



**IFAD**  
**INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT**  
**Executive Board – Seventy-Second Session**

Rome, 25-26 April 2001

**REVISED OPERATIONAL PROCEDURES FOR THE IFAD/NGO  
EXTENDED COOPERATION PROGRAMME (ECP)**

**I. INTRODUCTION**

1. At its Thirty-First Session in September 1987, the Executive Board established the IFAD/NGO Extended Cooperation Programme (ECP) (document EB 87/31/R.53 “Report on the Promotion of Further Cooperation with Non-Governmental Organizations”). The activities to be financed under the ECP were to centre on building knowledge and background information for ongoing or future IFAD projects, through the organization of pilot activities. Activities were to be additional to other continuing forms of cooperation between IFAD and non-governmental organizations (NGOs). The Executive Board decided that:

- “(a) The President of the Fund, for the financing of the activities under the IFAD/NGO Extended Cooperation Programme (ECP) shall be authorized to approve grants from the Fund’s Regular Resources allocated for the purpose of financing technical assistance grants, provided that the host Member concerned shall have consented to the activity to be financed and the non-governmental organization concerned shall have provided or shall have confirmed that it will provide appropriate material or financial support for the effective and successful implementation of the project or activity concerned;
- (b) any single grant to be approved by the President under paragraph (a) above shall not exceed USD 75 000;
- (c) the President of the Fund shall be further authorized to conclude, after consultation with the Government hosting the activity, the donors and the non-governmental organizations involved, such arrangements as he may consider appropriate to accomplish the objectives of the ECP, as set forth in document EB 87/31/R.53; and



- (d) the President shall be requested to report periodically to the Executive Board on all such arrangements concluded in accordance with paragraph (c) above and on the implementation of the ECP and the impact thereof on the programming of IFAD's Regular Resources with a view particularly to establishing a more precise framework for the operation of the ECP."

2. Following the Executive Board decision, the President issued President's Bulletin No. 88/2, dated 7 July 1988, establishing operational procedures for implementation of the ECP. The operational procedures were presented to the Executive Board at its Thirty-Fifth Session in December 1988 (document EB 88/35/INF.3 "Operational Procedures for the Implementation of the IFAD/NGO Extended Cooperation Programme (ECP)").

3. The President reported to the Executive Board on ECP activities annually at its April session. The last progress report was made at the Executive Board's Sixty-Ninth Session in April 2000 (document EB 2000/69/R.38).

## **II. INTERNAL REVIEWS OF THE ECP AND THE OPERATIONAL PROCEDURES**

4. Since their establishment, the ECP and the operational procedures have remained unchanged, in spite of: (i) the evolution of IFAD's strategic objectives; (ii) organizational changes within IFAD and subsequent reassignments of internal responsibilities; (iii) changes in the scope of the ECP, including its budget; and (iv) increasing recognition that the operational procedures do not adequately cover all aspects of the ECP or its potential.

5. Over the years, the effectiveness of the ECP has been subject to periodic internal reviews. Since 1998, the internal auditor and the Division of Evaluation and Studies have, through an audit and an evaluation respectively, scrutinized and assessed the achievements and shortcomings of the ECP and have identified the policy, operational and procedural issues that should be addressed to enhance the ECP's role in the context of IFAD's evolving strategic objectives and directions.

## **III. REVISED OPERATIONAL PROCEDURES**

6. An interdepartmental working group was, therefore, established to revise the operational procedures in line with the findings and recommendations put forth by the above-mentioned audit and evaluation. In consultation with all relevant IFAD divisions/departments, the working group proposed revised operational procedures, which were subsequently approved in draft by the President in February 2001. A copy of the draft operational procedures is attached as an annex. Subject to Executive Board approval of the two points set forth in paragraph 8 below, the President will issue a President's Bulletin containing the revised operational procedures.

7. The objectives of the draft operational procedures are: (i) to streamline the internal procedures for ECP grant processing and disbursement, project supervision and internal information sharing and management; (ii) to delineate roles and responsibilities within IFAD; and (iii) to provide clear guidelines to IFAD staff and the prospective NGO recipients of ECP grant financing. The main changes in the revised operational procedures, in addition to the issues set forth in paragraph 8 below, are that: (i) the President will delegate the authority to approve ECP project proposals to the respective head of the initiating department; and (ii) the scope of the priority activities eligible for ECP financing will be amplified to include advocacy and capacity-building activities seeking to promote specific poverty alleviation issues (see paragraphs 3 and 4 of the draft operational procedures annexed).

#### IV. REVISED ECP

8. To achieve the objectives of the draft operational procedures, the ECP, as approved by the Executive Board at its Thirty-First Session in September 1987, will need to be revised. The proposed revisions, which require the approval of the Executive Board, are the following:

- (a) The ceiling for the grant amount of any single ECP grant should be raised from USD 75 000 to USD 100 000, with the exception of the coverage of the IFAD/NGO Consultations which may exceed this amount.
- (b) The requirement that the host government concerned will have consented to the activity to be financed under the ECP should be more flexible. The draft operational procedures provide that approval of ECP project activities should be sought in the form of a no-objection letter from the host government in whose territory the ECP activities will be implemented, if (i) such no-objection is required under relevant national legislation and/or policies, and/or (ii) the recipient NGO is not registered as an NGO under the laws of the country in which the ECP activities will be implemented.

