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IFAD

INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

Executive Board – Eighty-Fifth Session

Rome, 6-8 September 2005

REPORT ON THE IMPLEMENTATION OF THE IFAD POLICY

FOR GRANT FINANCING

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ABBREVIATIONS AND ACRONYMS

AsDB	Asian Development Bank
CBO	Community-based organization
CGAP	Consultative Group to Assist the Poor
CGIAR	Consultative Group on International Agricultural Research
DSF	debt sustainability framework
FAO	Food and Agriculture Organization of the United Nations
ILC	International Land Coalition
PBAS	performance-based allocation system
TANs	technical advisory notes

REPORT ON THE IMPLEMENTATION OF THE IFAD POLICY FOR GRANT FINANCING

I. INTRODUCTION

1. IFAD's revised Policy for Grant Financing (the "Grant Policy") was approved by the Executive Board in December 2003 and adopted on 1 January 2004. The Executive Board agreed to adopt the policy as articulated in paragraphs 49 and 50 of document EB 2003/80/R.5 (the IFAD Policy for Grant Financing), subject to the clarifications and amendments contained in document EB 2003/80/C.R.P.1. The present report on implementation of the Grant Policy responds to section E of the latter document, in which the Board asked IFAD to review the policy in September 2005, based on "a factual report on implementation of the policy over the initial period. This would involve consideration by the Board of the numbers of grants approved, objectives and purposes, selection criteria and process, and related decisions regarding any amendments to the policy, as appropriate."

2. The Grant Policy was developed in support of the Strategic Framework for IFAD 2002-2006, which called for aligning IFAD's lending and grant activities to achieve maximum impact on rural poverty reduction. The implementation of the Grant Policy so far has been largely shaped by these considerations and the new directions for grant support have been based on enhancing the comparative advantage of grants over loans and the need for grants to complement the lending programme.

3. In terms of grant types, the Grant Policy created two mutually exclusive "windows": one for "global and regional grants"; and one for "country-specific grants". As stipulated in the Grant Policy, the grant programme in 2004 represented 10% of the proposed IFAD programme of work for the year (aggregate of loans and grants). Also, as stipulated in document EB 2003/80/C.R.P.1), grant resources were allocated on a 50/50 basis between the two windows based on magnitude: (a) large grants over USD 200 000, approved by the Executive Board; and (b) small grants of a magnitude of USD 200 000 or under, approved by the President. The country-specific grants window is inclusive of the Programme Development Financing Facility (PDFF) allocation determined through IFAD's programme of work and budget.

4. While this report is primarily focused on the implementation of the Grant Policy, it is also cognizant of ongoing initiatives in several other areas of IFAD's strategic development, some of which are, in addition, being discussed by the Consultation on the Seventh Replenishment of IFAD's Resources. These issues include IFAD's use of grant funds in the context of the debt sustainability framework; the Fund's policy on post-conflict and fragile states; and the performance-based allocation system (PBAS). The report gives a summary of the factual status of the grants programme since the Executive Board approved the revised policy, followed by a review of the strategic linkages to operations and country programming. The report will then review how the policy itself has been implemented in terms of internal processes and will conclude by examining the relationship of the grant programme with the evolving debt sustainability framework.

II. CURRENT STATUS OF IMPLEMENTATION OF THE GRANT POLICY

5. This chapter gives a factual overview of the nature and number of grants approved since the Grant Policy's approval in December 2003 and its adoption on 1 January 2004. Therefore, initiatives in 2004 and some early 2005 projects are covered, along with details of the amount and types of grants, and an overview of the objectives of interventions, including country-specific grants.

A. Scope of the Grant Portfolio Review and Methodology

6. The range of both large and small grants covered by this report includes 85 approved in 2004, and 15 regular large grants (six grants under the global and regional grants window and nine large country-specific grants) approved so far in 2005. In addition, the present report draws on an analysis (based on information extracted from the loans and grants system), which includes grants approved between 2002 and 2004 (just under 300 ongoing grants). This analysis serves to compare the 2004 approved grants to those approved in 2002 and 2003 in an attempt to identify significant trends as well as differences or similarities primarily in the typology, geographical or thematic coverage and recipient constituency. The scope of the analysis in this report also embraces ongoing grants in 2004/2005 in terms of trends in performance monitoring and in terms of the potential impact of IFAD grant-financed research and capacity-building programmes, to the extent that this can be realistically discerned or measured before project completion.

B. Main Trends and Issues

7. **Number of grants.** Some of the main trends in the current portfolio are summarized below. In terms of the number of grants, there is a decrease registered over the three-year period under statistical analysis (Figure 1) from 127 to 85 grants in total. This is partially on account of a temporary freeze, particularly on small grants, until autumn 2003, while the revised policy was under articulation and procedural reform was being considered. The other factor is, as the graph indicates, a decrease in small grants (approved by the President) in favour of larger grants, which represent 31% of the grant portfolio in 2004 as compared to 13% in 2002. This has benefits both in terms of internal administration and in terms of the increasing emphasis being placed on the role of large grants for IFAD-specific interventions. Taken against the value of grants approved, Figure 2 shows that the decline in the value of grants in 2003 was relatively contained and the trend over the three-year period displays an increase in numbers and value (44%) of large grants.

Figure 1: Number of Large Grants Versus Small Grants

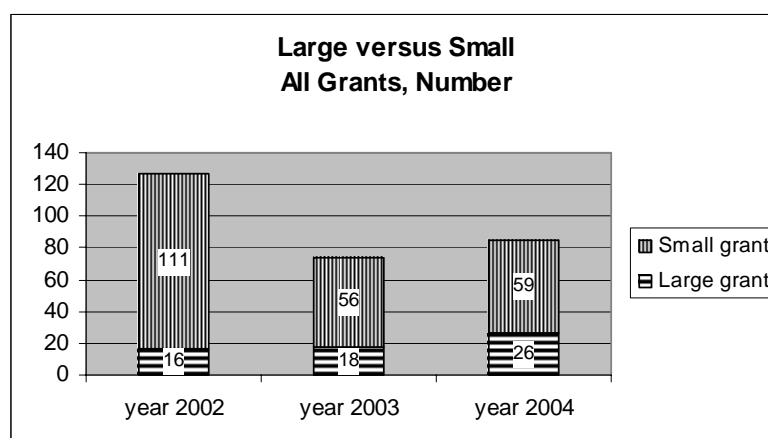
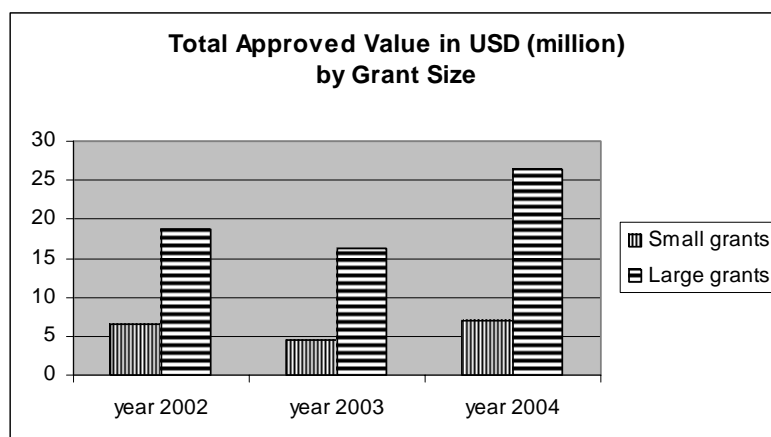
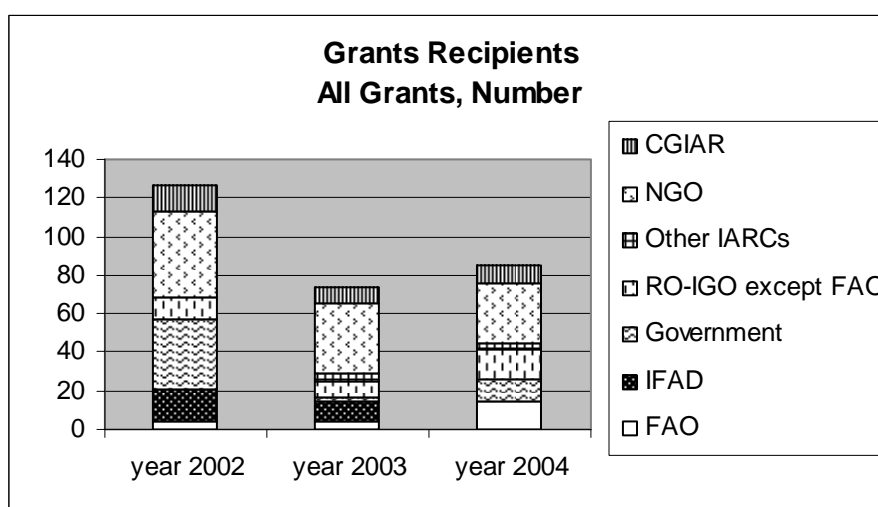


