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Enabling poor rural people
to overcome poverty

IFAD Initiative for Mainstreaming Innovation

Second Progress Report on the Main Phase

Executive Board — Ninety-second Session
Rome, 11-13 December 2007

For: **Information**

Note to Executive Board Directors

This document is submitted for the information of the Executive Board.

To make the best use of time available at Executive Board sessions, Directors are invited to contact the following focal points with any technical questions about this document:

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IFAD Initiative for Mainstreaming Innovation Second Progress Report on the Main Phase

1. The purpose of the present note is to update the Executive Board on the progress made in the main phase of the Initiative for Mainstreaming Innovation (IMI) during the period from July 2006 to November 2007. The note follows on from information note EB2006/88/INF.4 presented at the September 2006 Executive Board covering the period from February 2005 to June 2006.

I. Financial matters

2. As shown in the table below, approved commitments increased by around 108 per cent over the reporting period, while resources received increased by around 12 per cent. Disbursements increased by 82 per cent. The rate of disbursements is anticipated to increase in view of the number of new projects approved at the last two Executive Board sessions. A financial statement as at 31 October 2007 is presented in annex II.

	<i>As at 30 June 2006</i>	<i>As at 31 Oct 2007</i>	<i>Variation percentage</i>
Resources (cash received) (Thousands of United States dollars)	8 154	9 143	+12.13
Approved commitments (Thousands of United States dollars)	3 634	7 561	+108.06
Commitments as percentage of resources	44.57	82.70	
Actual disbursements (Thousands of United States dollars)	1 901	3 458	+82.00
Disbursements as percentage of resources	23.31	37.82	
Total number of projects approved	10	28	+180.00

II. An overview of major accomplishments of the IMI

3. Major IMI accomplishments during the reporting period include the following:
 - New IMI implementation strategy designed;
 - To reflect the objectives of the new IMI implementation strategy, budget restructured under four main headings: innovative operations, partnership development, learning and sharing, and cultural and organizational change;
 - Competitive bidding process revised;
 - IMI Screening Committee renewed to include external members;
 - Innovative pilots tested ("scouting" for innovations, challenge map);
 - In-house training provided in creative problem-solving (CPS);
 - Workshop held with IFAD innovators;
 - Field workshop on CPS held in India;
 - Field immersion took place in Madagascar;
 - Foundation laid for the IFAD Innovation Strategy; and
 - Start-up phase launched of a strategic partnership with the International Food Policy Research Institute.

III. The new IMI implementation strategy

4. In response to the annual review of the IMI carried out in February/March 2006 by the United Kingdom's Department for International Development (DFID), and to align the Initiative with the wider objectives of the deliverables of IFAD's Action Plan for Improving its Development Effectiveness, a new IMI implementation strategy was designed and presented to Senior Management in December 2006.
5. The implementation strategy served as an internal management tool to gain a clear vision of how IFAD could use the IMI to increase its level of innovativeness. It also provided a basis for initiating dialogue with division directors on their respective innovation agendas.
6. Moreover, the strategy underpinned both a new budget structure based on desired goals and draft guidelines on "scouting" for innovation. It also served as a springboard to the IFAD Innovation Strategy approved at the September 2007 Board.

A. Innovative operations

7. Cumulative commitments under this heading amount to US\$4.8 million, representing about 64 per cent of total commitments.
8. **Competitive bidding process.** The IMI has continued to fund innovative proposals on a competitive basis as this is seen as an effective mechanism to encourage innovative thinking and to mainstream innovation throughout IFAD. Success is demonstrated by the growing number of proposals being submitted but also by the diversity of challenges being addressed – whether of an institutional nature (alternative project designs), or related to global challenges (climate change, alternative energy sources), or to encourage learning and knowledge sharing within IFAD and in partnership with international centres of learning. The funding envelope for each round was increased to US\$1.5 million to give scope to a larger number of innovative projects. The cumulative amount of funds approved under the IMI competitive bidding process now stands at US\$4.8 million, which has served to fund a total of 28 projects (see annex I for a list of approved project proposals).
9. Based on the recommendation made by the 2006 DFID review that IFAD engage more actively in "scouting" for innovative ideas in the field, the competitive bidding process was opened up in January 2007 to draw on innovative ideas originating from the Fund's field project managers and partners. Announcements are now made through the Internet-based regional networks of IFAD operations – FIDAMERICA, FIDAFRIQUE, ENRAP, etc. – with proposals being accepted on condition that they have an IFAD headquarters staff member acting as sponsor. This person is fully accountable in financial terms and also ensures that matching funds are provided from the appropriate IFAD regional division and that all administrative matters are expedited.
10. Based on a further DFID recommendation that the concept note of the proposal be more concise, the format for describing and submitting the proposal has been reduced to a mandatory four pages. The note also has a new structure that highlights both the innovative content of the proposal and the challenge being addressed.
11. The composition of the IMI Screening Committee has been totally renewed to include seven new staff members representing various IFAD divisions. It has also been enlarged to include two external members who provide an alternative viewpoint on innovation: Dr Nigel Poole (Wye College, United Kingdom), to represent the academic world; and Dr Isabelle Mamaty (International Federation of Agricultural Producers, Paris) to represent farmers' organizations. The scoring criteria used by the committee in ranking proposals were revised to include measures of value and feasibility along the lines of the implementation strategy.