9. The raising of the ceiling for the ECP grant amount is justifiable on the basis of the inflationary impact that has, in many countries, drastically reduced the purchasing power of the original limit of USD 75 000. The proposed increase of USD 25 000 is an attempt to partially restore the real value of the grants. With respect to the financing of the IFAD/NGO consultations, such financing normally exceeds an amount of USD 100 000, and its approval has previously been sought from the Executive Board on a case-by-case basis. To simplify procedures, however, it is recommended that the President have the authority to approve the financing of IFAD/NGO consultations exceeding an amount of USD 100 000.

10. In relation to the no-objection requirement from governments hosting the ECP activities, the proposed flexibility is justifiable in light of the rigorous eligibility criteria introduced in the draft operational procedures for NGOs to receive funding under the ECP (see paragraphs 6 and 7 of the draft operational procedures). Such eligibility criteria were not defined when the Executive Board established the ECP. The governmental no-objection requirement was thus a guarantee for the host governments to enable them to screen NGOs working in their territory prior to the implementation of any IFAD-funded activities. Following many years of working with NGOs, however, IFAD has gained the experience and capacity to select NGOs that can satisfactorily carry out ECP activities. This experience is reflected in the NGO eligibility criteria set forth in the draft operational procedures, which emphasize, *inter alia*, that an eligible NGO must be a fully functioning organization duly established and registered as a non-profit and non-governmental organization in accordance with relevant laws. In addition, the draft operational procedures still require the host government to give its consent to the activities to be carried out under the ECP project if the NGO concerned is not registered as a local NGO and/or such no-objection is a requirement under national laws/policies.

#### V. RECOMMENDATIONS

11. In the light of the above, the Executive Board is requested to approve the following:

- (a) The President of IFAD, for the financing of the activities under the ECP, is authorized to approve grants from IFAD's Regular Resources allocated for the purpose of financing technical assistance grants, provided that:



- (i) the Member Government hosting the activity to be financed under the ECP will have consented to such activity if:
    - such consent is required under the national legislation and/or policies of the host Member; and/or
    - the NGO concerned is not registered as a legal entity under the laws of the host Member; and
  - (ii) the NGO concerned will have provided, or has confirmed that it will provide, appropriate material or financial support for the effective and successful implementation of the ECP project.
- (b) Any single grant to be approved by the President under paragraph (a) above shall not exceed USD 100 000, with the exception of a grant to finance an IFAD/NGO consultation, which may exceed this amount.
- (c) The President is further authorized to conclude, after consultation with the Member Government hosting the ECP activity, the donors and the NGOs involved, such arrangements as he/she may consider appropriate to accomplish the objectives of the ECP.
- (d) The President is requested to report periodically to the Executive Board on all such arrangements concluded in accordance with paragraph (c) above and on the implementation of the ECP and the impact thereof on the programming of IFAD's Regular Resources.



**DRAFT OPERATIONAL PROCEDURES FOR THE IFAD/NGO  
EXTENDED COOPERATION PROGRAMME (ECP)**

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## **DRAFT OPERATIONAL PROCEDURES FOR THE IFAD/NGO EXTENDED COOPERATION PROGRAMME**

### **Rationale**

1. The IFAD/NGO Extended Cooperation Programme (IFAD/NGO ECP) was created in September 1987, during the Thirty-First Session of the Executive Board (document EB 87/31/R.53). The overall goal of the programme is to enhance IFAD's direct collaboration with NGOs<sup>1</sup> in the promotion of participatory and community-based rural development and poverty alleviation and to encourage recipient governments to build upon the experience and know-how accumulated from the activities of NGOs and to engage themselves in dialogue and collaboration with these organizations.

### **Objectives**

2. The principal objectives of the Programme are to:
- (a) extend direct grant financing in support of innovative pilot activities by NGOs which can provide prototypes and instruments of intervention for ongoing or future IFAD loan operations;
  - (b) offer IFAD opportunities to tap valuable NGO experience and know-how in order to improve its own approaches in the identification, design, implementation and evaluation of its projects and thus contribute to increased responsiveness and sustainability of its development operations;
  - (c) contribute to the development of a repository of relevant experience and know-how in operational and strategic issues and thus enhance IFAD's role as a knowledge institution on rural poverty and its alleviation;
  - (d) build durable partnerships and maintain regular consultations and dialogue with a family of development NGOs that can assist IFAD's strategy articulation and choice of project interventions.

### **Priority Activities**

3. ECP-supported activities by NGOs focus primarily on three major areas:
- (a) identifying, testing and disseminating appropriate/innovative technologies for application to the agro-ecological and socio-economic conditions of IFAD's beneficiaries;

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<sup>1</sup> For IFAD, the term "non-governmental organization" generally refers to a non-profit, voluntary organization, either international or national, that is independent of government and that pursues activities to relieve poverty, hunger and human suffering, promotes the interests of the poor, protects the environment, provides basic social and economic services, or undertakes community development. An NGO operates under rules of private and not public law and is duly organized and officially registered with the appropriate government authorities as an NGO/non-profit organization. The Fund tends to interact with two main categories of NGOs: (i) operational NGOs – whose primary purpose is the design and implementation of poverty alleviation and development projects and programmes; and (ii) advocacy NGOs – whose primary purpose is to defend and promote the cause of rural poverty alleviation and seek to influence the policies and practices of government and development institutions. In the context of the ECP, the majority of NGOs involved are operational NGOs, although a growing number of NGOs, worldwide, engage in both operational and advocacy activities.



