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Enabling poor rural people
to overcome poverty

President's report on proposed grants under the global/regional grants window to non-CGIAR-supported international centres

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

For: **Approval**

Note to Executive Board Directors

This document is submitted for approval by the Executive Board.

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Abbreviations and acronyms

APMAS	Asian Project Management Support Programme
CAC	Central American Agricultural Council
CCAD	Central American Commission on Environment and Development
CTM	Altromercato Italian Fair Trade Organization
ODA	Official development assistance
PACA	Central American agricultural policy
RUTA	Regional Unit for Technical Assistance
UCODEP	Unity and Cooperation for People's Development
UNOPS	United Nations Office for Project Services

Recommendation for approval

The Executive Board is invited to approve the recommendations for grants under the global/regional grants window to non-CGIAR-supported international centres as contained on pages 2 and 3, paragraph 10.

President's report on proposed grants under the global/regional grants window to non-CGIAR-supported international centres

I submit the following report and recommendation on three proposed grants for agricultural research and training to non-Consultative Group on International Agricultural Research (CGIAR)-supported international centres in the amount of US\$4,180,000.

Part I – Introduction

1. This report recommends the provision of IFAD support to the research and training programmes of the following non-CGIAR-supported international centres: the United Nations Office for Project Services (UNOPS) and Unity and Cooperation for People's Development (UCODEP).
2. The documents of the grants for approval by the Executive Board are contained in the annexes to this report:
 - (i) United Nations Office for Project Services (UNOPS): Asian Project Management Support Programme
 - (ii) United Nations Office for Project Services (UNOPS): Regional Programme for Rural Development and Poverty Reduction – Regional Unit for Technical Assistance (RUTA)
 - (iii) Unity and Cooperation for People's Development (UCODEP): Global Programme to Address the Marginalization of Poor Farmers and Migrants in Ecuador, Morocco and Senegal through Market Linkages and the Promotion of Diversity
3. The objectives and content of these applied research programmes are in line with the evolving strategic objectives of IFAD and the policy and criteria of IFAD's grant programme.
4. The overarching strategic objectives that drive the IFAD Policy for Grant Financing, which was approved by the Executive Board in December 2003, are:
 - (a) Promoting pro-poor research on innovative approaches and technological options to enhance field-level impact; and/or
 - (b) Building the pro-poor capacities of partner institutions, including community-based organizations and NGOs.
5. Deriving from these objectives and those of the IFAD Strategic Framework 2007-2010, the specific aims of IFAD's grant support relate to (a) the Fund's target groups and their household food-security strategies, with particular reference to groups in remote and marginalized agroecological areas; (b) technologies that build on traditional local or indigenous knowledge systems, are gender responsive and enhance and diversify the productive potential of resource-poor farming systems by improving on- and off-farm productivity and by addressing production bottlenecks; (c) access to productive assets (land and water, a broad range of rural financial services, labour and technology); (d) the sustainable and productive management of natural resources, including the sustainable utilization and conservation of such resources; (e) a policy framework at both the local and the national levels that provides the rural poor with a conducive incentive structure to improve their productivity and reduce their dependence on transfers; (f) access to transparent and competitive input-product markets and efforts to make these work for the poor primary producers involved in remunerative small and medium-sized enterprises and value chains; and (g) an institutional framework within which institutions – formal and informal, public and private sector, local and national alike – can provide

services to the economically vulnerable according to their comparative advantage. Within this framework, IFAD's grant financing supports commodity-based approaches for self-targeting among the rural poor. Finally, IFAD's grant programme fosters the establishment and strengthening of networks for pro-poor knowledge generation and exchange, which, in turn, enhances the Fund's own capacity to establish long-term strategic linkages with its development partners and to multiply the effect of its grant-financed research and capacity-building programmes.

6. The grants proposed in this document respond to the foregoing strategic objectives.
7. The Asian Project Management Support Programme fulfils both overarching strategic objectives by: (i) promoting innovation and management best practice to enhance the field-level impact of development interventions; and (ii) enhancing national level project management capacities to improve the development effectiveness and efficiency of pro-poor rural development programmes in the Asia and the Pacific region. The programme seeks to strengthen national capacities for agriculture and rural poverty reduction. Specifically, it will enhance the capacity of national stakeholders for rural programme development and implementation.
8. The goal of the Regional Unit for Technical Assistance programme is to contribute to the improved quality and effectiveness of policies, strategies, programmes and projects for poverty reduction and rural development in Central America. Its general objective is to support the development of a sustainable institutional capacity that secures the provision of public goods by making available improved knowledge sharing, training and technical assistance services to regional institutions, its partner governments, civil society and donor agencies in the areas of poverty reduction and rural development in Central America.
9. The Global Programme to Address the Marginalization of Poor Farmers and Migrants in Ecuador, Morocco and Senegal through Market Linkages and the Promotion of Diversity will provide benefits through the improved access of poor rural women and men to: (i) natural resources, in particular, agrobiodiversity, that will be sustainably used and preserved, while leveraging traditional knowledge and culture; (ii) competitive markets for agricultural produce, with particular emphasis on improving off-farm activities through the development of small and medium-sized enterprises (processing, marketing, trade); and (iii) pro-poor and by-poor knowledge-generation and knowledge-exchange processes, with an emphasis on cultural aspects.

Part II – Recommendation

10. I recommend that the Executive Board approve the proposed grants in terms of the following resolutions:

RESOLVED: that the Fund, in order to finance, in part, the Asian Project Management Support Programme, shall make a grant not exceeding one million four hundred thousand United States dollars (US\$1,400,000) to the United Nations Office for Project Services (UNOPS) for a three-year programme upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board herein.

