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Enabling poor rural people  
to overcome poverty

## **Corporate Strategic Workplan for Global and Regional Grants for 2012**

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**For: Information**

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## Abbreviations and acronyms

APR	Asia and the Pacific Division
CGIAR	Consultative Group on International Agricultural Research
CPM	country programme manager
CRP	CGIAR research programme
DSWP	divisional strategic workplan
ESA	East and Southern Africa Division
FAO	Food and Agriculture Organization of the United Nations
LAC	Latin America and the Caribbean Division
NEN	Near East, North Africa and Europe Division
OVP	Office of the President and Vice-President
PTA	Policy and Technical Advisory Division
QA	quality assurance
QAG	Quality Assurance Group
QE	quality enhancement
SKM	Office of Strategy and Knowledge Management
WCA	West and Central Africa Division

# Corporate Strategic Workplan for Global and Regional Grants for 2012

## I. Introduction

1. Since 2010, each division competing for global/regional grant funds has been preparing divisional strategic workplans (DSWPs) for grants to identify the strategic themes to be supported by the division in the medium term (three years). This is intended to help realize the overall aims and strategic objectives of the Revised IFAD Policy for Grant Financing (EB 2009/98/R.9/Rev.1). The divisional strategies and proposed pipeline of grants to be presented for approval in the coming year are compiled in annual DSWPs and vetted by IFAD's Quality Assurance Group (QAG). The DSWPs are then collated into the annual corporate strategic workplan.
2. The current corporate strategic workplan summarizes the key strategic thrusts and thematic areas that will drive the grant pipeline in 2012. The planned project activities document submitted to the Executive Board at each session will continue to provide advance notice of individual grants in the grant pipeline. The corporate strategic plan provides the overall context and guidance for DSWPs, and is developed through a consultative process involving staff from all relevant divisions and departments.

## II. The corporate global and regional grants strategy for 2010-2012

3. The grant programme focuses on interventions where grants have a significant comparative advantage over loans as a financing instrument, and complements the loan programme. These principles are central to the Fund's scaling-up agenda. Central to the grant policy is the intention to forge links between grant-financed research and loan-supported development projects. Grant-financed research outcomes are expected to better inform the country strategies underpinning the lending programme and thereby enhance loan-project impact through improved knowledge, innovations and technologies, and capacity development.
4. Further, the policy defines two mutually supportive strategic objectives:
  - (i) Promoting pro-poor research on innovative approaches and technological options to enhance field-level impact; and/or
  - (ii) Building pro-poor capacities of partner institutions, including community-based organizations and NGOs.
5. In terms of the overall thematic focus, global and regional grants will continue to focus on innovative research programmes that deliver pro-poor global public goods, including those led by the Consultative Group on International Agricultural Research (CGIAR) Consortium, as well as local capacity development, knowledge management and sharing, and policy dialogue. Within these general categories, the following thematic subcategories have been selected.
6. **Agricultural research for development:** A renewed emphasis on agricultural research is emerging among major donors in recognition of the achievements and significance of this line of action for rural poor smallholder producers. IFAD-financed global and regional grants will support those innovations which are international public goods and have a global impact.
7. The success of research for development lies in its direct relevance and effectiveness in addressing the realities and perspectives of farmers and their communities. Many independent studies have confirmed that investing in research

for development yields high returns and has a catalytic impact on rural development in general, and rural poverty reduction in particular.

