

Document: EB 2011/102/R.27
Agenda: 13(a)
Date: 14 April 2011
Distribution: Public
Original: English

E



Enabling poor rural people
to overcome poverty

Corporate Strategic Workplan for Grant Financing

Note to Executive Board representatives

Focal points:

Technical questions:

Shantanu Mathur
Grant Coordinator
Tel.: +39 06 5459 2515
e-mail: s.mathur@ifad.org

Dispatch of documentation:

Deirdre McGrenra
Governing Bodies Officer
Tel.: +39 06 5459 2374
e-mail: gb_office@ifad.org

Executive Board — 102nd Session
Rome, 10-12 May 2011

For: Information

Contents

Abbreviations and acronyms	i
I. Introduction	1
II. The initial experience	1
III. Overview of emerging issues and challenges	2
IV. Corporate strategic outputs for grants	3
V. Summary grant strategies by division	5
A. Policy and Technical Advisory Division	5
B. Asia and the Pacific Division	6
C. East and Southern Africa Division	7
D. West and Central Africa Division	7
E. Near East, North Africa and Europe Division	8
F. Latin America and the Caribbean Division	9

Abbreviations and acronyms

APR	Asia and the Pacific Division
DSWP	divisional strategic workplan
ESA	East and Southern Africa Division
GR	global/regional
LAC	Latin America and the Caribbean Division
NEN	Near East, North Africa and Europe Division
PTA	Policy and Technical Advisory Division
WCA	West and Central Africa Division

Corporate Strategic Workplan for Grant Financing

I. Introduction

1. The revised IFAD Policy for Grant Financing,¹ which was approved by the Executive Board in December 2009, introduced the concept of divisional strategic workplans (DSWPs) as a means of integrating planning of the grant programme, with divisions being given devolved responsibility for the management and achievements of their grant programmes. The allocation of funding under the global/regional (GR) window – in the longer term – will depend on the division being able to demonstrate in its DSWP the relative contribution it makes to achieving the corporate aims and objectives specified in the grant policy. Specifically, paragraph 44 of the policy calls for DSWPs to: (a) define the priority objectives of the grant policy to be pursued by the division; (b) identify how they will contribute to corporate priorities and, where appropriate, link to the country programmes; (c) indicate the number of grant-financed projects to be developed during the forthcoming year and provide a preliminary list of those projects (while recognizing that some opportunities may emerge during the course of the year); and (d) indicate the arrangements for supervising and learning from current and new grant-financed projects. In the same paragraph the policy also commits to providing the Executive Board annually with a corporate-level grant strategic workplan, for information, in order to enhance the Board's understanding of the value added of the grant portfolio overall. This is the first Corporate Strategic Workplan to be provided under this requirement.

II. The initial experience

2. DSWPs were prepared for the first time in 2010, but were treated very much as a pilot exercise because new procedures to guide the implementation of the grant policy were not yet available. Hybrid processes were introduced for use in the interim. (The new procedures will be presented to the Executive Board during its session in May and are scheduled to become effective on 1 July 2011.) During the hiatus between the approval of the grant policy and the availability of the procedures, a number of process reforms have been brought into effect to help realize the aims of the policy. For example, the grant screening committee, which was the means through which concept notes for large grants were accepted into the grants pipeline, has been dissolved: this function is now delegated to each division as part of the DSWP process. In addition, a single review of the full grant design document has been introduced for large grants. The review is undertaken in a quality enhancement/quality assurance mode, which generates technical opinions on the quality of the grant design and comments on its relevance to IFAD and how it supports IFAD development objectives (both the objectives set out in the Strategic Framework and corporate policies, and the strategic aims of individual IFAD divisions). These then form the basis of a decision on whether the grant design documents are ready to be posted on the Executive Board website.
3. The initial experience in applying DSWPs in 2010 has shown that they provide a useful means of contributing to the aims of the new grant policy and establishing a more strategic approach to the use of grant funds, but a more uniform approach to the contents and format of DSWPs is needed. Following a consolidated review of the 2010 DSWPs, the Programme Management Department approved a number of suggestions from the Policy and Technical Advisory Division (PTA) about how this could be achieved, as follows:

¹ EB 2009/98/R.9/Rev.1.

