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REPORT AND RECOMMENDATION OF THE PRESIDENT

TO THE EXECUTIVE BOARD ON A PROPOSED

TECHNICAL ASSISTANCE GRANT

TO

THE POPULAR COALITION TO ERADICATE HUNGER AND POVERTY

FOR

**THE ESTABLISHMENT OF A COMMUNITY EMPOWERMENT FACILITY (CEF)
AS AN INITIATIVE OF THE POPULAR COALITION TO ERADICATE HUNGER AND
POVERTY**



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I submit the following Report and Recommendation on a proposed technical assistance grant (TAG) to the Popular Coalition to Eradicate Hunger and Poverty for the Establishment of a Community Empowerment Facility (CEF)¹ as an Initiative of The Popular Coalition to Eradicate Hunger and Poverty, in the amount of USD 1.6 million for a one-year period.

I. BACKGROUND

1. The September 1996 progress report to the Executive Board (document EB 96/58/R.60) stated that the aims of the Popular Coalition to Eradicate Hunger and Poverty are to: (a) empower the poor through their direct participation in decision-making processes at the local, national, regional and international levels; (b) increase their access to productive resources and microfinance; (c) revive agrarian reform and policy dialogue; (d) facilitate people-to-people learning opportunities; and (e) disseminate and replicate relevant civil-society experiences.

2. As the focal point, IFAD is working closely with the other international agencies (the Food and Agriculture Organization of the United Nations (FAO), the World Bank, the World Food Programme (WFP)), the European Commission and eight regional and sectoral non-governmental organizations (NGOs) that form the Interim Committee. The guiding principles require that all participating organizations contribute resources and share a portion of their capabilities towards achieving the programme of work of the Coalition. An initial two-year programme of work has been agreed to during which time the overall viability of the Popular Coalition will be determined. There will be two primary determinants. First, do participating organizations and institutions find that the Coalition adds knowledge that enriches the capacity of their organization? Second, do the Coalition's joint ventures achieve more effective development results more efficiently than is being accomplished individually?

3. Over the past two years, the Coalition has:

- **Established the Knowledge Network on Civil-Society Initiatives in Land Reform and Tenurial Security.** This network involving 23 countries collects, assesses and disseminates information on local actions to improve the access of poor rural people to productive resources including land distribution. Other features include: extension and reclamation; normalization of land rights and entitlements; land titling; conflict

¹ Through consultation with the participants in the Popular Coalition, it was decided that the title Community Empowerment Facility would be more appropriate than Civil-Society Empowerment Facility.



resolutions; protection of common-property resources; strengthening the rights of women and indigenous populations; and policy dialogue. The most successful practices, policies and institutional innovations are shared among all partners using communications accessible by local people. This is a joint endeavour by the members of the Coalition with IFAD as its focal point and the United Nations Research Institute for Social Development (UNRISD) as the administrator.

- **Launched the Negotiated Land Reform Network (NELAREN).** This network examines land markets as mechanisms for guaranteeing fair and equitable access to land and for maximizing efficiency and productivity. FAO is the focal point for NELAREN, which initially compared experiences in land markets in Brazil, Colombia, The Philippines and South Africa. Its aim is to better understand the effects on poor producers of privatization so as to determine how to remove policy distortions affecting land markets and land transfers. In addition, it clarifies institutional roles and supports decentralization of responsibility and authority.
- **Formed linkages with follow-up to the World Food Summit.** The partners in the Coalition provide a vehicle for the realization of many of the goals of the World Food Summit. The Coalition is linked with the United Nations Administrative Committee on Co-ordination (ACC) Network on Food Security and Rural Development at both headquarter and country levels through the participation of Coalition members. Collaboration with the FAO Food for All Campaign is currently being developed.
- **Prepared a feasibility study on CEF.** The study was jointly prepared by IFAD, FAO, the World Bank, the International Federation of Agricultural Producers (IFAP) and three regional NGOs.

4. The Sixtieth Session of the Executive Board approved TAG No. 367 in the amount of USD 900 000 for the following purposes: launching the Knowledge Network on Civil-Society Initiatives in Land Reform and Tenurial Security, supporting Coalition action groups; establishing and operating the office of the Coordinator of the Coalition; and holding meetings of the General Assembly and Steering Committee during 1998 and 1999.

5. The World Bank has approved a grant to CEF of USD 1.0 million for 1998 with a second grant of USD 1.0 million expected in 1999.

II. THE PROPOSED PROGRAMME

A. Objectives and Rationale

6. The objective of CEF is to *enhance the ability of the poor and of their community organizations to gain and/or protect their access to land, water and community property as well as to access the tools and processes to manage them on a sustainable basis, including knowledge, technology, institutional capacity and finance.*

7. CEF will support pilot projects to test civil-society strategies and initiatives in land reform and tenurial security. It will also disseminate best practices and lessons learned from community experiences and support the training of community organizations in the techniques and skills needed to participate effectively in policy formulation and dialogue.