- (b) identifying and testing appropriate/innovative institutional approaches/mechanisms in various sectors and subsectors of interest to IFAD to ascertain their relevance, acceptability and sustainability; and
  - (c) carrying out knowledge gathering and dissemination activities and training programmes for improved management of resources through, *inter alia*, the creation of more effective systems of organization, based on viable grass-roots organizations, such as farmers' groups, water users' associations and other forms of grass-roots networks.
4. The above may also involve advocacy activities and processes of identification and capacity-building of potential NGO partners including support for NGO networking activities.
5. In addition, in line with and in furtherance of its objectives, the Programme supports periodic and regular IFAD/NGO consultations on policy and operational issues pertaining to rural poverty alleviation and development (see **Attachment I: IFAD/NGO Consultations**).

### **Eligibility Criteria for NGOs**

#### **Legal Status**

6. To be eligible for a grant under the IFAD/NGO ECP, an organization must be fully functioning, that is duly established and registered as a non-profit and non-governmental organization in accordance with relevant laws. In support of its application for ECP financing, the NGO must submit to IFAD, at a minimum, the following documentation:

- its constitution/by-laws; and
- its certificate of registration or detailed registration information (i.e. registration number and country of registration).

7. In assessing and selecting NGOs for ECP grant financing, the following criteria are considered:

#### **NGO Type**

- Priority is given to local NGOs.
- Local branches of international NGOs working in close connection with local communities are eligible in the absence of qualified local NGOs.
- International NGOs are chosen in the absence of the above two, with priority given to those in partnership with national/local NGOs.

#### **Institutional Capacity**

- Demonstrated technical capacity to perform the tasks at hand (including capacity for advocacy activities, as the case may be);
- record of adequate experience in execution of activities similar to the tasks at hand;
- fully functioning for a period of at least three years prior to submission of its project proposal to IFAD;
- adequate management and qualified field staff;
- demonstrated financial capacity to receive and handle funds, to account adequately for their use and to keep records;
- necessary facilities and equipment for organizational functioning;



- knowledge of local situation and access to target communities;
- well-defined and transparent organizational structure.

### **Institutional Approach**

- Clear and specific objectives;
- use of participatory methodologies and tools;
- commitment to the mobilization of local resources for development and responsiveness to the changing needs of the local communities;
- commitment to building local organizational capacity within the framework of participatory approaches;
- readiness to place own operations in the context of community plans, local authority plans and national government plans;
- demonstrated readiness for cooperation and knowledge sharing with other actors.

### **Size of ECP Grants**

8. Any single ECP grant cannot exceed USD 100 000, with the exception of the coverage of the IFAD/NGO consultations, which may exceed this amount. The recipient NGO must also contribute appropriate material or financial support for the effective and successful implementation of the project.

### **NGO ECP Grant Processing (See Attachment II)**

#### **Entry into ECP Annual Programme of Work**

9. An ECP allocation committee, comprising representatives of the Programme Management Department (PD), the Economic Policy and Resource Strategy Department (ED) and the Office of Evaluations and Studies (OE), decides on the annual allocation of ECP funds on the basis of project proposals submitted by PD, ED and OE. Departmental/divisional allocations are finalized by the first quarter of each calendar year. Unused funds in any division/department may be transferred to other divisions/departments on the basis of demand. The allocation committee may earmark up to 5% of the overall ECP budget to cover costs associated with ECP project supervision.

10. Initiating officers verify availability of funds on the basis of a departmental/divisional ECP programme of work agreed upon by the first quarter of the calendar year, with appropriate reporting to the Controller's Office. However, changes in the departmental/divisional ECP programme of work can be made, during the same calendar year, within the overall departmental/divisional allocations agreed upon by the ECP allocation committee.

11. Before processing a given proposal, the initiating officer must also obtain from the NGO Coordination Unit in ED (the NGO Unit) certification of the bona fide status of the applicant NGO. To that end, the initiating officer must provide the NGO Unit with all the necessary information on the institutional profile and legal documentation of the prospective NGO recipient.

12. Government approval for proposed activities will be sought in the form of a no-objection letter from the host government in whose territory the ECP activities will be implemented, if: (i) such no-objection is required under relevant national legislation and/or policies; and (ii) the NGO recipient is

not registered as a legal entity under the laws of the country in which the ECP activities will be implemented.

### **Processing and Approval**

13. An ECP project proposal must be carefully written in one of the official languages of the Fund and follow, to the maximum degree possible, the attached model outline (see **Attachment III**)<sup>2</sup>.

14. An ECP project proposal must be in line with the objectives of the ECP and in line with IFAD's corporate and divisional/country strategies, operations and objectives.

15. The initiating officer must submit the ECP project proposal, together with necessary background documentation, to:

- (a) The Loans and Grants Unit, Controllers Office (VC), for clearance of financial and procurement matters, as appropriate;
- (b) the Technical Advisory Division (PT), for assessment of feasibility and compliance with ECP priorities and objectives; and
- (c) the Office of the General Counsel (OL), for clearance with respect to: (i) legal registration requirements and/or government no-objection, as the case may be; and (ii) general compliance with IFAD rules and regulations.