12. **Rapid funding facility.** The facility was originally intended to respond quickly to innovation opportunities and to the needs of IFAD divisions particularly in scouting for innovation. It was, however, not fully used. Meetings were therefore arranged directly with IFAD divisions in order to explore together concrete ways in which the IMI could provide support to divisional innovation agendas. Direct funding of up to US\$0.5 million is now being provided by IMI on request.
13. Examples of such direct funding under various budget headings include:
- The Management Information Systems Division purchased IT equipment to provide IFAD with a platform to support a collaborative workspace. The workspace was piloted by the Innovation Strategy Group and is currently being used by various other Action Plan groups;
 - The Asia and the Pacific Division (PI) received direct funding to provide CPS training to the entire division;
 - The Policy Division, in conjunction with the Latin America and the Caribbean Division, organized a workshop in El Salvador on the diaspora, bringing together women working in Europe who regularly send remittances to their home countries;
 - The Western and Central Africa Division has been allocated funds to organize a regional innovation fair and to recruit an innovation specialist.

B. Partnership development

14. Cumulative commitments under this heading amount to about US\$0.8 million, representing 10 per cent of total commitments.
15. One of the ways to improve IFAD's capacity as an innovator is to build strategic partnerships with international institutions and centres of learning. In 2007, the IMI supported the development of a partnership in policy innovation and communication with the International Food Policy Research Institute (IFPRI). The partnership is institutionally embedded in a cooperation agreement submitted to the Executive Board in September 2007 (EB 2007/91/INF.4). Its objectives are to strengthen IFAD capabilities for policy dialogue and innovation, and to develop and mainstream innovative policy solutions to emerging challenges confronting the rural poor. During the next three years, the partnership will focus in particular on finding innovative solutions to challenges concerning market access and pro-poor climate change mitigation. Also within the framework of the partnership, the President of IFAD was invited to open an IFPRI/China conference entitled "Taking Action for the World's Poor and Hungry People", which was held in Beijing in October 2007. The conference was a major international event that aimed to develop and promote a shared vision and a consensus on action to meet global food needs while reducing poverty and protecting the environment.

C. Learning and sharing

16. Cumulative commitments under this heading amount to US\$0.6 million, representing 8 per cent of total commitments.
17. **IMI bids.** Many IMI-funded proposals have provided the basis on which important IFAD policies have been built (e.g. the IFAD Policy on Targeting) or are being developed (e.g. a policy on land tenure). As some of the early projects are reaching maturity, results are being harvested and research reports published and shared inside IFAD and in international venues (for instance, on outmigration and trafficking, remittances). While "brown-bag" lunches were originally one of the new activities promoted by the IMI to encourage in-house sharing of learning, they are now becoming regular lunchtime events, with many organized by the originators of IMI bids in order to share their experiences with the rest of IFAD (for instance, in relation to biofuels, participatory mapping, institutional analysis).