FURTHER RESOLVED: that the Fund, in order to finance, in part, the Regional Programme for Rural Development and Poverty Reduction – Regional Unit for Technical Assistance (RUTA), shall make a grant not exceeding one million United States dollars (US\$1,000,000) to the United Nations Office for Project Services (UNOPS) for a three-year programme upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board herein.

FURTHER RESOLVED: that the Fund, in order to finance, in part, the Global Programme to Address the Marginalization of Poor Farmers and Migrants in Ecuador, Morocco and Senegal through Market Linkages and the Promotion of Diversity, shall make a grant not exceeding one million seven hundred and eighty thousand United States dollars (US\$1,780,000) to Unity and Cooperation for People's Development (UCODEP) for a three-year programme upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board herein.

Lennart Båge
President

United Nations Office for Project Services (UNOPS): Asian Project Management Support Programme

I. Background

1. Managing aid flows and ensuring the effective use of resources is a huge challenge for developing countries. These countries are often overwhelmed by donor-specific requirements and the demands placed on their limited institutional capacities and human resource base. The Paris Declaration on Aid Effectiveness reinforced the commitment of partner countries and donors to strengthen performance assessment frameworks, increase efforts in harmonization, enhance accountability and develop results-driven development strategies aligned to country-owned priorities.
2. Project management capacity is widely acknowledged as a key contributing factor in the achievement of the development objectives of projects. The Independent External Evaluation of IFAD suggested that often less-than-satisfactory project management performance should be addressed and supported more effectively by IFAD during implementation. The 2006 Annual Report on Results and Impact of IFAD Operations by the IFAD Office of Evaluation stated that project management units are not equipped to manage their projects effectively. It proposed that IFAD provide adequate technical assistance to develop these capacities.
3. The IFAD Executive Board has acknowledged that project monitoring and evaluation systems have significant weaknesses that reduce the effectiveness of project management and the ability to address emerging implementation issues in a proactive way.¹ Furthermore, the Executive Board has recognized that the quality of the project logical frameworks and associated quality assurance and control processes require improvement.² The Executive Board recommended strengthening project management capacities through more direct assistance for the development of this capacity.
4. At the 2006 annual performance review workshop held by the Asia and the Pacific Division in Bangkok, Thailand, IFAD project managers in Member States expressed an urgent need for support for developing country capacities and competencies. They highlighted the fact that IFAD's interventions to support project management were often inadequate or absent, came too late during a project's life or, if they were provided on time, were often ineffective. Support is needed in all areas of project management, including financial management and procurement, human resource management, project management systems, risk management, monitoring and evaluation, and knowledge management.
5. IFAD's Asia and the Pacific Division is responding to these concerns by allocating resources to support the implementation of a flexible programme to address these management constraints and to develop a network of project managers well versed in development management. This initiative is to develop into a systematic intervention across the region to build rural development capacity at the national level, thereby opening up the programme to managers and facilitators from the programmes of other donors.

¹ See EB 2004/82/INF 7.

² See EB 2003/80/R.6/Rev.1.

II. Rationale and relevance to IFAD

6. The IFAD Action Plan emphasizes the need to strengthen the capabilities of project implementation managers for more effective results-based management systems. The programme will provide a practical approach to improve management at the field level, which has been identified as a major weak link in maximizing project impact. This first phase will develop the processes and systems to link project managers with appropriate support.
7. Discussions with and surveys among IFAD field-level project managers have highlighted the following issues in building management capacity.
 - **Management capacity at the institutional level is a major constraint to development effectiveness.** Even with the support of agencies providing official development assistance (ODA), most developing country governments have been unable to implement and institutionalize improved development project processes and tools.
 - **Limited national capacities and resources.** The volume of ODA resources exceeds national project management capacity because there is a limited pool of skilled resources for managing large and highly complex projects and programmes. A proactive approach is needed to build in-country project management capacities. This should include skill development for potential managers of rural development projects.
 - **Adequate development management training resources are available.** The Asia and the Pacific region has a large pool of training and educational organizations that may provide project management training services, in addition to the knowledge of experienced ODA project managers.
 - **Linkages, not funds, are the major constraint.** Limited support is focused at the level of individual project and implementing agencies. The main constraint to using available resources is the lack of links between relevant project staff and appropriately tailored training skills.
 - **Country specific interventions.** Each country and subregion has some distinctive implementation issues that may be addressed by existing capacity-building resources in the country. Programmes must be able to rely on financial and management systems to respond quickly to a range of small issues within any country loan programme.

III. The proposed programme

8. The overall goal of the programme is to improve the development effectiveness and efficiency of pro-poor rural development programmes in the Asia and the Pacific region. The short-term objective of the programme is to improve the management of participating pro-poor rural development projects and programmes. This includes effective planning, implementation, and monitoring and evaluation so as to allow the projects to enhance the possibility of the achievement of their development goals. The programme will be demand driven; assistance will be supplied so that projects will be able to identify and then address the priority areas where they need to improve their management capacity.
9. The programme will support the development of national project management capacities in Cambodia, the Lao People's Democratic Republic, Viet Nam (grouped as the Mekong subregion) and India. Two additional subregions or countries will be added during the second year. This first phase will lay the foundation by developing demand-driven capacity-building support processes and structures to scale the

programme up during a second phase across the region; cofinancing development partners will be identified during the implementation of the first phase.