- DSWPs should be based on a medium-term planning frame of three to five years, which should be linked to the main thrusts in the medium-term plans of each regional division.
 - All divisions should use a standard template for DSWPs and supply similar information.
 - Each division should devise mechanisms to show: (i) how proposals have been selected; and (ii) how peer review of design documents has been undertaken for the large grant proposals.
 - DSWPs should always include one-page concept notes for large grant proposals and provide brief summaries of purpose for small grants.
4. In the DSWP, each division is required to provide a review of progress, identify emerging lessons, describe the strategic aims being pursued and give an outline of the proposed programme for the year. In addition, the supervision and management arrangements need to be described. This format essentially responds to the grant policy aim of ensuring a more strategic use of grant funds, improving grant programme management and enhancing learning. One-page concept notes may be included to demonstrate the ways in which the strategic aims are to be achieved. Because DSWPs for 2010 were not cleared until mid-year, in practice only about half of the 20 large grants approved by the Executive Board in 2010 were designed to meet the new requirements, and most of these only became effective towards the end of the year. Hence there is very little implementation experience to report, as yet. However, divisions have noted emerging lessons in terms of how the new processes enhance grant programme management. The first substantial progress reports from the field will appear in portfolio reporting in mid-2011.

III. Overview of emerging issues and challenges

5. The stated goal of the revised grants policy is "... to promote successful and/or innovative approaches and technologies, together with enabling policies and institutions that will support agricultural and rural development, thereby contributing to the achievement of IFAD's overarching goal – that poor rural women and men in developing countries are empowered to achieve higher incomes and improved food security." (Paragraph 32.) To achieve this goal four specific outputs are identified for the overall grants programme:
- (i) Innovative activities promoted and innovative technologies and approaches developed in support of IFAD's target group;
 - (ii) Awareness, advocacy and policy dialogue on issues of importance to poor rural people promoted by, and on behalf of, this target group;
 - (iii) Capacity of partner institutions strengthened to deliver a range of services in support of poor rural people;
 - (iv) Lesson learning, knowledge management and dissemination of information on issues related to rural poverty reduction promoted among stakeholders within and across regions.
6. The goal builds on IFAD's extensive experience in supporting research on development and capacity-building for service providers – aims that are enshrined in the Agreement Establishing IFAD. Essentially IFAD needs to be at the forefront of innovation in order to be a leader in development practices, which in turn means ensuring that grant design focuses on learning and knowledge management best practices to identify activities and systems for scaling up in its loans and grants programmes. The grant programme is at the cutting edge in this sense, as grants can be used to investigate higher-risk activities without adverse results for IFAD borrowers. In addition, grants can promote geographic and thematic cross-cutting learning that supports, for example, policy dialogue and learning networks. The

outputs defined in paragraph 5 need to be seen as a mechanism for ensuring that grant designers and implementers work within a corporate framework and focus their efforts on making specific contributions to corporate goals. This represents a significant but very worthwhile challenge, and progress in this direction will be monitored regularly.

IV. Corporate strategic outputs for grants

7. The overall programme submitted through the DSHPs shows significant support for innovative approaches to important development issues, especially in the areas of enhancing food outputs (both production and productivity) and addressing concerns over dwindling biodiversity. This support has been strengthened in response to reforms of the Consultative Group on International Agricultural Research (CGIAR), which have aligned the work programmes of CGIAR centres more closely with IFAD objectives (with the result that 2010 saw an increase in funding going to the CGIAR system). IFAD was also an important player in the organization and sponsorship of the first Global Conference on Agricultural Research for Development (GCARD) held in Montpellier in 2010. Civil society partners and other development stakeholders took part in the productive GCARD discussions, which provided an opportunity to consider emerging science and thinking on critical global issues. Consequently, IFAD is well positioned to help shape the research for development agenda and make a significant contribution to its implementation.
8. However, this is not an end in itself, and it is the ensuing outcomes that attract the much greater support needed to implement scaled-up and well-rounded development programmes. This means not only improving agricultural production and productivity, but strengthening rural institutional support systems and post-production parameters, such as value chains and market access, in ways that benefit IFAD's primary target groups. It also illustrates the fundamental link between the grant programme and achieving the aims of the IFAD Strategic Framework (2011-2015) and Medium-term Plan (2010-2012).
9. The 2011 grant programme will address further strategic issues, such as adaptation to climate change for the IFAD target groups. Other important themes are being continued, for example ways of enhancing access to rural finance and empowering farmers' organizations and indigenous peoples to ensure that they have a say in policy decisions. Rural energy has also become an important topic.
10. Each division has identified a number of strategic themes for its grant programme based on an analysis of key priorities within its region (or globally in the case of PTA). In the table below, these are cross-referenced with policy outputs to illustrate how overall policy outputs sought are being aligned with regional and global themes. The themes are further described below for each division, with a brief outline of the grants to be supported. The East and Southern Africa and West and Central Africa Divisions have chosen to adjust their divisional themes for 2011, based on the experience of 2010. The themes for the Near East, North Africa and Europe Division have been chosen to coincide with the policy outputs sought. In the case of this Division, reporting by theme on its grant portfolio will therefore also serve to assess the contribution being made to realizing the aims of the grant policy.