16. The above clearance process should be concluded within one month, allowing at least five working days for PT review. If any further development/revision of a given proposal is required, this rests under the responsibility of the initiating officer.

17. Once a project proposal is cleared by VC, OL and PT, and ED verification of the bona fide status of the NGO has been obtained, the initiating officer will seek approval from his/her head of department, through a memorandum providing information on the following:

- (a) compliance of proposed project with ECP criteria and objectives, including linkages with IFAD strategies, operations and concerns;
- (b) eligibility of NGO and its comparative advantage in implementing proposed activities;
- (c) overall objectives and expected outputs;
- (d) summary description of proposed activities;
- (e) innovative aspects and learning/replication potential of innovation;
- (f) monitoring and evaluation mechanism; and
- (g) details on cost breakdown for IFAD financing and NGO contribution.

18. The memorandum will be accompanied by the necessary documentation certifying:

- (a) VC, PT and OL clearance;
- (b) certification of availability of funds; and
- (c) confirmation of bona fide status of NGO.

### **Legal NGO/ECP Grant Agreement**

19. Once the ECP project proposal has been approved, the initiating officer will request OL to prepare the NGO/ECP Grant Agreement by submitting to OL a signed copy of the memorandum to

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<sup>2</sup> This model and a short information note on the ECP in general and specific instructions as to how an NGO can avail itself of the facility are posted on the IFAD web site.

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the head of department with attachments, together with the project proposal. OL will prepare a draft NGO/ECP Grant Agreement on the basis of a model agreement, including, *inter alia*, the following provisions/information:

- (a) grant amount in USD;
- (b) disbursement arrangements;
- (c) duration of the project and the agreement (i.e. effective/commencement date, project completion date and grant closing date);
- (d) implementation reporting requirements (e.g. progress reports and completion report);
- (e) financial reporting requirements (e.g. statements of expenditure) and audit arrangements;
- (f) description of project objectives and activities;
- (g) implementation arrangements, including geographic location, target group, expected outputs and deadlines (if any);
- (h) supervision responsibilities and mechanisms;
- (i) a budget containing a breakdown of costs and the grant allocation to the activities/expenditures to be financed; and
- (j) relevant forms (e.g. sample withdrawal application and statement of expenditure).

20. The draft Grant Agreement will be reviewed and cleared by the initiating officer, VC and the recipient NGO, after which OL will finalize and process the Grant Agreement as follows: (i) four original copies of the Grant Agreement will be dated and sent to the initiating officer for forwarding to the relevant head of department for signature; (ii) after the head of department signs the agreement, the initiating officer will send the four originals to the recipient NGO for countersignature; (iii) the recipient NGO will sign the four originals, indicate the date of countersignature and return two originals to the initiating officer. The Grant Agreement will become effective upon IFAD's receipt of two countersigned originals of the agreement, as of the date of countersignature.

21. The initiating officer will forward the two originals signed by counterparts to OL for safekeeping and send copies to VC and the NGO Unit. Any original forms (e.g. withdrawal applications) shall be sent to VC to process disbursement of funds.

### **Supervision and Internal Information Sharing and Management**

22. The supervision of ECP projects and the administration of the grant proceeds should be regular, but simple and cost-effective in view of their small size. It is the responsibility of the initiating department/division to make appropriate arrangements for the supervision of the ECP project and the assessment of capacities of implementing NGO(s), regardless of whether the ECP project is in support or independent of an ongoing loan project financed by IFAD. To that end, the initiating department may avail itself of the services of local consultants, in-country support groups, fellows of local institutions, other NGOs or periodic operations of the United Nations Development Programme/Office for Project Services (UNDP/OPS) at country/regional level. To the extent possible, the initiating department/division should ensure that the supervision of the ECP project(s) is undertaken as part of every supervision of ongoing loan project(s) in a given country.

23. ECP project supervision documents should be copied to ED, PD, PT and VC, as well as to other divisions concerned in cases when the ECP project is not country or region-specific.

24. For the purpose of facilitating IFAD's monitoring of the project's implementation status, an ECP project status form (PSF) (see **Attachment IV**) should be completed for every ongoing ECP project. The ECP/PSF should be completed and/or updated by the division concerned once a year at the end of each calendar year, and should be sent to ED, with a copy to PD and PT, as well as to other divisions concerned in cases when the ECP project is not country or region-specific. ED is responsible



for using the information contained in the ECP/PSF to update the NGO database and prepare the annual ECP progress report to the Executive Board.

25. OE should include, to the maximum degree possible, ECP projects in its country portfolio and mid-term, completion and interim evaluations. The findings of these evaluations should be included in the OE reports and communicated to PD and PT and to the NGO Unit for recording in the NGO database and inclusion, as appropriate, in the NGO web page and in relevant reports to the Executive Board.

26. After the physical completion of the ECP project, the NGO will prepare a project completion report (PCR) and send it to IFAD within six months of project completion. The PCR should give a brief review of how the project was initiated and implemented, to what extent the originally planned activities have been carried out, what constraints have been experienced in their implementation, and the effects, benefits and lessons learned (see **Attachment V**).