18. **Challenge map.** The rural poor today face many rapidly changing challenges and opportunities that development enablers such as IFAD need to be better prepared to understand and to address in their programmes. This is particularly important if empowerment of the rural poor is at the centre of development efforts, which requires understanding how the poor themselves see their challenges. In addition, this understanding is a key precondition for innovation in rural development, which should enable the rural poor to accomplish their own poverty reduction goals in more effective ways. In parallel with the development of a partnership with IFPRI, the IMI has begun to map out the key domains in which the poor face emerging challenges, and to identify specific challenges to be validated in the context of innovation efforts within IFAD country programmes.
19. **Scouting.** In response to the 2006 DFID review, which recommended the fostering of innovation outside of IFAD by "scouting for innovations in the field", a pilot was designed as part of the IMI strategy to test out the scouting of innovations in India through a network of local NGOs. The findings were gathered, and an approach paper is being prepared to guide country programme managers on how to integrate scouting exercises into all IFAD field operations. Presently, the IMI is developing scouting guidelines as part of the Rural Poverty Report preparation exercise.
20. Scouting was also carried out extensively on the Internet to identify innovative institutions, websites and innovative ideas pertinent to the rural context, which may either be of direct use to IFAD or be applied in strategic partnerships. The top innovation websites identified will be included in the innovation webpage currently being designed for the Rural Poverty Portal as a link to global innovation. The IFAD home page will also showcase innovations emerging from IFAD operations.

D. Cultural and organizational change

21. Cumulative commitments under this heading amount to US\$0.5 million, representing 7 per cent of total commitments.
22. **Creative problem-solving.** One of the priorities of IFAD's innovation strategy is to develop the necessary organizational capabilities in creative, innovative thinking. To this end, IMI funds were used to run a pilot in-house workshop to learn and experiment CPS skills. It was attended by about 25 country programme managers and technical advisers, many of whom had been granted IMI funding through the competitive bidding process and are therefore seen as "innovators". In future, CPS skills training will be extended to the rest of IFAD to build a critical mass of staff with innovatory capacity.
23. A second workshop was organized with the same group of staff to provide hands-on practice in CPS skills by applying these techniques to eliminate some of the bottlenecks encountered during the implementation of their IMI project. It also offered staff a good opportunity to share lessons learned during their projects and to draw on the creative ideas of others to either move forward or diverge from the original project conception. They were also asked to apply CPS skills to focus on innovative ways to mainstream innovation in IFAD.
24. The IMI manager and two PI staff members subsequently attended a workshop in La Spezia, Italy, in April 2007, organized by the Creative European Association, to learn the facilitation skills required to run workshops in CPS. An approach to CPS and scouting was tested in India in May 2007 with 20 project managers and staff, the country programme manager for India and one other professional PI staff member.
25. PI was the first division to obtain funds to organize division-wide CPS training, which it did in October 2007. These skills are now being used as normal practice during divisional meetings.

26. **Field immersion.** After the first field immersion pilot programme in Peru in April 2006, the programme continues to generate interest and receives many applications particularly from IFAD headquarters staff working in non-project-related divisions who feel the need to have a closer relationship with the Fund's "clients", the rural poor of developing countries. A second immersion was planned to take place in India in January 2007, but it had to be postponed for security reasons. Instead a group of about 20 staff members participated in a field immersion in Madagascar in November 2007, staying and working with local communities in three different IFAD project areas.
27. The immersion is an experiential event that works as an eye-opener and motivates staff to relate their daily work to IFAD's mission and mandate. Both are better visualized through this type of experience. However the immersion is now also being used as an opportunity to identify any practical solutions or innovations adopted by rural people to overcome major challenges. Communication activities connected with the immersion are aimed at sharing the experience with others in IFAD and also at showcasing some of IFAD's successful projects.

IV. IFAD Innovation Strategy

28. The IMI implementation strategy provided the impetus for the newly approved IFAD Innovation Strategy. The strategy provides IFAD with a framework to ensure that innovation is systematically and effectively mainstreamed in IFAD processes and practice in country programmes.
29. The IMI contributed to this Action Plan key deliverable by providing direct budget funding and, most importantly, by leading an interdepartmental group in charge of developing the strategy. The whole process was documented and made dynamic through the use of IT tools such as blogs and a virtual collaborative space. Two informal seminars with Executive Board Directors, a workshop with field presence officers and targeted interviews in-house provided opportunities for consultation with a broad range of stakeholders in the context of the Action Plan. In addition, the IMI pilot activities funded by IMI, such as CPS workshops and the start-up of the IFAD-IFPRI strategic partnership, provided reality-check elements in building the strategy.
30. In accordance with the IFAD Innovation Strategy, the IMI programme now has a major role ahead in support of the strategy's implementation.