Figure 2: Total Approved Value of Grant by Size

8. Between 2002 and 2004, there was a decrease of 47% in the number of small grants approved. Furthermore, despite a doubling of the ceiling for small grants, the average approved value of small grants was still 40% below the maximum allowed. This points to realistic grant design, based on an objective costing of small grant proposals, rather than an approach dictated by seeking maximum allocations within the agreed ceilings. Conversely, the rising trend for the total value of grants has been associated with an increase in the average size in the global and regional window of 48% between 2002 and 2004.

9. In terms of type of grant recipients, Figure 3 provides evidence of the following trend. Grants to the Consultative Group on International Agricultural Research (CGIAR) centres remain a constant in terms of total number; grants to governments show an increase in 2004 with the onset of country-specific initiatives; and grants to NGOs remain relatively constant reflecting IFAD's focus on supporting innovative, NGO-implemented projects.

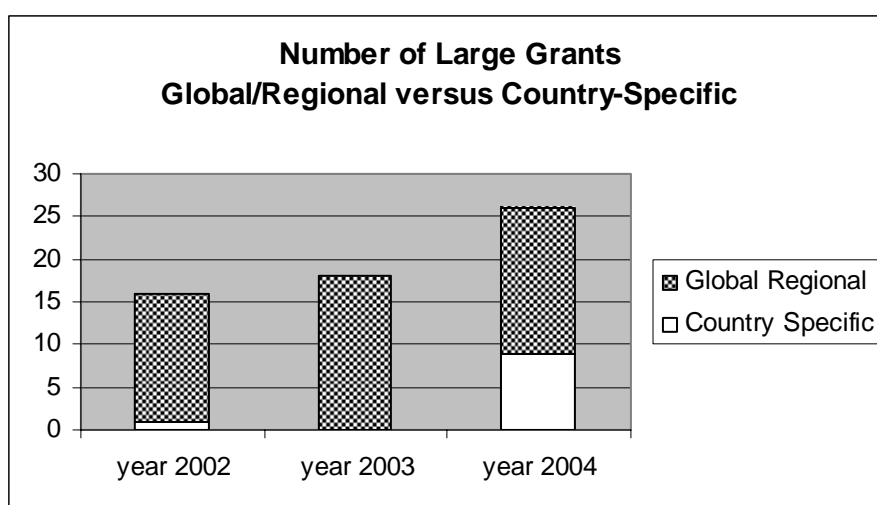
Figure 3: Number of Grants by Grant Recipient

Note: IARCs = International agricultural research centres
RO-IGO = Regional/intergovernmental organizations

10. NGOs are engaged in grants that are: (a) to date, mainly country-specific; although there appear to be an increasing number of grants to NGOs categorized as global/regional in 2004; (b) predominantly from the small grant window; (c) in grand part (90% of all NGO grants) possessing capacity-building objectives; and (d) primarily region-specific, although the share of global grants awarded to NGOs appears to be rising. Grants to NGOs have also involved media-related information dissemination and policy dialogue/policy platforms, including the platforms for support of indigenous peoples.

11. Figure 4 reflects the change in grant allocation that the policy has brought about, namely the introduction of country-specific grants, which has led to more than 30% of large grants in 2004 being country-specific compared to negligible numbers in previous years.

Figure 4: Number of Large Grants – Global/Regional Versus Country-Specific



C. Objectives and Purpose of Grants

12. As agreed in the Grant Policy, grant proposals may be global/regional or country-specific depending on the nature of the innovation and impact envisaged. The two strategic objectives of the grant programme, representing priority areas for IFAD's regular grant resources, are:

- (a) promoting pro-poor research on innovative approaches and technological options to enhance field-level impact; and
- (b) building pro-poor capacities of partner institutions, including community-based organizations (CBOs) and NGOs.

13. **Global/regional.** The Grant Policy objectives of promoting pro-poor research and development (R&D) and/or building pro-poor capacities were included in every grant project approved in 2004 (and in 2005). Indeed, many of IFAD's traditional grant recipient partners (e.g. CGIAR centres) consider the application of these objectives to technology improvement and dissemination of knowledge and information to be now more or less routine.

14. The 2004 programme of work for grants approved under the global/regional window focused on objectives that would create options for poverty reduction by promoting knowledge and information exchanges, using regional research and innovation networks – both CGIAR-led and

non-CGIAR-led.¹ This builds on a trend, pre-dating 2004, of using established pro-poor technologies and the existing institutional capacities of such institutions to focus on the overall development agenda and their role to effect change in the livelihoods of the rural poor. This is borne out by the many ongoing grants in 2004, dealing with specific commodities such as cassava, coconut, camel products, bamboo and rattan, neglected crops, organic medicinal plants and small livestock, that featured participatory market development and innovations in rural finance combined with a focus on technology improvement and dissemination.

15. **Country-specific window.** The use of grant funds to fulfil country-specific objectives has been one of the significant features of the changes brought about by the Grant Policy. This initiative was implemented for the first time in 2004 (including the identification and development of proposals of this type). (A list of all country-specific grants is included in Annex II.) Over the past 18 months, grants developed under this window have been guided by rural development and poverty-reduction issues identified by regional divisions through the development of country strategic opportunities papers (COSOPs), updating of PBAS rural sector performance analyses and through the regular project cycle work associated with project development. Areas that have benefited are partnership-building and policy dialogue activities, post-conflict assistance, local capacity-building and local innovation, and the cofinancing of specific loan project components covering areas and subject matter not normally supported by loan funding. Such grants, financed within the country-specific PBAS, have been developed to support individual country programmes (as part of the evolving country programme approach) within the framework of the COSOPs and poverty reduction strategy papers.

16. Other country-specific issues receiving attention included: tackling critical agricultural production constraints, such as the control of major pests (e.g. the desert locust) through the related technical assistance provision; and capacity strengthening of local plant protection agencies and pro-poor institutions. Institutional weaknesses in agricultural research and development were also addressed through capacity-building grants linked to the loan portfolio.

17. Prior to 2004, grants specific to any one country were usually of a magnitude of less than USD 200 000 and accounted for only 6% of all large grants by 2002. This figure had risen to 20% by 2004. Country-specific large grant financing was approved by the Executive Board in conjunction with loan approvals for four projects in the Asia and the Pacific region, and with one small grant in the Near East and North Africa region. Grant financing in support of a local organization in the Pacific subregion was also approved by the Board to help mainstream a rural development innovations programme by promoting equitable access to productive natural resources and technology and increasing access to financial services and markets.