B. Eligible Beneficiaries and Activities

8. CEF support will be strictly limited to civil-society organizations (CSOs) at the grass-roots level; networks of NGOs or federations of CSOs; and NGOs operating at the national level.
9. Eligible activities will include, *inter alia*:
 - gaining access to land, water and common property resources and protecting existing rights;
 - gaining access to support services (extension, inputs, credit and marketing) to protect existing rights by raising productivity and livelihoods;
 - resolving conflicts within and among communities with respect to land, water and common property resources;
 - enhancing the participation of the poor, especially women and marginalized groups, in local governance, decentralization and in relation to land access, and water and common property rights; and
 - facilitating people-to-people exchanges to replicate or scale up successful civil-society experiences in land reform and tenurial security.

C. CEF Funding

10. Resources for CEF will be raised through grant contributions from a broad spectrum of public and private sources: multilateral and bilateral donor agencies; intergovernmental or regional bodies; foundations and philanthropic institutions; the private corporate sector; and CSOs, including NGOs.
11. CEF is a multidonor initiative. A TAG contribution from IFAD, together with the current World Bank commitment, will constitute the seed capital that will catalyse a wider mobilization of resources.
12. CEF is intended to operate as an endowment fund. Thus, while it will begin some of its operational activities from this TAG and other contributions in order to demonstrate its potential for results, it will also endeavour to preserve the goal of an endowment fund in its resource-mobilization process.
13. The resources of CEF will be administered by IFAD as the focal institution in accordance with its procedures relating to management of supplementary funds. A minimum portion of the contributions, aiming to be less than IFAD's ceiling of 12%, will be used for CEF's operating costs. The CEF budget will provide for appropriate institutional overheads incurred by IFAD.
14. In-kind donations of goods and services will be encouraged, provided the donor meets the associated costs to the final destination.



D. Governance and Management

15. CEF will be governed by the Steering Committee² of the Popular Coalition, which will function as the CEF Board of Management. The Steering Committee will appoint a subcommittee comprising five of its members. One will be appointed from the Programme Management Department of IFAD, a second from one of the other intergovernmental agencies and three from the NGOs represented on the Steering Committee.

E. Resource Utilization

16. The CEF subcommittee will be responsible for recommending the detailed operating modalities of CEF for the approval of the Steering Committee of the Coalition. These will include, *inter alia*:

- Criteria for assessing the eligibility of an organization interested in submitting proposals for entry into the CEF pipeline;
- Guidelines for the preparation and submission of preliminary and detailed proposals seeking assistance from CEF, including the ceiling on funding to any one organization;
- A system of allocations that will ensure fairness and equity in the use of funds given the diversity and geographical requirements of the Popular Coalition;
- Selection criteria and appraisal frameworks for the transparent assessment and selection of proposals for funding;
- Development of a framework of performance indicators and recommendation of specific indicators for each proposal being recommended for funding;
- Guidelines on the forms and extent of expected co-contribution by the organization being funded; and
- The framework and process for results-based monitoring and evaluation of approved activities and financial accountability.

17. The CEF subcommittee will be responsible for assessing all requests for funding and recommending to the Board of Management those that should be funded, including the level and details of funding, reporting, and monitoring and evaluation.

² The Steering Committee, with twelve members representing NGOs and other civil-society organizations, multilateral agencies and other partners, is to be constituted in accordance with the guiding principles adopted by the Interim Committee (established immediately after the Conference on Hunger and Poverty to guide the follow-up activities for the implementation of the Coalition's Programme of Action). The Steering Committee will function as the operational arm of the General Assembly of the Coalition, which is expected to meet annually.



F. Review of the Initial Phase of CEF

18. CEF will undergo a mid-term progress review at the end of the first year so as to implement initial areas for improvement. A comprehensive evaluation will be conducted after two years, by which time there will be sufficient activity and experience in implementing CEF.

III. RELATIONSHIP TO IFAD

19. The objectives of CEF and the Coalition are consistent with and will be complementary to the programmes and corporate strategy of IFAD. CEF's work with CSOs will widen IFAD's information and knowledge base for programme preparation and assist in identifying new partners that might strengthen programme implementation. The activities of the Coalition will contribute to IFAD's corporate strategy in the following areas: (a) developing new approaches and alliances for a changing global environment; (b) establishing and using knowledge networks on rural poverty in order to create a recognized knowledge organization; and (c) ensuring an effective IFAD presence at the field level by expanding IFAD's outreach. Furthermore, the role and leadership of IFAD as the Coalition's global focal point will expand worldwide recognition of IFAD as a preeminent rural development institution. This, in turn, will support other requirements, including resource mobilization.

IV. IMPLEMENTATION ARRANGEMENTS

20. The proposed IFAD grant will assist the start-up phase of CEF by: (a) initiating necessary preparatory activities; (b) leveraging resource-mobilization efforts by IFAD as the focal institution, through the office of the Coordinator of the Coalition; and (c) initiating core operations on a pilot scale.

V. RECOMMENDATION

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

RESOLVED: that the Fund, in order to finance, in part, the Establishment of a Community Empowerment Facility (CEF) as an Initiative of the Popular Coalition to Eradicate Hunger and Poverty, for one year, commencing in October 1998, shall make a grant not exceeding one million six hundred thousand United States dollars (USD 1 600 000) to the Popular Coalition to Eradicate Hunger and Poverty upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board in this Report and Recommendation of the President.

Fawzi H. Al-Sultan
President