8. There is a renewed focus on climate-smart agriculture and natural resources management across several IFAD divisions – West and Central Africa Division (WCA), Asia and the Pacific Division (APR), Latin America and the Caribbean Division (LAC) and Policy and Technical Advisory Division (PTA). Grants will empower smallholders to manage their increasing biophysical (hence socio-economic) risks and vulnerability. Technology development will focus on increasing smallholder productivity and resilience through improved crop and livestock systems. Innovative approaches will be favoured to enhance field-level impact through, for instance, irrigation and water management (including water-use efficiency), especially in the Near East, North Africa and Europe Division (NEN) and WCA, as well as by PTA.
9. Agricultural research will also involve testing innovative ways to provide incentives for better natural resource management, biocontrol options to manage pests and diseases and reduce production losses, management of renewable energy and food security, sustainable utilization of promising but neglected and underutilized crops by promoting agrobiodiversity, and prominent non-timber forest products such as bamboo and rattan.
10. **Action research on innovative institutional arrangements:** Grant-financed research will also support: (i) validation of community-based approaches to managing common property resources; (ii) innovations in post-harvest technology and efficient value-chain management, to reduce crop losses on-farm and food losses between the farm gate and markets; and (iii) development of sustainable systems for delivering livestock feed and health.
11. Community-based action research will seek to improve rural institutions and producers' organizations and their effective access to remunerative markets, via improved value chains. An important feature of these approaches is that they will afford poor farmers opportunities to participate in all stages of the development process and in investment planning and design, making them key stakeholders and positioning them to derive the best value from their participation in value chains. Farmers' organizations will also be strengthened to participate in and influence policy through advocacy platforms. This will benefit from mobilization of the rich diversity of traditional knowledge and experience and through linking smallholder farmers, rural institutions, scientists, entrepreneurial young rural people (particularly young women) and small- and medium-sized private businesses and public services as partners with the private sector.
12. In the area of rural finance, several grants will seek to improve the access of the rural poor to a wide range of financial services and sound institutions by supporting innovations that increase access to savings, credit, insurance, remittances and other financial services in poor rural areas. Grant proposals put forward by WCA, APR, NEN and PTA are intended to help forge partnerships for generating knowledge, financial products and services, including those for agricultural value-chain financing. For example, village banking networks (WCA), financial deepening and rural outreach (scaling up) activities (LAC, APR, PTA) and improved performance monitoring will be accompanied by the development of rural finance industry standards (normative work and enhanced development effectiveness) proposed by PTA.
13. **Capacity development:** For 2012 the areas for capacity-building and advocacy to be supported, based on an appreciation of the key development themes outlined above, will be (i) promoting smallholder farming as a business proposition; and (ii) developing institutional and organizational capacity for scaling up (all divisions). Examples of activities under these themes include validation and strengthening of production, processing and marketing chains, to provide opportunities for adding

value. Research and training – on the production of cash crops for off-farm income, e.g. multi-purpose crops for smallholders; improved targeting methods to identify ways to expand outreach to include who have fewer assets and opportunities, particularly marginalized groups such as minorities, youth, women and indigenous peoples; and strengthening of farmers’ and rural producers’ organizations that are essential to rural transformation processes – will be supported with grants, linked where possible to loan-financed development projects.

14. In terms of policy dialogue, the Fund will support platforms for pro-poor advocacy and to leverage in-country capacity and resources (developing and strengthening these where required) to complement other rural development efforts and improve poverty impact on the ground.