18. Large country-specific grants were also approved to strengthen the capacity of the Rwandan Ministry of Agriculture in implementing a policy framework for agricultural and rural development that fosters economic development and poverty reduction. In the Comoros, grant financing was approved for a three-year programme to promote the institutional sustainability of the savings and credit union network established under a recently closed IFAD-financed project. Small country-specific grants were approved to support farmer organizations in Western and Central Africa, strengthen community responses to HIV/AIDS in Eastern and Southern Africa, and maintain a country presence in Somalia through grants to NGOs. The role of country grants is discussed in further detail in chapter III.

¹ Annex I describes the spectrum of large grants approved under this window in 2004 reflecting a range of grant-financed research and non-research activities focused on pro-poor rural innovation, e.g. the Regional Unit for Technical Assistance (RUTA) to assist Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama to develop policies, strategies, programmes and projects that contribute to eradication of rural poverty and sustainable rural development in the Central America region.

19. Two major considerations have guided the programme of work for such grants. In accordance with the Grant Policy, resources were apportioned by the Grant Allocation Committee based on regional lending shares. The grants approved under this window were of two types: large grants as components within loans; and small grants with a focus on capacity-building, technical assistance and policy dialogue platforms, as well as pre-investment project support for strengthening organizations of the poor. As discussed above, grants at the country-level associated with programme or project activities are subject to the country allocations determined by the PBAS methodology, based on regional lending shares. It should be noted that if a country is identified as being eligible for grant support, it may be the preference of the country to opt for small amounts of grant financing rather than wait for larger loan funding.

20. **Pro-poor innovation.** The Grant Policy reinforced the need for a sharper focus on innovation and diversity in terms of encouraging heterogeneity of partners and stakeholder involvement in grant-financed programmes. All the large grants approved under the global/regional grant window concentrate on formulating innovative approaches to pro-poor research and development (including capacity-building). Similarly, small grants show increased diversity in objectives, moving beyond specific resource-based concerns (see document EB 2005/84/INF.6 for listings). One example is the trend towards community-based action research, which involves a livelihood/*filière* approach and addresses market access and linkage (with innovative arrangements for primary producers to receive a fair share of the returns on investment). These types of grants build on past bio-physical research outputs to support socio-economic and institutional capacity-building for both pro-poor benefits and knowledge sharing and learning.

21. With the recurrence of desert locust swarms in late 2004, IFAD built on its past investment in promising technical innovations in environmentally friendly preventive measures rather than curative approaches to managing the pest. Several country-specific grants were also aimed at capacity-building in the current campaign in Western and Central Africa to address locust swarms, without relying on hazardous chemicals, which used to be the conventional approach to fighting desert locust plagues. In order to address production constraints in some target countries and to improve stress tolerance in marginal agro-ecologies, IFAD is supporting pioneering research on salt-tolerant fodder, which will broaden feed production options in the Near East and North Africa region. Finally, a number of grants have supported the identification of novel mechanisms and *modi operandi* for rural financial services, drawing the third IFAD strategic objective of “increasing access to financial services and markets” into the grant portfolio.

D. Technical Reporting/Portfolio Monitoring and Reporting

22. As the livelihood approach becomes more widespread and innovations in marketing and rural finance enter the portfolio, technical reporting of financial and socio-economic results has been more frequent and more necessary than before (for instance, in the case of the grants to the International Crops Research Institute for the Semi-Arid Tropics [ICRISAT], Southern African Natural Products Trade Association [PhytoTrade Africa], International Network for Bamboo and Rattan [INBAR], and International Fertilizer Development Center [IFDC]). All programmes financed by grants require, inter alia, progress reports at least once a year and a completion report at the end of the programme (small grants of a duration of one year or less may only require a completion report). Progress reports require the recipient to describe the progress made on programme activities and the use of the funds disbursed while completion reports should detail the level of accomplishment of the objectives, the results achieved, management of costs and the benefits derived or those still to be realized.

23. The recently revised Portfolio Review Guidelines are to be applied to both loans and grants and will report on the basic characteristics of the grant portfolio (i.e. large/small; country/regional; countries covered; project types; and cofinancing and portfolio management – reallocations/partial cancellation). Annex III provides a new format for grant status reports, which reflects the improved

level of detail now covering the dimensions of performance monitoring, financial reporting, and preliminary reporting on development effectiveness parameters and on potential impact. The timely submission of satisfactory financial reporting by recipients should help lay a sound foundation for some recipients when second generation grants are being considered.

24. Under the revised guidelines, the review of large grant progress reports requires task managers to:

- (a) ensure performance of contractual liabilities by the recipient/programme partners;
- (b) monitor the progress of the activities in relation to the period of effectiveness and the workplan and budget; and
- (c) assess lessons learned, problems encountered, and other elements that may be specific to a particular programme.

25. In reviewing the completion reports of large grants against the first strategic objective of the Grant Policy (promoting pro-poor research on innovative approaches and technological options to enhance field-level impact), the IFAD task manager also evaluates the extent to which the goals and objectives of the programme were accomplished and the actual use of the funds. Following the final grant review mission, which occurs within six months of the completion of activities, the relevant task manager prepares a draft summary report.

26. An annual steering committee meeting is usually a standard feature during the implementation of large research grants under the global and regional window (linked to the first strategic objective of the Grant Policy). Such steering committees also provide deadlines for the submission of reports, as they are required to review annual workplans and budgets two weeks in advance of their presentation to IFAD. Steering committees are also required to review: annual progress reports; statements of expenditure; and detailed completion reports before these are forwarded to IFAD. IFAD may participate in steering committees to further monitor successful implementation of grant-financed projects.

27. During 2004, eight technical supervision missions were undertaken on this basis and proved invaluable in the context of resolving technical problems and facilitating the flow of funds. In addition, 14 direct supervision missions by IFAD staff and/or consultants were fielded to monitor and backstop research programmes. At present, global/regional grants are supervised by IFAD. Country-specific grants to Member States are subject to IFAD's General Conditions for Agricultural Development Financing, and therefore usually subject to supervision by a cooperating institution. However, these arrangements are part of an ongoing review of supervision arrangements per se as well as in the context of the development of the new operating model. The Executive Board will be kept informed accordingly. Finally, the Office of Internal Audit has continued its programme of financial accountability reviews of IFAD grant recipients.

E. Knowledge Sharing

28. The IFAD Grant Policy requires "technical advisory notes on pro-poor technologies to be disseminated internally in IFAD and to relevant IFAD partners, and made available to the public..." (paragraph 48). This task is being addressed through development/technical notes that are being prepared on the basis of the results of grant-funded research activities. Other appropriate communication modalities are being used in order to enhance knowledge-sharing on all grant-financed programmes. Technical advisory notes (TANs) prepared by grant recipients on the basis of results and outcomes are collated and elaborated by the Technical Advisory Division for posting on the IFAD web site. The main activities carried out in the context of the development of

TANs during 2004 included the following:

- contacting the coordinators of 13 grants and finalizing the production of TANs;
- collecting and reviewing 26 new TANs;
- conceptualizing a systematic approach for TAN quality assessment through a peer-review system involving IFAD staff and selected international experts. Quality assessment of TANs has been identified as a necessary step before publishing a TAN on the IFAD web site; and
- collaborating with the Communications Division to develop a format that would facilitate the dissemination of TAN findings and best practices to a wider audience.

III. GLOBAL/REGIONAL AND COUNTRY GRANTS: THE PARTNERSHIPS

29. This chapter will describe in detail the types of programmes and projects undertaken through the revised Grant Policy, and the approaches adopted to reflect IFAD's role, focus and evolving country programme methodology.