Successful IMI project proposals

<i>IFAD division(s) or partner/IFAD division(s)</i>	<i>Name of project/ Amount approved</i>	<i>Aim of proposal</i>
Approved 8 August 2007		
Technical Advisory Division/Asia and the Pacific Division	China – Reducing Vulnerability and Managing Weather Risk US\$200,000	The proposal is to develop a risk-insurance package, affordable to poor farmers, using a rainfall index to monitor and trigger payments to insured farmers instead of the usual crop insurance. It provides a mechanism to encourage risk-taking and investment by farmers in a rainfed area, and proposes an ex-ante solution instead of emergency relief operations in the event of drought. A partnership will be formed involving national and international institutions and the private sector to stimulate growth, avert extreme poverty and create a dynamic informal/formal lending market.
United Republic of Tanzania Country Office/Eastern and Southern Africa Division	United Republic of Tanzania – Enhancing Farmer Participation in Planning and Monitoring of a Sector-wide Approach (SWAp) US\$200,000	The proposal brings about cultural and institutional change in the Agricultural Sector Development Programme in the United Republic of Tanzania by making partnerships between farmers' organizations and district officials more effective. It involves a capacity-building process for farmers' organizations in order to strengthen advocacy and policy dialogue. The proposal will be implemented by a small farmers' organization with the oversight of the Agricultural Council of Tanzania and will serve to test an institutional innovation – a partnership with a civil organization to support IFAD's target groups.
Asia and the Pacific Division	Mongolia – Redesign of project – Pilot, Synchronize and Develop a Pro-poor Value Chain Project in Mongolia US\$200,000	The proposal improves on IFAD's project cycle by embedding a pilot phase in which to learn and test solutions and innovations that can then be incorporated in the final project design and loan. It involves a constant revision/refinement process prior to reaching the project design end-product and gives scope for the inclusion of innovative solutions and risk-taking. To test this new model, a pilot will be run in Mongolia with a focus on pro-poor value chains.
Technical Advisory Division	Appropriately Mainstreaming Value Chain Development for Rural Poverty Reduction US\$200,000	The proposal is to assess the effectiveness of IFAD's and other donors' experience with value chains in terms of poverty reduction and improved market access. It will also develop and mainstream a best practice value chain analysis into IFAD operations through the creation of a community of practice, which will promote learning, knowledge-sharing and dissemination. In-house training sessions will also take place with the aid of an externally recruited value chain development expert.
Technical Advisory Division	Strengthening IFAD's Capacity to Mainstream Climate Change Adaptation in its Operations US\$175,000	The project aims to explore and integrate climate change adaptation in all IFAD operations through an internal knowledge-building consultative process, training and awareness-raising. External thematic and strategic alliances will be created to draw upon the knowledge of global and regional organizations. Guidelines, a methodology and learning notes will be produced to align IFAD's institutional processes to address the threats/risks of climate change to IFAD projects.
Technoserve/ Sponsor: Latin America and the Caribbean Division	El Salvador – Building Rural Businesses by Leveraging Migrants' Remittances US\$162,000	The proposal seeks to facilitate business creation in El Salvador using the financial resources of migrants living in Washington, D.C. through the partnership of Microfinance International Corporation (MFIC), a private-sector financial institution based in Washington, D.C., and Technoserve (a non-profit NGO). The first will provide business expertise and transnational loan packages, while the second will provide knowledge of the investment opportunities in El Salvador. This practical business model will serve to harness remittances, promote rural investment in the home country and pilot a functional model for replication elsewhere.
Technical Advisory Division	Managing a Double Bottom Line – A Global Learning Programme in Social Performance Management US\$200,000	A microfinance/knowledge management system that uses a double track to measure social impact as well as financial performance. It will serve to attain a double goal and strengthen the capacity of seven microfinance institutions to manage social performance effectively. IFAD will work closely with a social performance management consortium based at the Institute of Development Studies to create a dynamic learning community that will strengthen IFAD's effectiveness in rural finance.
Policy Division	Learning and Building upon the Knowledge Base of the Indigenous Peoples' Assistance Facility US\$80,400	In order to harvest the self-assessed and self-generated needs and proposed solutions submitted by 1,100 indigenous leaders to the Indigenous Peoples' Assistance Facility, the proposed knowledge management system will serve a scouting function by providing alternative perspectives on indigenous peoples' challenges, capabilities and innovations. This will also enhance IFAD's programme and project designs by supporting indigenous peoples' policy issues through a global network and partnership with grass-roots organizations and their international leaders.