PTA		APR		ESA		WCA		NEN		LAC	
<i>Divisional themes</i>	<i>Policy outputs</i>	<i>Divisional themes</i>	<i>Policy outputs</i>	<i>Divisional themes</i>	<i>Policy outputs</i>	<i>Divisional themes</i>	<i>Policy outputs</i>	<i>Divisional themes</i>	<i>Policy outputs</i>	<i>Divisional themes</i>	<i>Policy outputs</i>
Promoting smallholder farming	2+3	Risk and vulnerability	2	Knowledge management	4+3	Developing food crop value chains	3	Knowledge management	4	Understand	4
Developing innovative technologies to be scaled up	1+4	Innovations to be scaled up	1	Promoting agribusiness	1+2	Consolidation of village banking	3+1	Innovative technologies promoted	1	Broker partnerships	2+3
						Innovating and scaling up appropriate technologies	1	Capacity of partner institutions strengthened	3	Scale up	3+4
						Targeted policy work	2	Awareness, advocacy and policy dialogue	2	Inform policy	2
						Youth in agriculture	3			Manage knowledge and foster South-South cooperation	4
						Staff capacity enhancements	3 +4				
						Local renewable energy	1				

Policy outputs:

1. Innovative activities promoted and innovative technologies and approaches developed in support of IFAD's target group.
2. Awareness, advocacy and policy dialogue on issues of importance to poor rural people promoted by, and on behalf of, this target group.
3. Capacity of partner institutions strengthened to deliver a range of services in support of poor rural people.
4. Lesson learning, knowledge management and dissemination of information on issues related to rural poverty reduction promoted among stakeholders within and across regions.

Note: APR: Asia and the Pacific Division; ESA: East and Southern Africa; LAC: Latin America and the Caribbean Division; NEN: Near East, North Africa and Europe Division; PTA: Policy and Technical Advisory Division; and WCA: West and Central Africa Division.

V. Summary grant strategies by division

A. Policy and Technical Advisory Division

11. The 2011 DSWP for PTA will retain the themes and practices developed in 2010. No major additions or modifications are proposed and the thematic areas for 2010–2012 remain:
 - Promoting smallholder farming as a business proposition; and
 - Developing innovative technologies that can be scaled up.
12. The first theme focuses on expanding opportunities: a key aspect of IFAD's development approach is to view and promote smallholder farmers as viable entrepreneurs, and to seek to optimize and secure resilient sources of income for them, particularly for women farmers. The needs are: (i) to address – as researchable issues – the hurdles that reduce earning power, essentially by considering the production and marketing chains; and (ii) to provide opportunities for value-adding, non-food crop production and off-farm income. Grants will also be used to identify ways to expand outreach to include those who have fewer assets and opportunities, particularly marginalized groups such as minorities, young people, women and indigenous peoples. Farmers' organizations will be promoted in order to extend market access and policy influence. Strengthened farmers' and rural producers' organizations are essential to rural transformation, ensuring that it is locally driven through effective participation and mediating access to rural services, market opportunities and policymakers.
13. For the second theme, PTA grant funding will be used to identify and support core activities that could lead to significant, innovative means to enhance both food and income security for IFAD target groups. This will include seeking secure access to and optimal use of land and water. IFAD's projects and programmes support around 30 million smallholder farmers every year, a large majority of whom eke out an existence in remote, marginalized agroecosystems where the conservation of their fragile environments is paramount. Synergies need to be developed between formal science and informal knowledge systems in order to enhance both the profitability and the sustainability/resilience of the production systems, leading to better food security directly, or indirectly through the production of saleable surpluses.
14. The main areas of support for 2011 will be in rural finance, land tenure, indigenous peoples and youth and gender empowerment, most of which had already been identified in the 2010 DSWP. The present 2011 PTA pipeline comprises 14 large and 10 small GR grant proposals. Eight of the applications are concerned with PTA's first major theme, for example through grants to: (i) the Consultative Group to Assist the Poor and the Microfinance Information Exchange, to develop, improve access to and monitor financial services; (ii) the Indigenous Peoples Assistance Facility, to support small-scale capacity development for indigenous people's organizations; (iii) Oxfam Novib, for value chain development with an emphasis on gender justice; and (iv) the International Centre of Insect Physiology and Ecology, International Rice Research Institute and Sustainable Commodity Assistance Network (SCAN), to disseminate and operationalize learning in new practices related to food production. The second major theme is supported by five applications proposing, inter alia, ways to: (i) promote adaptation to climate change through biodiversity; (ii) develop innovative livestock feed solutions (with the International Livestock Research Institute); and (iii) examine the potential of alternative bioenergy crops for IFAD target groups.
15. The small grants are intended to provide IFAD contributions to a number of workshops and seminars, while three grant applications (for US\$0.5 million each) account for 50 per cent of the small grants funding. One small grant is designed to facilitate the transformation of Agricultural Water in Africa into a self-funding

