Pakistan: 
Rural Economic Transformation Project

Hubert Boirard
Country Director – Pakistan
APR/PMD
Date: XX December 2021
## RETP at a glance

**Objective:** improved rural income and employment through high value agriculture in a sustainable and climate-resilient manner

**Duration:** 7 years


**Coverage & Outreach:**
- **Coverage:** All 35 districts: phased approach - 10 districts initially, all districts covered by mid-term
- **Outreach:** 785,000 HHs (25% women, 50% youth) ~ 4.35 million people.

**Mainstreaming commitment:**
Climate finance, youth-sensitive, nutrition and gender mainstreaming.

**Alignment:**
SDG 1,2, 5, 6 & 13; COSOP strategic objectives; National Policies: Vision 2025, 12th Five Years Plan, Provincial Agricultural Policy and Successful Youth Programme
### Rationale & Components

#### Rationale
GoP/KP requested to design a project building on:

- IFAD comparative advantage and successful models already piloted under SPPAP and ETIGB
- Most vulnerable province impacted by conflict, and climate change
- Untapped potential for agribusiness and skills/employment
- Partnership with private sector and leveraging government’s own resources
- Empowerment of youth and women.

#### Components

<table>
<thead>
<tr>
<th>1: Agribusiness Development</th>
<th>3. Project Management/Policy Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1. Professional Farmers’ Organisations (PFOs)</td>
<td>1.1. Project Management Unit</td>
</tr>
<tr>
<td>1.2. Public-Private-Producers Partnerships (4Ps)</td>
<td>1.2. Regional Coordination Units (5)</td>
</tr>
<tr>
<td>1.3. Farmers’ Services Companies (FSCs)</td>
<td>1.3. Policy Assistance/TA</td>
</tr>
<tr>
<td>1.4. Institutional Support Services (ISS)</td>
<td>1.4. Institutional Support</td>
</tr>
<tr>
<td>1.5. Business Mobilization Partner/s (BMOs)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2: Skills Development and Employment Promotion</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1. Vocational and Entrepreneurship Training</td>
<td></td>
</tr>
<tr>
<td>2.2. Start-up Capital for Self-Employment</td>
<td></td>
</tr>
<tr>
<td>2.3. Job Market Integration/Induction</td>
<td></td>
</tr>
<tr>
<td>2.4. Technical Support Services</td>
<td></td>
</tr>
<tr>
<td>2.5. Institutional Strengthening</td>
<td></td>
</tr>
</tbody>
</table>
**Intervention logic – theory of change**

**CHALLENGES**
- Rural poor lack capacities to access market and job opportunities
- Smallholders are not organized to achieve efficiency and meeting buyers’ requirements
- Low production volumes, low productivity and low returns
- Weak access to technologies and inputs
- Lack of remunerative skills among youth and women
- Risks and uncertainties discourage investments
- Lack access to finance/capital for FOs and start ups
- Weak regulatory frameworks – FOs/Quality Standards
- Rural Poverty, Food Insecurity and Malnutrition

**ACTIVITIES**
- **Agribusiness Promotion**
  - Organizing Professional Farmer Organizations (PFOs) and leveraging investments in nutritious value chains
  - Capacity building in climate smart technologies and practices
  - Market access through 4Ps (Producer-Private-Public-Promoter) Model
- **Skills and Capacity Building for Jobs**
  - Vocational and entrepreneurship skills increased employability of women/youth
  - Start-up capital (self-employment) and job market integration
  - Access to economic services and ICT4D
- **Policy Support and Institutional Services**
  - Policy and KM products on FOs/networking for policy reforms
  - Improved access to economic services for compliance and business development

**OUTPUTS**
- PFO and small holder farmers integrated into supply chains and accessing end markets
- Skilled women and youth resulting in increased employability and self-employment
- Smallholder farmer have receive need-based economic services
- Improved environment facilitate increased investments

**OUTCOMES**
- Increased productivity and profitability of small-holder farmers
- Women and youth from poor HHs achieve economic empowerment
- Increased Jobs and HH Incomes
- Improved environment facilitate increased investments

**IMPACTS**
- Reduced poverty
- Increased Food Security
- Improved nutrition

**ASSUMPTIONS**
- Security situation remains unchanged; PSC data available for robust targeting
- Market and other external shocks remain unchanged and manageable
- Conducive enabling environment for FOs and 4Ps are facilitated through reforms
Approach for leveraging other partners’ contributions:

Key design features: * Filling the gaps and leveraging government investments; * Consolidation/aggregation of smallholder farmers, promotion of public-private-producers’ partnerships; * Leveraging investments from private sector and beneficiaries; * Need based engagement with institutions & private sector; * Hybrid implementation arrangement given the diversity of field level challenges; Demand oriented investments based on market studies, business plan and household investment planning tools; and, Partnership for policy support with RBA.