<i>IFAD division(s) or partner/IFAD division(s)</i>	<i>Name of project/ Amount approved</i>	<i>Aim of proposal</i>
Approved 13 April 2007		
Eastern and Southern Africa Division	Piloting the New Policy on Supervision and Implementation Support in the Context of the United Republic of Tanzania Country Programme US\$200,000	The proposal aims to pilot and test institutional innovations during the direct supervision of operations in the United Republic of Tanzania using a country programme approach within the wider context of the country's participation in the "One UN" pilot. It will increase ownership at national level and provide a set of clear objectives for implementation/supervision activities that can be linked to country programme objectives. Practical approaches will be developed for the supervision and implementation support of operations in the country, and will contribute to refining IFAD's supervision guidelines.
Regional Programme for Rural Development Training (PROCASUR)/ Sponsor: Latin America and the Caribbean Division	Lessons Arising from Innovation and Young Talents in the Rural World US\$197,000	Development of the local capacity of rural youth in order to reduce the trend in outmigration and to provide support to local livelihood systems presently threatened by an increasingly ageing population. This young population group is targeted for its high potentiality in social capital development. An international competition for youth in Latin America and Africa will act as a vehicle for the scouting of innovative practices and experiences, and serve a further purpose by identifying which challenges are seen as important by this particular age group. Young people will provide recommendations for improving the design of operations and also promote a policy dialogue.
Eastern and Southern Africa Division	New Design Process for Small Investments – Swaziland US\$120,000	Project design costs are particularly high for countries such as Swaziland with a low allocation in IFAD's performance-based allocation system. A new design model will reduce these costs through a virtual collaborative workspace that will build on existing data, skills and knowledge; provide a real-time perspective of the design process; and also lead to greater government involvement and ownership. This will be achieved through a community of practice and tools such as peer-assist in order to support a "learning before doing" process.
Western and Central Africa Division	Scouting and Sharing Innovation so as to Improve the Livelihoods of Poor Rural Smallholder Farmers in Western and Central Africa: Proposal for a Regional Innovation Fair and Workshop US\$135,000	As a first phase of the divisional programme for innovation, an initial review will be carried out in the region to harvest innovations from farmers' organizations, existing projects and international sources. A consultative process will be used to identify strategic innovations that respond to key challenges faced by poor smallholders. Innovations will be brought into the larger arena of a regional innovation fair and a subsequent workshop to allow debate and to draw conclusions for future use. A mechanism will be proposed to scale up and replicate innovations and to facilitate the systematic incorporation of innovation into IFAD's country programmes and projects.
International Farming Systems Research Methodology Network (RIMISP)/ Sponsor: Latin America and the Caribbean Division	Strengthening Access to Markets for Small Poor Agricultural Producers in Latin America: Technical Assistance for Self-management US\$175,000	The challenge of accessing markets is addressed through the perspective of small producers. The project aims to develop local capacities for self-management by providing demand-driven technical assistance focused on developing managerial capacities, production/processing processes, organization development and self-management practices. A close link is maintained between the development components and the production/access-to-market process.
Eastern and Southern Africa Division	Improving Madagascar Country Programme Performance through a Dedicated Monitoring and Evaluation (M&E) and Knowledge Management System US\$170,000	The objective is to integrate knowledge of innovation gathered by the country programme into IFAD's knowledge management system through a series of national and regional activities involving the participation of a wide number of stakeholders and including the scouting of innovations. The use of a decentralized design methodology will promote ownership by organizations in the field and also the use of these procedures in the country's own practices. This will be achieved by linking M&E, knowledge and communication, which will provide an integrated analytical framework of the country programme and also facilitate its own results-based management system.
Programa Plantas Medicinais do Mercosul (PLAMSUR)/ Sponsor: Latin America and the Caribbean Division	Searching for a Healthy Alternative to Tobacco Cultivation US\$135,000	As a drive to reduce tobacco consumption, the Brazilian Government is promoting a shift away from tobacco cultivation to the cultivation of medicinal and herbal plants, particularly in southern Brazil where rural small producers face constant poverty. Market demand is met by laboratories manufacturing herbal remedies, with additional support from the national health insurance system, which recognizes and reimburses the cost of natural medicines. Activities will focus on research in the cultivation and processing of medicinal plants. Comparative practices are explored through partnership with African counterparts.

