



IFAD
INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT
Executive Board – Seventy-Third Session
Rome, 12-13 September 2001

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

**STRENGTHENING THE CAPACITY OF THE RURAL POOR TO GAIN AND SUSTAIN
ACCESS TO PRODUCTIVE ASSETS**



**REPORT AND RECOMMENDATION OF THE PRESIDENT OF IFAD
TO THE EXECUTIVE BOARD FOR FUNDING A TECHNICAL ASSISTANCE GRANT
TO THE
POPULAR COALITION TO ERADICATE HUNGER AND POVERTY
FOR
STRENGTHENING THE CAPACITY OF THE RURAL POOR TO GAIN AND SUSTAIN
ACCESS TO PRODUCTIVE ASSETS**

I submit the following Report and Recommendation on a proposed technical assistance (TA) grant to the Popular Coalition to Eradicate Hunger and Poverty for Strengthening the Capacity of the Rural Poor to Gain and Sustain Access to Productive Assets, in the amount of USD 500 000 for the period ending 31 December 2002. The community empowerment facility (CEF) is a specialized facility, which supports innovative projects that strengthen the capacity of the rural poor to gain and sustain access to land, water and other productive assets.

I. BACKGROUND

1. IFAD's institutional, financial and technical support has been the decisive factor in the development of the Popular Coalition and its programmes.
2. As the specialized United Nations institution responsible for promoting "the economic advancement of the rural poor, mainly by improving the productivity of on- and off-farm activities", IFAD has been in the forefront of action to improve the rural poor's access to productive assets.
3. IFAD was instrumental in creating the Popular Coalition as a collaborative mechanism based upon a vision, at the time unique among institutions, of a new form of equal partnership among civil-society organizations (CSOs) and intergovernmental organizations. The Fund was also visionary in obtaining the consensus of a multi-stakeholder constituency on the importance of land reform and access to productive assets.
4. Access to assets is a pillar of IFAD's *Rural Poverty Report*. The Popular Coalition is an important instrument enabling IFAD to pursue rural poverty alleviation in collaboration with diverse stakeholders at local, national and international levels.
5. The CEF is one of the central programmes through which the Popular Coalition is supporting and testing innovative civil-society activities that can complement and inform the strategic plans and country objectives of IFAD.

II. RATIONALE

6. In December 2000, the Executive Board approved a TA grant to the Popular Coalition, one component of which was to establish a special fund of USD 500 000 in order to increase the scope of the projects that the CEF could support during 2001. In recommending that the President advance that TA grant to the Executive Board, IFAD management affirmed that further grants in 2001 and 2002 would result in IFAD's meeting its earlier commitment to the CEF for USD 3.0 million. The



position was that this would be achieved by TA grant 416 (approved by the Executive Board in September 1998) of USD 1.6 million to the CEF trust fund and three successive annual grants of USD 500 000.

7. The progress report to the Governing Council in February 2001 highlighted the practical results being accomplished by the Popular Coalition, including the Knowledge Network on Agrarian Reform (ARnet) and the progress in uniting the intergovernmental and civil-society communities in joint actions. It reported an emerging base of wider donor support and plans to operationalize the CEF in 2001.

8. The Project Approval Committee, comprising IFAD and four other Popular Coalition members, considered 16 proposals at its first meeting on 18-19 April 2001. The Committee fully approved eight and conditionally approved three projects, for a total value of USD 500 000. Five proposals were rejected.

9. The approved projects include, *inter alia*:

- land conflict resolution by indigenous people in Guatemala in the context of the peace accords;
- the people's campaign for agrarian reform in The Philippines;
- regularization of communal lands in Ecuador;
- access to forest lands under the new land law in Albania;
- promotion of land literacy (i.e. the process of educating people about their land rights and entitlements) and community development in Madagascar;
- technical services to fishermen in India who have won control over their fishing grounds; and
- consensus-building of community and municipal leaders on an acceptable land tax system for financing infrastructure and support services in Honduras.

10. In October 2001, when the USD 298 000 balance for 2001 is expected to be committed, the Committee will consider over 20 of the growing number of proposals currently in the pipeline. The total funding available under the CEF for 2001 is USD 798 000, consisting of TA grant 516 (approved by the Executive Board in December 2000) of USD 440 000 and interest income on the CEF trust fund of USD 358 000. The trust fund has capital of USD 2.8 million based on IFAD and World Bank contributions.

11. IFAD's country portfolio managers (CPMs) are showing an increased level of interest in CEF activities. Moreover, discussions with the Project Management Department (PD) are revealing ways for CEF activities to complement IFAD's strategic goals and country objectives more effectively. The first two IFAD-associated CEF projects to be approved were initiated by the Eastern and Southern Africa Division (PF). One, the Community-Based Resettlement Approaches and Technologies (CREATE) Project in Zimbabwe, had to be set aside following approval due to difficulties in the country. The other, the Southern Africa Natural Products Trade Association (SANproTA) Project, received conditional approval in April and has since been formally approved. Meetings have been held with all PD divisions and the non-governmental organization (NGO)/CSO Unit in the Economic Policy and Resource Strategy Department (ED), which have identified opportunities for collaboration. Popular Coalition missions to the field have led to discussions with CPMs on CEF projects in Ecuador and Indonesia.

