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President's report on a proposed grant to Delivery Associates for Driving Delivery of Results in the Agriculture Sector in Solomon Islands

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Note to Executive Board representatives

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Executive Board — 130th Session Rome, 8-11 September 2020

For: **Approval**

Recommendation for approval

The Executive Board is invited to approve the recommendation to award a grant to a private sector entity, as contained in paragraph 20, to be funded by the Republic of Korea under a supplementary funds agreement with IFAD.

I. Background and compliance with the IFAD Policy for Grant Financing

- 1. Some of the critical challenges that governments and their development partners face in connection with the 2030 Agenda have to do with the need to measure and track progress towards the 17 Sustainable Development Goals (SDGs) and to capitalize on the resulting evidence in order to make further progress. A factor of paramount importance in this regard is the in-country measurement capacity required to effectively track and manage progress against SDG targets. It is widely recognized that the lack of in-country systems to capture and analyse results undermines a country's ability to manage progress and achieve development objectives. Developing-country governments have therefore increased their efforts to build the capacities of their own institutions in this area and to enhance the effectiveness of monitoring and evaluation systems for programme and investment portfolios.
- 2. This challenge is particularly acute in Small Island Developing States (SIDS) such as Solomon Islands, where the livelihoods of the majority of the population relies on agriculture and where most farms operate at a subsistence level. Despite the availability of sufficient arable land and an able labour force, local producers face a number of challenges in increasing productivity, accessing investment and penetrating even domestic markets, and imports of cheap food products with little nutritional value have been steadily increasing. In addition, unemployment in rural areas is high, particularly among youth.
- 3. The nutritional status of the population of Solomon Islands is poor; micronutrient deficiencies are common, and the incidence of diabetes, cardiovascular disease and other diet-related diseases is high. The country is classified as a fragile state as a consequence both of its susceptibility to civil conflict fuelled by social discontent and of its vulnerability to climate risks. The degradation of coastal areas and rising salinity of water and soil are compounding the effects of the increased frequency of extreme events, making local production of nutritious foods even more difficult.
- 4. The novel coronavirus (COVID-19) pandemic poses an additional threat to Solomon Islands, given the existing constraints in terms of the limited capacities and outreach of medical services, combined with a high prevalence of underlying health conditions. To mitigate this threat, the country has implemented non-therapeutic protective measures such as the cessation of commercial flights, strict border controls, social distancing and limits on people's movements and on market hours.
- 5. Although these measures appear to have been successful, their economic consequences are stark. To help monitor the extent of their effects, IFAD is undertaking a rigorous impact assessment for its recently completed investment project. It is also working closely with the World Food Programme in rolling out mobile phone and web-based surveys on access to food and inputs and piloting a crowdsourcing application to capture the availability and prices of nutritious foods in local markets.

II. The proposed programme

6. The proposed programme is designed to provide a direct way of enhancing the relevance and delivery effectiveness of Solomon Islands' agriculture and rural

development strategies, policies and support programmes. It is intended to replicate the ongoing programme for Driving Delivery of Results in the Agriculture Sector (DELIVER), which was approved by the Executive Board in September 2018 and is currently working to enhance government delivery capacities in five countries.