A. Research and Training Partnerships

30. As co-sponsors of the CGIAR, IFAD, together with the World Bank, the Food and Agriculture Organization of the United Nations (FAO) and the United Nations Development Programme (UNDP), continue to play a leadership role in the realm of research, consistently highlighting the need for research targeted at improving the generation and impact of pro-poor technologies and promoting the necessary methodological, institutional and professional changes. In 2004, IFAD approved grants in the amount of USD 9 million for CGIAR-led programmes. IFAD continues to play an active role in the CGIAR Executive Council. Through this participation, IFAD has contributed to the dialogue on performance measurement, and to programme as well as organizational alignment, all intended to enhance the effectiveness and efficiency of the research and development processes of the CGIAR system. IFAD has also contributed to a book entitled *Agricultural Research and Poverty Reduction: Some Issues and Evidence*, published in 2004.

31. The CGIAR seeks to develop effective and inclusive research governance mechanisms to respond to the needs of the rural poor through systematic interaction with downstream partners in the national agricultural research system. Such partners include not only national agricultural research institutes but also NGOs, agricultural universities, the private sector, producer organizations (civil society organizations and CBOs) and others with a critical role in fundamental, strategic or adaptive research downstream, as a part of global technology development. The Global Forum on Agricultural Research (GFAR) initiative has significant potential in this regard, and has been supported by IFAD since the inception of the forum in 1996. IFAD's participation in GFAR encourages inclusiveness and provides a platform where the poor can be heard, their capacities and needs understood, and where they can participate as partners in finding sustainable solutions to the challenges they face. It is through this type of empowerment that the development opportunities of the poor will grow and their influence on priority setting on the research agenda increase.

32. IFAD has developed a good relationship with the Consultative Group to Assist the Poor (CGAP). CGAP has proved to be a strategic resource centre for both IFAD and the microfinance sector as a whole. CGAP initiates and supports new ideas, innovative products, cutting-edge technology, and novel mechanisms for expanding financial services in rural areas. IFAD's connection to CGAP has: (a) leveraged strategic partnerships to strengthen IFAD's impact on beneficiaries; (b) broadened IFAD's knowledge base and learning opportunities, thus ensuring high-quality products for IFAD's clients; and (c) promoted learning within and across regions, between the field and IFAD headquarters, and with other donors and has actively encouraged innovations in rural finance.

B. Country Grants

33. As noted above, the introduction of the country-specific window has been a major change brought about by the revised Grant Policy. This window has the potential to strengthen IFAD's capacity to engage in strategic and catalytic activities in the areas of knowledge management, policy dialogue and analysis, and partnerships. Small grants are also invaluable for piloting highly innovative approaches to rural poverty reduction, which can then be scaled up through loans. Country grants have also contributed to the move from a project-by-project approach at the country level to a programme approach that supports linkages among loan-financed projects (see section D. below).

34. Policy dialogue efforts are being supported with country grants. For instance, IFAD is assisting in the drafting of Rwanda's rural development strategy and the accompanying action plan, ensuring that they take into account the needs of the rural poor. A grant approved by the Executive Board in April 2005 will support policy dialogue on rural decentralization in Mali, based on field experience across the IFAD portfolio. In Madagascar, IFAD is supporting dialogue on the reform of land tenure policy to safeguard the interests of the rural poor.

35. Highly innovative approaches are being tested using the country-specific window. All of these grant activities have a prominent knowledge management component to promote scaling up from field experience. Examples of innovative grant activities abound: in Burundi, an NGO received a grant to test a fair-trade processing and marketing scheme for small coffee producers; in Cuba, a small country grant was provided to assist farmers in cultivating and marketing medicinal plants and herbs; in Indonesia, a grant is promoting information technology in rural finance institutions in East Java; and, through a grant programme in Pakistan, a public-private partnership is being tested to develop capacity for small-scale agri-business and processing enterprises.

36. The country-specific grant window increases IFAD's ability to respond rapidly to natural disasters, post-conflict needs, and major threats to livelihoods such as HIV/AIDS. Such activities are more appropriately financed by grants than by loans. As noted, country grants were used in 2004 to combat the desert locust scourge in Sahelian West Africa where IFAD joined a coalition of donors to assist governments with bio-control. (Countries included Algeria, Burkina Faso, Chad, Mali, Mauritania, Morocco, Senegal, the Gambia, the Niger and the Sudan.)

37. The country-specific window has also been critically important in the context of post-conflict situations, allowing IFAD to start up operations rapidly, in anticipation of loan development and eventual implementation. In the Democratic Republic of the Congo, IFAD launched two grants: one to strengthen grass-roots farmers' organizations and one to promote New Rice for Africa. The former grant was issued to an international NGO, while the latter is being implemented by a local NGO, working in collaboration with the Africa Rice Center, national researchers and extension agents. Both of these grants will enable the Democratic Republic of the Congo and IFAD to pave the way for a loan project in the Equateur region, which was approved in 2004 and enters start-up phase this year.

38. In Somalia, IFAD is promoting the scaling up of innovative post-conflict approaches in cooperation with the Belgian Survival Fund. This is being done through the production and dissemination of communications materials. In the same country, IFAD is aiding returnee reinsertion in rural communities. Finally, IFAD has used country grants to provide much-needed assistance to communities affected by HIV/AIDS. In 2004, grants were provided to NGOs in Angola and Kenya to increase AIDS awareness and provide affected families with income-earning opportunities to partially mitigate the loss of purchasing power occasioned by the adverse affects of AIDS on livelihoods.

C. International NGOs and Civil Society Organizations

39. In terms of strategic partnership with international NGOs and civil society organizations, IFAD's grant support in 2004 has included the strengthening of the capacity of pro-poor institutions and their focus on rural development policies. IFAD support to the Network of Farmers' Organizations and Agricultural Producers in West Africa is enabling small farmers to be better organized and to participate in policy dialogue, develop advocacy positions and defend their own views and concerns. In Latin America, following IFAD's earlier grant support to the Southern Cone Common Market (MERCOSUR), proposed grant support (2005) to the Commission on Family Farming will help this entity build on its regional efforts in policy dialogue, partnerships and harmonization and will strengthen IFAD-MERCOSUR links. This will improve professionalism, participation and transparency, through direct engagement with small farmers' organizations in the subregion, in the trade agenda setting and in the policy dialogue process.

40. In Eastern and Southern Africa, IFAD is building on a partnership with PhytoTrade Africa. This organization has focused on creating a "value chain" to link extremely poor communities in remote, low-potential areas of Southern Africa to highly sophisticated cosmetic, nutraceutical and pharmaceutical markets, principally in Europe. This value-chain approach has highlighted the significant contribution such market linkages could make to the livelihoods of remote communities. For example, a small private company operating in Malawi, Mozambique and Zambia (with which IFAD has worked in the past) has, as a result of joining PhytoTrade Africa, started processing and exporting baobab fruit, bought from farmer groups in Malawi. It is now in the process of setting up a new company specifically to process and trade in natural products. As part of its research and market development work, PhytoTrade Africa has both accumulated an impressive body of knowledge and become a much-sought after source of knowledge (the PhytoTrade Africa web site receives up to 65 000 "hits" per month).