organization under the ownership of a consortium of African water agencies and a second grant is to operationalize the activities of the African Forum for Agricultural Advisory Services, which seeks to link the advisory services of 15 countries in Africa and create an information exchange and discussion forum.

16. The total IFAD funding currently requested for these applications is US\$14.85 million for large grants and US\$2.98 million for small grants. There is significant competition for grant funds within PTA: the above list comprises about one half of the applications considered. A notable feature of the PTA large grants programme for 2011 is cooperation with other donors: the IFAD contribution is part of an overall programme valued at more than US\$65 million.

B. Asia and the Pacific Division

17. The experience of the Asia and Pacific Division (APR) in managing its composite GR and country-specific grant programme in 2010 suggests that, for this process to be more efficient, it should be possible to swap funding between grant categories so as to avoid underuse of funds.² In addition, the need to link GR grants with country programmes can stifle innovation. These observations relate to the management aspects of the new grants regime and the Division will seek ways of addressing these issues in future.
18. The 2011 DSWP for APR continues the main divisional themes of:
- Risk and vulnerability;
 - Innovations that can be scaled up (taking a value-chain approach and potential for promoting South-South cooperation).
19. Future grants will focus more on the emerging challenges being faced by poor farmers that increase their risks and vulnerabilities and on the areas where they are concentrated, such as less favoured arid to semi-arid, coastal and remote mountainous areas. Other established criteria will continue to be applied, such as potential for replication, especially through linkages with IFAD's loan projects, technical quality and potential for innovation.
20. The provisional 2011 pipeline includes one small and four large regional grants, estimated at US\$0.5 million and US\$5.5 million respectively. The Division also has two large regional grant proposals in reserve: one for US\$1.5 million (SNV Netherlands Development Organisation) and another for US\$1.6 million (Prosperity Initiative). The divisional pipeline also includes one large country grant (US\$1.1 million) and four small country grants (US\$875,000). The four large GR grants support: (i) the introduction of the learning routes methodology in the region through the Regional Programme for Rural Development Training (PROCASUR), hence also promoting South-South cooperation; (ii) the mainstreaming of pro-poor policy initiatives (Food and Agriculture Organization of the United Nations); (iii) trans-border research and policy development to address issues of water scarcity (University of Kassel leading a Chinese-Mongolian consortium); and (iv) improved forage systems for upland areas of Cambodia, Lao People's Democratic Republic and Viet Nam (International Centre for Tropical Agriculture). The small regional grant (to the NGO WOCAN) is to strengthen women's representation in the region.
21. The proposed large country grant constitutes in-loan support to Indonesia for a livelihood development project in the Maluku and North Maluku regions. One small country-specific grant to Bhutan is aimed at studying issues related to rural-urban migration and farm mechanization, and another small grant to India constitutes an APR contribution to a global initiative managed by PTA to strengthen smallholder access to markets for fair trade and organic products.

² As a result, discussions are under way between ESA and APR to swap part of the 2011 APR country grant allocation with part of the ESA regional grant allocation.