### **III. Leveraging global research for development constituencies**

15. Based on the CGIAR track record in the delivery of pro-poor technologies and IFAD’s strategic engagement with this constituency, grants for improving appropriate technology development and adoption will be guided by the CGIAR reforms coupled with IFAD’s strong focus on pro-poor innovation and capacity-building. In the past IFAD has mainly supported adaptive downstream research to develop and disseminate sustainable agricultural technologies through participatory approaches in resource-poor and disadvantaged environments. Most of these programmes are located within IFAD loan-financed projects, thus fostering research and development links to embed Fund-financed research within the development context of the lending portfolio.
16. CGIAR-led research programmes are often self-targeting, directly involving crops and commodities of importance to IFAD target groups – such as cassava, yams, millet or small ruminants or smallholder cattle. They frequently involve rural communities in validating technology, to address their farming system constraints and build on their local knowledge. The reformed CGIAR is intended to deliver on four system-level outcomes related to poverty reduction, food security, nutrition and sustainable natural resource management. The research agenda is organized into CGIAR research programmes (CRPs), which deliver on one or more of the system-level outcomes.
17. These developments further strengthen the rationale for IFAD’s strategic partnership and role vis-à-vis CGIAR and its partners in the global agricultural research community, including under a proposed dedicated window to support pro-poor research for development. This strategic partnership with the CGIAR system includes a complementary policy and advocacy role that IFAD will continue to play in promoting and supporting partnership-based pro-poor agricultural research and in addressing crucial poverty issues. IFAD was active in the former CGIAR Executive Council as a co-sponsor of the system – together with the World Bank, the Food and Agriculture Organization of the United Nations (FAO) and the United Nations Development Programme (UNDP) – and is now a member of the CGIAR Fund Council. IFAD’s strategic alliance with the European Commission (EC) to support CGIAR reinforces the rationale for activities to be jointly funded where appropriate, increasing the global influence and impact on rural poverty of the IFAD-EC partnership’s investments in the system.
18. In terms of funding modalities, under its grants policy IFAD does not blanket-finance core budgets. IFAD has chosen to target windows 2 and 3 of the CGIAR Fund, an approach which is closest to the previous arrangement, and allows for the tracking of funds and financial reporting on donor-specific contributions. This is the approach preferred by the EC in channelling contributions via smaller, centre-led research for development projects, as IFAD has traditionally done.

19. At the same time, an efficient way of engaging with the newly reformed CGIAR is by supporting CRPs involving thematic project clusters and inter-centre activities with development partners (window 2), to improve pro-poor outcomes and impact. This would allow for grant-making of a larger critical mass and of a size more commensurate with the objective of scaling up. IFAD is exploring the efficacy of such an approach to programme (versus project) financing for strategic research. Thus, the new IFAD-CGIAR modalities are meant to provide an efficient, multiyear funding mechanism to ensure appropriate support to priority agricultural research areas through window 2, targeting the CRPs. It represents a hybrid approach between window 1 (core resources that are co-mingled without restrictions) and window 3 (financing that is tied or restricted). It is proposed that, for now, the size of the IFAD CGIAR window be capped at 30 per cent of the total global and regional grants budget, which is the equivalent of 1.5 per cent of IFAD's programme of work. IFAD grants will also support specific intra-centre research for development programmes that represent the standard IFAD approach to supporting downstream development-led adaptive research. The new modalities will not preclude IFAD's providing restricted or tied funding flows to centre-led research under window 3 of the CGIAR Fund on a bilateral basis with individual centres.
20. It is proposed that funding through this window be allocated under a yearly call for CGIAR proposals. The QAG will identify specific themes for support based on the corporate strategic workplan. All interested divisions will continue to engage with CGIAR through the conventional modality of global and regional grants for specific topics, within the CGIAR CRP agenda and its Strategy and Results Framework.

#### **IV. Selection of the proposed programme for 2012**

21. Two of the three years covered by the DWSPs have been completed, and 2012 is the final year. Grants have therefore been selected to ensure that the objectives of the three-year strategies can be achieved, or at least come close to being achieved. The following table illustrates how 2012 DSWP themes will support the Strategic Framework 2011-2015 and the four outputs of the Grants Policy.