<i>IFAD division(s) or partner/IFAD division(s)</i>	<i>Name of project/ Amount approved</i>	<i>Aim of proposal</i>
Approved 3 October 2006		
Technical Advisory Division	Development of Biofuels Farming Systems, Value Chains and Energy Services with a Pro-poor Focus US\$97,600	The provision of energy in rural areas is a key to reducing poverty. With increasing oil prices, biofuel crops have been developed in the context of large-scale farming. It is still unclear whether or not there is also an opportunity for commercial production of biofuels by small farmers. As a step in this direction, generating locally produced energy could help resolve the energy problem in marginal areas with poor infrastructure investment. The proposal seeks to do this by building and disseminating knowledge regarding the technological adaptations required for small-scale production of crops that can serve a dual role: producing biofuels and additionally providing food in emergency situations. This will have a positive effect on fuel collection time and food security, while also reducing the environmental degradation from traditional fuels and creating suitable conditions for irrigation and food processing. The proposal provides a useful opening for IFAD's involvement in the area of biofuel production, which is very much at the forefront as an alternative energy solution. It has a direct practical impact on poor rural people's lives through income generation or through access to an energy font, especially in marginal areas.
Near East and North Africa Division	Establishing Client-financed Agricultural Services in The former Yugoslav Republic of Macedonia US\$200,000	Private-sector involvement in extension services is novel to The former Yugoslav Republic of Macedonia and fills a gap in the provision of such services by the Government. Rural financial services need to be supported by technical advice. While the proposal may not be an innovation per se, it will provide financial and capacity-building support to an existing innovation that would otherwise risk being unsustainable. As for benefits to IFAD, there are important institutional linkages in terms of knowledge management that will involve a learning exercise with scaling-up possibilities. Similar activities are currently being successfully experimented in Armenia and Moldova. The proposal is an example of an innovation emerging as a follow-up to an IFAD grant and an opportunity to inject a comparatively small amount of funding into an activity that will have a major impact in the region. The proposal also has adaptive potential and opens up new opportunities for IFAD.
Eastern and Southern Africa Division	Kenya – Tana River Basin Development Model for Private-sector Payment for Environmental Services by Smallholder Farmers US\$100,000	The proposal operationalizes work on an initiative in the Tana River basin area whereby private-sector payments are made to smallholder farmers in return for the provision of ecosystem services such as silt removal upstream of the local energy plant. It supports the IFAD Strategic Framework 2007-2010 by improving management of natural resources at the farm level and conservation and water management at the national level. The risk/failure element involved in the initiative makes it unsuitable for funding through the IFAD regular grant programme but instead highly suitable for IMI funding since it encourages the scouting for innovation, the testing of an idea and possible risk-taking, which are important elements in any learning exercise.
Technical Advisory Division	Enhance IFAD's Implementation Support through the Development of Decision Tools for Participatory Mapping in Specific Livelihoods Systems (Pastoralists, Indigenous Peoples, Forestry Dwellers) US\$ 99,000	The bid builds on close linkages and collaboration with the International Land Coalition to create community mapping tools that have a key role in empowering people and communities. It provides the opportunity to build on institution-wide knowledge-sharing by generating best practices and lessons learned from field activities. It is unique in seeking to test suitable planning/mapping tools tailored to conflict situations involving pastoralists, indigenous peoples and forest dwellers.
Approved 20 February 2006		
Technical Advisory Division	Learning and Knowledge on Innovations in Water and Rural Poverty US\$200,000	The topic of water and rural poverty is important and highly relevant to IFAD. The proposal involves interesting farmer-led activities and reviews that feed into regional strategies. It is expected to contribute significantly to policy dialogue and to institution-building in the sector and to strengthen the linkages between the field and IFAD's divisions.
Asia and the Pacific/Latin America and the Caribbean Divisions	Promoting Innovative Development Processes in IFAD through Cross-Regional South-South Cooperation (Training of Afghan Agronomists on Horticulture through Chilean Experience and IFAD Assistance) US\$90,000	This proposal is innovative given the difficult circumstances and the post-conflict situation in Afghanistan. Its objective is to provide horticulture training and technology transfer to six Afghan agronomists in Chile. The proposal responds to the emerging and critical issue of providing farmers with an alternative to growing opium poppies. It also responds to political demand from both participating countries and would initiate a productive South-South collaboration. THE BID WAS CANCELLED DUE TO DIFFICULTIES IN START-UP