C. East and Southern Africa Division

22. The 2011 themes for the East and Southern Africa Division (ESA) will continue to focus on the division's priorities:
- Knowledge management;
 - Promoting agribusiness and smallholder integration.
23. Knowledge management will centre on building a regional knowledge management and learning system that has its foundations in IFAD-supported projects, is linked to government systems, and promotes opportunities for knowledge sharing and learning through regional networking, communities of practice and South-South exchange. In 2011 ESA will use its regional grants programme to extend the knowledge management and learning process to farmers' organizations on a demand-driven basis, and will seek to strengthen learning and knowledge sharing on land-related issues. Three large grants are currently planned to support regional knowledge management: (i) a new phase of the FIDAFrique-IFADAfrica network; (ii) a new phase of the Rural Finance Knowledge Management Partnership; and (iii) a programme to strengthen the capacity of the Eastern African Farmers Federation through knowledge management and institutional development. These grants will enable the continuation of efforts to build the regional knowledge management and learning system. They will complement the ongoing grant-supported thematic networks on agricultural water management with the International Water Management Institute (IWMI); market access for smallholders with the Institute for People, Innovation and Change in Organisations (PICO); and the introduction of learning routes in ESA to support South-South exchange with the Corporation for Regional Rural Development Training (PROCASUR). The three large grants will amount to US\$4.5 million.
24. Four small grants are currently planned: two will support capacity development for knowledge management, one will enable continuation of ESA's efforts to promote agribusiness and smallholder integration, and another (still under development) is intended to support regional learning and knowledge sharing on land-related issues, with a specific focus on linking project-level experience with the regional policy agenda. The four small grants will amount to US\$0.94 million.
25. ESA is also considering requests from PTA to cofinance two grants, one supporting community-led value chain development for gender justice and pro-poor wealth creation, and the other for capacity development to modernize food systems in Africa.

D. West and Central Africa Division

26. The seven grant themes of the West and Central Africa Division (WCA) for 2011 are:
- Development of food crop value chains (particularly cassava and rice) and niche opportunities with high-value export crops, based on stronger integration of inclusive producer organizations;
 - Consolidation of village banking networks to serve as platforms for increased intermediation and introduction of new financial products (warrants, supplier financing) and technologies (e.g. cell phone banking);
 - Innovating and scaling up of appropriate technologies (science-based and traditional) to improve soil and water management and cropping systems in a context of anticipated climate change in the Sahel, based on better linkages and feedback mechanisms among international research centres, national agricultural research services, farmers' organizations and other private-sector and civil-society actors;
 - Targeted policy work, particularly on sensitive issues for which projects may not want to assume responsibility;

- Increasing the appeal of agriculture, rural enterprise and related employment opportunities for young people;
 - Strengthening the capacities of IFAD-financed project staff in project management, monitoring and evaluation, and knowledge exchange;
 - Integrating local renewable energy for rural communities with agricultural systems.
27. Two main lessons have emerged for the Division from their 2010 experience: (i) the need to be more innovative; and (ii) the importance of using a participatory approach in selecting priority themes and processing grant programmes through to approval. The first lesson is exemplified by the fostering of partnerships with internationally renowned centres of excellence (e.g. the Songhai Centre, Benin; Vrije University, Amsterdam), the second by the renewed emphasis on the need for grant programme "champions".
28. The proposed programme for 2011 will focus primarily on extending WCA's innovative partnerships to the areas for which grant partnerships were not established in 2010 (e.g. village banking networks, targeted policy work). It will also centre on the use of local renewable energy sources through partnership with local NGOs and relevant technical agencies. For 2011 the Division is proposing a grants programme comprising four large grants (for US\$5.0 million) and five small GR grants (for US\$0.95 million). The aims of the four large grants are to: (i) enhance access to rural finance services through technical assistance and guarantee funds (Alliance for a Green Revolution in Africa); (ii) pilot rural energy solutions at the community level (OPEC Fund for International Development); (iii) establish centres of excellence to promote training in value chains for project staff (International Institute of Tropical Agriculture); and (iv) support agricultural dealer networks in providing rice foundation seeds (Citizens Network for Foreign Affairs). The five small grants would support a youth innovation fair, the distribution of solar panels, experience exchanges in Portuguese-speaking rural communities through radio, and the identification of appropriate mechanisms to promote enhanced land tenure.

E. Near East, North Africa and Europe Division

29. The 2011 grant priorities of the Near East, North Africa and Europe Division (NEN) are grouped according to the four major outputs outlined in the revised IFAD Policy for Grant Financing (see paragraph 5).
30. The 2011 grant programme includes 14 grants totalling US\$8.84 million, of which four are large regional grants (for US\$5.0 million); six are small regional grants (US\$1.38 million); and four are loan component grants (US\$2.46 million). There is also a reserve grant project for Turkey of US\$0.5 million (for the International Center for Agricultural Research in the Dry Areas (ICARDA), which will be included in the pipeline should additional grant funds become available over the course of the year.
31. Four grants (one large and one small regional grant, and two country-specific grants, for Egypt and Georgia) will respond in particular to the division's first theme and promote innovative approaches, examining their adaptability and scalability within IFAD operations. The large grant is being designed to pilot innovative renewable energy technologies adapted to smallholder farmers in the region, which is a new area of focus for NEN. Other grants under this theme are concerned with production and productivity gains in agricultural systems, which are still key factors in the region. NEN will continue with its emphasis on establishing market links through integrating rural households into agricultural value chains.
32. Within the NEN region there are several crisis-affected countries and the 2011 grant programme will include a large regional grant (for US\$1 million) to determine the linkages between rural development and the vulnerability of local communities