**2012 DSWP themes: relevance to Strategic Framework and Grants Policy outputs**

<b>Strategic Framework - Objectives</b>	<b>PTA</b>	<b>SKM</b>	<b>APR</b>	<b>ESA</b>	<b>WCA</b>	<b>NEN</b>	<b>LAC</b>
(i) Strengthened natural resource and economic base – i.e. resilience to climate change, environmental degradation, market transformation	P		P	P	P	P	P
(ii) Enhanced access to services	P			P	P		
(iii) Strengthened capabilities of poor individuals and their organizations	P	P	P	P		P	P
(iv) Poor rural women and men and their organizations able to influence policies and institutions that affect their livelihoods	P	P					P
(v) Improved institutional and policy environments to support agricultural and non-farm activities	P	P	P		P		P
<b>Strategic Framework - thematic areas</b>							
(i) Natural resources (land, water, energy, biodiversity)	P				P	P	
(ii) Climate change (adaptation and mitigation)			P		P	P	P
(iii) Improved agricultural technologies and effective production systems	P		P	P	P	P	P
(iv) Financial services	P			P	P		
(v) Integration into local national and international value chains			P	P	P		P
(vi) Rural enterprise development and off-farm employment opportunities			P	P	P	P	P
(vii) Technical and vocational training	P			P			
(viii) Empowerment of rural poor people and organizations	P	P	P	P		P	P
<b>Grant policy outputs</b>							
(i) Innovative activities promoted and innovative technologies and approaches developed in support of IFAD's target group	P		P	P	P	P	P
(ii) Awareness, advocacy and policy dialogue on issues of importance to rural poor people promoted		P	P		P		P
(iii) Capacity of partner institutions strengthened to deliver a range of services in support of poor rural people		P	P	P		P	P
(iv) Lesson learning, knowledge management and dissemination of information among stakeholders on issues related to rural poverty reduction		P		P		P	P

(P = priority)

22. As shown above, all strategic thrusts are being adequately addressed by the grants programme. This is important as the grant instrument provides an alternative albeit

complementary mechanism to loans, with grants addressing aspects that cannot be addressed through loans as a basic assessment criterion.

## V. Implementation approach

23. The screening and selection criteria for large grants used at various stages of the vetting process, including quality enhancement (QE) and quality assurance (QA), relate broadly to five clusters:
- **Development criteria:** whether or not the expected outputs are appropriate to the needs and capacity of IFAD's target group (disaggregated by gender, where appropriate) and of linkages to the loan portfolio;
  - **Technical criteria:** the degree to which the proposal is technically sound and feasible and the approach and methodology are appropriate;
  - **Value for money criteria:** whether the proposed budget is appropriate to the objectives and reflects an efficient cost structure (e.g. a balanced allocation between downstream expenses/investment and operating costs such as salaries), and the leveraging of cofinancing;
  - **Management criteria:** the capacity of contractor/management staff to undertake the activities proposed (including the robustness of institutional arrangements with local entities/partners) and to comply with IFAD's financial and other reporting requirements; and
  - **Innovation and learning criteria:** whether the results of the proposed grant programmes are innovative in terms of processes (demand-driven, participatory, institutional arrangements) and in terms of outputs (impact-oriented, replicable, potential for mainstreaming, policy-driven). Also, are learning objectives clearly outlined, and how potentially effective are the mechanisms for learning/sharing of knowledge?
24. **Small grants:** are intended to complement large grants and loans, have their own set of eligibility criteria (deriving from the above criteria clusters) based on their particular potential to support civil society, NGOs and community-based organizations to conduct local pilots of innovative, pro-poor technologies, institution-building and knowledge sharing. At present the small grant assessment criteria include: (i) targeting and poverty impact potential; (ii) capacity of implementing agency and partnerships; (iii) degree of innovativeness; (iv) replication and sustainability prospects; (v) financial aspects (including value-for-money efficiency criteria; and (vi) robust monitoring and evaluation arrangements.
25. All divisions have developed approaches to prioritize grant applications for inclusion in their annual pipelines. Concept notes are shared with divisional professional staff for peer review and comment, and final decisions on which proposals should go forward are made in consultation with the director in the case of regional divisions and by unit heads in the case of PTA. This initiates the full design process, which has been undertaken mainly by the proposed recipients, working with the grant sponsors.
26. The QE requirements as described in the new procedures call for the establishment of divisional QE review groups. This has occurred in all regional divisions, with formal groups being convened to discuss the grant proposals and agree on adjustments deemed necessary or desirable. In most cases written comments from reviewers have been used to guide these decisions, and the results recorded in compliance notes outlining the process, issues and decisions taken. The new requirements are that clearance by the Office of the General Counsel and the Controller's and Financial Services Division must be obtained before the proposals go for QA, and this has mostly been treated as part of the QE stage: frequently representatives from these divisions have been included in QE review groups.