10. The first phase of the programme will last three years and will have two components:
 - **Project management capacity-building.** This component will focus on facilitating the access of project managers to a range of capacity-building resources that may provide applied tools and processes directly applicable to improving the effectiveness of the projects. Subregional coordinators of the Asian Project Management Support Programme (APMAS) will coordinate and facilitate activities to: (i) enhance national project management capacities through the provision of a coordinated programme of formal and informal capacity-building activities such as mentoring, learning from more experienced project managers and formal training from experienced service providers; and (ii) develop a network of experienced service providers in each region to work with project managers who request support. Additionally, the programme will improve the access of project managers to specific pro-poor project management and implementation information through focused websites and the online sharing of information through moderated e-discussions with structured topics and summaries.
 - **Strengthening the policy environment.** Without an enabling environment that allows higher-level implementing agency staff and organization staff to understand and value the benefits of the improved management of development projects, project managers may not be empowered to use their upgraded management capabilities to enhance project implementation. To encourage sustainability and government ownership, the programme will therefore create awareness of the constraints to the implementation of effective management approaches and mobilize the support of policymakers. The sharing of experiences and lessons learned with national policymakers and national initiatives to harmonize project management approaches will be encouraged. The emergence of a knowledge and evaluation culture will be promoted through links to research institutions and grant-funded programmes. Strengthened management capacities can, in addition, assist project managers in meeting the challenges presented by changes in policy processes at the national level.

IV. Expected outputs and benefits

11. The expected outputs of the first phase of the programme will be:
 - Enhanced capacity among project managers to implement and manage gender-sensitive, pro-poor rural development interventions effectively;
 - Enhanced capacity among subregional service providers to support project managers;
 - Improved availability and sharing of specific pro-poor project management and implementation best practices to enhance impact; and
 - Strengthened commitment of national governments and relevant NGOs to results-based management and participatory community-driven development through increased awareness of the benefits of improved rural development project management.

12. The programme approach will strengthen the capacity in client project management; its key impacts will include:
- Enhanced capacity among service providers to extend effective management support to pro-poor project activities;
 - Enhanced capacity among client projects to manage development processes effectively and efficiently and thereby contribute to improving the livelihoods of the rural poor;
 - Increased awareness among policymakers, relevant NGOs and development agencies and, hence, support for the management approaches and tools promoted under the programme; and
 - Contributions to the empowerment of the beneficiaries of client projects to participate meaningfully in the design, management, and monitoring and evaluation of development initiatives.
13. At the end of the three-year first phase of the programme, a network of management professionals with strong regional linkages will be established in each participating country. This network will have a wealth of accumulated knowledge on project management in general and project-specific management issues in particular. Over time, the funding for the service providers will shift from donor support through external grants to full project-based funding. This service provider network will thus be a strong element of the programme's medium-term strategy in that it will provide dynamism through its composition and flexibility through the contracting arrangements. The programme will thus establish the basis for the sustainable and relevant provision of project management support services across the region.

V. Implementation arrangements

14. The programme will be implemented by the United Nations Office for Project Services (UNOPS), Bangkok, which will use its knowledge of and linkages with individual IFAD project management units to develop effective project linkages and programme processes quickly. An APMAS coordinator contracted by UNOPS will lead in the implementation and take responsibility for achieving the objectives of the programme, financial and contract management, and the reporting to IFAD. UNOPS will contract service providers to facilitate activities identified through the projects. Costs will be shared between participating projects on the basis of the benefits attributable to the individual projects and the outputs that may be used by other rural development projects now or in the future. UNOPS will also contract the programme website and database services through experienced regional ODA agencies. UNOPS will develop monitoring and evaluation activities to provide outcome and impact information to support the expansion of the programme activities during the second phase, along with cofinancing partners.
15. UNOPS will contract two subregional coordinators based in the initial two subregions to: (i) facilitate the linkages between the participating projects and appropriate in-country service providers and other capacity-building services; (ii) interact with government and other ODA agencies to create awareness of the programme and the benefits of improved project management; and (iii) implement quality assurance activities.
16. The programme steering group, consisting of representatives of the participating projects, other regional rural development providers and IFAD, will provide strategic guidance to the programme and linkages to related development activities. IFAD's Asia and the Pacific Division will supervise the grant through annual reviews based on the reports provided by UNOPS. During year 2, there will be a mid-term review, which will recommend if the programme should be expanded to more subregions during a second phase.

VI. Indicative programme costs and financing

17. The estimated cost of the three-year programme (2008/2011) is US\$1.8 million, including an IFAD grant component of US\$1.4 million. Emphasizing the programme's demand-based approach, client projects will contribute (from loans and other resources) about US\$400,000 to cofinance participation in training and workshops.