- 7. The overall goal of the programme is to step up the pace of progress towards SDG 1 (No poverty) and SDG 2 (Zero hunger) in Solomon Islands and to increase the efficacy of action in selected areas identified as critical government priorities in agriculture and related sectors. The objective is to improve the delivery capacity of the Ministry of Agriculture and Livestock and catalyse the accomplishment of priority objectives of the government strategy for agriculture.
- 8. **Target groups.** With its focus on improving the delivery of results in the agriculture and livestock sector, the programme seeks to benefit producers and processors in that sector, a majority of whom are smallholder farmers. The theory of change for this programme is that senior officials of the government, and particularly of the Ministry of Agriculture and Livestock, who will participate in the delivery unit (DU) will benefit from extensive training and mentoring to help them build their personal capabilities and effectiveness in results-based public management and service delivery. Other senior officials in the Ministry and related bodies who will work with the Delivery Associates team on the ground will also gain from direct participation in the programme's training and development activities. The ultimate beneficiaries of the programme will be the smallholder farmers, including rural women and youth, who will directly benefit from the improvement in government services.
- The proposed grant is aligned with IFAD's commitments, under the Eleventh 9. Replenishment of IFAD's Resources (IFAD11), to expand the share of resources provided to vulnerable country groups, including SIDS, and to differentiate its financing, knowledge and policy instruments for stronger results for this group. IFAD's ongoing financing for Solomon Islands (the Rural Development Project -Phase II, cofinanced with the World Bank, the European Union and the Government of Australia) will be closed in June 2021 following the completion of an ongoing ex post impact assessment by IFAD's Research and Impact Assessment Division. IFAD is actively extending other evidence-based policy and non-lending assistance to this fragile state through farmers' organizations (the recently closed Medium-term Cooperation Programme, the recently launched Asia-Pacific Farmers' Programme and the European Union/IFAD-financed Farmers' Organizations in Africa, Caribbean and Pacific Programme) and the Promoting Nutritious Food Systems in the Pacific grant, which will soon be closing. IFAD is also actively leading work in sector programming by providing technical assistance for the preparation of the Government of Solomon Islands' 10-year strategy and investment plan for agriculture, with financial support from Australia.
- 10. By building the government's capacity to make good use of the available evidence and to deliver results in the agriculture sector, the grant will extend technical support designed to help lay a stronger foundation for prospective development assistance to Solomon Islands. This may include an IFAD country proposal for the next round of Global Agriculture and Food Security Program financing and a regional proposal for submission to the Green Climate Fund; a World Bank pipelined project for the sector; future funding from the European Development Fund (11th EDF) and bilateral partners; and possible IFAD12 financing.¹
- 11. The proposed programme has been endorsed by the Ministry of Agriculture of the Republic of Korea for financing through its supplementary funds agreement with

¹ Depending on the outcome of the IFAD12 Consultation, the Fund envisages exploring an investment project in Solomon Islands during IFAD12.

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IFAD. It is consistent with the objectives of the IFAD Policy for Grant Financing (2015)² in general and specifically with its second and fourth objectives: strengthening partners' institutional and policy capacities; and generating and sharing knowledge for development impact. The initiative will be implemented over a two-year period and will have the following components.

- 12. Component 1. Strengthening results-based management and delivery systems in Solomon Islands. This will be achieved through the establishment of a well-functioning, high-quality, results-oriented DU in the Ministry of Agriculture and Livestock which will consult on a regular basis with the Office of the Cabinet. The DU will lead the data management processes and their utilization to drive Ministry programming and to ensure the delivery of real and sustained benefits to the people of Solomon Islands.
- 13. Component 2. Enhancing the skill set of senior officials in Solomon Islands and building their results-based management and delivery capacity. This will be achieved by means of concerted on-the-job coaching and mentoring support and the delivery of a skills and knowledge training programme.
- 14. **Component 3. Programme management**. The project team will share learnings among country teams (in synergy with the ongoing DELIVER programme), communicate the impact of the programme to external parties and create specific knowledge products to further enhance the programme's utility as a public good. This will include an online learning portal for knowledge management and a report on the lessons learned to capture learnings from the project.