41. Among other strategic partnerships, the IFAD-hosted Global Mechanism of the United Nations Convention to Combat Desertification and the International Land Coalition (ILC) continue to receive IFAD grant support particularly for financing initiatives that are in line with IFAD's operational activities. In the case of the Global Mechanism, IFAD's support has facilitated the Secretariat in strengthening its capacity to mobilize resources to combat land degradation, while there has been a specific effort to dovetail the mechanism's activities with the Fund's loan portfolio through various joint in-house mechanisms involving key staff from IFAD's operational divisions and from the Global Mechanism. In the context of IFAD's support to the ILC agenda on land reform issues, in 2004 and 2005 IFAD has supported activities that pertain to running and strengthening knowledge networks, capacity-building, developing country programmes and working to coordinate diverse stakeholders in exploring and testing innovations. This experience will be further assessed in the forthcoming independent evaluation of the ILC.

D. Links to Loan Projects, Programmes and Strategic Country Programming

42. **The approach.** The Grant Policy has enhanced the approach already being used by IFAD to ensure complementarity and comparative advantage in the use of loans and grants through the addition of the country-specific grant. Under the revised policy, the selection process emphasizes the need to establish a direct link between proposed grant programmes and specific loan projects. While the objective/criterion of direct links to IFAD's ongoing lending programme is being realized (and is explicit at design), it is recognized that there is a need to be realistic and pragmatic about the nature of the direct linkage between research (with longer-term results) and ongoing projects (requiring inputs within the project period). Technology change in project areas is often driven by the ingenuity of farmers and their local knowledge systems. The factors that influence the adoptability of technology are not always readily discernible *a priori*. While these may include resource endowments and other

assets, they are also influenced by qualitative aspects such as risk-aversion, degree of vulnerability and the behavioural patterns of smallholder farming communities.

43. There is also a strategic need to support research and country-specific grants that may lead to loan projects in the future. For instance, in the case of the Democratic Republic of the Congo a grant was critical in expediting the setting up of a platform for the loan project through capacity-building; these pre-investment activities afforded greater flexibility in terms of testing available options prior to the larger investment.

44. **The practice.** In relation to grants approved in 2004, support to pro-poor innovation under the global/regional grants window implies increasing emphasis on research, through regional and international agricultural research centres, explicitly linked to local institutions with the capacity to conduct downstream, participatory research at the level of the community. There is now far more proactive regional divisional involvement in the pursuit of these links than was previously the case. An example of this is the approach to sustaining productivity of irrigated land in the Indo-Gangetic Plains straddling Bangladesh, India, Nepal and Pakistan, while validating the off-farm value-addition, income-diversification strategies that are being promoted under a grant to the International Rice Research Institute (IRRI). This is already an intrinsic part of the wider investment support articulated in the COSOP for India.

45. In several other grant programmes, research staff had productive joint meetings with relevant investment project counterparts (e.g. ICRISAT, IFDC and INBAR). All farm-level research (for instance, under grants to the International Institute of Tropical Agriculture [IITA]; the International Centre of Insect Physiology and Ecology [ICIPE]; the International Potato Centre [CIP]; and the International Centre for Tropical Agriculture [CIAT]) is carried out within IFAD investment project areas. Urea technology from IFDC is being promoted in four investment projects in Bangladesh (and the ongoing grant has also identified cases where socio-economic conditions will *not* favour its adoption). Investment projects are reported in all cases to have provided socio-economic data or logistic support to these grants. Two previous IFAD grant recipients, IFDC and INBAR, are now directly participating in investment project design to further promote the outputs of the grant-supported research. An earlier grant for the NGO, Cooperative for Assistance and Relief Everywhere (CARE), laid the groundwork for pro-poor private-sector-led marketing systems and provided the basis for investment projects (during the reporting period) in Southern Africa. This entailed promoting agribusiness entrepreneurship and the related capacity-building to establish stronger links between smallholder farmer-enterprises and remunerative markets. The grant to the International Plant Genetic Resources Institute (IPGRI) was designed to take full advantage of the potential contribution of, and synergies with, investment projects in Mali and the Niger.

IV. GRANT POLICY GOVERNANCE AND PROCESSES

46. The new strategic and substantive orientation of the Grant Policy (detailed in paragraphs 25 to 32 of the IFAD Policy for Grant Financing document) led to the revision of the approach to the governance of the Grant Policy. Now, both a competitive grants system and the lending framework itself guide the allocation of IFAD's grant programme resources within grant-specific strategic objectives. Annex IV provides a diagrammatic overview of the process. The system is driven predominantly by principles and criteria relating to expected pro-poor impact, and less by grant-recipient-type and budget categories, as was the case before the revised Grant Policy was approved in 2003.

A. Review of Definitional Terms

47. The implementation period of the Grant Policy has provided an opportunity to review and clarify the eligibility criteria so that intended and *bona fide* recipients of IFAD's grant resources are

effectively reached and internal processes and procedures are streamlined. To achieve this clarity, it is proposed that paragraphs 28 and 44 of the Grant Policy be amended.

48. One of the essential criteria for grant eligibility is embodied in the Grant Policy's two strategic objectives detailed in paragraph 28. While it was intended that proposed grant activities would comply with at least one of the objectives, the current wording, which places "and" between the two objectives requires that both must be complied with. Therefore, it is proposed that paragraph 28 be amended to read:

"28. The two strategic objectives of the grant programme, representing priority areas for IFAD's regular grant resources, are:

- (i) promoting pro-poor research on innovative approaches and technological options to enhance field-level impact; and/or
- (ii) building pro-poor capacities of partner institutions, including CBOs and NGOs."

49. IFAD continues to provide grants for activities that conform to the Grant Policy. To ensure that the Grant Policy provides an all-inclusive paragraph to clarify the exact role of grants, it is proposed that paragraph 44, which currently reads:

"Global criteria. IFAD will provide grant financing only to developing Member States, to intergovernmental organizations in which such Member States participate, and to NGOs/CBOs. It will not extend such grants for activities normally supported by its administrative budget. Grant proposals will not include activities that duplicate efforts being financed by other donors."

be amended to read:

"Eligibility criteria. Grants will be provided only to developing Member States, to intergovernmental organizations in which such Member States participate, and to civil society organizations (CSOs)² and IFAD-hosted initiatives whose proposed activities comply with either one or both of the grant programme's strategic objectives. IFAD will not extend such grants: to finance IFAD activities or staff; in cases where IFAD receives ownership of the final product (including copyright thereof); in cases where IFAD would be the prime beneficiary of the product or activity to be financed; or for activities normally supported by other IFAD resources (e.g. the administrative budget or the Programme Development Financing Facility). Grant proposals will not include activities that duplicate efforts being financed by other donors."

B. Guidelines and Procedures for the Implementation of IFAD's Grant Policy

50. Following the approval of the Grant Policy by the Executive Board in December 2003, a set of internal guidelines for the implementation of IFAD's grant programme was developed in early 2004 as called for in paragraph 46 of the Grant Policy document. The internal procedures include requirements and guidelines pertaining to internal administrative and financial management including: details on audit, financial governance and procurement; and information covering the internal review process and approval mechanisms. Further ways to make the screening process more efficient while maintaining effectiveness are being considered, while internal procedures continue to be refined (where appropriate through staff training workshops) to improve efficiency and effectiveness.

² For IFAD, the term "civil society organization" generally refers to non-profit, national and international NGOs; CBOs; grass-roots organizations; groups of parliamentarians; and media, policy development and research institutes that have a transparent decision-making mechanism, financial probity and whose activities are relevant to IFAD's strategic framework objectives (2002-2006) (as amended).

51. Potential areas of improvement include: (a) changes regarding the screening process of grant proposals; (b) the application of a more focused set of selection criteria; (c) improved procedures regarding the management and administration of the Grant Programme; (d) clarity of accountability in the clearance and approval process, particularly for small grants, and; (e) the finalization process of grant agreements by the respective divisions. In addition to these procedural improvements, there is an increased emphasis on the need for reporting and knowledge sharing/dissemination in both research and capacity-building programmes.