Summary of budget and financing plan

(United States dollars)

<i>Category</i>	<i>Allocation</i>
Workshops, seminars	93 000
Training, mentoring, other capacity-building activities	558 000
Service contracts	48 500
Programme management and administrative costs	560 500
Subtotal	1 260 000
Overheads	140 000
Total	1 400 000

Results-based logical framework

Narrative summary objective hierarchy	Key performance indicators and targets	Monitoring mechanisms and information sources	Assumptions and risks
Goal			
Improved development effectiveness and efficiency of pro-poor rural development programmes in the Asia and Pacific region	<ul style="list-style-type: none"> Improvement in portfolio review report scores of individual projects and across the IFAD portfolio Qualitative assessments in interim evaluations indicate improvements in project impact, outcomes and efficiency 	<ul style="list-style-type: none"> Annual portfolio reviews Office of Evaluation project and country portfolio reports 	
Programme Purpose			
Improved management of participating pro-poor rural development projects and programmes	<ul style="list-style-type: none"> Relative changes in portfolio review report management assessments of participating and non-participating projects Qualitative assessments in supervision reports on relative changes in project implementation, outcomes and efficiency 	<ul style="list-style-type: none"> Annual portfolio reviews Mid-term reviews Supervision reports 	<ul style="list-style-type: none"> Project management capacity is a major constraint to IFAD project effectiveness
Programme Components			
Component 1: Project Management Capacity Building Effective and efficient gender-sensitive pro-poor management tools and processes promoted by APMAS are used by participating projects	<ul style="list-style-type: none"> Number of participating projects that have improved at least two identified weak management activities through APMAS support Number of new and existing projects using APMAS have developed or shared project implementation documents and processes Gender-based analysis of allocated project management staff pre- and post-APMAS 	<ul style="list-style-type: none"> APMAS management information system Pre- and post-APMAS project management capacity assessment E-surveys of APMAS clients 	<ul style="list-style-type: none"> National implementing agencies support the adoption of improved management practices
Component 2: Strengthening the Policy Environment National governmental organizations and relevant NGOs and development agencies understand the benefits of and promote improved pro-poor project management tools and processes	<ul style="list-style-type: none"> The number of regular structured dialogues with regional and national policy initiatives (such as the Asian Development Bank-initiated Community of Practice on Managing for Development Results, as well as the World Bank results framework). The number of relevant non-client projects and initiatives that have contributed their experiences and lessons learned to the facility knowledge base 	<ul style="list-style-type: none"> APMAS management information system E-surveys of participating agency staff 	<ul style="list-style-type: none"> National-level agencies committed to improving ODA project processes and effectiveness
Component 3: Programme Management Well-managed programme achieves agreed objectives using management champions and service providers	<ul style="list-style-type: none"> Number of client projects that have been linked through support that has met the project's management needs Proportion of requests for management-related support from client projects that have been met by the APMAS facility within 30 days Number and proportion of client projects that rate the support that they received from the facility as "good," "very good," or "excellent" 	<ul style="list-style-type: none"> E-surveys of APMAS clients APMAS management information system 	

Note: 1. The draft logical framework will be reviewed and specific targets set for the goal, objectives and outputs in the first six months of the programme.

^b To be genderized.

United Nations Office for Project Services (UNOPS): Regional Programme for Rural Development and Poverty Reduction – Regional Unit for Technical Assistance (RUTA)

I. Background

1. The Regional Unit for Technical Assistance (RUTA) programme is a multi-government and inter-agency platform, the goal of which is to contribute to rural poverty reduction and rural development on a sustainable basis in the Central American region. It operates both at the regional level and in each of the seven countries involved (Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama). It was initiated as one of the first programmes established in support of peace in the region, which was suffering from great internal strife. In its ongoing phase (2004-2007), the programme partners have consisted of seven donors (the World Bank, IFAD, the Department for International Development [United Kingdom of Great Britain and Northern Ireland], the Food and Agriculture Organization of the United Nations, the Inter-American Development Bank, the Inter-American Institute for Cooperation on Agriculture and the International Food Policy Research Institute), seven partner governments (represented by the ministers for agriculture), one regional integration entity for agriculture (the Central American Agricultural Council [CAC]) and one regional environmental entity (the Central American Commission on Environment and Development [CCAD]).
2. The programme coordinates and catalyses inter-agency activities at both the regional and national levels, enabling government institutions, as well as civil society groups, to promote rural poverty reduction and sustainable development-oriented policies, strategies, programmes and projects with greater efficiency and effectiveness. By assisting in mobilizing and coordinating the use of resources (financial, technical, knowledge) around mutually agreed priorities, it ensures that each partner's institutional objectives and development impacts are enhanced through cooperative action and a harmonized use of resources.
3. A recent independent assessment of the lessons learned through RUTA concluded that the programme's inter-agency mandate and credible performance record over the years have created the opportunity to reinforce RUTA with the capacity to sustain the functions it carries out, based on the demand for the services it provides. To accomplish this will require a successful transition process, whereby the programme will broaden its demand-driven focus on providing public goods, while amplifying its partner base and developing a level of institutionalization aimed at achieving sustainability in the functions the programme currently performs. IFAD's assistance is critical to achieving this goal.

II. Rationale and relevance to IFAD

4. Involvement in the programme is strategic for IFAD in the Central American region. First, Central America has created an institutional infrastructure to address critical issues in matters of trade, environment, agriculture and rural development as part of an ongoing process of regional integration (e.g. CAC and CCAD). Promoting an increased role for rural pro-poor policies in the regional integration scheme would enhance IFAD's importance and presence. Because RUTA is active in this institutional environment, the Fund's continuing participation in such a regional platform is fully compatible with the Fund's development objectives, as stated in the IFAD Strategic Framework 2007-2010. Second, because RUTA has evolved to become an effective regional partnership between governments and donor members and increasingly includes other regional stakeholders in the private sector, civil society, NGOs, and academic and research groups, it provides the Fund with an important base from which to build new alliances. Third, RUTA has become an

important instrument to its donor partners in coordinating development efforts, especially in identifying and bringing together new resources and partners, thus strengthening and harmonizing international cooperation efforts and knowledge management around priorities that relate to IFAD's strategic objectives at the regional and national levels. Fourth, given RUTA's multi-agency, regionwide character, it serves as an invaluable knowledge and learning repository and as a knowledge broker that reinforces partner collaboration and strengthens the country interface with governments and other stakeholders around critical regional and national agendas related to trade, environment, agriculture and rural development.