27. The NGO-submitted PCR and all other significant internal/external documents pertaining to a particular ECP grant must be copied to PT, VC and ED and reflected, as appropriate, in the ED NGO database, the NGO web page and relevant reports to the Executive Board.

### **Disbursement of Funds**

28. Each ECP grant is assigned, by VC, a grant number and, from the date of its approval, an account is maintained for the grant and its expenditures are controlled.

29. ECP funds, with the exception of the last payment, are generally disbursed as advance payments on the basis of an approved programme of work described in the Grant Agreement. ECP funds are deposited in bank accounts for which IFAD must receive clear and precise details, including address, account number, name of beneficiary and bank correspondent in the United States in case payment is made in United States dollars. A sample withdrawal application form is provided as attachment to the Grant Agreement.

30. Subsequent withdrawal applications must be accompanied by a statement of expenditures against previously advanced funds (at least 75%) in line with detailed expenditures of the approved programme of work, as described in the Grant Agreement. Subsequent disbursements will also need the authorization of the initiating IFAD officer, certifying satisfactory performance on the part of the NGO and fulfilment of conditions for withdrawals. A PCR and an audit report or statement of expenditures will be submitted within the deadlines set forth in the Grant Agreement, but in no event later than six months after the completion of the project.

31. In order for the NGO to fulfil this requirement, the Grant Agreement will clearly stipulate, as a standard clause, that an amount of up to the equivalent of 5% of the grant will be retained from the last instalment of the grant proceeds, and will be disbursed only upon IFAD's receipt of a satisfactory PCR **and** audit report or its equivalent, as the case might be.

32. Any funds not accounted for will be returned to IFAD or, if such funds are less than the last payment due, will be credited against such last payment.

33. Withdrawal applications by NGOs will be addressed directly to VC, which will seek the originating division/department's confirmation regarding the compatibility of applications with the project requirements and will authorize disbursement from the grant account.

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34. For disbursement purposes, similar expenditures should be grouped into cost categories indicated in a schedule to the Grant Agreement. Major categories of expenditures include: consultants; contractual services; workshops; preparation/publication of manuals/surveys/studies; audit and completion reports; operating costs; and overhead costs. Inclusion of overhead costs should be clearly separated from the other categories of expenditures. Changes in the approved category allocations are allowed up to 10% of a given category or to an amount of less than USD 10 000. Changes above these levels will require VC authorization upon approval by departmental head.

35. Prior to, or together with, the first withdrawal application, the NGO must provide IFAD with the specimen(s) of signature(s) of the persons authorized to withdraw funds from the grant. A model letter to submit such specimens is attached to the Grant Agreement.

36. Transfer of funds from the NGO to community-level organizations will be made in accordance with conditions specified in the Grant Agreement to ensure adequate accountability. The recipient NGO will have, vis-à-vis IFAD, overall responsibility and accountability for the implementation of the project, use of proceeds and reporting, including audits.

### **Procurement of Goods and Services**

37. Procurement procedures and guidelines have to be drawn taking into consideration that NGO activities usually deal with social and institutional capacity-building and that competitive bidding is not always possible. Said procedures and guidelines, if necessary, will be reflected in the Grant Agreement and, in any event, must be satisfactory to IFAD and in line with its procurement policies and procedures.

### **Auditing**

38. The Grant Agreement will specify the obligation that the NGO has to submit, upon completion of the project but prior to the grant closing date, an audit report or statement of expenditures, as appropriate, and in line with the scope and size of the project.

39. NGO grants are normally given to established NGOs who prepare annual financial statements, subject to external audit and published in an annual report. In that case, the NGO will avail itself of the standard form attached to the Grant Agreement.

40. In the case of NGO recipients who do not practise the above, audit requirements will depend on the amount of the grant. Where the grant exceeds USD 50 000, an audit should be carried out to cover the full amount and the full period of the grant. Costs of said audit may be included in the grant. Where the grant is USD 50 000 or less, an accountability statement is required from an authorized official of the NGO, who should not, if possible, be the person directly responsible for handling and reporting on the grant funds. This statement should be for the full amount and for the full period of the grant. It is the responsibility of the initiating IFAD officer to ensure that the recipient complies with the requirement for a statement of expenditures.

### **Amendments and Cancellations**

41. During the implementation of the ECP project, it may be necessary to enlarge/change the scope of project activities, which may, in turn, necessitate an increase in the amount of the grant. In such cases, the following procedure should be followed:

- (a) Provided the original grant is less than USD 100 000, any increase(s) in funding, up to USD 100 000, will be approved by the head of the department concerned, based on a memorandum from the initiating officer, prepared in consultation with OL and VC with



appropriate reporting to the NGO Unit. Any amendment exceeding an aggregate of USD 100 000 must be presented to the Executive Board for approval.

- (b) Extensions of project completion and grant closing dates, for a maximum of six months, will simply be communicated by the initiating officer to OL, VC and the NGO Unit. Longer extensions must be approved by the head of the department concerned, after clearance by OL and VC and with appropriate reporting to the NGO Unit.

### **Reporting to the IFAD Executive Board**

42. On the basis of ECP project information received from relevant IFAD staff, the NGO Coordination Unit in ED will include in its annual ECP progress report to the Board a section highlighting lessons learned from ECP projects completed during the previous year.