to conflict, the results of which are expected to shed light on how IFAD's role in rural development can be made more effective. Under the Division's third priority, there is clear recognition throughout the subregions (Near East and North Africa, and Central and Eastern Europe and Newly Independent States) that weaknesses in the delivery of services and knowledge are hindering development. There is a need to strengthen and/or reorient agencies (government, NGO and private sector) so that they are able to supply goods and services better adapted to IFAD's target groups. The pipeline includes five grants (three regional grants and two loan component grants to Bosnia and Herzegovina, and the Syrian Arab Republic) designed to support this output. Supporting and promoting knowledge dissemination through a wide range of communication channels is a key feature of all grant designs. The 2011 pipeline includes three small regional grant initiatives that aim to develop knowledge products generated from ongoing IFAD projects in the region through the Results and Impact Management System (RIMS), and to disseminate IFAD knowledge at regional forums such as the Water Forum. NEN is in the process of finalizing a framework agreement with ICARDA (and possibly with other divisions involved) for strategic cooperation in the medium term.

F. Latin America and the Caribbean Division

33. The six strategic themes that have been selected to guide the grants programme of the Latin America and the Caribbean Division (LAC) over the period 2010–2012 are:
- **Understand.** Analyse selected emerging economic and social trends that affect rural societies, and evaluate the response strategies of the rural poor, in order to derive concrete, practical recommendations for policy and project design and implementation.
 - **Innovate.** Stimulate and promote innovation (in approaches, institutions, organizations and technologies) in rural development policies, programmes and projects in support of the rural poor.
 - **Broker partnerships.** Foster the new partnerships that are required to achieve IFAD's objectives in the region, subregions or countries.
 - **Scale up.** Expand and replicate selected innovative approaches generated by IFAD projects to enhance their impact on rural poverty.
 - **Inform policy.** Through dialogue, coalition building and advocacy, promote and support policy changes that create new or better opportunities for the rural poor.
 - **Manage knowledge and foster South-South cooperation.** Mobilize the experience, knowledge and know-how of IFAD partners in support of rural development in LAC and in other developing regions.
34. Lessons that emerged from closer scrutiny of the grants programme have led LAC to opt for more regional grants and fewer country grants. LAC is rejuvenating its grant portfolio: two thirds of the currently active grants were approved in 2009 and 2010, and almost all long-standing grants have been closed down in the past few months. LAC is also increasing the size of its grants, in order to have fewer grant interventions but a higher likelihood of making a significant difference. Grants approved in 2009 were, on average, 210 per cent larger than those approved in 2007. The Division has also identified the need to strengthen methods to facilitate the uptake of lessons learned and use of experience gained in implementing grants. It should be noted that the smaller size of grants does not justify any lesser attention to quality in their design and implementation. Grants serve a strategic purpose as they catalyse processes that are deemed necessary to achieve IFAD's mission in a region, subregion or country.
35. LAC will submit three large regional grants and two small regional grants in 2011. This selection of grants was reviewed by a panel of LAC staff and independent

external reviewers, under the coordination of the acting regional economist. The large grants focus on: (i) promoting young people's entrepreneurship in poor rural territories in Latin America and the Caribbean (the establishment of an innovation fund and a regional network for young entrepreneurs); (ii) public policy dialogue on family agriculture and food security in the Southern Cone of Latin America (continuing the successful support for FIDA/Common Market of the South [MERCOSUR] and enhancing South-South cooperation); and (iii) climate change, Reducing Emissions from Deforestation in Developing Countries (REDD) and rural poverty in Meso-America (promoting access to REDD opportunities). The small regional grants cover: (i) building and scaling up knowledge relating to high Andean livestock; and (ii) rural poverty and inequality in LAC (examining, with partner agencies, ways that inequality diminishes the impact of economic growth on poverty). The large regional grants will require an estimated US\$5.0 million in IFAD support while the small regional grants will require US\$0.98 million.