<table>
<thead>
<tr>
<th>International</th>
<th>National / Programmes</th>
<th>Provincial Programmes</th>
<th>Service Providers</th>
</tr>
</thead>
<tbody>
<tr>
<td>• FAO and WFP ongoing Initiatives in the province</td>
<td>• Agriculture Transformation Programme</td>
<td>• Skills Development Fund under TEVTA</td>
<td>• Private sector companies under 4Ps</td>
</tr>
<tr>
<td>• World Bank funded Irrigated Agriculture Improvement Project</td>
<td>• PM National Emergency Programme</td>
<td>• Internship Programme/ Fund</td>
<td>• Government Departments (extension and advisory services)</td>
</tr>
<tr>
<td>• ADB investments in Kurram Tangi Dam, Paihur Canal etc. – Command Areas</td>
<td>• IFAD - National Poverty Graduation Programme</td>
<td>• Working Capital - the Farm Services Centers</td>
<td></td>
</tr>
<tr>
<td>• Potential investment by Saudi Fund in left irrigation schem – Chashma Right Bank Canal</td>
<td>• Successful Youth Programme</td>
<td>• Annual Development Programme</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Successful Farmers Programme</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Republic of India
Rural Enterprise Acceleration Project (REAP)

Project Delivery Team:
Ulaç Demirag, Country Director
Meera Mishra, Country Coordinator
Mylene Kherallah, Project Technical Lead
Kîsa Mfalîla, Environment and Climate Change
Sashwati Mishra, Social Inclusion
Norpulat Daniyarov, Regional Finance Officer
Itziar Garcia Villanueva, Senior Legal Counsel
# REAP at a glance

## Project Objective
To build resilience of rural households by diversifying their sources of income through

- intensified cluster based climate resilient production systems,
- promotion of farm and off-farm enterprises and
- creating a supportive ecosystem.

## Duration:
7 years

## Geographic focus and outreach
560,000 households in all 13 districts in Uttarakhand

## Target Group
Small farmers, livestock growers, micro-entrepreneurs, non-farm producers, workers in service sectors and agricultural laborers, particularly

- Scheduled Tribes and Castes, Particularly Vulnerable Tribal Groups
- Women
- Youths

## Mainstreaming commitments
Youth sensitive and Climate finance
## Components and costs

<table>
<thead>
<tr>
<th>Components and sub components</th>
<th>Cost (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1 Inclusive cluster development (33.2%)</strong></td>
<td>125.47 m</td>
</tr>
<tr>
<td>1.1 Livelihoods diversification and enterprise development</td>
<td></td>
</tr>
<tr>
<td>1.2 Institutional strengthening of CBOs and partnerships</td>
<td></td>
</tr>
<tr>
<td><strong>2 Ecosystem for enterprise development (58.5%)</strong></td>
<td>221.33 m</td>
</tr>
<tr>
<td>2.1 Strengthening support services and market infrastructure</td>
<td></td>
</tr>
<tr>
<td>2.2 Support to financial services</td>
<td></td>
</tr>
<tr>
<td><strong>3 Project Management, M&amp;E and Knowledge Management (8.3%)</strong></td>
<td>31.24 m</td>
</tr>
<tr>
<td>3.1 Project Management</td>
<td></td>
</tr>
<tr>
<td>3.2 M&amp;E and Knowledge management</td>
<td></td>
</tr>
<tr>
<td><strong>Total project cost</strong></td>
<td><strong>378.04 m</strong></td>
</tr>
</tbody>
</table>

### Financing plan:

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>IFAD</td>
<td>105.0 m</td>
</tr>
<tr>
<td>Government</td>
<td>24.3 m</td>
</tr>
<tr>
<td>Beneficiaries</td>
<td>14.1 m</td>
</tr>
<tr>
<td>Other</td>
<td>235.0 m</td>
</tr>
</tbody>
</table>
What’s special about REAP

- **Scaling up** ILSP’s successful soil and water conservation practices and climate adaptation measures in line with the State Climate Action Plan
- **Climate Finance of US$ 17.7 million** (18% of IFAD loan) supporting adaptation through climate smart agriculture
- **Innovative features**
  - **Cluster based production and marketing** in high value, environmentally sustainable and climate resilient value chains
  - **Digital education**
  - **Development of start-ups**
  - **Rural Business Incubator** and enterprise support for Youth
Viet Nam: Climate Smart Agriculture Transformation in the Mekong Delta (CSAT)

Francisco Pichon
Country Director – Viet Nam
APR/PMD

Date: 16 November 2021
Objective: Establish climate resilient and inclusive rural economic development in Tra Vinh and Ben Tre provinces.

