improved agricultural productivity, sustainable natural resource management, and increased social capital promoting start-up and development of economic associations for better access to value chains and promoting their participation in the benefits of territorial development. Over the long term, this will result in higher incomes, greater employment, higher yields and better quality agricultural products and by-products.
28. The activities funded by the project will generate additional income for the 27,000 families of between US\$300 and US\$1,200 yearly, with the development services called for under components 1 and 2 – in natural resource management, development of local economic initiatives, financial services and production infrastructure. For the 23,000 families who will benefit from activities under component 3, annual income could increase by at least US\$100.

D. Sustainability

29. The project will ensure that its interventions are sustainable by increasing and strengthening the social fabric and creating confidence by promoting associational development processes. At the same time, it will build confidence and open up opportunities for the development of individuals, families and communities. Once conditions have been created for groups of individuals or families to associate and carry out shared activities, the sustainability of such groups will depend upon the social cohesion established and on external factors. Political sustainability will be ensured by commitment on the part of national authorities to address problems in the project area, promoting strong technical and financial linkages with sector institutions and subnational governments.
30. The resilience of existing community organizations, such as the campesino and indigenous communities present in the intervention area, will ensure social sustainability. At the same time, the sustainability of the interest groups associating to undertake economic initiatives will be realized by means of ongoing support to strengthen associative principles and consolidate them.
31. Local governments will be strengthened and trained to improve the administration of resources and respond to the population's needs, which will contribute to institutional sustainability. The economic and financial sustainability of the economic initiatives undertaken by associated groups is expected to be brought about by providing specific advisory assistance in market analysis, support from mentoring institutions and relationships with potential clients for the products or services cofinanced by the project.
32. Technical sustainability will be ensured by employing local talents to operate the initiatives identified by the project clients. Environmental sustainability will be ensured by adopting best practices in natural resource management.
33. Finally, the sustainability of investments in roads will be the responsibility of the municipalities under the conditional programme transfers managed by MTC with resources provided by the Ministry of Economy and Finance. To ensure that the roads rehabilitated by the project are covered by regular maintenance plans, specific clauses will be included in the agreements to be signed with provincial road authorities and municipalities in the implementation area to ensure compliance with current Ministry of Economy and Finance policy.

E. Risk determination and mitigation

34. Implementation of the project will involve moderate risks, and the following measures have been adopted to mitigate them:

Table 3
Risks and mitigation measures

<i>Risk</i>	<i>Level</i>	<i>Mitigation measures</i>
Administrative and bureaucratic constraints on implementation	Moderate	Participation by all stakeholders
Limited institutional capacity at regional and local levels	Moderate	Training for provincial and local governments
Restricted coverage by agency responsible for implementation	Moderate	Budget support
Limitations on recognition for local talents	Moderate	Creation of a mechanism to recognize local talents
Limitations on process of empowerment of communities and groups	Moderate	Strengthening of community representation and agreements with local governments
Possibility of benefits capture	Moderate	Setting amounts of incentives or rewards that do not incentivize capture and filtration
Climate phenomena, including collapse and landslide	Moderate	Active participation in road upgrading by community enterprises
Deforestation and settlement processes bringing construction of logging roads	High	Strengthening of environmental controls by government agencies and development of indigenous community capacities to manage their own territories

V. Corporate considerations

A. Compliance with IFAD policies

35. The proposed project is aligned with the overarching goal of the IFAD Strategic Framework 2011-2015 and contributes to the strategic objectives to improve access to services contributing to poverty reduction, promote economic and natural assets that build resilience among disadvantaged rural people, and strengthen organizations that enable them to manage profitable and sustainable farm and nonfarm enterprises, as well as influence policies and institutions. Moreover, the project approach and implementation strategies are aligned with the policies and strategies on targeting rural poor people, gender equality and women's empowerment, engagement with indigenous peoples (including free, prior and informed consent), natural resources and environmental management, climate change, social, environmental and climate procedures (SECAP note, category B), rural finance, and knowledge management and innovation.

B. Harmonization and alignment

36. The project is consistent with the national policy environment promoting rural and territorial development, decentralization and development of production. The proposed project, to be implemented by the Ministry of Agriculture and Irrigation through Agro Rural, will be consistent with the Medium-term Plan 2013-2016 and its objective to reduce poverty and extreme poverty, improve local institutions and management, generate competitiveness in agricultural production, and improve the inclusion of producers by facilitating the sustainability of natural resources. The proposed project will also be harmonized with the Ministry of Economy and Finance programme in support of competitive production and its objective to achieve sustainability in production value chains through development, adaptation and technology transfer. In addition, it is fully justified and responsive to the decision by country authorities to address problems in the intervention area under the VRAEM Comprehensive Territorial Plan, which pursues the overall objective of shaping an environment of security, legality and social peace that will improve the quality of life and social inclusion of the inhabitants by making production activities more profitable in the area.