5. The programme's interventions at the end of the current programme phase will have strengthened regional institutions (CAC and CCAD) and national institutions (ministries of agriculture, rural development projects, research centres, institutions of higher education and civil society organizations), in formulating, implementing and monitoring the outcomes of policies, strategies, programmes and projects with a focus on rural development and poverty reduction. This main purpose is fully in line with the strategic objective of IFAD's grant policy to build up the pro-poor capacities of partner institutions.
6. Given the increased maturity and capacities of client countries in assuming greater leadership in Central America, it is appropriate for IFAD and other donor partners now to help broaden RUTA ownership and governance by client countries and new donor agencies. RUTA's inter-agency mandate and credible performance record over many years and the changes under way in the institutional context, especially in the agricultural sector, place the partnership in a unique position to make a successful transition towards achieving greater sustainability by expanding its institutional and financial support base. However, the limited availability of financial resources from Central American governments also requires continuing inter-agency technical and financial collaboration and cofinancing, and the programme must make a commitment to discovering additional resources. Finally, as an indication of regional interest, the programme responds to a request expressed to the donor community by Central American ministers and representatives of civil society (at the last RUTA steering committee meeting in Washington, D.C., in March 2007) on the need for continuing assistance in addressing sustainable rural development and poverty reduction issues through regional integration and coordination policies, including the implementation of the Central American agricultural policy (PACA).¹

III. The proposed programme

7. The overall goal of the programme is to contribute to the improved quality and effectiveness of policies, strategies, programmes and projects for poverty reduction and rural development in Central America. It will support the development of a sustainable institutional capacity that secures the provision of public goods by making available improved knowledge-sharing, training and technical assistance services to regional institutions, its partner governments, civil society and donor agencies in the areas of poverty reduction and rural development in Central America. The programme's objectives are to:
 - Provide analytical support and strengthen regional institutions, such as CAC and CCAD, national governments and civil society in the design and implementation of policies, strategies and programmes for sustainable rural development;
 - Facilitate inter-agency harmonization and alignment with poverty reduction objectives and provide services to improve rural investment projects by donors in the region; and

¹ Currently under formulation, PACA will be a medium-term framework for coordinating agricultural policies among the countries in the region.

- Promote knowledge-generation and information-sharing and facilitate their effective application to regional and national sector priorities.
8. The programme will last three years and will comprise these two main components: (i) strengthening regional and national institutional capacities; and (ii) management and monitoring.

IV. Expected outputs and benefits

9. A key outcome of the programme interventions will be the strengthened capacities of regional institutions (CAC and CCAD) and national institutions in formulating, implementing and monitoring the results of policies, strategies, programmes and projects with a focus on rural development and poverty reduction. Through this institutional strengthening process, the ultimate purpose is to provide improved rural development and poverty reduction policies and instruments that enhance the social and economic opportunities open to poor people in the rural areas of Central America. The three main expected outputs of the programme are:
10. **Output 1.** Governments, civil society organizations and international cooperation partners will have access to an improved regional platform specialized in key sustainable rural development issues. The programme will achieve this output by: (i) facilitating dialogue and knowledge-sharing; and (ii) channelling regional and national demand for public goods and services, both of which are expected to improve donor harmonization and alignment in the rural sector. IFAD's development of country strategies (country strategic opportunities programmes) and sector analysis (performance-based allocation systems) will receive direct benefits from RUTA's knowledge management activities.
11. **Output 2.** Regional integration mechanisms will improve the capacities to incorporate rural development issues in the process of designing and implementing regional policies, such as PACA, the customs union and other regional initiatives. Participating as a member of PACA's regional policy design team, the programme will: (i) provide guidance and assistance in establishing a bridge between the agricultural and rural development dimensions of PACA and between agriculture and environment in the agro-environmental strategy; and (ii) support regional policies and instruments so that they become more well aligned with the needs of the rural population, provide assistance in implementation efforts in the rural sector for regional trade agreements (such as the Central America Free Trade Agreement) and assist in negotiations for a Central American customs union and an association agreement with the European Union. It addresses the need to articulate a wider view of how trade and other policies affect the welfare of the more vulnerable members of rural society in areas such as rural labour and indigenous and gender rights.
12. **Output 3.** Governments and civil society organizations will improve their capacities to design and implement poverty reduction and rural development policies, programmes and projects. Although every country in Central America has designed agricultural and rural development policies and programmes, and some of them have implemented sector-wide approach mechanisms, most still lack appropriate planning and policy implementation instruments, and practically all lack monitoring and evaluation systems that are based on results.

V. Implementation arrangements

13. The programme will be managed under the policy guidance of a steering committee wherein all partners will be represented (CAC, the minister for agriculture of each country, donor agencies and a regional representative of civil society). Following previous arrangements that have proven responsive to the needs of partners and management, a supervision committee, composed of representatives of CAC and donor agencies, will oversee the implementation of the annual workplan and budget

on a twice-yearly basis and report to the steering committee. Programme operations will be carried out by a regional unit composed of a core staff assisted by consultants and seconded staff from partner agencies and national technical units in each country, all operating under the leadership of the RUTA director.