## IFAD/NGO CONSULTATIONS

1. The IFAD/NGO consultations began in 1990, following the establishment of the NGO Extended Cooperation Programme (ECP) in 1987, when IFAD's Executive Board considered the need for a formal forum for IFAD-NGO dialogue and exchange. The overall goals of these meetings, as articulated at the second consultation, are:

- (a) to provide a framework for strengthening IFAD's collaboration with NGOs and a forum for policy dialogue and exchange of operational experiences, knowledge and lessons learned;
- (b) to facilitate the involvement of NGOs as IFAD's partners and promote mutual cooperation; and
- (c) to suggest areas for pilot activities that can lay the groundwork for future IFAD interventions.

2. In order to ensure a broad participation and reflect IFAD's collaboration in the field, NGO participation is on a rotation basis and reflects a geographic balance among regions as well as between local and international NGOs. The NGO participants elect, prior to the consultation, the two NGO co-chairpersons.

3. Over the years, the consultations have provided a forum for close interaction between select development NGOs and IFAD on a number of policy and operational issues of common concern. The meetings have contributed to forging stronger partnerships around common objectives. They have also offered opportunities for IFAD to tap NGO knowledge and know-how, which can contribute both to increasing the responsiveness and sustainability of the Fund's operations and to strengthening its role as a knowledge institution on poverty and poverty alleviation. To date, 200 NGOs have participated in the consultations. More than 50% of these have worked/are working with IFAD in the field.

4. The number of participating NGOs has ranged from 23 to 40. Case studies of NGO and IFAD projects are, usually, the point of departure for discussions. The themes selected for the consultations in the past were:

- India 2000: IFAD/NGO/Governments: Tripartite Partnerships for Poverty Alleviation and Food Security through Programmes and Projects;
- Egypt 1998: Networking and Cooperation Mechanisms;
- Italy 1997: Local Area Development Programmes for Sustainable Resource Management;
- Italy 1996: Capacity-building at the Local Level;
- Italy 1995: Land Degradation and Poverty;
- Italy 1994: Rural People's Organizations;
- Italy 1993: Providing Credit to the Rural Poor;
- Italy 1992: Beneficiary Needs Assessment: The Role of NGOs;
- Italy 1991: Effectiveness of IFAD/NGO Collaboration; and
- Italy 1990: Review of IFAD/NGO Collaboration – Policy Issues.

As of 1998, the consultations are held outside IFAD headquarters. The locations vary, and consultations are usually held near an IFAD-supported project so that participants can examine on-the-ground activities and exchange views.



5. The following provides brief presentations of the last two IFAD/NGO consultations.

### **Tenth IFAD/NGO Consultation, 2000**

#### *IFAD/NGO/Governments: Tripartite Partnerships for Poverty Alleviation and Food Security through Programmes and Projects*

6. The tenth IFAD/NGO consultation was held in Pune, India, from 29 May to 2 June 2000, with the participation of 35 NGOs from developing and transition-economy countries, six NGOs from Europe and North America, eight developing-country government officials, 15 IFAD staff and a number of special guests and speakers. The consultation included a field visit by the participants to the IFAD-financed *Maharashtra Rural Credit Project*, which was the subject of one of the case studies reviewed by the consultation. (The full report on the consultation is available from the NGO Unit.)

7. The choice of the theme derived from the recognition that in order to increase the responsiveness and sustainability of development investments in poverty alleviation, there is a need for increasing support to decentralized planning and administration of public services, for community participation in public resource planning and for direct community action to service community needs. These are areas in which IFAD is increasingly providing support and in which many NGOs have acquired years of experience. They are also areas in which the support of government in providing a conducive policy and institutional environment is essential.

8. The choice of this theme must also be understood against a subtle and gradual shift in development policy and development assistance, at large, from a supply-driven approach towards one that increasingly emphasizes the direct delivery of resources to communities, in direct response to community-generated demand. Thus, another aim of the consultation was to examine the implications of this shift, together with the current trend to decentralize government bodies, on NGOs and on the prospects of effective multi-stakeholder partnerships for poverty eradication.

### **Background Documentation**

9. The thematic content of the consultation derived from five case studies of IFAD projects with extensive NGO involvement. One case study was conducted in each of IFAD's five regional divisions: in Zambia (for the Eastern and Southern Africa region); in Benin (for the Western and Central Africa region); in Chile (for the Latin America and the Caribbean region); in India (for the Asia and the Pacific region); and in Armenia (for the North Africa and the Near East region, which includes Eastern European countries and the countries of Central Asia).

10. The studies served several purposes:

- (a) to examine diverse project experiences in order to illustrate the most important aspects – both successes and shortcomings – of the collaboration between government, IFAD and NGOs;
- (b) to determine the extent to which collaboration had supported community participation, including that of the poorest elements, and community planning and decision-making;
- (c) to assess the policy environment in which collaboration took place; and
- (d) to measure the value-added of the collaboration.

11. The case studies, carried out by independent consultants, involved field visits and consultations with project personnel, beneficiaries, government representatives, NGOs and IFAD staff.