12. The potential of the CEF was initially revealed through a pilot project in 1999-2000 to test the proposed framework. While one project cannot anticipate the future results of the CEF, this project (in the Capiz Province, The Philippines) illustrated how strategic interventions can be effective. It



supported land reform beneficiaries, formerly sugar cane cutters on three estates, enabling them to acquire TA, financial services and markets access, and to develop community-based organizations to ensure the sustainability of these services. The Government indicated that this project made a useful contribution to its review of the Comprehensive Agrarian Reform Programme. In the project area, the Department of Agrarian Reform (DAR) had been encouraging leaseback to landowners on the premise that former farm labourers would be unable to become profitable farmers. The doubling of incomes resulting from this CEF project led DAR to move from its former policy to one supporting land reform beneficiaries. The CEF provided financing of USD 35 000 to the project.

III. THE PROPOSED GRANT

13. The purpose of the proposed grant is to:

- strengthen the negotiating abilities of the rural poor, women and marginalized groups so that they can gain access to, and control of, land, water and other natural resources and to the tools and processes required to manage them, including knowledge, technology, institutional systems and finance; and
- facilitate the representation of these groups in local governance so that they can help shape the public policies affecting their livelihood systems.

IV. EXPECTED OUTCOMES AND RESULTS

14. The proposed TA grant funding will lead to a range of CEF activities and outcomes, including:

- supporting the CEF Project Approval Committee (which meets twice a year);
- cofinancing a minimum of ten CEF projects;
- supervising, monitoring and evaluating CEF projects using the Popular Coalition's regional nodes from the Coalition Executive Council with field presence (such as the European Commission, the Food and Agriculture Organization of the United Nations (FAO), IFAD and the World Bank) and through missions from the Secretariat based at IFAD;
- undertaking, in consultation with ED and each regional division of PD, programmes that will complement IFAD's strategic goals and country objectives;
- enhancing the capacity of civil society in selected countries as a basis for entering into partnerships with IFAD in its activities and lending programmes and facilitating interaction and contact as necessary;
- documenting, analysing and disseminating lessons from the programmes cofinanced by the CEF;
- organizing national and international workshops on innovative and participatory methodologies to resolve land-related problems;
- disseminating results and lessons learned from CEF projects among countries and across regions (e.g. from Asia to Africa to Latin America and the Caribbean);
- facilitating collaboration and consultation among the CEF member organizations, governments and intergovernmental organizations on resource-access issues; and
- supporting members of the Popular Coalition to incorporate appropriate solutions and methodologies into their rural programmes.



V. STRENGTHENING THE CEF-IFAD LINKS

15. In fostering the creation and supporting the operation of the Popular Coalition, IFAD was proactive in ensuring that the Popular Coalition was as autonomous as possible in order to engender the collaboration of intergovernmental and civil-society partners. At the same time, IFAD, as a partner, needs to be engaged in a way that strengthens its input to and benefits from the work of the Popular Coalition.

16. A wide-ranging set of links exists between the CEF and IFAD. In addition, an annual consultative meeting will be held between the Popular Coalition and IFAD to ensure a common understanding of current CEF activities and to explore new ideas and opportunities for collaboration. Such a meeting will reach beyond the CEF and include other subjects within the Programme of Action of the Popular Coalition.

VI. MONITORING AND EVALUATION

17. The CEF will be evaluated in 2002, by which time it will be possible to: examine the progress of the 2001 projects; extract initial lessons learned; identify ways to improve the operating framework; and make an initial assessment of CEF's ability to bring forward innovations on how the poor can negotiate and sustain their own access to resources. This evaluation will also examine the long-term financial viability of the CEF as a co-funding mechanism. The Office of Evaluation and Studies (OE) will advise on the evaluation framework and methodologies, and will review the results; the Technical Advisory Division (PT) will provide technical input.

VII. STATUS OF RESOURCE MOBILIZATION

18. The funding for CEF activities is comprised of interest income from the CEF trust fund and grant funds. Grant funds from IFAD for 2001 are USD 440 000. Income available from interest is higher than average since it includes income that has accumulated over several prior years. For 2001 the available amount is USD 358 000.

19. As a partner in the Belgian Survival Fund Joint Programme, the Popular Coalition is negotiating a contribution of USD 280 000 for CEF activities. A decision is expected by mid-October.

20. Funding from the European Union (EU) in support of the CEF is expected by late 2001. The negotiations with the EU have indicated that the Popular Coalition can reasonably expect a grant of 5.0 million euros over three years towards the overall programme of the Popular Coalition. From this total, the current negotiations are to allocate not less than 350 000 euros in each of the three years to the CEF. The Asian Development Bank and the Inter-American Development Bank have confirmed their intentions to become partners of the Popular Coalition. In expressing their intention to become partners of the Popular Coalition, they recognize the requirement of making a financial contribution. The level of their funding has not been negotiated.

21. In addition to donor support, each project supported by the CEF requires co-funding by the recipient CSO.



VIII. RECOMMENDATION

22. 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 technical assistance for Strengthening the Capacity of the Rural Poor to Gain and Sustain Access to Productive Assets, commencing in October 2001 and continuing through 31 December 2002, shall make a grant not exceeding five-hundred thousand United States dollars (USD 500 000) 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.

Lennart Båge
President