14. Given that the programme responds to multiple and diverse partners, the partnership arrangements are based on recommendations of the External Evaluation and intensive internal discussions among RUTA partners in early 2007. During the new phase, there will be a deliberate effort to broaden and strengthen governance arrangements so that they will be more responsive to client country priorities and so that the partners will share responsibility for technical supervision. Joint selection of the director will ensure responsiveness in the programme. The role of CAC and the ministries of agriculture in the governance of RUTA is strong and is a fundamental reason for RUTA's growth over two decades, given that the ministers for agriculture believe it is effectively responding to their needs.
15. UNOPS will be the recipient of the grant and will be responsible for the grant's financial administration.
16. An exit strategy for ensuring sustainability will be based on the recognition by partners – governments, agencies, civil society – of the benefits of participation in a unique partnership such as RUTA, its consolidation within the institutional structure of Central America as a specialized platform for rural and agricultural development and poverty reduction, the growing demand for RUTA services at the regional and national levels, and the demand in the countries and the region that matches with the priorities and interests of cooperation agencies. RUTA will continue promoting the strengthening of institutional capacities so as to transfer eventually some or all of its functions and services to regional or national entities effectively; however, these entities need time and assistance before they will be sufficiently strengthened to be able to provide such services. In addition, during this stage, a cost-recovery mechanism will be put in place to ensure financial and operational sustainability.

VI. Indicative programme costs and financing

17. The programme's total estimated resource requirement for the 2008-2010 period amounts to US\$6.09 million, as indicated in the cost table. About US\$1.10 million will be provided in kind by the seven participating countries through their ministries of agriculture to cover the local cost (salaries, routine operations) of their respective national technical units. Funding from IFAD will amount to US\$1.00 million; other donor sources will supply approximately US\$1.49 million, and an estimated US\$2.50 million will be provided through the cost-recovery mechanism.

Summary of budget and financing plan

(In thousands of United States dollars)

Type of expenditure	Austrian Development Cooperation		Finland	IFPRI ^a	Other agencies	Participating countries	Cost recovery	Total
	IFAD							
Personnel (including subcontractors)	468	121	180		60	756	875	2 460
Professional services	151	204	-		150	-	650	1 155
Travel	90	53	20		25	-	120	308
Equipment	8	56	10		-	-	30	104
Operational costs, reporting and publications	163	121	150	75	100	344	325	1 278
Backstopping	-	23	-		-	-	-	23
Training and capacity-building	120	72	40		30	-	500	762
Total	1 000	650	400	75	365	1 100	2 500	6 090

^a IFPRI = International Food Policy Research Institute.

Results-based logical framework

Hierarchy of objectives	<i>Objectively verifiable indicators</i>	Means of verification	Assumptions
Goal			
To contribute to the improved quality and effectiveness of policies, strategies, capacity building, programmes and projects for poverty reduction and rural development in Central America			
Overall objective			
Develop a sustainable institutional model to secure public goods by making available improved knowledge-sharing, technical advisory and capacity-building services to regional institutions, partner governments, civil society and donor agencies in the areas of poverty reduction and rural development in Central America	<ul style="list-style-type: none"> - Regional, governmental and civil society organizations and donors give a high rating to the provision of public goods - Exit strategy for the programme developed by January 2009 - Legal and organizational structure for the cost-recovery mechanism available in the country by October 2008 (or six months after the new phase starts) 	<ul style="list-style-type: none"> -RUTA programme reports -Specific partner evaluations -Mid-term evaluation -Legal and registry documentation -Exit strategy document 	<ul style="list-style-type: none"> - Setting up the legal and organizational structure for cost-recovery-based services faces a slow, bureaucratic approval process within the countries -Limited demand for technical assistance services under the cost-recovery mechanism - Grant funds from donors are insufficient to cover all demands for priority public goods
Outputs			
1. Governments, civil society organizations and international cooperation partners have access to an improved regional platform specialized in key, sustainable rural development issues	<ul style="list-style-type: none"> - Four regional networks and communities of practice in operation by December 2009 on key development topics and involving public- and private-sector and civil society participants -The RUTA webpage shows a 20% annual increase in the number of hits - The programme has promoted experiences that show improved donor harmonization and alignment on key rural development issues 	<ul style="list-style-type: none"> - Records on events and participants - Mid-term evaluation report - Webpage statistics - RUTA programme annual reports - Special analytical studies 	<ul style="list-style-type: none"> - Insufficient participation by the private sector and civil society in the regional networks and communities of practice organized by RUTA - Poor knowledge by users of existing data and information relating to rural development issues
2. Regional integration mechanisms improve the capacity to incorporate rural development issues in the process of designing and implementing PACA, the agro-environmental strategy, the customs union and other regional initiatives	<ul style="list-style-type: none"> - Programme actions successfully lead to the linkage of regional agricultural and environmental strategies (PACA and the agro-environmental strategy); policies and instruments focus on the requirements of the rural poor - Programme activities in support of regional institutions result in the incorporation of rural development and poverty issues as important elements in policies and programmes 	<ul style="list-style-type: none"> - RUTA programme annual reports - Mid-term evaluation report - Special analytical studies 	<ul style="list-style-type: none"> - Regional institutions assign a low priority to discussing and including poverty reduction and rural development issues in integration agendas
3. Governments and civil society organizations improve their capacities for designing and implementing poverty reduction and rural development policies, programmes and projects	<ul style="list-style-type: none"> - Specific recommendations on rural development and poverty reduction measures are incorporated into new national agricultural sector policy documents - Civil society organizations are participating in policy dialogue through RUTA-promoted activities - Programme activities improve the effectiveness of IFAD's portfolios in three countries 	<ul style="list-style-type: none"> - RUTA programme annual reports - Mid-term evaluation report - Special analytical studies on programmes and projects - National agricultural policy documents 	<ul style="list-style-type: none"> - Ministries of agriculture have limited institutional capacity to engage in developing and implementing rural development policies and instruments - Limited capacity to engage in policy dialogue on rural development by civil society organizations