12. An overview paper was also prepared, synthesizing the findings and experiences presented by the case studies. The case studies and the overview paper were submitted to the tenth IFAD/NGO consultation as a basis for discussions, which would lead to recommendations, on the challenges and responsibilities facing each partner, the new types of relationships that need to be forged and the new instruments that need to be developed to maximize and harmonize the contributions that each partner can make towards poverty reduction. (The case studies and the overview paper are available from the NGO Unit.)

### **Structure of the Consultation**

13. The first part of the consultation was dedicated to debating the issues that emerged from the case studies and the overview paper, and making recommendations for the future. In the first round of discussions, participants were requested to review and assess concrete attitudes, expectations, instruments, mechanisms, rules and regulations that apply to the design, execution and evaluation of projects and programmes. They were also charged with identifying any factors that might impinge upon the formation of fruitful partnerships, based on the strengths and comparative advantages that each partner can bring to the realization of operations that are responsive and accountable to the poor. The groups were also expected to make concrete recommendations for changes that would facilitate the formation of such partnerships.

14. A second short round of group discussions focused on identifying strictly regional and country-specific issues.

15. The final round of the consultation went beyond projects and programmes to confront the broader poverty agenda and the international poverty reduction targets given to all partners. In this context, participants addressed the challenges facing all stakeholders to engage in broader alliances and partnerships, in policy dialogue and institutional development, in knowledge management and governance issues, discussing what each partner can bring to the fulfilment of that mandate. A brainstorming session was held, based on a presentation delivered by IFAD entitled "Challenges and Tasks Ahead". Following the brainstorming session, the participants formed working groups to focus on three prominent themes that emerged in the presentation:

- (a) grass-roots empowerment processes;
- (b) policy and institutional development processes; and
- (c) knowledge development and sharing processes.

16. Consequently, the final session of the consultation was dedicated to identifying, and reaching a consensus on, the major domains of that broader agenda of rural poverty alleviation and to preparing a unified statement on how to move forward in strengthening and enriching collaboration and partnerships to intervene effectively within those domains.

17. The consultation included a visit to the Maharashtra Rural Credit Project, one of the five IFAD-supported projects covered by the case studies, and gave the participants the opportunity to meet not only the government officials and NGOs involved, but also the village communities and self-help groups.

18. Finally, there was an informal evening session on IFAD's Rural Poverty Report 2001.



**Ninth IFAD/NGO Consultation, Egypt 1998**  
*Networking and Cooperation Mechanisms*

19. As the first Consultation outside IFAD's headquarters, the ninth consultation was held in Cairo, Egypt, in December 1998. The theme was "Networking Cooperation Mechanisms". Besides observers from local and international organizations and a number of IFAD staff, 35 NGOs attended the meeting, of which 23 were from the South.

20. Participants examined and assessed existing modalities of collaboration between NGOs and a number of major regional and international institutions. An in-depth presentation was made on the collaboration arrangements between the African Development Bank (AfDB) and African NGOs both from the perspective of AfDB and from that of one of its major NGO interlocutors - Inades Formation. As an outcome of the discussions, the participants recognized: (i) the urgent need to assess carefully the value-added of NGO collaboration and to decide upon criteria, indicators and measurements for such assessment; (ii) the great burden unintentionally put upon NGOs by multilateral organizations (MLOs) to adapt to the diversity of application, reporting and accounting procedures within MLOs; and (iii) the lack of proper incentive structures that encourage the operational staff of MLOs to further intensify NGO partnerships.

21. Also intensively discussed were: (i) the divide between policy dialogue and advocacy and field-level operations; (ii) the claim by many NGOs worldwide that they represent the universe of civil society; and (iii) the selection criteria and responsibilities for NGOs participating in the policy dialogue with MLOs. In addition, the discussion showed that there was broad consensus that organizational re-engineering and restructuring are not the exclusive obligation of international agencies, but should also be pursued by NGOs.

22. An entire part of the consultation was devoted to the exchange of views and experiences in relation to decentralized local development and community development planning. The most important issues/recommendations put forth by the participants were:

- (a) Primary stakeholders should be identified from the very beginning of the project planning process, and the scope of activities, degree of authority and sphere of influence of each stakeholder have to be delineated very carefully from the very start to guarantee the development and maintenance of the necessary sense of ownership by all parties involved.
- (b) The main principles guiding this process should be the use of clear selection criteria for partners, pluralism, decentralization, a bottom-up approach, and the continued participation of all stakeholders from design to evaluation.
- (c) Participation of the private sector, particularly the local business community, should be sought.
- (d) There is a need to change dominant attitudes and behavioural patterns on the part of all stakeholders.
- (e) IFAD should take the lead in identifying best practices and mechanisms to foster such multi-stakeholder partnerships and provide a forum for the exchange and cross-fertilization of such information.

23. The ninth consultation included a visit to the IFAD-supported Newlands Agricultural Services Project, which offered an opportunity for a very open exchange of views among the participants.



24. An issue that emerged as an important theme for examination in a future consultation was the dynamics of tripartite partnerships among governments, NGOs and international financial institutions: the policies and institutional arrangements and mechanisms that are most effective in fostering them; and the impact that such partnerships have on project performance.



