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**IFAD**

**INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT**

**Executive Board – Eighty-Fourth Session**

Rome, 18-20 April 2005

**REPORT AND RECOMMENDATION OF THE PRESIDENT**

TO THE EXECUTIVE BOARD ON A PROPOSED

**GRANT**

**UNDER THE GLOBAL/REGIONAL GRANTS WINDOW**

FOR

**AGRICULTURAL RESEARCH AND TRAINING**

BY A

**CGIAR-SUPPORTED INTERNATIONAL CENTRE**



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**REPORT AND RECOMMENDATION OF THE PRESIDENT OF IFAD  
TO THE EXECUTIVE BOARD ON A PROPOSED TECHNICAL ASSISTANCE GRANT  
FOR AGRICULTURAL RESEARCH AND TRAINING BY  
CGIAR-SUPPORTED INTERNATIONAL CENTRES**

I submit the following report and recommendation on a proposed technical assistance grant for agricultural research and training to an international centre supported by the Consultative Group on International Agricultural Research (CGIAR) in the amount of USD 900 000.

**PART I – INTRODUCTION**

1. The present report recommends the provision of IFAD support to the research and training programme of the following CGIAR-supported international centre: International Water Management Institute (IWMI).

2. A document on the technical assistance grant for approval by the Executive Board is contained in the annex to this report:

International Water Management Institute: Programme for Enhancing Mekong Region Water Governance.

3. The objectives and content of this applied research programme are in line with the evolving strategic objectives of IFAD, and the policy and criteria of its technical assistance grant programme for agricultural research and training.

4. The strategic objectives of IFAD's support for technology development relate to: (a) IFAD's target groups and their livelihood strategies, specifically in remote and marginalized agro-ecological areas; (b) technologies that build on traditional knowledge systems, are gender-responsive, and enhance and diversify the productive potential of resource-poor farming systems by improving productivity, addressing production bottlenecks and improving market opportunities; (c) access to productive assets (land and water, financial services, labour and technology, including indigenous technology), and sustainable and productive management of such resources; (d) a policy framework that provides the rural poor with an incentive to reach higher levels of productivity, thereby reducing their dependence on transfers; and (e) an institutional framework within which formal and informal, public- and private-sector, local and national institutions provide services to the economically vulnerable, according to their comparative advantage. Within this framework, IFAD also intends to develop commodity-based approaches to the rural poor. Finally, the establishment of a consolidated network for knowledge-gathering and dissemination will enhance the Fund's capacity to establish long-term strategic linkages with its development partners and to multiply the effect of its agricultural research and training programme.

5. The technical assistance grant proposed in this document responds to the foregoing strategic objectives (c), (d) and (e). As for strategic objective (c), the outputs of the grant will contribute to ensure secured access to water resources and more productive management of these resources through providing a multi-stakeholder platform to share local knowledge on water governance issues and information among communities from the local level up to state level in the Mekong Region. This mechanism will serve to discuss the interests of the various water users and contribute to diminishing conflict potential. Regarding strategic objective (d), participation mechanisms to institutionalize the voice of the rural poor will be field tested with civil-society organizations, documented through social learning and scaled up among partners in the participating countries and watersheds of the Mekong

Region. In terms of strategic objective (e), activities under the grant will foster dialogue, awareness, networking, capacity and knowledge through research pilot activities and regional exchanges among public, private, local, national, regional and international institutions.

#### **PART II – RECOMMENDATION**

6. 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 Programme for Enhancing Mekong Region Water Governance, shall make a grant not exceeding nine hundred thousand United States dollars (USD 900 000) to the International Water Management Institute 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

**INTERNATIONAL WATER MANAGEMENT INSTITUTE:  
PROGRAMME FOR ENHANCING MEKONG REGION WATER GOVERNANCE**

**I. BACKGROUND**

1. The Mekong Region encompasses Cambodia, the Lao People's Democratic Republic, Myanmar, Thailand, Viet Nam and the Yunnan province of China. It covers an area of 2.3 million km<sup>2</sup> and is home to about 250 million people (Asian Development Bank and the United Nations Environment Programme, 2004). The region has many significant, social challenges: continuing water and food scarcity for many; pressure from new forms of globalization and regionalization; tense and largely self-interest-dominated relationships between Mekong Region States; interventions and interference of external powers; government policies affecting ethnic minorities; labour migration; HIV/AIDS and drugs use; biotechnology impact on rural production systems; and a range of injustices.