Unity and Cooperation for People's Development (UCODEP): Global Programme to Address the Marginalization of Poor Farmers and Migrants in Ecuador, Morocco and Senegal through Market Linkages and the Promotion of Diversity

I. Background

1. In recent years, several initiatives supported by IFAD and by the NGOs involved in this proposed programme have shown the value of an approach to local development that leverages the wealth embodied in the diversity of local crops and mobilizes the related technical knowledge and cultural assets. In particular, programmes that support Bioversity International in promoting neglected and underutilized species (or ethnic crops) or the Italian NGOs Unity and Cooperation for People's Development (UCODEP) and Movimondo in focusing on the connection between rural tourism and rural microenterprise development have contributed to understanding the key role that may be played by encouragement for agrobiodiversity conservation and use. This is related especially to the socio-economic dynamism that may be fuelled by the renewed pride and self-esteem of the rural poor, which act as powerful motors of change.
2. The emerging concerns of consumers in rebuilding the linkages between the table and the field, emphasizing the visibility of the genuine origin of products and the cultural content of the food purchased, coupled with a growing demand for alternative products with a strong identity, represent an interesting avenue for the promotion of ethnic crops. This provides support for both the production systems of the poor and building awareness of the living conditions in developing countries.
3. The proposed programme aims to support the production of neglected and underutilized species and to foster capacity-building at various levels in the pilot areas of Ecuador, Morocco and Senegal. At the same time, it intends to capitalize on the increasing awareness among citizens of wealthy countries in Europe regarding sustainable development, social and environmental concerns and responsible consumption.
4. The partners that have been selected include three Italian NGOs – UCODEP, Movimondo and the Association of Rural Cooperation in Africa and Latin America – that are strongly tied to civil society and deeply involved in productive projects, as well as awareness-raising campaigns, training and capacity-building activities at all levels both in the North and in the South; the Italian Fair Trade Organization (Ctm Altromercato), with its network of shops and links to restaurants; the Italian Association for Rural Tourism, which has a network of travel agencies; Bioversity International, which has research facilities and has organized partnerships in the South; several local governments (the regions of Lazio, Lombardy, Piemonte, Tuscany and Umbria); and food movements such as Slow Food, Terra Madre, Food Market Festival, and the Associazione Conservatoria delle Cucine Mediterranee. A collaboration will be established with the International Organization for Migration, the United Nations World Tourism Organization and the Globally Important Agricultural Heritage Systems Programme (Food and Agriculture Organization of the United Nations).

II. Rationale and relevance to IFAD

5. The key assumption made in this programme is that support for crop development for poverty reduction in the South cannot be disconnected from the market opportunities that exist for these crops both locally and in the North and from the potential benefits that these enhanced trade flows of culturally rich commodities could bring to mutual understanding between peoples.
6. The proposed programme addresses several dimensions of the IFAD Strategic Framework 2007-2010, in particular by offering poor rural women and men the opportunity to improve their access to: (i) natural resources, especially agrobiodiversity conservation and use; (ii) competitive markets for agricultural produce; and (iii) enterprise development (processing, marketing, trade).
7. The target countries (Ecuador, Morocco and Senegal) have been selected on the basis of the following criteria: (i) links with IFAD's existing investment strategies and projects; (ii) the geographical priorities of the co-funding country (Italy); (iii) the deep interest expressed by the participating governments in the objectives of the programme; (iv) the availability of NGOs with relevant experience in the areas targeted; and (v) the methodological aspects (the selected countries are located in three different regions, are rich in agrobiodiversity and tourism potential, and, hence, provide sound opportunities for exchanges).

III. The proposed programme

8. The overall goal of the programme is to reduce the marginalization of the rural poor and migrants through better management of the agrobiodiverse assets of these people and by leveraging traditional knowledge and local identity for improved incomes and livelihoods.
9. The programme will last for three years and will consist of the following components: support for the production of neglected and underutilized species in the selected communities; capacity-building at various levels in the target areas; the local and international marketing of products based on neglected and underutilized species with an emphasis on the participation of women; the promotion of partnerships among communities; knowledge management and dissemination; and awareness-raising among consumers and the general public through appropriate media messages.

IV. Expected outputs and benefits

10. The expected outputs and benefits of the programme will include:
 - Enhanced agrobiodiversity and strengthened food security;
 - Traditional knowledge, especially of women and groups of elders, tapped and mobilized in target areas;
 - The quality and quantity of local crops (produced, consumed and sold) improved and increased;
 - Products with strong local identity and traditionally used in Ecuador, Morocco and Senegal identified and promoted in local, Italian and Europe-wide marketing networks;
 - The knowledge and visibility of the livelihoods and cultural values of poor people enhanced at the international level, with particular emphasis (in Morocco) on recognition of globally important agriculture heritage systems;
 - Strengthened self-esteem and identity among poor farmers, particularly women and the elderly, as custodians of traditional crops and the related knowledge;

- Partnerships between communities of producers and consumers established or strengthened (with a focus on dialogue among women and the elderly) at national and international levels, especially in the domains of production, marketing, education and training, local policy planning and intercultural dialogue; and
- The methodological approaches for carrying out this programme capitalized and diffused through publications and dissemination materials (including a gender approach).