C. Innovation and scaling up

37. Implementing the project will involve the use of new mechanisms in addition to those already used and proven effective in previous IFAD-funded projects in Peru – such as allocating financial resources competitively and transferring them to hire technical assistance, processing and commercialization services, following a participatory approach to identify, formulate, implement and monitor subprojects using local resource allocation committees, with financial inclusion and the creation of collaboration mechanisms with local governments to invest in business facilitation.
38. In this project, the innovations in implementation will include strong support for local and provincial governments in defining territorial assets, and shared financing by administrative agencies within those governments to improve planning and implementation of territorial investment projects, including: investing in road connectivity to remove barriers to market access; using mobile banking as a way of facilitating financial inclusion on a massive basis; and creating incentives for the development of new financial products and services. The inclusion of indigenous communities will mean adopting new mechanisms for managing natural resources and financing community initiatives, with technical and financial assistance in the preparation and implementation of their livelihood plans. A systematic strategy will also be followed to build associative capacities among beneficiary people, supporting organizational development processes with results-based incentives. Finally, in addition to reinforcing gender equity, the project calls for strategies, actions and financial resources to diversify economic opportunities, including access to employment and decent employment.

D. Policy engagement

39. The project calls for actions and resources to promote and facilitate policy dialogue using lessons learned and recommendations arising from the project implementation process – to remove barriers that prevent poor rural people from sharing in the benefits of territorial development. To this end, policy dialogue will seek to have an influence on the actors involved in decision-making processes at the local, regional and national levels. Generally speaking, the project will seek to build an enabling environment from a policy, institutional and regulatory point of view to advance the interests of poor rural people. Special attention will be paid to constructing platforms for dialogue between and by indigenous communities, seeking to open up a space whereby they can have an influence and improve their participation and their social and economic inclusion.

VI. Legal instruments and authority

40. A financing agreement between the Republic of Peru and IFAD will constitute the legal instrument for extending the proposed financing to the borrower. A copy of the negotiated financing agreement will be tabled at the session.
41. The Republic of Peru is empowered under its laws to receive financing from IFAD.
42. I am satisfied that the proposed financing will comply with the Agreement Establishing IFAD and the Policies and Criteria for IFAD Financing.

VII. Recommendation

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

RESOLVED: that the Fund shall provide a loan on ordinary conditions to the Republic of Peru in an amount equivalent to _____ (EUR _____), and upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented herein.

Kanayo F. Nwanze
President

Negotiated financing agreement

To be tabled at the session.

Marco Lógico

Results Hierarchy	Means of Verification			Assumptions			
	Name	Baseline *	Target	Source	Frequency	Responsibility	Supuestos
Meta Contribuir a la reducción de la pobreza de las familias rurales bajo un enfoque de inclusión social y productiva.	(1) El valor de los activos de las familias rurales ha aumentado en un 20%. (RIMS 3er nivel) (2) El índice de desnutrición infantil se ha reducido en 20% (RIMS 3er nivel). (3) El índice de reducción de la pobreza monetaria se ha reducido de XX%	Xx% Xx% Xx%		Eval. Línea de Base Eval. Medio Término Eval. Impacto Final Encuesta Nacional de Hogares ENAHOR Rural Provincial	1er. año 3er año 6to. año	Equipo del Proyecto	
Objetivo de Desarrollo Incrementar los activos humanos, sociales, naturales, físicos y financieros de los /las beneficiario(a) s del proyecto en 27 distritos Municipales de Ayacucho, Huancavelica, Junín, Apurímac y Cusco	(4). 50 936 familias reciben servicios del Proyecto. (RIMS 1.8.2).	0	50 936	Informes de avance anual	Cada año	Equipo del Proyecto	La capacidad de AGRO RURAL para llevar adelante una ejecución descentralizada dentro de la zona de amortiguamiento del VRAE, susceptible de la influencia de acontecimientos derivados de la economía ilegal.
	(5). Al menos el 80 % de 27 000 familias rurales incrementan en promedio en 37% sus rendimientos agrícolas.	0	21 600	Línea Base Eval. Impacto Final	1er. año 3er año 6to. año		
	(6). Al menos el 80% de 27 000 familias rurales incrementan en promedio en 57% su productividad pecuaria.	0	21 600	Línea base de cada iniciativa comunal y económica.			
	(7). Al menos 23 936 familias incrementa sus ingresos en un 11,5% por el mejoramiento y mantenimiento de caminos que dan condiciones a mayor acceso a mercados y oportunidades de empleo.	0	23 936	Eval. Línea de Base Eval. Medio Término Eval. Impacto Final	1er. año 3er año 6to. año		
Component 1: Gobernanza e Inversiones en Recursos Naturales del Territorio							
Efecto directo 1: Los recursos naturales son manejados sosteniblemente incorporando medidas de adaptación al cambio climático.	(8).80% de 240 Planes de gestión de recursos naturales implementados en Sierra y Selva son manejados sosteniblemente al término del Proyecto (RIMS 2.1.4) (9). 10 000 personas (8500 provenientes de sierra y 1500 nativos) capacitadas en gestión de recursos naturales(RIMS 1.1.9)	0 0	192 Planes 10 000 (6000 hombres y 4000 mujeres)	Informes de avance anuales de los Planes de gestión de recursos naturales. Evaluaciones participativas de género, comunitarias y de los niveles asociativos. Informes de las capacitaciones, desagregadas por género.	3er y 6to. Año Cada año	Equipo del Proyecto	Escenarios climáticos adversos, sobre todo en los distritos de la sierra, puede poner en riesgo los impactos que se espera desencadenar. Fenómenos climáticos estables en el período del Proyecto.