Duration: 5 years


Coverage & Target:
16 districts: Landscape approach, 8-10 value chains in each province.
60,000 HHs ~ 210,000 people, 40% women, 20% youth, & 30% EMs in Tra Vinh.

Mainstreaming commitment:
Climate finance & youth-sensitive.

Alignment:
SDGs 1, 2, and 5; 3 COSOP strategic objectives; 3 UNSDCF result areas (2022-2026).
National Policies: SEDP, SEDS, ARP, NTP for Climate Change Response and Green Growth, Mekong Delta Plan, and Resolution 120.
## Rationale & components

### Rationale
GoV requested to design a follow-up operation to the successful AMD project building on:
- IFAD comparative advantage as an agent of change in agriculture
- Poorest & most vulnerable provinces impacted by climate change
- Untapped potential for inclusive, remunerative & pro-poor VCs
- Increasing role of private sector and NSO financing in VC
- Empowerment of women and youth.

### Components

<table>
<thead>
<tr>
<th>1: Coordination for sustainable &amp; inclusive rural transformation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1. Provincial &amp; sectoral plans</td>
</tr>
<tr>
<td>1.2. Value chain action planning</td>
</tr>
<tr>
<td>1.3. Functioning of 4P multi-stakeholder platforms</td>
</tr>
<tr>
<td>1.4. Enhanced capacity-building for inclusive VCs.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2: Inclusive and climate-smart VCs</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1. Climate-resilient infrastructure</td>
</tr>
<tr>
<td>2.2. Rural producers and enterprises access to financial services</td>
</tr>
<tr>
<td>2.3. Small farmers investment in CSA.</td>
</tr>
</tbody>
</table>
Intervention logic

Resolution 120
Mekong Delta Plan
Agricultural Transformation Plan

Provincial SEDP
(Sectoral plans, district SEDP, Commune SEDP)

Value Chain Action Planning
(Stages, Actors, BDS, Technology, market, financing, governance)

Capacity building:
- BDS
- ICT, Ecommerce certification, value proposition
- Development of bankable business/production plans
- Technology and techniques for CSA investments

Value Chain Public Infrastructure Investment

Value chain financing
(Facilitating SMEs and groups accessing to finance)

CSA investments along the value chain

Climate resilient - inclusive - remunerative value chains developed contributing to sustainable poverty reduction and economic development in Tra Vinh and Ben Tre

4P platform
(Value chain planning, facilitation, matching, financing, capacity building, and market linkage)
Special aspects of CSAT

Approach for leveraging other partners’ contributions:

- **Key design features:** * Fully embedded in government programmes; * Promotion of public-private convergence around planning of investments; * Working with various local institutions & actors and private sector for delivery of last mile infrastructure; * Opportunities for NSO financing to support inclusive, pro-poor VCs; * Partner financial institutions provide co-financing linked to IFAD resources to support capacity building & other soft investments which IFAD is no longer able to finance under the new ODA policy.

<table>
<thead>
<tr>
<th>International</th>
<th>National / Regional Programmes</th>
<th>Local Funds</th>
<th>Local Finance Service Providers</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Dutch Fund for Climate Development</td>
<td>• NTP-NRD OCOP NTP-EMD NTP-SPR</td>
<td>• Collaborative Group (CG) Revolving Fund est. under the AMD project</td>
<td>• Women Development Fund (WDF under AMD)</td>
</tr>
<tr>
<td>• Sustainable Trade Initiative (IDH)</td>
<td>• Agriculture sector Restructuring Programme Mekong Delta Agriculture Transformation Programme</td>
<td>• Farmer Support Fund under VFU Start-up Support Fund</td>
<td>• Vietnam Bank for Agriculture and Rural Development</td>
</tr>
<tr>
<td>• Adaptation Fund</td>
<td></td>
<td>• SME Support Fund</td>
<td>• Vietnam Bank for Social Policies</td>
</tr>
<tr>
<td>• SME project</td>
<td></td>
<td></td>
<td>• Other commercial banks</td>
</tr>
<tr>
<td>• UN COVID-19 MP Trust Fund</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Int. Mekong WG: Netherlands, GIZ, WB, JICA, etc.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Thank you