



# Supporting the Preparation of Sustainable Rural Investment Projects



Investment Centre Division  
FAO

# WHAT IS RURALINVEST?

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RuralInvest comprises a series of 4 separate modules covering:

- **Participatory identification of investment priorities**
- **Initial definition and assessment of investment potentials**
- **Formulation and analysis of full ‘bankable’ proposals**
- **Tools for monitoring and ex-post evaluation of financed projects**

# WHAT DOES IT PROVIDE?

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- **Technical manuals for each module explaining the methodology and approach**
- **Custom developed software (Modules 3 & 4) which automates many processes**
- **Teaching materials, case studies and exercises for use in training**

RuralInvest is currently available in English, French, Spanish, Portuguese, Russian and Turkish with Arabic soon to be added

# WHY USE RURALINVEST?

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Many proposals for financing are poorly prepared 'shopping lists' and unsustainable. RuralInvest helps to ensure that proposals for investment financing:

- **Respond to the needs and priorities of the applicants**
- **Clearly demonstrate the sustainability (financial, operational and environmental) of the investment**
- **Can be prepared by national technicians with little or no prior experience in project formulation**
- **Are clear, complete and comparable**

# WHAT TYPES OF RURAL INVESTMENT ARE APPROPRIATE FOR RURALINVEST?

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- **Investments designed to generate income**
- **Infrastructure investments**
- **Environmental investments**
- **Social investments**

# WHO MIGHT USE RURALINVEST?

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**Any organization providing or managing funds for rural investment projects, whether these are profit-driven, social or environmental**

Existing users of RuralInvest include:

- **National investment funds**
- **Large scale development projects with a local investment component**
- **Banks and other enterprises funding rural investments**

Typical investment sizes range from US\$2,000 to US\$250,000

# RURALINVEST MODULES

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## MODULE 1 – Participatory Identification of Local Investment Needs

Designed to be used in collaboration with communities and other groups

- Defining constraints, opportunities, evaluating resources and identifying potential actions
- Determining priorities and identifying potential investments to meet those priorities

# RURALINVEST MODULES

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## MODULE 2 – Preparing and Using Project Profiles

For use with individual or group applicants

- Participatory preparation of short investment profiles on blackboard or paper
- Preliminary review of proposals with applicants to determine their apparent feasibility

# RURALINVEST MODULES

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## MODULE 3 – Detailed Project Formulation and Analysis

- Formulation – Including assessing demand, technology, environmental impact, management and financing needs
- Evaluation – Including determining production patterns, investment and operating costs, financing, returns, employment generation
- Recommendations - Project feasibility and major risks

**Module 3 uses custom computer software (web-based or single machine) to simplify many calculations, increase reliability and readily permit modifications to proposals**

# RURALINVEST MODULES

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## MODULE 4 – Monitoring and Evaluation

(Integrated within Module 3 software)

- Permits aggregation and consolidation of many different projects for monitoring purposes
- Computer generated tables use key indicators for each project (e.g. all proposals focusing on livestock with women as the chief beneficiary)
- Projects can be re-evaluated as they pass through the project cycle (proposals, approved, in preparation, operational)

# Key Lessons Learnt

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- Even poorly educated people are capable of understanding why an investment does or does not make sense. Illiterate does not mean innumerate
- The initial work in identifying and defining potential projects must be done with the applicants, otherwise there is no ownership
- Sustainability is a particular issue with non income generating investments. Building a school or access road is easy, but who will keep them running?
- If project proposals are prepared in different ways, comparing and selecting between them becomes impossible
- Clearly defined projects greatly ease the task of monitoring and oversight