V. Implementation arrangements

11. The implementation of the programme will be undertaken by a broad range of partners, each providing specific skills in the areas of research and extension, capacity-building, production, marketing and adding value, fair trade, local policies, intercultural dialogue and public awareness.
12. UCODEP will be the grant recipient and the executing agency of the overall programme as leader of a consortium of NGOs. UCODEP, Movimondo and the Association of Rural Cooperation in Africa and Latin America will be the executing agencies for the work in Ecuador, Morocco and Senegal, respectively. Ctm-Altromercato will be the prime partner for product marketing. The partner NGOs and organizations will each enter into an agreement with UCODEP.
13. A programme steering committee consisting of representatives of IFAD (the Technical Advisory Division and regional divisions), UCODEP, Movimondo, the Association of Rural Cooperation in Africa and Latin America, Ctm-Altromercato, Bioversity International and the Food and Agriculture Organization of the United Nations will meet two times a year and will monitor programme activities and guide effective implementation.
14. At the launch of the programme, a stakeholders meeting will be organized with the European partners to agree upon a strategy to develop a European platform in view also of accessing European Union funds. South-South modalities of exchange and cross-fertilization will also be defined.

VI. Indicative programme costs and financing

15. The total programme budget is estimated at US\$4,100,000 (including expected co-funding in cash from the Italian Ministry of Foreign Affairs and in kind from the programme partners [US\$320,000]) of which US\$1,780,000 will be financed by the IFAD grant as indicated hereunder (including a specific US\$200,000 allocation for the Globally Important Agricultural Heritage Systems Programme of the Food and Agriculture Organization of the United Nations, in Morocco, which is incorporated in the table below under the IFAD financing column and which is to be made available through a letter of agreement with Movimondo).

Summary of budget and financing plan

(In thousands of United States dollars)

<i>Type of expenditure</i>	<i>IFAD</i>	<i>Cofinancing</i>
Personnel (consultancies)	380	608.40
Professional services (research contracts)	500	234.00
Travel	160	59.67
Equipment	145	390.00
Operational costs for meetings, reporting and publications	120	-
Training and capacity-building	300	507.12
Overheads	175	200.81
Total	1 780	2 000.00

Results-based logical framework

	Narrative summary		Indicators	Means of verification	Risks and assumptions
	Expected outputs	Proposed activities			
Specific objective 1: Improve the marketability and increase the volume of traditional, local crops produced, consumed and sold by poor and marginalized households (with a focus on women and the elderly)	1.1 Agrobiodiversity enhanced, food security strengthened and traditional knowledge tapped and mobilized, especially among women and elder groups, in target areas of Ecuador, Morocco and Senegal 1.2 Quality and quantity of local crops produced, consumed and sold improved and increased	1.1 Identification of key local crops 1.2 Technical assistance for quality and quantitative improvement of local and ethnic production 1.3 Support for strengthening producer associations	For local selected specie in each project area: % increase in production quantity production quality improved to specific standards establishment of permanent mechanisms for maintaining agrobiodiversity and traditional knowledge	Registers of associations of producers Field visits	Environmental conditions in the selected areas do not degrade The communities involved maintain their willingness to collaborate
Specific objective 2: Improve the market access of traditional, local crops through marketing that relies on national and international trade promotion strategies favouring the poor, particularly women and the elderly, and confirming their culture	2.1 Products with strong local identity and traditionally used in Ecuador, Morocco and Senegal identified and promoted in local, Italian and Europe-wide marketing networks (mainly fair trade) 2.2 The knowledge and visibility of the farming systems and cultural values of poor people enhanced at the international level 2.3 The self-esteem and identity of poor farmers strengthened, particularly women and the elderly as custodians of traditional crops and of the wealth of knowledge related to these crops.	2.1 The promotion of local products through market strategies, local and regional marketing and awareness campaigns 2.2 International marketing 2.3 Local and national market access 2.4 Development and promotion of responsible tourism 2.5 Awareness-raising	% increase in products (by quantity and value) derived from local species in the selected areas and sold in local and international markets At least two new products derived from local species enter into the international fair trade market Articles in magazines promoting responsible tourist itineraries Tour operators contacted Poor farmers from each selected area participate in local and international events The number of visitors at local and international events	Project reports Registers of associations of producers Official documents of CTM Altromercato Press reviews Official documents on the international events	Local market absorption capacity for local and ethnic products do not decrease Demand for fair trade products is maintained No negative shocks occur on the prices for local and ethnic production Participating communities maintain their willingness to collaborate The international partners maintain their long-term plans
Specific objective 3: Support the creation of strategic partnerships among communities at the national and international levels by strengthening existing networks and decentralized cooperation	3.1 Partnerships between communities of producers and of consumers established and strengthened at the national and international levels 3.2 Methodological approaches for carrying out the programme (including the gender approach) are capitalized and diffused through publications and dissemination materials	3.1 Thematic international workshops 3.2 Publications and pedagogic and marketing materials will be disseminated	Number and type of autonomous initiatives involving the partner network and decentralized cooperation Number and type of formalized relationships among partners and decentralized cooperation Exhaustiveness and quality of research materials for project replicability	Project reports Official documents of the partners involved Publication report	Participating communities maintain their willingness to collaborate International partners maintain their long-term plans