<i>IFAD division(s) or partner/IFAD division(s)</i>	<i>Name of project/ Amount approved</i>	<i>Aim of proposal</i>
Approved 28 July 2005		
Near East and North Africa Division	Preventive Measures for Rural Outmigration, Trafficking and HIV/AIDS in Central and Eastern Europe and the Newly Independent States US\$195,000	This innovative proposal focuses on an emerging and critical issue in the region, which has received little attention from other development agencies – the interlinkage between rural poverty, gender, trafficking and HIV/AIDS. Outmigration and trafficking are coping strategies for poor rural people and, in Central and Eastern Europe and the Newly Independent States, rural areas are being depopulated. The proposal responds to this issue by field-testing new approaches to decrease outmigration and trafficking through economic empowerment. Although the proposal focuses on only one region, the results will be relevant to other regions.
Western and Central Africa Division	Institutional Analysis Practitioners' Guide and Training Support US\$200,000	This proposal will improve the design of projects through a better understanding of the institutional environment (including formal and informal rules) in which IFAD projects are implemented. Institutional analysis is very important, especially in demand-driven projects, and it is the basis for capacity-building. Better institutional analysis will not only improve the quality of development projects and their impact on poverty, but also potentially strengthen policy dialogue. The application of institutional analysis to local settings and grass-roots organizations is innovative.
Western and Central Africa Division	Promotion of Innovation in the Provision of Basic Financial Services to the Rural Poor: The Financial Services Association (FSA) model US\$123,488	The FSA model is an IFAD innovation developed in 1997. The aim of the proposal is to carry out a technical review in order to learn lessons from the implementation of FSAs and improve the FSA model with the objective of scaling up FSA programmes. This project can be considered a mainstreaming proposal: the mainstreaming of an IFAD innovation. Furthermore, it recognizes the concept that innovation is not a one-time event and that innovations need to be constantly refined and improved.
Eastern and Southern Africa Division	Land Tenure Security of the Rural Poor: Strengthening Innovation and Lesson Learning in Eastern and Southern Africa US\$200,000	Land tenure is an important issue that is currently not being strategically addressed by IFAD; the proposal intends to change this situation. The proposal is viewed as innovative because it involves the rural poor not only in action research on land tenure security, but also in policy dialogue activities. Furthermore, the proposal intends to feed the analysis of existing land tenure situations into the policy dialogue on land tenure.
Approved 3 May 2005		
Latin America and the Caribbean Division	Promoting Market Access for Small-scale Rural Producers US\$200,000	Market access is an important issue for IFAD, and the proposal tackles a weakness in IFAD country programmes through innovative means. It supports small-scale rural producers in accessing markets through an electronic information bank and develops new forms of support and partnership.
Technical Advisory Division	Scaling Up the Use of the Microfinance Information eXchange (MIX) in IFAD Rural Finance Interventions US\$198,900	This proposal is an initiative to mainstream innovation in results and impact monitoring of rural finance operations. It has a good mainstreaming approach, appropriate for scaling up and involving several partners in sustaining IFAD microfinance projects. The performance-based monitoring element in the approach is important and supports the development of IFAD's Results and Impact Management System by expanding the system's capacity to deal with thematic subjects.
Technical Advisory Division	Mainstreaming IFAD's New Targeting Framework in the Project Cycle US\$190,000	This proposal is highly relevant to IFAD; it will directly help in poverty reduction efforts by improving IFAD's effectiveness in targeting. The proposal has an innovative targeting approach – a comprehensive framework for community-level targeting – which will be developed and mainstreamed within IFAD.
Information and Communication Division	Rural Poverty Portal US\$200,000	The Rural Poverty Portal is an Action Plan deliverable. It was showcased at the Governing Council, and it has received recognition from IFAD Member States. There is a clear need for establishing a good, accessible, user-friendly portal for rural development information. The project contains innovative design elements.

Financial statement (as at 31 October 2007)

Name of grant: IMI

Donor: Department for International Development (United Kingdom)

SUMMARY

<i>Summary of resources</i>	<i>US\$</i>	<i>Liquidity status</i>	<i>US\$</i>
Resources (table 1)	9 142 900	Cash received (table 1)	9 142 900
Approved commitments (table 2)	(7 560 961)	Disbursements (table 2)	(3 458 463)
Resources available for commitments	1 581 939	Cash balance	5 684 437

DETAILS

Table 1

Resources

	<i>GBP</i>	<i>US\$</i>
13-Dec-03	400 000	689 440
26-Mar-04	100 000	181 085
09-Feb-05	1 000 000	1 857 800
06-Sep-05	1 900 000	3 501 415
28-Mar-06	1 100 000	1 924 560
23-Mar-07	500 000	988 600
	5 000 000	9 142 900