27. In accordance with the new procedures, QAG meetings took place in October 2011 and January 2012 to assess and endorse the grant applications. The QAG is jointly chaired by the Associate Vice-President, Programmes and the Chief Development Strategist, with the head of the Grants Secretariat as member secretary. As in the QA function for loan projects, the main requirement is to provide Senior Management with the assurance that the grant will contribute to achieving corporate objectives, that the design is to a high standard with no outstanding issues and that all documentation is complete.

## **VI. Management, supervision and knowledge management arrangements**

28. In the regional divisions, management of the global and regional grants portfolio is normally delegated to the regional economists, but there may also be specific grant sponsors (e.g. country programme managers) for individual applications. Supervision is mostly organized as part of the wider divisional supervision programme, i.e. undertaken as part of the supervision of loan portfolios. Where appropriate, supervision responsibility may be decentralized to country offices. In line with the requirements of the new grants procedures, several divisions have expressed the intention to ensure that all ongoing large grants are supervised at least once – possibly involving both PTA and the regional division to improve efficiency and cross-regional learning and knowledge-sharing. Discussions are at an advanced stage on developing an improved format for grant supervision reports, which should facilitate more effective and focused supervision and simpler corporate reporting. Grant status reports are prepared annually for all ongoing grants (similar to project status reports, with similar assessment criteria) and are compiled and analysed in the portfolio performance reports. Overall, this level of in-house scrutiny and reporting on individual grants is probably appropriate, but there is room for improvement.
29. All divisions have suggested ways of improving learning from their grant portfolios, and knowledge management has been given a high priority in all DSWPs. In ESA, APR, NEN and LAC, knowledge management is one of the DSWP strategic priorities, with a focus on building knowledge sharing and learning into project processes and systems in order to improve performance. ESA, NEN, PTA and SKM are developing the necessary capacity, approaches, tools and platforms to achieve this. In the case of APR, considerable effort has been put into improving knowledge management both at headquarters and field level through divisional newsletters and articles, development of individual grant pages in the IFAD Asia website and organizing completion workshops and other knowledge management events (for example the recent Share Fair and knowledge-intensive post-supervision debriefing sessions). Although these efforts are promising, it remains to be seen to what extent they will actually improve corporate learning from the grants programme.
30. The Grants Secretariat provides overall management oversight for the portfolio and technical and strategic advisory support for research grants through communities of practice and knowledge networks. It also provides coordination functions, and continues to facilitate knowledge generation and dissemination by facilitating thematic groups and the development of learning notes and technical advisory notes (TANs). These are based on results, findings, insights and lessons learned from self-evaluation, independent evaluations, impact assessment and grant supervision and follow-up activities for grants managed by PTA and jointly with other regional divisions. TANs and other knowledge products such as newsletters and technical papers are disseminated internally within IFAD and to relevant development partners, and are made available as a public good, in line with IFAD information policies, through regional knowledge networks.
31. The joint SKM-PTA DSWP calls for an enhanced facilitation role to assist regional divisions to identify, through their DSWPs, common areas of interest (involving two

or more divisions), potential joint agendas supported in part by grants, and knowledge sharing – towards cross-regional fertilization of innovations, and technical cooperation with a view to replication and scaling up. The Grant Secretariat will further explore ways (including through departmental management platforms, regional economists, country programme managers and country programme officers) to facilitate this in ways that are responsive to regional specificities in promoting innovations and in linking the lending programme strategically to research and capacity-building activities supported through grant resources. Further, IFAD's increasing field presence provides an enhanced opportunity to strengthen grant supervision as well as increased cross-fertilization with IFAD-financed projects and country policy dialogue.