52. **Source of grant concepts/project inception.** Concept notes provide the basis for screening and selection for IFAD grant support. Any IFAD organizational unit may present a grant proposal from a prospective third party recipient organization. In the past, many grant concepts originated through interactions between the Technical Advisory Division (PT) and the regional divisions. The advent of the country-specific grants window has led many country programme managers to conceive and initiate more new grant project ideas independently, to the extent that the programme is now predominantly driven by the regional divisions (over 80% of grants in 2004 were initiated in this way).

53. Some grant concepts of a technical nature originated directly with country programme managers although PT was subsequently asked to be responsible for the management of the approved grant, in that PT normally manages grants of a technical/research nature. While prospective grant recipient institutions have also submitted ideas directly to IFAD, the Fund has advocated the principle of community-representation and helped develop practical ways of giving the stakeholders a voice in the early conceptualization and design process. (In the context of CGIAR's challenge programs and global partnership programs, a grant destined for the International Water Management Institute (IWMI) to support the Programme for Enhancing Mekong Region Water Governance was approved by the Executive Board in April 2005.)

V. THE DEBT SUSTAINABILITY FRAMEWORK AND THE USE OF GRANTS BY OTHER FINANCIAL INSTITUTIONS

54. The respective boards of the World Bank and the International Monetary Fund approved the debt sustainability framework (DSF) for low-income countries in April 2005. The objective of the framework is to assess a country's risk of debt distress, with a view to recommending appropriate terms of new financing such as grants for low-income countries, which would prevent the accumulation of unsustainable debt levels. A key feature of the framework is the use of policy-based indicative thresholds against which a country's debt burden indicators would be compared to help judge a country's risk of debt distress. Both the International Development Association (IDA) and the African Development Bank (AfDB) intend to use the debt sustainability analysis (DSA) as the basis for their grant allocation framework for implementation in FY06. The Asian Development Bank (AsDB) has also indicated that in principle they intend to adopt the DSF as the basis for providing grants. While individual country DSA is now being undertaken by the IDA and AfDB, the IDA has already begun to make grant financing available to member countries on the basis of debt threshold indicators (e.g. ratio of net-present-value [NPV] debt to GDP and the ratio of NPV debt to exports). A summary of the DSF has been provided in the information paper Grants and Debt Sustainability (document REPL.VII/3/R.5) presented to the Third Session of the Consultation on the Seventh Replenishment of IFAD's Resources. A further paper is under preparation for the Fourth Session of the Consultation.

55. It is important to reiterate the point made in the information papers that the financial aspects and implications of grants emanating from the DSF and those of grants emanating from the IFAD Grant policy are quite different. Grants financed by IFAD under the Grant Policy are from predetermined financial allocations approved by the Executive Board and utilized for a set of predetermined activities, prioritized and selected according to established and agreed criteria. Grants

that could be financed by IFAD under the DSF would be determined by factors outside IFAD's direct control: levels of global trade and commodity prices; country-level policy and risk of debt distress; and policy performance. Importantly, as these parameters change so will the potential level of grants for each country and for the sum of eligible countries.

56. A second major point when reviewing the developments associated with the implementation of the DSF at the World Bank and AfDB and its active consideration at the AsDB, is that both the World Bank and AsDB maintain grant financing mechanisms **outside** both the DSF and the PBAS to pursue their respective mandates. The World Bank's Development Grant Facility has the objectives of "encouraging innovation; catalyzing partnerships and broadening Bank services" through two financing windows, one for long-term development work (agricultural and health research) and a second for providing "seed" money to pilot new approaches and ideas. Apart from support to CGIAR alongside IFAD, the Bank also supports interventions that parallel involvement in, for example, CGAP and the Global Donor Platform for Rural Development. The AsDB uses its advisory technical assistance mechanism to support developing member countries in institutional strengthening, sector and policy studies, non-project-related capacity-building and human resources development.

57. Both the World Bank and AsDB therefore have the capacity to support initiatives broadly in line with the type of interventions that IFAD either already supports or would consider supporting (e.g. the Global Donor Platform for Rural Development). As IFAD elaborates its own approach to the DSF, the ability to continue to support innovative pro-poor research and country-specific interventions remains an important part of IFAD's strategic role; and the experience of the World Bank and AsDB would indicate that the two are not mutually exclusive. Indeed, the instruments are complementary.

VI. CONCLUSIONS AND RECOMMENDATIONS

58. **Summary of progress.** The foregoing review has summarized the progress that IFAD has made in implementing the Grant Policy since its approval in December 2003. It described the approaches IFAD has adopted in fulfilling the policy's requirements and how the use of IFAD's grant resources has contributed to the overall work of the Fund. Guided by the two strategic objectives of the Grant Policy, IFAD has taken several important steps.

59. First, grants to international and regional bodies for agricultural research have continued to accentuate IFAD's specific mandate and approach, which focuses on the needs of the rural poor and their involvement in the research process and on the importance of seeking innovative results. Second, there has been sustained emphasis on identifying and supporting CBOs and NGOs, often with only small amounts of funds (but a detailed proposal and assessment) to pilot new or innovative approaches or technologies, incorporating an efficient learning mechanism to facilitate the scaling up of activities.

60. Third, opportunities provided by country-specific grants have been quickly capitalized upon by both grant recipients and IFAD regional divisions. Such grants have directly supported loan programmes (Nepal); allowed IFAD to join policy dialogue initiatives where other donors are also actively present as a precursor to investment programmes (Rwanda); promoted knowledge management (Burundi); and provided support in post-conflict environments (the Democratic Republic of the Congo). Finally, in the context of developing these various aspects of IFAD's grant programme, there is an increasing trend towards larger grants which, while ensuring economies of scale in terms of IFAD's internal costs, also ensures that the Executive Board, as part of the approval process, has the continual opportunity to monitor the scope and direction of the grant programme.

61. In the further development of IFAD's response to the DSF and the consequent use of grant funds for country-level projects and programmes according to DSF methodology, the Board is

requested to note that the use of grant resources as currently prescribed by the Executive Board supports IFAD's role and focus on innovation.

62. **Recommendation.** The Executive Board is invited to note the contents of this document and is also requested to approve the changes in definition of eligibility for grant proceeds noted in paragraphs 48 and 49 of this document.

**SHORT DESCRIPTION OF LARGE GRANTS UNDER
THE GLOBAL AND REGIONAL WINDOW APPROVED IN 2004**

A full listing of large grants approved during 2004 is given below.

Grants Approved by the Eighty-First Session of the Executive Board in April 2004

(i) CGIAR Coordination

Project for Developing and Disseminating Stress-Tolerant Maize for Sustainable Food Security in East, West and Central Africa – Phase II. (Grant of USD 1 300 000 to the International Maize and Wheat Improvement Center [CIMMYT].) The grant will support strategic partnerships between advanced research centres and national agricultural research systems and strengthen their capacity, as well as that of development projects and farming communities, to adapt and validate maize varieties and crop management practices with increased tolerance to drought, poor soil conditions and weeds.

Programme for Empowering Sahelian Farmers to Leverage their Crop Diversity Assets for Enhanced Livelihood Strategies. (Grant of USD 1 300 000 to IPGRI.) This grant will improve the livelihoods of poor farmers in Burkina Faso, Mali and Niger by strengthening the community-based management of plant genetic resources.

Diversification of Smallholder Farming Systems in West and Central Africa through Cultivation of Indigenous Trees – Phase II. (Grant of USD 1 200 000 to the World Agroforestry Centre.) This grant promotes innovative strategies needed for poverty reduction and environmental sustainability in resource-poor areas of West and Central Africa, with special attention to the domestication of indigenous tree species.