Table 2

Commitments and disbursements

<i>Description</i>	<i>US\$ approved¹</i>	<i>US\$ disbursements</i>	<i>US\$ balance</i>
Preparatory phase			
Preparation work on the IFAD Initiative for Mainstreaming Innovation	8 689	(8 689)	-
Innovative monitoring of impact through MIX	71 146	(71 146)	-
Innovative targeting under community development funds	68 227	(68 227)	-
Rural Poverty Portal	78 901	(78 901)	-
Innovative strategies for land and water access to the poor	71 959	(71 959)	-
Scaling up of innovative small stock management practices developed by IFAD projects	68 856	(68 856)	-
Public-private partnership-building in IFAD	73 585	(73 585)	-
Market development support	74 574	(74 574)	-
Funding proposal for programmatic supplementary funds – consultation workshop on the framework	47 461	(47 461)	-
The role of institutional analysis in the successful scaling up of innovation	201 847	(201 847)	-
Regional economist	71 978	(71 978)	-
Total preparatory phase	837 223	(837 223)	-

MAIN PHASE

Innovative operations

Competitive bidding²

Market access for small-scale rural producers	200 000	(192 832)	7 168
MIX	198 900	(189 504)	9 396
Mainstreaming new targeting framework	190 000	(115 456)	74 544
Rural Poverty Portal	200 000	(199 084)	916
Institutional analysis practitioner's guide	200 000	(193 347)	6 653
Rural outmigration, trafficking and HIV/AIDS	195 000	(194 980)	20
Financial services association model	123 488	(113 265)	10 223
Land tenure security of the rural poor	200 000	(200 000)	-

¹ Where an activity is finalized, the approved amount indicates the disbursed amount.

² The financial statement does not include the cancelled bid.

<i>Description</i>	<i>US\$ approved¹</i>	<i>US\$ disbursements</i>	<i>US\$ balance</i>
Innovation in water and rural poverty	200 000	(108 279)	91 721
Biofuels farming systems	97 600	(45 534)	52 066
Participatory mapping	99 000	(58 581)	40 419
Model for private-sector payment	100 000	(36 278)	63 722
Client-financed agriculture services	200 000	(105 000)	95 000
Pilot for new supervision and implementation support	200 000	(30 000)	170 000
Lessons from innovations and young talents in the rural world	197 000	-	197 000
New design process for small investments	120 000	-	120 000
Innovation scouting and sharing	135 000	(18 418)	116 582
Technical assistance for self-management	175 000	-	175 000
Country M&E and knowledge management system	170 000	(28 418)	141 582
Healthy alternatives to tobacco	135 000	-	135 000
Managing weather risk	200 000	-	200 000
Farmer participation in SWAp	200 000	-	200 000
Project design pilot	200 000	-	200 000
Mainstreaming value chains	200 000	-	200 000
Mainstreaming climate change	175 000	-	175 000
Leveraging migrants' remittances	162 000	-	162 000
Social performance management	200 000	-	200 000
Indigenous peoples' knowledge	80 400	-	80 400
	4 753 388	(1 828 976)	2 924 412
IMI Screening Committee costs			
ISC travel/fees	50 000	(11 745)	38 255
ISC Miscellaneous	10 000	(494)	9 506
	60 000	(12 238)	47 762
Rapid Funding Facility			
San Salvador diaspora	19 950	(19 950)	-
	19 950	(19 950)	-
	4 833 338	(1 861 164)	2 972 174
Partnership development			
IFAD-IFPRI partnership	200 000	(63 585)	136 415
Innovation promotion	250 000	(148 371)	101 629
Travel by organizations of the rural poor	140 000	(102 526)	37 474
	590 000	(314 482)	275 518
Learning and sharing			
Scouting and regional fairs	150 000	-	150 000
IFAD top ten innovations	200 000	-	200 000
Challenge map	100 000	(46 078)	53 922
Networks and communities of practice	225 000	(178 515)	46 486
Competitions	40 000	-	40 000
Web-based sharing	70 000	-	70 000
	785 000	(224 593)	560 407
Cultural and organizational change			
Learning tours/field immersion	170 000	(69 433)	100 567
Monitoring ongoing bids	40 000	-	40 000
IFAD Innovation Strategy	50 000	(23 163)	26 837
Creative problem-solving training	205 400	(128 213)	77 187
Other training	50 000	(192)	49 808
	515 400	(221 001)	294 399
Total main phase	6 723 738	(2 621 240)	4 102 498
Grand total	7 560 961	(3 458 463)	4 102 498