III. Expected outcomes/outputs

- 15. The programme is expected to have the following outcomes/outputs:
 - (i) Strengthened results-based management and delivery systems for the Office of the Cabinet and the Ministry of Agriculture and Livestock of Solomon Islands that will enhance the government's ability to deliver measurable results to its population. Key outputs will be:
 - A functioning DU in Solomon Islands.
 - Accelerated progress that is measurable against key country-specific indicators.
 - (ii) Enhanced capacity of top-level civil servants who will gain competencies and skills in results-based performance management and delivery and who will acquire the capability to generate the required skills and know how to continue to run a results-based management system and to operate an effective DU in the Ministry. Key outputs will be:
 - Coaching and mentoring of senior leaders in the DU and key officials who occupy pivotal positions in the delivery chain.
 - A skills and knowledge training programme for DU staff and key officials who occupy pivotal positions in the delivery chain.

IV. Implementation arrangements

- 16. IFAD selected the recipient, Delivery Associates, through an open, competitive selection process under the original DELIVER programme. Since the proposed grant replicates that programme, Delivery Associates has been single sourced for this initiative to ensure complementarities and cost efficiencies in implementation. The endorsement of the Government of Solomon Islands is attached (see appendix II).
- 17. During the first year of the work, a dedicated team will be deployed to Solomon Islands. The team will comprise a country leader and a delivery leader on a full-

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² See EB 2015/114/R.2/Rev.1.

time basis, and a senior project leader will provide additional support at targeted points in time. The team will be fully embedded with the DU. During the second year, the grant recipient will adopt a fly-in/fly-out model so that it can provide targeted support to the DU at key stages. Synergies will be sought with the ongoing DELIVER programme in Samoa with a view to enabling further learning and knowledge-sharing between the two countries.

18. There will be no deviations from the standard procedures for financial reporting and audits.

V. Indicative programme costs and financing

19. The budget breakdown, by component and funding source, is provided in the following tables. With a total cost of US\$600,000, the programme will be cofinanced by the Republic of Korea under its supplementary funds agreement (83 per cent of the total) and by Delivery Associates (17 per cent of the total). Component 1 accounts for 77 per cent of the total project cost, while component 2 accounts for 16 per cent and component 3 for the remaining 7 per cent. In terms of expenditure categories, salaries and allowances constitute 76 per cent of the total cost, followed by travel allowances (20 per cent) and consultancies (4 per cent).

Table 1

Costs by component and financier
(Thousands of United States dollars)

Components	Government of the Republic of Korea	Delivery Associates	Total
Component 1. Strengthening results- based management and delivery systems in Solomon Islands	383	77	460
Component 2. Enhancing the skill set of senior officials in Solomon Islands and building their results-based management			
and delivery capacity	80	16	96
3. Component 3: Programme management	37	7	44
Total	500	100	600

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

Expenditure category	Government of the Republic of Korea	Delivery Associates	Total
1. Equipment and materials	-	-	-
2. Salaries and allowances	381	76	457
3. Consultancies	19	4	23
4. Travel allowances	100	20	120
Total	500	100	600

VI. Recommendation

20. I recommend that the Executive Board approve the proposed grant in terms of the following resolution:

RESOLVED: that the Fund, in order to finance, in part, Driving Delivery of Results in the Agriculture Sector in the Solomon Islands, shall provide a grant of five hundred thousand United States dollars (US\$500,000) to Delivery Associates for a two-year programme upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board herein.