2. The major river basins of the region – from west to east – are the Irrawaddy Salween, Chao Praya, Mekong and Red. There are countless sub-basins (catchments or watersheds), natural lakes, aquifers and man-made dams and reservoirs across the region. There are also a number of coastal river basins, some quite large, which together comprise the visible and accessible freshwater resource. Key challenges involve conflicts over water and energy demand, dams interfering with natural river flows, water diversions, altered sediment or nutrient loads, and reef blasting for transportation. Livelihoods have already been affected by a number of changes: to hydrology from erosion; to ecology by fisheries; and by aquaculture. Food production systems, cultural traditions and economies have all seen dramatic changes in recent years, and even greater changes are predicted for the future. Water governance throughout the Mekong Region needs radical transformation if it is to deal with these challenges.

**II. RATIONALE/RELEVANCE TO IFAD**

3. Water resources governance involves a range of political, social, economic and administrative systems in place both to develop and manage water resources and deliver water services. The contribution of the grant to transforming water governance in the Mekong Region corresponds to IFAD's goal to 'transform relationships, the rules of engagement and the dynamics of consultation among the main stakeholders' of the international research system. A multi-perspective, regional approach will be adopted to scrutinize: (i) the equity and effectiveness of existing rules and options; (ii) the relationships of power and interplay among actors; and (iii) the dynamic context within and between each country. The way forward on this path is action-research on dialogue and policy. A key task for dialogue is to deal with different cultures, languages, professional and corporate values, views and preferences when attempting to foster learning and deliberation within and among societies. A key related task is to make, implement, evaluate, improve and reimplement policy.

4. The above-mentioned approach will contribute to a better understanding of the relationships among the rural poor and their organizations, and of their context, in the six countries of the Mekong Region (strategic objective 1 of the grant programme under the IFAD Policy for Grant Financing). Hence it will help to improve the targeting of IFAD initiatives in the countries involved (catalytic impact in policy and dialogue) with regard to water resources (strategic objective 2), in particular in Thailand and Myanmar where the grant will provide entry points for developing IFAD's lending

programme. The social-learning approach<sup>1</sup> will also support IFAD's regional strategy for the Asia and the Pacific region. The governance approach will complement the technology approach adopted with regard to water resources. It will also support the development of IFAD's policy dialogue with governments on water resources and its advocacy for ensuring access to such resources for the rural poor.

5. National research institutions in the six Mekong countries have expressed interest in collaborating with the CGIAR Challenge Program on Water and Food (CPWF), managed by the International Water Management Institute, and with the national committees of the Mekong River Commission. As a research institute, the implementer, Chiang Mai University (CMU), offers the possibility of including the Yunnan province of China in the debate – a comparative advantage to other institutions like the Mekong River Commission. In addition, the proposed programme approach will clearly include civil society among the stakeholders and look into possible ways for more closely involving civil society in policy dialogues and decision-making processes.

### III. THE PROPOSED PROGRAMME

6. The IFAD grant intends to finance two out of the seven modules included in proposal #50 of the CPWF. As a consequence, the overall goal of CPWF #50 is also the goal of the grant:

“Enhance food security, livelihoods, health and environment in the Mekong region through improved water governance”.

7. The two action-research modules submitted for IFAD funding deal with: (a) state water policies; and (b) negotiation, dialogue and diplomacy – alternative models for water governance involving the states and civil societies of the Mekong Region. The specific objectives of these two modules are to:

**state water policies:** analyse and share lessons from the historical shifts in water policy and from current debates and proposals, with broad whole-of-state and whole-of-region contexts, particularly focusing on water policies for agriculture (and energy) and relevant institutions; and

**negotiation, dialogue and diplomacy:** identify and document the diversity of ongoing dialogue, negotiations or confrontations and diplomacy around water issues, including both formal and informal processes.

#### **Key Programme Activities**

8. In both modules, programme activities will follow the social-learning approach and consider the following influential elements: history, discourse, knowledge and stakeholder participation. The programme will build on the social-learning approach applied to case studies both to synthesize the information and communicate the synthesis to a wide audience.

9. The outcome-oriented policy module will analyse the history of state and regional water policies, paying particular attention to how benefits and involuntary risks are shared, and the processes by which various issues become embedded in public policies. Changes in formal laws and regulations related to water resources and the specific management and infrastructure development activities undertaken or facilitated by the state will be taken as a starting point.