Component 2. Iniciativas Económicas Locales							
Efecto directo 2: Familias asociadas desarrollan iniciativas de negocios, acceden a las diferentes cadenas de valor en mejores condiciones y comercializan la producción en diferentes tipos de mercado en forma sostenible.	(10). El 70% de 27 000 familias asociadas que han desarrollado Planes de Negocio incrementan sus ventas en un 30%.	0	21 600	Registro de ventas de los grupos. Línea Base de cada PN	1er. año 3er año 6to. año	Equipo del Proyecto.	Fluctuación de precios en los mercados y pérdidas, que pueden provocar un decremento de beneficios.
	(11). El 70% (57) de 81 emprendimientos de jóvenes rurales que han desarrollado planes de negocio siguen en funcionamiento sin apoyo del proyecto después de tres años.	0	57 emprendimientos	Línea Base de cada PN			Diversificación y transformación de productos y efectuar ventas en épocas de menor oferta, ampliación del acceso a los mercados.
Efecto directo 3: Los beneficiarios inmersos en las iniciativas económicas acceden a servicios financieros, innovaciones financieras y fortalecen sus capacidades.	(12). El 65% de mujeres de 27 000 familias (1 por familia), acceden a cuentas de ahorro y a otros servicios financieros.	0	17520 mujeres.	Línea de base, Informes de progreso, evaluaciones a medio término y final	1er. año 3er año 6to. año	Equipo del Proyecto	Poco interés en la ampliación de cobertura de servicios financieros por parte de las entidades financieras en el área.
	(13). Al término del proyecto, 3000 jóvenes agrupados en grupos de ahorro juvenil (GAJ) creados hacen uso de los servicios financieros.	0	3000 jóvenes.	Informes de las instituciones bancarias y aseguradoras.	1 al 6to Año.		Firma de convenios con entidades financieras, para garantizar cantidad de cuentas de ahorro y microseguros, que sean de interés para las entidades financieras.
	(14). Al menos 1 miembro de las 27 000 familias (hombre o mujer) accede a coberturas del seguro de vida.	0	27000 con pólizas	Informes de las instituciones bancarias y aseguradoras.	1 al 6to Año.		
Component 3 Conectividad e Infraestructura Territorial							
Efecto directo 4: Red Vial Vecinal de los distritos beneficiarios rehabilitada y mejorada de forma sostenible, mejoran la interconexión entre las comunidades.	(15). 257 Km de caminos mejorados, rehabilitados y con mantenimiento rutinario y periódico por el Proyecto.	0	257 km de caminos con mantenimiento	Informes de los Institutos Viales Provinciales Informes de progreso semestrales y anuales	1 al 6to Año.	Equipo del Proyecto en coordinación con los Institutos Viales Provinciales (IVP's)	Ecosistemas con climas inestables y suelos con fuerte tendencia a los deslizamientos, encarece excesivamente mantenimiento de la infraestructura. Previsión de inversiones que eviten deslizamientos por lluvias.
Efecto directo 5: Infraestructura productiva (sistemas de riego e infraestructura para cosecha de agua) genera mayores rendimientos de la producción agropecuaria de las 27 000 familias usuarias.	(16). 3000 hectáreas de tierras con servicios ecosistémicos rehabilitados o restaurados (RIMS 1.117) de las familias usuarias (ver indicador 4).	0	3000 has.	Evaluación de Medio Término Evaluación de Impacto	3er. año y 6to. año.	Equipo del Proyecto.	Falta de gestión de mantenimiento por parte de las comunidades, una vez concluida las obras. Organizaciones fortalecidas en gestión y administración de las infraestructuras.