Programme for Developing Sustainable Livelihoods of Agropastoral Communities of West Asia and North Africa. (Grant of USD 1 300 000 to the International Center for Agricultural Research in the Dry Areas [ICARDA].) IFAD's grant aims to help *scale up* a participatory approach to addressing land degradation and poverty issues in the dry areas by institutionalizing it in national agricultural research and extension programmes and *scale out* the approach through its use in development programmes in the dry areas.

(ii) Non-CGIAR Coordination

Programme for Saving Freshwater Resources with Salt-Tolerant Forage Production in Marginal Areas of the West Asia and North Africa Region – An Opportunity to Raise the Incomes of the Rural Poor. (Grant of USD 1 350 000 to the International Center for Biosaline Agriculture.) This grant aims to improve livelihoods and generate higher incomes for resource-poor rural men and women in degraded and marginal lands in West Asia and North Africa.

Programme for Strengthening the Regional Capacity for Monitoring and Evaluation of Rural Poverty-Alleviation Projects in Latin America and the Caribbean (PREVAL) – Phase III. (Grant of USD 850 000 to the Centre for the Study and Promotion of Development.) Grant funds will help improve capacities to design, apply and document development impact, using results-oriented pro-poor systems to monitor and evaluate rural poverty reduction programmes and policies.

(iii) Stand-Alone Grants

The Remittances and Rural Development Programme in Latin America and the Caribbean – Strengthening the Income-Generating Capacity of the Rural Poor in Remittance-Recipient Countries. (Grant of USD 1 000 000 for a three-year period to the United Nations Office for Project Services/Division for IFAD programmes.) This programme will document and evaluate the experiences of sustainable models for transnational community development and disseminate the lessons learned. The grant will strengthen the capacity of the rural poor and their organizations, improve equitable access to productive natural resources and technology, and increase access to financial services and markets.

Project to Support Resource Mobilization for and Implementation of Action Programmes and Related Initiatives. (Financing of USD 1 250 000 for the first phase of a two-year grant to the Global Mechanism of the CCD.) The goal of the grant is to provide financial resources for the implementation of the CCD.

Grants Approved by the Eighty-Second Session of the Executive Board in September 2004

(i) CGIAR Coordination

Programme for Improving Livelihoods in Rural West and Central Africa through Productive and Competitive Yam Systems – Phase II. (Grant of USD 1 500 000 to the International Institute of Tropical Agriculture [IITA].) The outputs of the grant will contribute to the enhancement of the livelihoods of yam producers, processors, traders and consumers. The approach is to address the productivity of yam cultivation and the demand for yam products simultaneously.

Programme for Overcoming Poverty in Coconut-Growing Communities: Coconut Genetic Resources for Sustainable Livelihoods. (Grant of USD 1 000 000 to IPGRI.) The programme is based on coconut palms as the main source of regular income for marginal smallholders and will provide opportunities for sustainable livelihood improvements, particularly for socio-economically disadvantaged groups such as women.

Programme for Managing Rice Landscapes in the Marginal Uplands for Household Food Security and Environmental Sustainability. (Grant of USD 1 190 000 to IRRI.) The grant will help improve agricultural technologies to directly raise the land and labour productivity of the poor in marginal areas.

(ii) Non-CGIAR Coordination

Programme for Building Strategic Coalitions and Promoting Innovation and Learning in Rural Finance. (Grant of USD 1 200 000 to CGAP.) This grant will enhance IFAD's influence as a networking organization engaged in "virtual" debates and active partnerships with other donors and rural finance practitioners. In that context, the grant, while providing support to CGAP, will also enable IFAD to access critical support services from CGAP that will strengthen IFAD's strategic partnerships with other donors and greatly expand IFAD's knowledge base and learning agenda in rural finance.

Regional Water Demand Initiative. (Grant of USD 1 200 000 to the International Development Research Centre [IDRC].) This grant aims to empower poorer communities, rural populations and women to access water through more informed decision-making.

(iii) Stand-Alone Grants

Programme to Strengthen the Secure Access of the Rural Poor to Land and Related Support Services. (Grant of USD 900 000 to the ILC.) Support under this grant seeks to enhance the capacities of ILC members and partners to help the landless and smallholders gain and maintain secure access to land and related production support services, and facilitate their participation in dialogue with decision-makers.

A sixth phase of IFAD support to the Regional Unit for Technical Assistance (RUTA). (Grant of USD 1 230 000 for a three-year period to Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama.) RUTA's overall objective for this phase is to contribute to the eradication of rural poverty and the promotion of sustainable rural development in the Central America subregion (including Belize and Panama) through more efficient formulation of policies, strategies, programmes and projects.

Grant administered by UNOPS for the Regional Programme in Support of a Medicinal Plants Development Network in Argentina, Brazil, Paraguay and Uruguay. (Grant of USD 1 000 000 for a three-year period.) The overall goal is to assist small farmers in the region to overcome poverty by diversifying and increasing their income through the expanded production of medicinal plants and their transformation into herbal medicines.

Grants Approved by the Eighty-Third Session of the Executive Board in December 2004

Mainstreaming of Rural Development Innovations Programme in the Pacific. (Grant of USD 2 000 000 to the Foundation of the Peoples of the South Pacific International.) The programme aims to strengthen the capacity of the rural poor and their organizations by promoting equitable access to productive natural resources and technology and increasing access to financial services and markets.

Grant for agricultural research and training to FAO for the Control of Desert Locusts, and for Development and Testing of Environmentally Safe Preventive Control Methods. In response to urgent calls for the containment of recent invasions of North and West Africa by desert locusts, **small grants** of USD 3.0 million were approved for disbursement in two tranches. Under the first tranche, country-specific grants totalling USD 1.57 million will be directly disbursed through FAO to assist ten affected or threatened countries (Algeria, Burkina Faso, Chad, Mali, Mauritania, Morocco, Senegal, the Gambia, the Niger and the Sudan) to tackle the problem; this IFAD contribution is intended to strengthen the FAO-led campaign for technical assistance, training, capacity-building, surveillance and media campaigns to directly complement ongoing emergency operations. **Large grant:** A large regional grant of USD 1.5 million was presented to the December 2004 Executive Board. The aim of this grant is relatively longer term – to improve desert locust control through large-scale deployment and validation of environmentally sustainable alternative control methods based on non-insecticidal chemicals that affect swarming behaviour, and the assessment of their impact in pre-empting future plagues. The aim of this partnership with FAO and others is to assist the affected countries – especially vulnerable farming communities – in facing future threats in a sustainable and environmentally acceptable way by exploiting new knowledge and innovative technology.