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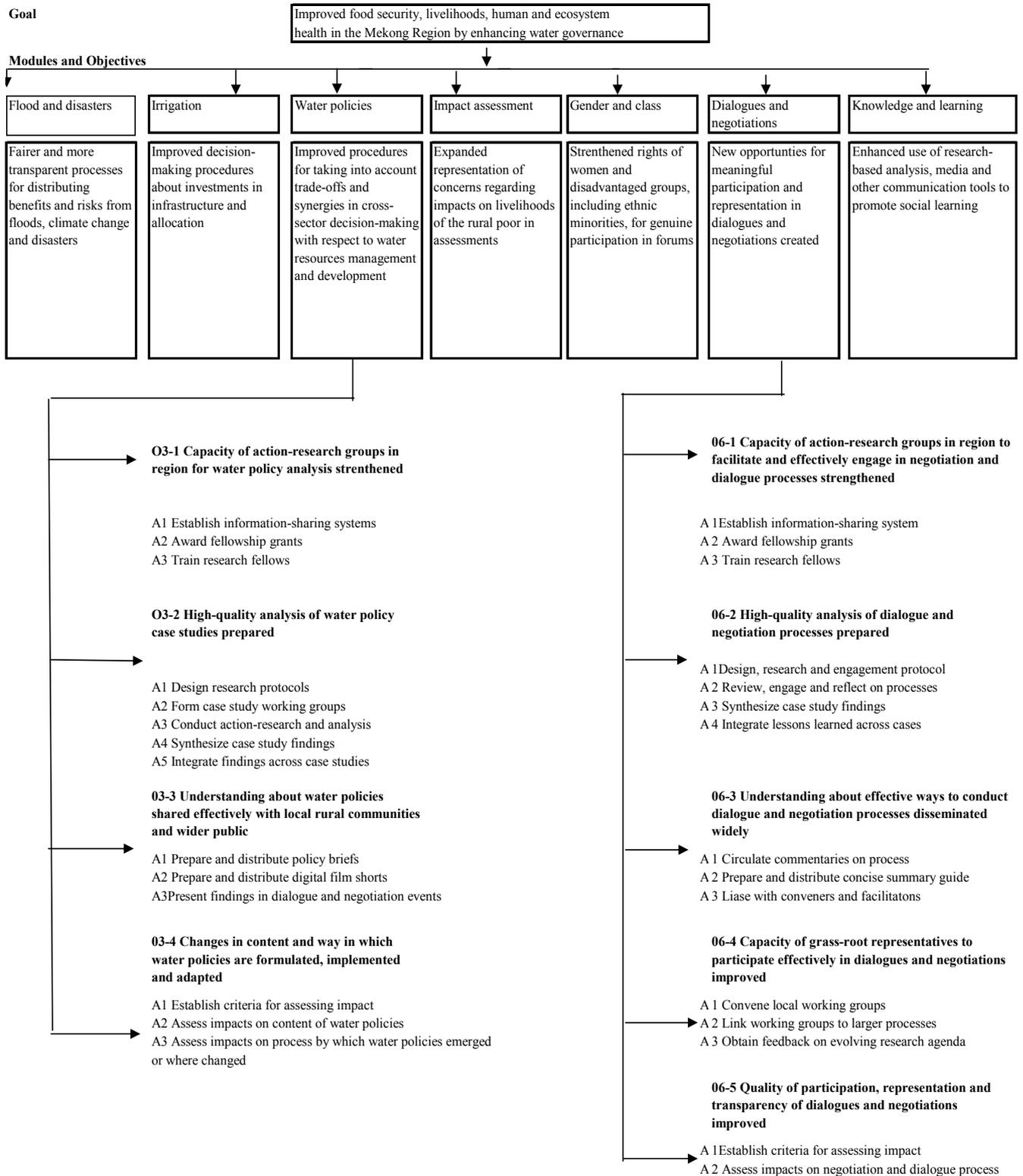
<sup>1</sup> Social learning is defined as “the process by which communities, stakeholder groups, or societies learn how to innovate and adapt in response to changing social and environmental conditions”. (Woodhill, forthcoming: Social Learning Group, 2002).

10. The focus will then turn to areas not addressed by the above-mentioned changes, which in themselves constitute key policy choices, and the impact of policies conventionally considered as ‘other sectors’ but which are nevertheless critical for water. Here, special attention for agriculture, fisheries, conservation and energy is anticipated. Policy analysis will be subsequently complemented with institutional analysis of the interactions of actors in administration, parliament, non-government organizations and various stakeholders at different stages of the policy cycle. Through comparisons among places, times, resources and economic contexts, IWMI and the Unit for Social and Environmental Research (USER) of CMU will learn about water policies in the field and how they are made. The thesis is that some of the most critical policies are never articulated as such because of fear of backlash and the resistance of, for example, farmers or diplomats, whereas policies receiving most public and media attention are often just a sideshow in the overall water game.