Gilbert F. Houngbo President

Results-based logical framework

	Objectives-hierarchy	Objectively verifiable indicators	Means of verification	Assumptions
Goal	Enhance citizen progress towards achieving SDGs 1 and 2 in the Solomon Islands, improving the efficacy of selected critical government priorities in the agricultural and related sectors	Country-level indicators related to SDG1 and SDG2.	Independent assessment arranged by IFAD against SDG progress	Other efforts to improve progress against SDGs are implemented in parallel including securing sufficient financial resources
Objectives	Improve the delivery capacity of MAL and catalyse the accomplishment of priority objectives within the Government strategy for agriculture.	% stakeholders who believe the Ministry's institutional capacity has increased Assessment of IFAD annual review team on Ministry's institutional capacity	Perception survey of the Ministry's' institutional capacity by in-country stakeholders (politicians, media, academics, etc.) Independent assessment arranged by IFAD as part of annual review	Government undertakes additional improvements in other areas of institutional reforms
Outcomes	(1) Strengthened results-based management and delivery systems for the Office of the Cabinet and MAL in Solomon Islands, enhancing the Government's ability to deliver measurable improvements to citizen outcomes.	Assessment of IFAD annual review team on how far Delivery Unit is operating effectively and is adding value to the Ministry	Independent assessment arranged by IFAD as part of annual review	Delivery units staff remain in their roles for duration of project and are permitted to allocate sufficient time to focus on capacity building
	(2) Enhanced capacity of top-level civil servants, who will gain competencies and skills in results-based performance management and delivery capacity, generating the required skills and knowhow to continue to manage a results-based management system, including directly operating an effective Delivery Unit in the Ministry.	Regularity of evidence reviews and efficacy of leadership meetings on citizen results % top officials in the Ministry who believe Delivery Unit is operating effectively and is adding value to the Ministry	Meeting records and tracking of follow-up actions and results Perception survey of the Delivery unit by key internal 'customers'	Country's willingness to resource and empower Delivery Unit Political willingness country to select limited set of priorities for delivery unit. Political willingness to take appropriate decisions as required Sufficient funds allocated and disbursed to priority projects in a timely fashion

Key Activities/ Outputs	Component 1: Strengthening results- based management and delivery systems in Solomon Islands	Design of a delivery plan	Weitten delivery plan for each	Willingness of conjunt landers to
	 Delivery Unit set up and functioning 	Design of a delivery plan Completion of at least 2	Written delivery plan for each priority	Willingness of senior leaders to support and use the delivery plan
	Tangible progress against key outcomes indicators	stocktakes for each priority	Written stock take documents (presentation, agenda, minutes)	Willingness of senior leaders to participate in stock take
		Progress against key outcome indicators (precise metric to be agreed with	To be confirmed when specific milestones agreed with each	To be added when specific milestones agreed with each
	Component 2 – Enhancing the skill- set of senior officials in the Solomon Islands in results-based management and delivery capacity	MAL)	country)	country
		Proportion of senior staff reporting higher perceived job efficacy		Staff remain in role for duration of project and have sufficient time, focus and resources to
• Skil prog and	Skills and knowledge training programme for delivery unit staff and key officials who occupy key places in the delivery chain	Proportion of junior staff reporting higher perceived job efficacy	Participant survey	allocate to personal capacity building
	Component 3 - Knowledge management, communications & M&E		Participant survey	Securing permission from member governments to share
	 Creation and maintenance of online learning portal 	Number of visits to learning portal		materials on portal to allow staff to access
	 Publication of final report to external audiences, increasing interest in results-based 	•	Website analytics	Securing permission from member government to publish
	management approach	Production and publication of post-project report	Report published in 1x (or more) external forum or event	information

Appendix II EB 2020/130/R.26

Government Endorsement for selection of Delivery Associates

From: Ethel Tebengi Frances < Ethel. Frances@sig.gov.sb>

Sent: 20 February 2020 19:31

To: El-Zabri, Tawfiq <t.elzabri@ifad.org>
Cc: Topacio, Jeszel <j.topacio@ifad.org>
Subject: RE: Solomon Islands Confirmation

Dear Tawfiq,

It was truly exciting to welcome you back to Honiara and thank you for joining us today. Was very helpful to have you joined and clarify matters.

On the services of Delivery Associates in Solomon Islands. I confirm Solomon Islands agreement to engagement of Delivery Associates to support the Ministry of Agriculture and Livestock improve its service delivery to farmers and key partners around the country.

This I know is in response to the need we shared with you on having support to help us improve our service delivery efforts. Thank you so much for pursing this request.

Looking forward to more feedback from your end as we progress further this support.

With kind regards.

Ethel Tebengi Frances.

Permanent Secretary

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