a
INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

ANNEX II

LIST OF COUNTRY-SPECIFIC GRANTS APPROVED IN 2004 BY PMD DIVISION

Country-Specific	Division	Grant No.	Country/Institution	Grant Title	Approved Amount (USD)
	PA	717/B-FAO	FAO – Mali	To provide the government with proceeds to meet operational costs of combating the desert locust invasion	100 000
	PA	717/A-FAO	FAO – Chad	To provide the government with proceeds to meet operational costs of combating the desert locust invasion	100 000
	PA	717/C-FAO	FAO – Burkina Faso	To provide the government with proceeds to meet operational costs of combating the desert locust invasion	100 000
	PA	717/D-FAO	FAO – Senegal	To provide the government with proceeds to meet operational costs of combating the desert locust invasion	150 000
	PA	717/E-FAO	FAO – Mauritania	To provide the government with proceeds to meet operational costs of combating the desert locust invasion	100 000
	PA	717/F-FAO	FAO – Niger	To provide the government with proceeds to meet operational costs of combating the desert locust invasion	100 000
	PA	717/G-FAO	FAO – Gambia	To provide the government with proceeds to meet operational costs of combating the desert locust invasion	120 000
	PA	724-INADES	INADES – Democratic Republic of the Congo	Bumba Zone Promotion of Farmers' Organizations	200 000
	PF	733-RW	Rwanda	Strengthening Implementation of the Rwanda Agriculture Strategy and Action Plan	400 000
	PF	732-MECKS	Comoros – Savings and Credit Union Network	To Support the Savings and Credit Union Network Capacity-Building Programme	350 000
	PF	765-MANITSESE	Eritrea	Community Development Organizational Empowerment of Spate Irrigation Farmers (Eritrea)	99 000
	PF	735-RAPP	Kenya	Community-Organized response to HIV/AIDS	180 000
	PF	771-MG	Madagascar	Support to National Land Tenure Programme	170 000
	PF	743-CARE	CARE – Angola	Strengthening C-Resilience and Responses to HIV/AIDS Through Livelihoods	160 000
	PF	751-SAFIRE	SAFIRE – Zimbabwe	Consolidation and Achieving Sustainability of the Market Linkages Project	70 000
	PF	748-AFRICARE	AFRICARE – Zimbabwe	Promotion of Food Security Opportunities Opposing Drought (Pro-Food) Phase III	150 000
	PF	744-HELVETAS	HELVETAS – Mozambique	Decentralization and Community Empowerment	110 000
	PI	731-FSPI	Foundation of the People of the South Pacific International	Mainstreaming of Rural Development Innovations Programme in the Pacific (see also Global/Regional PI)	1 601 000
	PI	712-LK	Sri Lanka (636-LK)	Dry Zone Livelihood Support and Partnership Programme	340 000
	PI	727-NP	Nepal (Loan 646 NP)	Leasehold Forestry and Livestock Programme	1 220 000
	PI	726-ID	Indonesia (645-ID)	TA for Capacity-Building Central Sulawesi	500 000
	PI	728-VN	Viet Nam (647-VN)	Prov Peoples' Committees (Ha Giang and Quang Binh Provinces)	630 000
	PI	755-SPD	Nepal	Capacity-Building for Gender Sensitive Social Mobilization in Leasehold Forestry and Livestock Programme	46 000
	PI	756-TJ	Tajikistan	Jamoat Advisory Services System	184 500
	PI	760-LEAD	LEAD – Pakistan	Pilot Testing of a Public Private Partnership to Develop Capacity for Small-Scale Agri-Business and Processing Enterprises (Pakistan)	200 000
	PI	759-GDG	China, Indonesia, Philippines	Monitoring and Evaluation Capacity-Building Initiative for Projects in the Asia and the Pacific Region	128 640
	PI	754-FDC	FDC – Indonesia	Remittances, Microfinance and Information Technology: Investigating the Potential for Poor Communities in East Java	103 500
	PI	752-SUARA	Indonesia	Post-Crisis Programme for Participatory Integrated Development in Rainfed Areas (Loan 539-ID): Documentation of Impact Through Video	60 883
	PI	753-NTA	Indonesia	Implementation Support to the Post-Crisis Programme for Participatory Integrated Development in Rainfed Areas (Loan 539 ID) in West Timor and Research Proposal on Rural Finance in the Province of Nusa Tenggara Timur, Indonesia	100 000
	PL	734-MIX	MIX	Scaling Up MIX MARKET Innovation into all Four Regions of IFAD's Rural Finance and Portfolio	18 250
	PN	729-JO	Jordan	Agricultural Resource Management Project Phase 2V	199 100
	PN	729-JOa	Jordan	Agricultural Resource Management Project Phase 2V	199 100
	PN	717/H-FAO	FAO – Sudan	Desert Locust	200 000
	PN	717/I-FAO	FAO – Algeria	Desert Locust	120 000
	PN	717/J-FAO	FAO – Morocco	Desert Locust	100 000
	PN	723-IFPRI	USD 50 000 linked to PN Global/Regional small grants IFPRI	Thematic Study: Impact of Agricultural Trade Liberalization on Small Rural Producers in NENA	49 000
	PN	768-ASNAPED	Tunisia	PRODESUD Project (Heritage Development Project)	41 770
	PN	767-ATD	Tunisia	Capacity-Building in Microfinance Management	50 400
	PN	741-FIRDOS	FIRDOS – Syrian Arab Republic	Syrian Arab Republic: Workshop on Women as Agents of Change	150 000
	PN	734-MIX	MIX		62 000
	PN	747-BSF	Somalia	Spotlight on Somalia: Communication Initiatives to Support Replication and Scaling Up of Innovative Approaches to Conflict	200 000
	PN	746-UNDP	Somalia	Expatriate Support to Rural Development in Somalia	150 000
	PN	745-UNOPS	Somalia	Community Empowerment of Returnee Recipient Communities	200 000
Total committed					9 513 143

ANNEX III

FORMAT FOR GRANT STATUS REPORT¹

A. Grant Basic Data, Objectives and Components

Title		Grant No.			
Grant Recipient		Institution/Organization		IFAD Grant Manager Recipient Contact	
Date of update		Original closing		Date last GSR update	
Approval		Extended grant closing		Last amendment	
Grant agreement		No. of extensions		Last audit	
Effectiveness		Date of MTR; MTE; IE		Last supervision	
				No. of supervisions	
Financiers	USD			Disbursement	Percentage
Programme cost				IFAD Grant	
IFAD grant					
Cofinancier 1					
Cofinancier 2					
Cofinancier 3					
Target group (complete as many as applicable by providing a brief description)					
Benefiting Countries					
Benefiting Projects					
Benefiting Groups					
Grant development objectives (include reference to linkage to country programme and/or objectives of the Grant Policy)					
Components					

B. Grant Performance Evaluation²

Rating scale: (1) Above or on target (2) Mostly on target (3) Substantially below target (4) Little or no progress

Implementation progress (Grant manager assessment of specific implementation progress indicators)					
Progress indicators	Last	Current	Progress indicators	Last	Current
Timely availability of counterpart resources			Coherence between AWP/B and implementation		
Timely availability of cofinancing			Timeliness of audit		
Grant disbursement rate			Quality of accounts		
Achievement of targets and outputs			Project management performance		
Performance of M&E system			Stakeholder participation		
Timeliness of reporting			Institution-building and linkages		

Overall assessment of implementation performance	Rating: <input style="width: 40px; height: 20px;" type="text"/>
Comments on implementation progress (describe measures taken/proposed for indicators marked 3 or 4)	

Assessment of progress achieved in meeting the development objectives (Section A)	Rating: <input style="width: 40px; height: 20px;" type="text"/>
Comments on progress achieved in meeting the development objectives	

¹ Grant status reports (GSRs) are required only for those grants approved by the Executive Board, i.e. large grants. A separate GSR is not required for grants that finance projects for which project status reports (PSRs) have already been prepared.

² Please refer to the *Guidelines for PSRs* for guidance in rating progress indicators and in completing this section and Sections D through F.

ANNEX III

C. Implementation Arrangements/Supervision

(describe implementation arrangements including provision for supervision, and any mid-course, interim reorientation of the grant funded programme)

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D. Results and Impact Management

(provide quantitative information on key results and impact as well as qualitative assessment on potential for scaling up, replication and learning, usefulness of knowledge and pro-poor technologies generated, capacity-building, pro-poor institutional change, partnership-building, livelihood improvement, pro-poor policy change, etc.)

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E. Follow-up on Previous Portfolio Review

Agreed-upon follow-up from previous portfolio review	Action taken

F. Follow-Up Recommendations

(include evaluation recommendations where applicable)

Specific issues/problems	Recommendations and person who will follow-up

PROCESS FOR GRANT ALLOCATION AND REVIEW