11. The process-oriented dialogue module will seek to understand how societies debate and negotiate with regard to water resources. The thesis is that effective platforms – those that bring about resolution without violent conflict and by upholding human rights – are characterized by their providing opportunities for relatively open deliberations, and cater for the need to negotiate provisional trade-offs and compromises, recognizing that full consensus will be rarely attainable because of differences in stakeholders’ interests and strategic positions.

12. Through a network of partner organizations, CMU-USER will review the ‘state of water dialogue’ in each country, between countries and across geographic scales in the region. CMU-USER will subsequently and collectively synthesize lessons learned across the region and participate in and create new forums for dialogue, and critically study them.

**PROGRAMME SUMMARY**



#### IV. IMPLEMENTATION ARRANGEMENTS

13. The programme is part of the CPWF, administered and managed by IWMI, which is a CGIAR centre. By means of a memorandum of understanding, IWMI will channel grant resources to CMU-USER to implement research activities. Similarly, IWMI will delegate responsibility for programme management to the International Food Policy Research Institute, which is responsible for CPWF's research theme on global and national water systems, including CPWF #50. IWMI will provide IFAD with progress reports and audited financial statements and audit reports, according to IFAD's required standards to be elaborated in the grant agreement. The monitoring and evaluation system for the grant will follow CPWF guidelines.

14. Research activities will be implemented through an existing network of collaborating institutions, mainly in the Mekong Region, coordinated by CMU-USER. The research will be coordinated by a network of principal investigators, two for each module, supported by research fellows in host and other partner institutions.

15. IFAD will be a member of the programme steering committee. An advisory group, consisting of five independent experts from the Mekong Region, acting as honorary governors, will also periodically review progress and provide advice (fields of recognized expertise: economics, research management, engineering, governance, legislation, human rights and gender).

#### V. EXPECTED RESULTS/EXPECTED BENEFITS

16. In line with the specific objectives mentioned above, the grant is expected to result in:

- (a) lessons learned from historical shifts in water policy, with particular emphasis on agriculture;
- (b) identification of a diversity of ongoing dialogues, negotiation and diplomacy regarding water issues (both formal and informal processes);
- (c) development and field testing of operational arrangements for multi-stakeholder participation in pro-poor water governance policy-making processes for the Mekong Region; and
- (d) development of inclusive tools and mechanisms for the prevention of conflict in relation to water resources through innovative social learning processes, including civil-society representatives from the Mekong Region.

17. These results will be documented in dialogue and policy briefs, working papers and communications, translated as appropriate.

18. The CPWF programme will directly improve the research capacity of participating researchers and stakeholders in the Mekong regional network to analyse water governance processes by providing technical support and facilitating the sharing of knowledge and experience across partner organizations. Current governance processes will be critically analysed, and problems and constructive suggestions for improvement articulated. This information will be shared through creative and effective use of mass and alternative public media in order to contribute to improving both the content and the way in which water policies are formulated, implemented or altered over time in the Mekong Region. As these improve, the diverse expectations, needs and concerns of Mekong Region stakeholders should emerge more clearly – especially the voices of the poor and grass-roots organizations representing them.

**VI. INDICATIVE PROGRAMME COSTS AND FINANCING**

19. The total cost of the four-year programme is estimated at USD 1 682 500, of which IFAD funding will cover two modules for a total of USD 900 000. The French Government has committed EUR 600 000 (approximately to USD 782 500) to co-fund the other five modules of this research project (Figure above refers). IFAD funding will leverage approximately USD 6.4 million from international development and national institutions.

Item of expenditure		Grant amount by item of expenditure - USD				
		Y1	Y2	Y3	Y4	Total
1	Staff costs	79 500	102 000	102 000	79 500	363 000
2	Consultants and services contracts	2 000	2 000	2 000	2 000	8 000
3	Equipment	14 450	24 500	18 000	4 750	61 700
4	Travel	26 150	34 250	30 500	23 000	113 900
5	Consumables	18 000	18 000	18 000	18 000	72 000
6	Reproduction and publication costs	20 932	21 000	29 250	38 000	109 182
7	Meetings and workshops	24 400	24 500	24 500	17 000	90 400
8	Overhead	18 543	22 625	22 425	18 225	81 818
	<b>TOTAL</b>	<b>203 975</b>	<b>248 875</b>	<b>246 675</b>	<b>200 475</b>	<b>900 000</b>