## NGO/ECP GRANT PROCESSING AND REPORTING

1. **Submission of NGO project proposal to IFAD**
2. **Entry into Pipeline – Initiating Officer:**
  - reviews detailed proposal and, if necessary, revises in collaboration with NGO;
  - seeks the concurrence of the Government on the proposed activities, if such is required under relevant legislation and/or policies;
  - requests that the department head include the proposal in the work programme; and
  - seeks ED bona fide certification of the NGO recipient.
3. **Processing and Approval – Initiating Officer:**
  - forwards proposal to PT, VC and OL for review/comment/clearance; and
  - submits final version with cover memo to the department head for approval.
4. **Legal Agreement – OL:**
  - upon approval of project proposal and request from initiating officer, prepares the grant agreement and clears it with the initiating officer, VC and the recipient NGO; and
  - forwards four originals of the grant agreement to the initiating officer for signature by department head and subsequent countersignature by the NGO. The NGO retains two originals and returns two to the initiating officer. IFAD's receipt of countersigned grant agreement marks effectiveness and disbursement of funds.
5. **Supervision and Reporting – Initiating Officer:**
  - ensures that the ECP project is supervised; and
  - submits an ECP project status report to PD, PT, ED, VC, OE and the Documents Centre.
6. **Reporting – NGO:**
  - submits progress report(s) and, upon completion of the project, a project completion report (PCR) to IFAD; and
  - submits an audit report or equivalent to the initiating officer within six months of project completion. These are circulated to ED and VC.
7. **Reporting – NGO Unit**
  - submits annual progress reports to the Executive Board, including lessons learned;
  - records relevant information in the NGO web page and the NGO database, as appropriate;
  - disseminates ECP project experience and lessons learned in-house and to the NGO community, as appropriate.



## MODEL OUTLINE FOR ECP GRANT PROPOSALS

To ensure timely and efficient processing of ECP grants, it is of great importance that project proposals be carefully written in one of the official languages of IFAD and include, to the maximum degree possible, the following:

1. summary of proposed project;
2. institutional profile of the NGO, addressing the eligibility criteria as specified in the ECP procedures (information should include complete name and address, authorized representative – e.g. director general – details of registration, institutional capacity, experience, specialization, staffing);
3. rationale and objectives of proposed project and justification for NGO ECP grant;
4. link(s) to IFAD projects, strategy and concerns;
5. project area and target group (if applicable);
6. description of proposed activities and their duration;
7. expected outcomes, benefits and beneficiaries;
8. nature of innovation and learning involved;
9. implementation arrangements (roles and responsibilities and services/functions to be performed by the NGO(s) concerned);
10. monitoring and evaluation arrangements;
11. description of participating institutions (if applicable) and their respective roles and responsibilities;
12. project costs (by activity) and allocation of the grant into cost categories (e.g. consultants, equipment and materials, training, meetings);
13. financing plan (including cofinancing arrangements and specification of IFAD coverage and NGO contribution in cash and/or kind to the project);
14. procurement arrangements, if appropriate;
15. disbursements (including specification of tranches);
16. supervision and reporting;
17. accounting and auditing arrangements;
18. appendices, including a list of goods and services to be financed under the project.

**ECP PROJECT STATUS FORM (ECP/PSF)**

<b>ECP Number:</b>	<b>ECP Name:</b>
<b>Project Location: - Country:</b>	<b>- Region:</b>
<b>Initiating Division:</b>	
<b>Implementing NGO:</b>	<b>Origin of NGO:</b>
<b>Approval Date:</b> <b>Agreement Date:</b> <b>Closing Date:</b>	
<b>Total Cost (USD):</b>	<b>- IFAD Grant (USD):</b> <b>- NGO's Own (USD):</b> <b>- Cofinancing (USD):</b> <b>- Others (USD):</b>

**Project Objectives:**

**Project Target Group:**

**Project Activities:**

**Link with Loan Project:**

**Implementation Status:**

**Lessons Learned:**

**Remarks:**



## MODEL OF ECP PROJECT COMPLETION REPORT (ECP/PCR)

### Main Report

#### Table of Contents

#### Executive Summary (1 page)

**I. Introduction** (to provide basic information on the project, e.g. overall objectives; outputs/components; total cost and cost by source – IFAD, NGO and others; planned innovative aspects; expected link with IFAD projects; monitoring and evaluation arrangements).

#### II. Assessment of Project Implementation

**A. General** (overview of project performance)

**B. Performance of Project Components/Outputs** (assess performance of each component in relation to the stated objectives, and analyse the underlying reasons for successful or poor performance. This should include specification of constraints encountered during implementation, means used to address them and suggestions for the future. The section should be analytic and supported by both quantitative and qualitative indicators.)

**C. Achievement of Project Objectives** (assess whether the established objectives have been achieved. The section should, to the extent possible, analyse the project's impact on local communities in terms of indicators initially set; achievements in testing/adapting innovative aspects (whenever relevant); and prospects for replication and scaling up. It should also assess whether the intended linkage with IFAD project(s) has been achieved. Non-quantitative aspects should be captured, e.g. grass-roots capacity-building, impact on the NGO's own institutional capacity and approaches.)

#### III. Lessons Learned and Indication/Suggestions for Appropriate Dissemination

#### Annexes

- A. Physical Progress of Project
- B. Disbursement by Year and by Component

Any additional information deemed necessary with respect to any section of the main text could be presented in the form of (an) annex(es).